



# REPORT

To: Electoral Area Directors Committee

Report Number: ADM-EADC-017

From: Crystal Brown, Electoral Area Manager

Date: August 11, 2020

**Subject: Regional District Service Establishment Process**

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## **RECOMMENDATION:**

That the Electoral Area Directors Committee receive the report titled “Regional District Service Establishment Process – ADM-EADC-017” which outlines the steps required to establish a new service with expected time frames, for discussion.

## **BACKGROUND/RATIONALE:**

The Electoral Area Directors have identified a number of projects that will require either converting the existing Supplementary Letters of Patent (SLP) to a Service Establishment Bylaw, or the creation of a completely new service function, through an establishment bylaw. Letters patent are a legal document created by the B.C. government that allows the Regional District to operate the service. Examples of these projects include expansion of the Charlie Lake Fire Department, Gotta Go, Seniors Initiative, Water, Wonowon road, trail and lighting, Connectivity, Natural Gas, partnerships with School Districts, Synergy Groups, Sub-regional Grant-in-Aid, Cemeteries, Fire Expansions, and Road Rescue, to name a few.

To assist with planning, staff have put together some information around the legislative process, bylaw requirements, and some example timelines.

### **Service Establishing Process**

There are a few different steps in the service establishing bylaw process. How long it takes to complete the service establishing bylaw process depends on a number of factors, including the participating area approval method chosen and the complexity of the service. The various steps in the establishing bylaw process are:

1. Service establishing bylaw or conversion bylaw drafted; presented to Board for consideration of first three readings
2. Municipal council or electoral area director provide written consent (if applicable)
3. Provincial review and statutory approval by the Inspector of Municipalities (6-8 weeks)
4. Approval of the electors (if applicable, 80 days, 2.5 months)
5. Adoption of the bylaw by the board
6. Period during which bylaw can be challenged by applying to Supreme Court (1 month)
7. Adopted bylaw submitted to the Ministry of Municipal Affairs and Housing for their records

### **Service Establishing Bylaw**

Under the legislation, (*Local Government Act Section 339*) all regional district service establishing bylaws must:

- Describe the service
- Define the service boundaries

- Identify the participants
- Indicate the method of cost recovery
- Set the maximum requisition for the service

### **Voting**

The decision to establish a new service is voted on by the entire regional district board -- a majority vote is required to establish the service. The voting is unweighted. (One vote per Director).

### **Provincial Statutory Approval**

Once a regional district service establishing bylaw is given three readings, a signed certified copy of the bylaw at third reading, along with all required supporting information is provided to the B.C. government. Provincial staff review the bylaw for legislative compliance and financial viability. Once the initial review is complete, the bylaw is sent to the Inspector of Municipalities for final approval and issuance of a statutory approval certificate. If a regional district service establishing bylaw is accompanying a loan authorization bylaw, these should be submitted to the provincial government together.

### **Supporting Information**

To assist the Inspector of Municipalities' approval decision, provincial government staff need the following information to support their review of a regional district service establishing bylaw:

- **Financial plan:** Evidence that the service is or will be included in the adopted five-year financial plan.
- **Operating budget:** A budget of the anticipated revenues and expenditures for the service for the next five years. The budget should specify the methods to be used for initial financing and ongoing cost recovery for the service.
- **Capital budget:** If the service will include a large capital component, a separate capital budget showing that engineering and contingency costs have been considered.
- **Tax impact:** If the service will result in a substantial tax impact to properties in any property class, information on any consultation that has been undertaken.
- **Assessment breakdown:** The assessed values of the properties in the proposed service area by property class and the number of occurrences in each class. This is crucial when the service area is a portion of an electoral area or municipality.
- **Cost recovery:** If the methods of cost recovery include property taxation, the method of taxation that will be used (either property value or parcel tax).
- **Requisition limit:** An indication of the calculation used to arrive at the requisition limit. If both a rate per \$1,000 of property assessment and a maximum dollar limit are provided for, the calculations must initially be equivalent. Please note that a requisition limit specified by a rate per \$1,000 must be based on the net taxable value of land and improvements and cannot be based on improvements only. (*LGA s.339 (1) (e) (ii)*)

- **Background information:** Staff or consultant reports that provide background information on the service.
- **Method of participating area approval:** Indicate the method of approval. If consent is being used, include the consents and petition certificate of sufficiency (if applicable) with the statutory approval application. If approval of the electors is being used, indicate whether it is the alternative approval process or assent voting and when council or the board would like to conduct these. (Elector approval must be completed within 80 days of the receipt of Ministry approval of the bylaw at third reading – the required notices and other arrangements stipulated by Part 3 – Electors and Elections, and Part 5 – Assent Voting, of the *Local Government Act*, cannot be completed in any significantly shorter timeline.)
- **Exemption to participating area approval:** Indicate if the bylaw is for the purpose of preparing or implementing a waste management plan that has been requested by, or approved by, the minister responsible for the Environmental Management Act and does not require participating area approval.

**ALTERNATIVE OPTIONS:**

1. That the Electoral Area Directors Committee provide further direction.

**STRATEGIC PLAN RELEVANCE:**

- ☒ Not Applicable to Strategic Plan.

**FINANCIAL CONSIDERATION(S):**

None at this time.

**COMMUNICATIONS CONSIDERATION(S):**

None at this time.

**OTHER CONSIDERATION(S):**

The Ministry of Municipal Affairs and Housing (Ministry) has produced a guidance document for local governments conducting assent voting (referendum) during the COVID-19 pandemic. Local governments will need to have a COVID-19 plan that addresses the procedures and processes for referendums in place prior to appointing the Chief Election Officer. As such, the process to amend or create a service will take longer during the COVID-19 pandemic, compared to conducting a referendum after COVID-19.

**Attachments:**

1. Scenario 1 Example
2. Scenario 2 Example
3. Guidance for Conducting By-elections and Assent Voting During COVID-19