

AMALGAMATION STUDY

Introduction

During 2013-14, municipal governance reform and amalgamation of some or all 13 municipalities within the CRD became a topic of public interest and media coverage.

In the elections of November 2014, eight municipalities placed a question on the ballot to determine support for further study of governance or to determine the level of interest in amalgamation. Seven municipalities with more than 70% of the eligible voters in the region voted in favour of further action.

Provincial officials including the Premier and the Minister of Sports, Culture and Community Development acknowledged the election results with a public commitment to support and lead a study. Residents and the media have clear expectations that a study will proceed.

Many groups may wish to contribute to a Provincial led study and expect it to proceed in a comprehensive and unambiguous manner to provide sufficient information and range of options for voter consideration in 2018.

Purpose and Scope of the Study

To acknowledge and support the public call for a study to review the current state and future options for municipal governance within the CRD area.

To ensure an independent and comprehensive study of municipal governance within the CRD is undertaken in a prompt and forthright manner. Such study should include all municipalities and adjacent rural areas.

To provide residents and political leaders with a comprehensive information base necessary to understand issues of municipal governance, municipal finance, service delivery, infrastructure needs, emergency response and present and future implications for political accountability and effectiveness.

To assess various alternative scenarios for possible remedial administrative response by municipal councils and the Province. This would include requirements for improved/expanded integrated service delivery, municipal boundary adjustments and/or municipal amalgamations.

To provide sufficient information by late 2017 for a specific range of governance options to be presented by councils to their voters. With the approval of the Province the options on governance and representation, together with a binding question would be placed before the voters in November 2018.

What issues should the study address?

- Maintaining neighbourhood identity
- Ensuring accountability to the electorate
- Dealing with variety of debt loads

- Addressing variations in services and how to fund for increased services
- Controlling costs of any change in governance such as amalgamation
- Assessing an equitable distribution of taxes including support for arts and culture, sporting and recreational facilities, parkland preservation and maintenance etc.
- Considering the plethora of councils, committees and improve direct accountability.
- Reviewing the multi-municipal service delivery via CRD (water, parks, waste, and sewerage) by direct operation by single authority. (e.g. reduce or eliminate the CRD role as a 4th level of government)
- Looking at several existing semi-independent cooperative non-accountable service delivery for metro areas e.g. library, transit, housing.
- Determining effective emergency services (policing, communications, fire departments)
- Providing effective planning, coordination, financing and delivering of regional land use planning framework, transportation, emergency response
- Establishing regional priorities for obtaining federal-provincial funding

Study Process

The Study Process includes the following:

1. Appointment of a Commission and formation of a municipal Forum as well as identification of a Principal Investigator (PI), Community consultation leaders and municipal staff.
2. Data gathering from municipalities and compilation of a Data Handbook and Situational Analysis
3. Development of discussion papers for community and municipal discussions
4. Community consultations
5. Development and recommendations for administrative reform on possible integration or amalgamation models
6. Decision on governance options and determination of the ballot question for 2018.

Step one. Structure and Role of Participants

The Province would:

- ≡ Confirm funding is available
- ≡ Confirm guidelines as a basic framework for the study process
- ≡ Appoint a Commission with the responsibility to oversee the gathering of information and the public consultation process.

- ≡ Solicit independent proposals and contract with a **Principal Investigator (PI)**. The study would be conducted by an independent inter-disciplinary/multi sector authority with perspective on both BC and Canada that would need to engage specific expertise in areas such as finance/taxation, infrastructure planning, municipal administration, and political science/governance.
- Dialogue with local municipal officials to establish Mayors' Forum for committees and determine mechanisms for consultations.

The Commission would:

- ≡ Consist of members from academia, business, community/residents, Province and include either an experienced but non-serving municipal councilor (or representative of the UBCM). Number would need to be of reasonable size that provides representation but allows for focused dialogue.
- ≡ Be chaired by an eminent personage known to have a positive role in community affairs, prepared to make a considerable time commitment over 2 years and who would be provided with secretarial/administrative support staff.
- ≡ Manage the process and supervise the writing of the final report
- ≡ Establish two ongoing consultative mechanisms to provide for community involvement:
 - General **public workshops** for residents of the entire CRD area. The Commission would seek organizations or groups to lead the discussion and provide funding to hold public meetings and provide written materials.
 - A **Forum** of elected municipal officials who would be linked back to their individual councils
 - Both would meet separately and jointly with the Commission and be free to either separately or jointly schedule and co-ordinate local level community consultations.

Municipalities would:

- ≡ Individually and collectively (through the CRD) support the completion of the Study led by the Province
- ≡ Provide members to serve on the Forum for discussions with the Commission
- ≡ Provide technical support to the Commission, PI and the Forum through a Municipal Technical Committee (MTC) charged with the responsibility of providing information and data as required to understand current circumstances within the CRD area both in regional context and specific to each municipality. Technical support to be provided by senior regional and municipal officials, e.g. administrative and financial officers, engineering/planning officials, police/fire personnel and recreation heads. BC Assessment Authority would be obligated to provide statistical/financial/geographical data and other administrative information as required. (The provision of this data would be primary responsibility of the various municipalities, the CRD and their respective staff representatives to the Technical

Services Committee. Much of this data has already been recorded on municipal reporting requirements for filing and published in annual reports to their residents.)

The Principal Investigator would:

- ≡ Conduct the work necessary to complete the study as required by the Province and under the guidance of the Commission
- ≡ Prepare data handbooks, discussion papers and options for consideration by the commission the public and the municipalities

Step Two. Compilation of Data Handbook

The PI and associates would outline Table of Contents for the MTC to compile a Data Handbook. See Appendix A. *(Note: Upon confirmation of set of data requirements municipalities would be expected to provide the information with such costs not be included in the study budget. Most of this data exists and that all that is needed to assemble and compile it in standardized format. The Province of BC already has a good framework for municipal reporting and now is the opportunity to take advantage of that data base. This would provide a simple way for each municipality to contribute to the study without having to fund third parties or expecting the Province to fund provision of their own municipal data.)*

- ≡ Meet with the MTC to determine the data requirements and format prior to publishing the Municipal Data Handbook. *(Data needs to be compiled and presented in a format suitable for public distribution and review.)*
- ≡ Publish Handbook in a standardized format for each municipality and then combined in comparative tables for entire CRD with subsets for regional variations, such as Metro, Westshore and Peninsula, etc. *(Additional information might be available through other sources. The Auditor General, UBCM, CFIB and CTF have issued recent reports that may provide additional sources of information and perspectives. Also the citizens group Amalgamation Yes has compiled a credible collection of comparative data and background papers.)*
- ≡ Concurrently the PI would complete a Situational Analysis to explain the meaning of the numbers in the Data Handbook with regard to improved governance in the region (see Appendix B for list of possible topics).
- ≡ Based on the data sets and dialogue from consultation with the Steering Committee, MTC, Municipal Forum and Citizen Workshops, the PI would provide an overview and assessment of the data and provide a series of discussion papers by mid-2016.

Step Three. Development of discussion papers could include:

A. *What can be learned from elsewhere?*

- A.i. Overview of the principles and practice of various models of Metro administration and municipal amalgamation and comparative experience within BC and elsewhere in Canada.

- A.ii. Make mergers work: measures to implement /mitigate change. A review of several common topics is necessary to assuage many common public misunderstandings and concerns about possible municipal reforms.

B. *Making Mergers work:*

- A.i. Consider how to balance and share disparate municipal debt loads both present and future to avoid unfair/unequal tax burden transfers. Deal with legacy debt and capital infrastructure upgrades in municipalities considering historic differentials of comparative property taxes, to ameliorate fears of increased taxes for large number of residents.
- A.ii. Analyze inequities in cost sharing/equity and role of provincial subsidies that perpetuate and sustain these. Identify most glaring instances of municipalities who do not contribute financially to services enjoyed by all regional residents.
- A.iii. Determine issues arising from merging of administrative units and municipal workforces.
- A.iv. Determine whether integration of municipal service delivery is a viable alternative to amalgamation – merits and pitfalls.
- A.v. Deal with minor but time consuming land use approval and rezoning.

C. *Are We Ready for Emergencies?*

- A.i. Analyze costs, gaps and overlaps in emergency services and including communications, policing and fire services.
- A.ii. Assess state of emergency preparedness to regional needs/impacts of possible threats of earthquake, climate change, natural disasters, and industrial calamities.

D. *Is 13 Too Many?*

- A.i. Look at the number of councils, committees and commissions and multi-party service delivery arrangements.
- A.ii. Identify the 90+ formal inter-municipal committees and commissions administered by the CRD
- A.iii. Consider impacts and linkages (representation, cost sharing, and accountability) to other existing standalone regional agencies: transit, library, hospitals, three school districts, Greater Victoria Harbor Authority, Housing Commission, and arts/cultural/recreation programs.
- A.iv. Determine impacts and linkages of current multiple municipal administrations on major independent institutions UVic, Camosun, MND, VIHA, Dockyards, Harbor Authority, International Airport Authority

- A.v. Provide suggestions and alternative means to deal with plethora of semi-independent boards that administer specific municipal/regional services.
- A.vi. Review the successes and shortcoming of an integrated approach to municipal service delivery as an alternative to delivery by an amalgamated entity.
- A.vii. Identify boundary and service agreement anomalies and consider municipal boundary adjustments or changes to service coverage, even if no amalgamations
- A.viii. Identify several alternative scenarios for possible multi member amalgamations e.g. Peninsula, Westshore, and requisite boundary adjustments, including urban containment boundary. Separately assess options how to deal with rural Metchosin, Highlands, Willis Pt, and highway west.

E. How do you ensure representation for communities/neighborhoods?

- A.i. Retain community identities by regional representation that reflects consideration of local needs (ward councils or alternatives models to protect neighborhood values and allow for grassroots participation in municipal affairs.)
- A.ii. Reform of council procedures to improve efficiency for major agenda items while retaining the ability to deal with minor land use approvals at the local neighborhood level e.g. duplexes, variances and rezoning.

F. Infrastructure gaps/needs, upgrades, replacements and priorities and links to the urban growth strategy.

- A.i. Itemize regional needs – sewerage, waste, water, transportation, housing, schools, hospitals and implication for municipal financing, debt loads and property taxation
- A.ii. Preliminary costing of significant large scale *municipal-specific projects* that might be appropriate for joint actions e.g. fire halls, emergency centres, recreation/arts/cultural centres, municipal offices, road upgrades)

G. What does it cost, now and then?

- A.i. Assess comparative costs for 1) governance, 2) municipal administration and 3) service delivery (police, fire, water, waste, parks and recreation, roads) and 4)capital works
- A.ii. Review trends in increased user fees for municipal services. (water, garbage, building inspections)

- A.iii. Examine current support for regional services such as policing, arts, culture, social services and identify any significant disparities between the various municipalities.
- A.iv. Determine comparative property tax burden for operating and capital budgets.
- A.v. Review distribution of tax burden between residential and business properties and its implication to constraints on business.

H. What does the future hold?

- i. Review regional growth strategy with implication for municipal administration of planning for roads, transit, housing, industrial parks, inner harbor, schools, community services, retail/office nodes, infrastructure needs.
- ii. Review the future role of the CRD considering municipal mandates versus the need for regional planning and delivery.
- iii. Determine the best way to ensure democratic representation and accountability for public bodies with specific responsibility for service delivery to residents.
- iv. Compare different service delivery mechanisms for cost-effectiveness and efficiency and draw attention to possible cost savings or prudent re-allocation.

Step Four. Consultation and Feedback

Once the PI has completed and published this initial set of papers the responsibility shifts to Commission, Public Workshop and Municipal Forum to then consult and dialogue with their own constituencies and receive feedback. Discussions will occur concurrently at both regional and municipal level. Representatives from the PI will observe and participate.

PI to work with coordinators to record public feedback for use by the Commission.

The Public Workshop coordinators and Forum will then meet with Commission and the PI to provide feedback for revisions.

Step Five. Options – New Frameworks for Restructuring and Improved Municipal Governance:

During the public consultation phase the PI will observe, participate in forums and will use the feedback received to prepare a report with recommendations to the Commission. The Commission will provide guidance for submission of a final report to both the Province and individual municipalities. The report might include some or all of the following:

- Situational summary of issues and opportunities (this could be in the form of a strengths, weaknesses, opportunities and threat analysis)

- Set of recommendations on governance structures
- Reform/restructuring of existing plethora of semi independent agencies and proposal for new integrated services, transportation, emergency, library, transit, inner harbor
- Assess information on present and future infrastructure needs and likely impact on debt loads, e.g. how to cost share, how to finance local improvements and localized service levels and facilitate differential tax rates for non-participants.
- Increased integration combined with boundary adjustments.
- Amalgamation options
- Increased regional delivery by CRD and increased authority to effect regional planning. (Would require legislative amendments). Ideas for reform of CRD re: accountability, leadership in either or both – regional planning and transportation and even delivery of regional policing/emergency services.

Step Six. Preparation of binding plebiscites for the 2018 election

Provincial legislation requires that municipalities must facilitate and seek voter approval of options for municipal restructuring. Thus all municipalities would need to work with the Province to ensure that a binding plebiscite with consistent questions on the ballot papers across all impacted municipalities could be placed before voters in fall election of 2018.

Appendix A: Data Handbook: Table of Contents

- ❖ Detailed listing and summary review of municipal finance, operating and capital budgets including debt load (existing and projected)
- ❖ Distribution of property tax burden
- ❖ Property tax exemptions and inter-municipal comparison
- ❖ Federal and provincial revenue sharing contributions
- ❖ Detailed listing and review of all regional services provided by or coordinated by the CRD e.g. water, parks, landfill, recreation and municipal specific service arrangements including housing, planning, growth strategy, transportation, recycling.
- ❖ Detailed listing and summary review of all non-CRD authorities for single purpose service delivery (library, Island Health, transit)
- ❖ Non-CRD shared community service arrangements (arts/culture/ recreation) whether operated by municipality or independent board (e.g. art gallery and symphony) including annual budgets and respective municipal contributions.
- ❖ Provide tables of tax rates, business tax burden and debt loads
- ❖ Highway linkages including routes to airport, ferries and inner highways, major workplace destinations (dockyards, industrial parks, downtown, colleges, hospitals)
- ❖ Social program and services-distribution, demand, funding, including burden of property tax exemptions.
- ❖ Housing, growth, location, regional financing by CRD Housing Authority and individual municipalities.
- ❖ Administration of emergency services, communication, fire, police, ambulance including contractual arrangements, workforce, infrastructure and budgets
- ❖ Multiplicity and complexity of land use planning, development, zoning and building bylaws.
- ❖ Current inventory of industrial/commercial lands
- ❖ Itemize collective agreements, workforce data, administrative structures

Appendix B: Matters to be covered by PI:

- ❖ Overview of other amalgamations in British Columbia, such as Kelowna, Prince George, Kamloops and Abbotsford and other municipalities of similar size to Greater Victoria elsewhere in Canada. Document lessons to be learned from other amalgamations for consideration before proceeding with proposals for local amalgamations.
- ❖ Identify major municipal boundary anomalies, e.g. Saanich finger, UVic, View Royal (gaps and overlaps)
- ❖ Commentary on linkages to both federal and provincial governments for cost sharing and metro representation on national stage, e.g. Big City Mayors Caucus of the Canadian Federation of Municipalities.
- ❖ Document instances of inequitable support by municipalities for a range of services and programs used by all residents across the region; impacts and limitations of current regional licensing scheme on business.
- ❖ Assessment of the multiple stand-alone agencies and how to integrate and improve accountability.

Appendix C: Capital region amalgamation study guidelines

1. The study team must report to the Minister and must be instructed to carry out its task in a timely manner.
2. The study must be inclusive and engage all the municipal agencies in the Capital Region and the First Nations.
3. The study must examine the existing municipal structure (including the CRD) in the Capital Region and recommend changes to achieve good municipal governance across the region, including efficiency, effectiveness and accountability
4. The study process must include opportunities for the public to interface with the study team during the preparation of the report.
5. The study must consider at least three options for municipal boundaries in the Capital Region.
6. When evaluating each option, consideration must be given to providing consideration of commercial, urban, residential and rural interests.
7. The study must evaluate the economic, social and environmental merits of each option.
8. The study must include a plan for public meetings to discuss the recommendations of the report.
9. The study must prescribe timelines for implementation of the study.
10. The study must identify implementation issues that need to be resolved.

Amalgamation Yes

February 13, 2015