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File No.:

Regional District of Central Okanagan
1450 KLO Road
Kelowna, BC V1W 3Z4

ATTENTION: BOARD OF DIRECTORS

Dear Chair Hobson and Board of Directors:

**REFERENCE: DISTRICT OF WEST KELOWNA PARTICIPATION
IN REGIONAL DISTRICT SERVICES**



At the District of West Kelowna regular Council meeting on October 23, 2012, West Kelowna Municipal Council passed a resolution to request the Regional District of Central Okanagan (RDCO) Board to:

- initiate an informal review of the District of West Kelowna's terms of participation in the Economic Development Commission and Regional Planning;
- initiate discussions aimed at facilitating the District of West Kelowna's withdrawal from the Regional District's Transportation Demand Management, Noxious Weed Control, Noxious Insect Control and Air Quality Control services; and
- facilitate changes to the aforementioned services, where possible, prior to the adoption of RDCO's 2013 Financial Plan.

This resolution emerged from discussions at Council around West Kelowna's local service needs and priorities, the fiscal constraints within which the local government must act, and the municipality's role in the broader region. The resolution also emerged from the recognition that the West Kelowna's municipal government has evolved considerably in the past five years since incorporation. The organization today has a sizeable staff of 150 FTE, an annual operating budget of \$100 million, and direct responsibility for all local services that were previously provided by RDCO, the Province, and the Lakeview and Westbank Irrigation Districts. The organization is well positioned to take an active role in providing certain elements of the services identified in the October 23 resolution.

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The District of West Kelowna understands the importance of working in partnership with other jurisdictions to address common challenges and achieve shared goals. West Kelowna recognizes that the Regional District is an important part of the local government system in the Central Okanagan, and is best suited as the vehicle for collective action in specific areas of service. In West Kelowna's view, the Regional District's value as a service provider is particularly strong in cases where:

- participating municipalities and electoral areas share a common vision for the service in question
- participants agree on the scope of and level of activities included in the service
- each participant feels that the distribution of decision-making power and cost among jurisdictions is equitable
- each participant feels that its taxpayers receive good value-for-money from the service

In cases where one or more of these criteria are not satisfied, a participating jurisdiction may need to reconsider the terms of its participation in the service. In some cases, the jurisdiction may feel the need to withdraw from the service altogether. The District of West Kelowna has identified the need to reconsider its terms of participation in the Economic Development Commission and Regional Planning, and the need to withdraw altogether from Transportation Demand Management, Noxious Weed Control, Noxious Insect Control and Air Quality Management.

Changes to Terms of Participation

The desire of one participating jurisdiction to amend its terms of participation in certain services and to exit other services altogether, is a natural and common feature of British Columbia's system of regional districts. In all regional district services the terms of participation for individual jurisdictions reflect the conditions that were in place at the time the services were established. These conditions include a jurisdiction's population and assessment base, but also include the jurisdiction's vision, expectations, approach to governing, service needs and spending priorities. Over time some or all of these conditions can be expected to change. In some cases, conditions will change to the extent that the jurisdiction's terms of participation in the services are no longer considered acceptable.

In the District of West Kelowna, conditions such as demographics and assessment base have changed over the years. West Kelowna is no different from most other jurisdictions in this respect. What sets West Kelowna apart from other places is its change in local government structure. When the services in question were established, the area that is today West Kelowna formed part of the former Westside Electoral Area. The District of West Kelowna, upon incorporation, inherited the terms of participation that had been developed for the unincorporated community. Today, the terms for the services do not support the municipality's vision, do not address the municipality's key service needs, and do not promote the municipality's spending priorities.

The *Local Government Act* anticipates that participating jurisdictions in regional district services will wish to revisit the terms of their participation in response to changes in key underlying conditions. Section 813.04 of the *Act* gives every jurisdiction the right to initiate a review of any regional district service in which the jurisdiction participates. Section 813.08 gives every jurisdiction the right to initiate withdrawal from most services in cases where a review does not satisfactorily address concerns raised.

The District of West Kelowna, like every other member jurisdiction in RDCO, can exercise its rights under sections 813.04 and 813.08 to address issues related to the services in question. The District would prefer, however, to work with its partner jurisdictions in undertaking informal reviews of the services. Informal reviews, which are recognized by the Ministry of Community, Sport & Cultural Development as a legitimate review option, would be conducted outside of the legislation using a process developed by the Board and endorsed by all participants.

In many ways, informal reviews represent a better option than statutory reviews. The latter puts the onus on one participant — West Kelowna in this case — to initiate the process, are required to follow a strict, prescribed process that can take considerable time and cost to complete, and are subject to oversight and intervention by the Minister. The District of West Kelowna views the statutory review process as a last resort. Informal reviews, by contrast, can proceed using an agreed-upon approach that takes into consideration all participants' needs. They allow participants to work out differences and develop options without Ministerial intervention, and in so doing provide an opportunity to build stronger, more sustainable inter-jurisdictional relations.

Services to Examine

The District of West Kelowna Council has identified a total of six RDCO services it would like to review with its regional partners. These services, as suggested earlier, can be divided into two groups:

- The first group includes services in which the District wishes to change its level, or scope, or participation. The two services in this group are the Economic Development Commission, and Regional Planning.
- The second group contains services from which the District wishes to withdraw. There are four services in this group, including Transportation Demand Management (West Kelowna Council is supportive of the newly formed Sustainable Transportation Partnership of the Central Okanagan (STPC)), Noxious Weed Control, Noxious Insect Control and Air Quality Management. In most cases the District wishes to redirect West Kelowna's existing contributions to support its own efforts in the specific areas of service. Transportation Demand Management, Noxious Weed Control and Noxious Insect Control are examples of services that would be provided, in whole or part, by West Kelowna itself. In the case of Air Quality Management, the District's existing contribution would be redirected to other local service priorities.

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The District recognizes that any initiative to reduce or eliminate West Kelowna's participation in these RDCO services will impact, to varying degrees, the other participants in the services, and the services themselves. The District is hopeful; however, that through an informal review process developed by the parties any negative impacts can be mitigated.

Conclusion

The District of West Kelowna looks forward to discussing the information presented in this letter with its regional partners at an upcoming RDCO Board meeting. It is Council's desire to move forward with changes to the services as quickly as possible, in a way that respects the needs and concerns of all participating jurisdictions.

Sincerely,



Doug Findlater
MAYOR

cc: City of Kelowna Municipal Council
District of Lake Country Municipal Council
District of Peachland Municipal Council
Jim Edgson, Central Okanagan West Electoral Area Director
Patty Hanson, Central Okanagan East Electoral Area Director