



## **Backgrounder**

### **Information communicated by Amalgamation Yes to the Province's consultants on the Capital Integrated Services and Governance Initiative (CISGI) project**

December 7, 2016

Amalgamation Yes has reviewed the factsheets posted on the PlaceSpeak CISGI website, with the objective to ensure they are accurate, complete, and up to date, and we will present our submission in hard copy.

We apologize for the collection of feedback in various formats, as our review was conducted by several members of our group and included various perspectives and concerns. As such, in addition to this memo we have provided to you:

- notes written on the factsheets.
- short typed critiques attached to individual factsheets.
- An ongoing narrative about specific factsheets and the collection in general
- reference to other sources for further information; particularly as published by the CRD.

1. There are several recurring themes common to the majority of the Fact Sheets as they relate to the complex mingling of different institutional formats for service delivery. It would be useful to attach an introductory fact sheet that outlines the basic structure of local and regional governance in our regions. We suspect that the opportunities and constraints that govern *what* and *for whom* are not widely understood by residents across the region. Also, that the CRD may or may not play a role in delivery of any service, as distinct from those retained for direct delivery by individual municipalities.

The CRD has recently produced several documents. One provides an overview of their committee structure, the services they provide and who partners for each. Another document provides a financial cost breakdown, by service, for each municipality (copies are attached). A similar graphic to show the basic framework for delivery by the various municipal services would be useful, but unfortunately we did not find one.

With such a basic framework, a reader may be able to understand the Fact Sheets. Unfortunately, in their present format the reader is expected to jump into details of individual services without understanding how the various pieces relate to each other. This is essential, given the mandate of CISGI is to assess integrated service delivery.

2. In assessing the cost figures from each Fact Sheet it seems there may be some errors in identifying who pays *how much* for *what service* as it relates to those municipal expenditures funded by a property tax and reported on the municipal Statement of Financial Information (SOFI) reports. It appears that costs recorded on some your sheets may not include the costs paid by taxpayers as identified on property tax notices as “CRD Requisitions”.

Examples of errors in costing include:

- Central Saanich: The figure of \$6,979,638 is contained in the CSCD Consolidated Expenses spreadsheet under Protective Services – this figure includes Fire, etc. – in 2014, Central Saanich spent \$3,686,285 on Police Services (PSSG Report) – this significantly skews the cost per capita – See Appendix 1.
- Victoria: The total Water Expenditure figure for Victoria is the combined Victoria/Esquimalt expenditure because Victoria operates the water system for both municipalities. In the document, you have listed Esquimalt separately with an expenditure of \$2,611,578. You should have reduced the total expenditure for Victoria by the same amount  $\$15,874,411 - \$2,611,578 = \$13,262,833$ . Divide this figure by the population of Victoria alone and you get the tabulated Cost per Capita of \$156.41. Alternatively, you could have divided the combined expenditure of \$15,874,411 by the combined population of  $84,793 + 16,697 = 101,490$  which again gives \$156.41. The simplest way of correcting the table is to substitute \$13,262,833 for Victoria’s Total Expenditure.

The CRD Financial Report (March 25, 2015) has an aggregate master sheet organized by purpose and partnership, then includes a detailed listing of service requisitions separately provided to each municipality. The list for Sidney or Highlands is significantly different than the list for residents of Oak Bay. We suspect that in some case those cost differences are neither explained or not included in your tabulations. For example, Westshore pays for their Juan de Fuca Recreation via property taxes and the Peninsula residents pay via a CRD requisition for the Panorama contracted service.

As to municipal costs reported in Table 1, it appears that using functional service area expenditures as reported on SOFIs are not directly comparable because of differences in “segmented” reporting. The City of Victoria has advised you of that issue.

3. We have general concerns that many of the Fact Sheets start with an overview of the role of the CRD and too often the text implies leadership and responsibility that is not warranted. You understand regional districts in BC can only participate in and deliver delegated services with funding approved by one or more of its partners. And in our region, there are few services assigned to the mandate of the CRD, other than the numerous roles they play to represent interests

of residents of unorganized areas. The combined effect of the Fact Sheets is that they present an enhanced regional role for the CRD that is not factual. For evidence, I refer you to two CRD documents attached. Although complex, it is essential information to understand the scope of governance in our regions and the limited distribution of partnerships across our region.

4. And related to the above, our general observation is that there is an unduly positive aura that briefly describes each function and infers there is cooperation and it works. In our region, most services are closely held by each municipality, and despite numerous integrated service delivery (ISD) agreements they fail to share in delivery of the service. For example, the new 9-1-1 dispatch does not include fire, no Inner Harbour terminal, there are 17 separate emergency response units, no regional transport service delivery, little shared funding of roads and bridges, no common land development zoning standards. The list is extensive.

We would refer you to a short four page paper of May 2016 by Mats Anderson of Sweden (copy attached) that refers to government functions that benefit from being addressed at a larger metropolitan scale. He refers to this as “*rising metropolitan sensibility*”. Conversely he, like noted Canadian academic Enid Slack, also identifies services best served by local government. They both offer a balanced perspective on shared service delivery.

5. We are aware that, as evidence of abundant municipal cooperative arrangements, the CRD and municipal officials have provided documentation that there are currently over 300 ISD partnership agreements for the region. One of your Fact Sheets, Government Administration, makes explicit reference to only 37 of them, while the other Sheets fail to acknowledge the remainder. While we have 5 police departments it takes 42 ISD arrangements for them to co-operate.

6. We would also note a recent press release by City of Victoria to express concern about how the costs of this administrative services are reported and that inter municipal comparisons are not valid.

7. Further there is no reference to the salary costs of elected and staff officials engaged in this service area.

8. Even while ignoring these ISDs, the sheets fail to acknowledge the difference between “soft” and “hard” variations of shared service delivery delegated to one provider (whether a partner, other agency or private service). Most of the ISDs are “soft” – simply for information sharing and coordination – but the actual service delivery is still retained by each municipality: 17 fire departments, 7 recreation commissions, 17 Official Community Plans (OCP), etc. The existence of a committee is not shared service delivery!

9. There are very few examples of actual municipal partnerships for shared service delivery, e.g. CREST, Victoria - Esquimalt Police Department, Juan de Fuca Recreation. The structure of the Greater Victoria Public Library and the Victoria Transit Commission are subject to provincial dictates.

The Capital Region District (CRD) role is confined only to water supply, landfill, regional parks and sewerage treatment, and a series of contracted services with less than four partners. Most other CRD partnerships are “soft” roles. To confirm this, the CRD has produced a chart of their committee structure identifying which services they deliver as a shared partnership, very few of which are regional in scale. They are at best a limited partnership.

10. The fact sheets are disappointing in that they offer no qualitative analysis of how well services are being delivered and instances of where they fail to cooperate. i.e. no regional transportation service, new 9-1-1 does not include fire, no harbour terminal, 17 special emergency response plans. We hope that CISGI soon moves to the analytical stage and identifies opportunities where additional regional scale shared services are warranted. Identification of these is critical, even if you wish to avoid a position on whether those are best delivered via the CRD or by larger municipal partnerships.

Your press release of November 15, 2016 refers to a report that will include “*challenges and opportunities ... associated with various approaches to governance*”. We trust our extended commentary of this preliminary stage of your review is a meaningful contribution to that outcome.

11. As well, we find the online survey to be very limited in its scope, not offering an opportunity for robust public input. We have informed the Minister of our concerns and have let him know of our feedback to you.

In conclusion, we again emphasize the need for a full governance review in this region that includes a look at amalgamation option. Recently 76% of the Victoria public and 71% of Saanich in poll again supported such a study in a poll conducted by the Times Colonist. In comparison to the CISGI objectives, we refer you to the recently published Saltspring amalgamation study to illustrate the difference between the two approaches.

As necessary we are available to meet with you and your colleagues to more fully explain our specific concerns about the various Fact Sheets.

Compiled by James Anderson, Director -Amalgamation Yes on behalf of Amalgamation Yes Board