

Regional Board Report

TO: Regional Board

FROM: Brian Reardon
Chief Administrative Officer

DATE: December 6, 2016

SUBJECT: Request for North Westside Governance Study

Voting Entitlement: All Directors – Unweighted Corporate Vote – Simple Majority LGA 208.1

Purpose: To bring forward a report responding to a request for a Governance Review Study from the North Westside Communities Association (NWCA), including financial implications.

Executive Summary:

On August 22, 2016 the NWCA made a presentation (*copy attached*) to the Regional Board asking for a governance review study. This presentation cited the following “areas of resident dissatisfaction”:

- a lack of transparency;
- a lack of accountability;
- a feeling of alienation and indifference; and
- ever increasing water-related costs

In a meeting with Minister Fassbender, Ministry of Community, Sport and Cultural Development (MCSCD) on September 29th at the UBCM Convention in Victoria, the Minister advised that he would look favorably on a request for a governance review study from the Regional District of Central Okanagan should the Board approve a resolution to that affect.

In subsequent letters from Minister Fassbender dated October 13th and November 8, 2016 (*copies attached*) elaborating on the September 29th meeting, it states this study should consider “*approaches within the existing Regional District Electoral Area structure*” and “*I believe a small-scale review, with a focus on local decision making and input into Regional District services, would be a good starting point*”.

In the November 28, 2016 presentation to the Regional Board from Marijke Edmondson, Director, Governance and Structure Branch, MCSCD, she confirmed the points cited in Minister Fassbender’s letters and clarified this small-scale review was not an incorporation or pre-incorporation study.

In describing other small-scale reviews currently underway in the Province, Ms. Edmondson described two approaches that are being used depending on the issues in the community:

- a diagnostic service analysis – looks, from a technical point of view, to see if the service delivery, costs, and decision processes are as expected; AND
- a community issues assessment – reaches out to the community to find out where their energy or concern is focused.

The issues presented by the NWCA fall into the following classifications: 3 community issues and 1 financial/service analysis related concerns. Based on this information consideration should be given to requesting a hybrid using both approaches aforementioned.

An important aspect to consider is the amount of misinformation circulating in the North Westside Area. During the Open Houses conducted in the Electoral Areas in October and November of this year our staff was asked numerous times to explain statements being made in the North Westside area.

Another important consideration is the NWCA and the Director for Central Okanagan West Electoral Area has been quoted in the media as seeking a full governance review study that would lead to incorporation. Minister Fassbender is offering something very different; a small-scale governance review, with a focus on local decision making and input into Regional District services within the existing regional district electoral area framework.

This is a Board led initiative. If the Board wishes to initiate a governance review study with resources provided by the Province it must do so formally by resolution. A copy of this resolution would be included with a letter of application that outlines the following:

- the concern or issue(s) that is to be studied,
- the location or area to be studied,
- the purpose of the study, AND
- any particular preferences on how it should be conducted.

As stated by Marijke Edmondson, the most successful study processes start with gathering good information about the issues and is viewed as a collaboration between the local government and the residents in the study area.

Deferred Resolution #256/16:

THAT the Board support a governance study for the North Westside Fire Protection Service Area with a focus on a diagnostic inventory;

AND FURTHER THAT staff be directed to draft an application to the Province for funding the study.

It is staff's recommendation that the Board consider the following amendments to the deferred resolution:


That the words "diagnostic inventory" be replaced with "hybrid approach blending a diagnostic service analysis and a community issues assessment"; and, add the words after *draft* "for Board approval".

Further Recommendation for Board Consideration:

THAT should the Board support a governance study for the North Westside Fire Protection Service Area the following conditions be met:

1. all staff time, unforeseen consulting fees, and associated costs of the governance study will be tracked and allocated to Electoral Area Administration for Central Okanagan West;
2. the study scope, objectives and terms of reference to receive Board approval.

Respectfully Submitted:



Implications of Recommendation:

Strategic Plan:	the recommendation supports Strategic Priority 1: Provide Proactive and responsive Governance – work to improve Electoral Area working relationships within the RDCO.
General:	a well-executed public engagement process that provides unbiased, factual information is very much needed in the North Westside area.
Organizational:	this process will require a coordinated approach involving personnel from our corporate administration, purchasing, finance, communications, parks, engineering and community services departments.
Financial:	there will be financial and personnel costs associated with this recommendation. These costs will be included in the 2017 Financial Plan.
Policy:	there are no current Board policies guiding this process.
Legal/Statutory Authority:	this matter falls under the authority provided in section 263 of the <i>Local Government Act</i> .

Background:

On August 22, 2016 the NWCA made a presentation (*copy attached*) to the Regional Board asking for a governance review study. This presentation cited the following “areas of resident dissatisfaction”:

- a lack of transparency;
- a lack of accountability;
- a feeling of alienation and indifference; and
- ever increasing water-related costs

This presentation also listed the following NWCA “Governance Committee Goals”:

- to ensure the North Westside communities are treated as equitably as adjacent communities;
- to initiate a governance study funded by the Province that will review the present tax spending:
 - determine whether or not the existing RDCO system works for its communities both fairly and with transparency;
 - if this is not the case, then another form of governance must be considered.

In a meeting with Minister Fassbender, Ministry of Community, Sport and Cultural Development (MCSCD) on September 29th at the UBCM Convention in Victoria the Minister advised that he would look favorably on a request for a governance review study from the Regional District of Central Okanagan should the Board approve a resolution to that affect.

In subsequent letters from Minister Fassbender dated October 13th and November 8, 2016 (*copies attached*) elaborating on the September 29th meeting, it states this study should consider “approaches within the existing Regional District Electoral Area structure” and “I believe a small-scale review, with a focus on local decision making and input into Regional District services, would be a good starting point”.

In the November 28, 2016 presentation from Marijke Edmondson, Director, Governance and Structure Branch, MCSCD, she confirmed these points and clarified the small-scale review described in Minister Fassbender's letters were considered to be an incorporation or pre-incorporation study.

In describing other small-scale reviews currently underway in the Province, Ms. Edmondson described two approaches that are being used depending on the issues in the community:

- a diagnostic service analysis – looks, from a technical point of view, to see if the service delivery, costs, and decision processes are as expected; AND
- a community issues assessment – reaches out to the community to find out where their energy or concern is focused.

The issues presented by the NWCA fall into the following classifications: 3 community issues and 1 financial/service analysis related concerns. Based on this information consideration should be given to requesting a hybrid using both approaches aforementioned. Most of the concerns and issues in the North Westside Area are community based and as such requires more than a diagnostic service analysis.

Other highlights from the November 28th, 2016 presentation from Marijke Edmondson include:

What Needs Deciding?

- if the regional district were to initiate a study, the Board would need to determine:
 - the scope and objectives of the study,
 - who will conduct the study,
 - who will give direction, and
 - how the community will be involved.
- Answers to these questions can affect whether both the community and the Board would accept the results of the study and be ready to agree on a path to move forward.

Scope

- A common pitfall in study proposals is to focus on a solution before understanding the root concerns, values and interests behind the issues;
- Most studies include elements of research, education and engagement;
- The first step in exploring governance and service delivery issues is usually a diagnostic analysis of the services or a community issues assessment.

Who Conducts the Study?

- In most cases a study is commissioned because there is a desire for an outside perspective or a third-party to validate the study results;
- The most common model is to follow the jurisdiction's procurement policy to retain qualified subject matter experts, using the terms of reference for the study to guide the work.

Who Directs the Study?

- For a study that seeks to identify the issues, rather than recommend a course of action, it is usually sufficient to have staff direct the work of the consultant within the study terms of reference;
- It is not necessary to have a community committee guide this work.

What is the Community Role?

- The role of the community in a study process can be pivotal;
- Properly structured, community input can lead to better study results;
- In a shared process with the Board, the community is both a critical source of information and a key audience for the results.

Study Program Process

- Should the Board initiate a governance study and seek resources from the Province, the Board will need formalize the request by resolution;
- Legally, the Minister of Community, Sport and Cultural Development can only make funding available upon a request from a municipal council or a regional district board;
- A funding request can be conveyed in a letter that outlines:
 - the concern or issue to be studied,
 - the location or area to be studied, and
 - set out the purpose of the study, and
 - any particular preferences on how it should be conducted
- if the Minister approves funding, Ministry and regional district staff work out the more detailed terms of reference within the parameters of both the Board proposal and the Minister's approval;
- within the Ministry, senior staff have the authority to approve the terms of reference on behalf of the Minister;
- The Board may want to review the terms or reference before they are finalized or delegate this to the CAO;
- Ministry staff continue to advise as necessary;
- Once the terms of reference are set, the regional district would begin the study, usually by going through a procurement process to select a contractor.

An important aspect to consider is the amount of misinformation circulating in the North Westside Area. During the Open Houses conducted in the Electoral Areas in October and November of this year our staff was asked numerous times to explain statements being made in the North Westside area. Many of these statements can be found on a couple of web sites; www.nwcaonline.ca and www.waynecarson.ca. Suffice to say, if a governance review process is undertaken in the North Westside, a large component of that effort will have to be allocated to public education to communicate the facts on how regional districts operate in British Columbia.

Another important consideration is the NWCA and the Director for Central Okanagan West Electoral Area has been quoted in the media as seeking a full governance review study that would lead to incorporation. Minister Fassbender is offering something very different; a small-scale governance review, with a focus on local decision making and input into Regional District services within the existing regional district electoral area framework. It is recommended that prior to initiating this governance review study and committing 4 to 6 months of regional district staff time that we have a process that is clearly defined, understood and supported by both the Regional Board and the residents in the study area.

This is a Board led initiative. If the Board wishes to initiate a governance review study with resources provided by the Province it must do so formally by resolution. A copy of this resolution would be included with a letter of application that outlines the following:

- the concern or issue(s) that is to be studied,
- the location or area to be studied,
- the purpose of the study, AND
- any particular preferences on how it should be conducted

As stated by Marijke Edmondson, the most successful study processes start with gathering good information about the issues and is viewed as a collaboration between the local government and the residents in the study area.

Analysis:

On August 22nd, 2016 the Regional Board approved a resolution requesting a staff report explaining the implications of undertaking a governance review study that would serve as the basis for a subsequent incorporation study. Concerns were expressed regarding:

- confirmation of what the governance review study process included:
 - what was needed to formally initiate the study;
 - what considerations did the Board need to take into account prior to supporting such a study;
 - what commitments and involvement applied to:
 - the Ministry of Community, Sport and Cultural Development;
 - the Regional District of Central Okanagan;
 - the North Westside Community Association;
 - the Director from Central Okanagan West Electoral Area
- potential impacts to the remainder of Central Okanagan West Electoral Area;
- potential impacts to the Westbank First Nation;
- what the financial and personnel impact to the RDCO would be

Following receipt of Minister Fassbender's offer of support for a governance review study on September 29th, 2016 and clarification of what that offer entailed in his letters dated October 13th, 2016 and November 8th, 2016 Marijke Edmondson, Director, Governance and Structure Branch, MCSCD made a presentation to the Board on November 28th, 2016 outlining what is involved in a governance review process.

Most of the concerns expressed by the Board at the August 22nd, 2016 Board Meeting have been addressed from the context of, in Minister Fassbender's words, a study that considers "approaches within the existing Regional District Electoral Area structure" and "I believe a small-scale review, with a focus on local decision making and input into Regional District services, would be a good starting point".

Marijke Edmondson, MCSCD clarified the proposed governance review study is not an incorporation or pre-incorporation study but rather a small-scale review within the existing regional district structure limited to the North Westside Fire Protection Service Area and as such should not impact the interests of the Westbank First Nation.