



Regional Board Report

TO: Regional Board

FROM: Brian Reardon
Chief Administrative Officer

DATE: April 12, 2021

SUBJECT: Regional Board – Voting Unit Review Follow-Up

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

Purpose: To seek support to submit a request to the Province (Ministry of Municipal Affairs) for a change to the Regional District's Voting Unit.

Executive Summary:

In November 2019, staff presented a Board report requesting direction to review the Regional District's Voting Unit (report attached). Various voting options were provided for consideration and after deliberations, adopted the following resolutions:

#213/19

THAT the Regional Board authorize the Chief Administrative Officer to enter discussions with the Ministry of Municipal Affairs & Housing to review and amend the Voting Unit assigned to the Regional District of Central Okanagan.

#214/19

THAT the Regional District pursue with the Province of BC a change in the Regional Board's voting unit from 4,000 to 6,000 and report back to the Board prior to any final decision of the Province.

Since that time staff have had ongoing discussions with the Ministry. During these discussions ministerial staff commented that the Board's resolutions were passed without the benefit of referring this matter to our member municipalities and requested that we initiate a consultation process seeking Council resolutions confirming their support for a voting unit review and if so, what population value they would support.

This consultation process was completed in February, 2021 and the results are summarized in the table below. It was noted that every jurisdiction was in favour of reviewing the voting unit value and there was strong support for implementing any changes at the inaugural Board Meeting following the next general local election in 2022.

Unfortunately, consensus was not reached on the actual voting unit value itself and without it the Province is reluctant to make a determination on what a new voting unit value should be.

Instead, the Province has asked the Regional Board to consider the results of the consultation process and provide its preferred voting unit value through an approved resolution.

RDCO Voting Unit Review – Consultation Summary		
Jurisdiction	In Favour of Review	Desired Voting Unit Value
City of Kelowna	Yes	5,000
City of West Kelowna	Yes	5,000
District of Lake Country	Yes	5,500
District of Peachland	Yes	6,500
Electoral Area East	Yes	5,500
Electoral Area West	Yes	6,000

It is noted, the Province is the decision maker on this matter. If the Province supports a change to the RDCO voting unit value, the legislative process of amending the Regional District of Central Okanagan's Letters Patent will be required to be amended.

RECOMMENDATION:

THAT the Regional Board recommend a preferred RDCO Voting Unit value of 5,500 to the Ministry of Municipal Affairs for their consideration;

AND FURTHER THAT the Regional Board supports the implementation date of this change to the Voting Unit being the Inaugural Meeting of the next Board following the 2022 general local election.

Respectfully Submitted:



Brian Reardon, CAO

Background:

At the January 16, 2019 Strategic Planning Workshop the Regional Board identified several issues it wished to address during its 2018 – 2022 term. One of those issues was the review of the Board composition and Voting Unit assigned to the Regional District of Central Okanagan (RDCO). Currently, the Voting Unit value for RDCO is a population of 4,000 with a divisor of 5.

The concern expressed by some Board members was the City of Kelowna has 7 of 13 representatives on the Board creating a situation where one jurisdiction in the RDCO carries the weighted and unweighted corporate vote on all matters, excluding services Kelowna does not participate in. This is less than optimal from a governance perspective and creates operational

challenges for City of Kelowna Council members. Based on current growth projections for our region, this disparity will worsen in the years ahead.

RDCO's current Director representation and voting strength is as follows:



Regional District of Central Okanagan

(incorporated August 24, 1967)

Voting Unit: 4,000 population

	2016 Census including subsequent population changes certified by the Minister ¹	Number of Directors (voting strength/5)	Voting Strength (population/ voting unit)
Cities:			
Kelowna	129,044	7	33
West Kelowna	32,655	2	9
Districts:			
Lake Country	12,922	1	4
Peachland	5,428	1	2
Electoral Areas:			
I - Central Okanagan East	3,824	1	1
J - Central Okanagan West	11,009	1	3
Totals:	194,882	13	52

Populations certified as necessary by the Minister of Municipal Affairs and Housing under sections 196 and 197 of the *Local Government Act* as per the definition in the Schedule to the Community Charter.

Effective November 1, 2017.

These population figures are to be used only in the determination of voting strength and Director representation.

1. Population includes people residing on Indian Reserves and boundary extensions to December 31, 2016.

The number of directors on a regional district board and the voting strength of each director are based on population, and the voting unit / divisor specified in the regional district's letters patent. Population is determined by the Minister of Municipal Affairs and Housing based on the most

recent Census data and adjusted in accordance with the *Local Government Act* and the *Community Charter*.

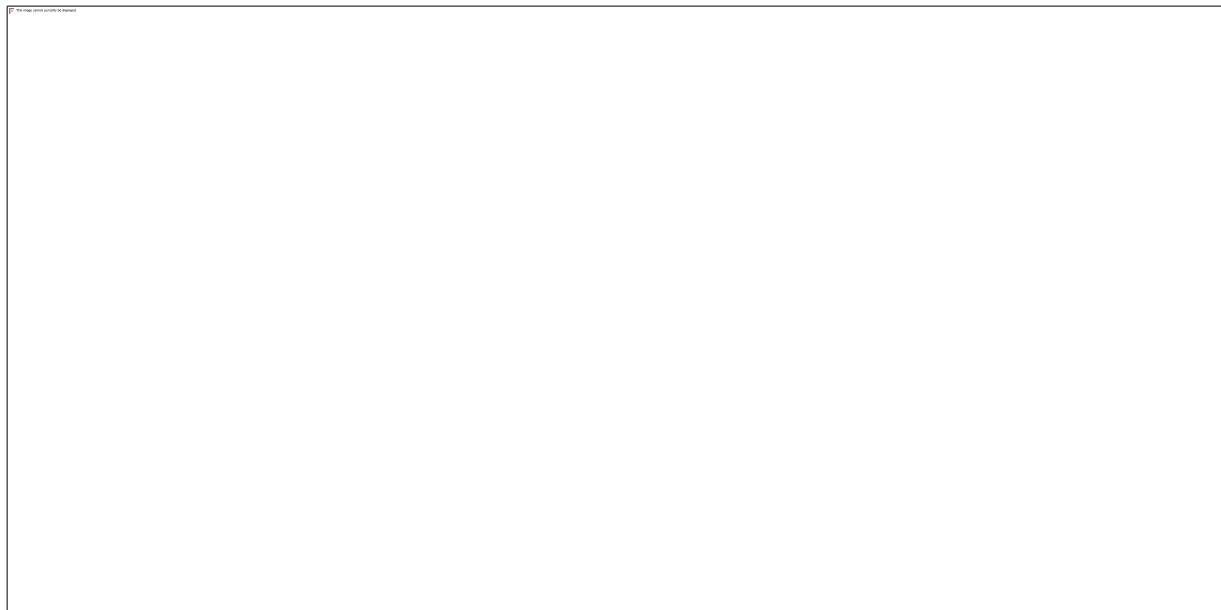
The Voting Unit is the number to which each municipality and each electoral area is entitled when deciding on matters requiring a weighted vote pursuant to the *Local Government Act*. The Voting Unit values vary significantly throughout the Province and range from 600 (Mt. Waddington RD) to 20,000 (Metro Vancouver). The Voting Unit value for the Regional District of Central Okanagan (RDCO) is 4,000. A divisor of 5 is used consistently throughout the Province.

The number of votes (voting strength) to which each municipality, electoral area or Treaty First Nation is entitled for the purposes of weighted voting is determined by dividing the population figure by the voting unit number. Weighted voting is used by regional district boards for financial decisions and decisions about the administration and operation of services. The purpose of voting strength in regional districts is to ensure balanced representation and voting that reflects the relative strength of interest that a jurisdiction has in the matter being voted on.

Analysis:

There are 27 regional districts in British Columbia. When regional districts were first created in the early to mid-1960's their composition was structured to achieve the balanced representation mentioned above. However, over the years, some jurisdictions have grown disproportionately faster than their neighbours. As a result, there are municipalities in 6 regional districts that have the majority vote on matters requiring a weighted corporate vote decision.

The table below illustrates who those 6 regional districts are and their respective composition:



The Regional District of Central Okanagan is the only regional district in British Columbia with their largest municipality having the ability to control matters requiring both a weighted and unweighted corporate vote. From a governance perspective, this is less than optimal.

The Central Okanagan Regional District and in particular the City of Kelowna has experienced rapid growth over the past 20 years and this growth has been reflected at the Regional Board with the addition of a seventh municipal Director at the Board in 2018. Based on the current Voting Unit value of 4,000 and conservative growth projection numbers, an eighth municipal Director from the City of Kelowna will be added in 2022 and a ninth municipal Director in 2031.

The comments from some of the Board members is understandable from an optics perspective. That said, the number of Directors and voting strength assigned to the City of Kelowna is consistent with Provincial legislation and reflects the number of residents they represent in their community. The same legislation applies to every jurisdiction in the Province.

In the fall of 2020 the Province asked our office to initiate a consultation process seeking Council resolutions confirming their support for a voting unit review and if so, what population value they would support.

This consultation process was completed in February, 2021 and the results are summarized in the table below. Anecdotally, it was noted that there was strong support for implementing any changes at the inaugural Board Meeting following the next general local election in 2022.

RDCO Voting Unit Review – Consultation Summary		
Jurisdiction	In Favour of Review	Desired Voting Unit Value
City of Kelowna	Yes	5,000
City of West Kelowna	Yes	5,000
District of Lake Country	Yes	5,500
District of Peachland	Yes	6,500
Electoral Area East	Yes	5,500
Electoral Area West	Yes	6,000

- All jurisdictions favour reviewing the RDCO Voting Unit;
- The two jurisdictions impacted the most by any change, favoured an incremental approach with a voting unit value of 5,000;
- Two jurisdictions noted a change to 5,000 would find the Board in the same situation in 4 years and instead opted for a value of 5,500 which would create balance at the Board for the next 20 years;
- One jurisdiction favoured a Voting Unit of 6,000;
- One jurisdiction favoured a Voting Unit of 6,500;

Observations:

- The majority of jurisdictions favour a Voting Unit value of less than 6,000;
- Based on growth projections for the region, the Board will likely repeat the same process in 4 years;
- A compromise worthy of consideration is a Voting Unit value of 5,500. This would result in the City of Kelowna having 6 of 12 Directors at the Board until the year 2041.

- From a governance perspective, if the Board could choose a solution that would avoid repeating this process again in 4 years, it would save time and resources as well as provide consistency at the Board table.

Optional Voting Unit of 5,500:

Voting Unit (population) -	5,500	Projected Census Year Population					
Jurisdiction	Growth Rate %	2016	2021	2026	2031	2036	2041
Kelowna	1.34%	131,654	140,714	150,398	160,749	171,811	183,635
	#Directors	5	6	6	6	6	7
West Kelowna	1.60%	33,751	36,539	39,557	42,824	46,362	50,191
	#Directors	2	2	2	2	2	2
Lake Country	1.40%	13,356	14,317	15,348	16,453	17,637	18,907
	#Directors	1	1	1	1	1	1
Peachland	0.50%	5,610	5,752	5,897	6,046	6,198	6,355
	#Directors	1	1	1	1	1	1
Electoral Area East	1.10%	3,954	4,176	4,411	4,659	4,921	5,198
	#Directors	1	1	1	1	1	1
Electoral Area West	1.60%	11,383	12,323	13,341	14,443	15,636	16,928
	#Directors	1	1	1	1	1	1
Total Regional Population:		199,719	213,833	228,964	245,185	262,577	281,226

Would result in Kelowna reducing 2 Directors immediately but adding an additional Director following 2021 and 2041 Census. The number of Directors from the other jurisdictions remains unchanged from today.

Reasons/Rationale:

In our correspondence with the Ministry of Municipal Affairs on this matter, questions were asked about the reasons for changing our Voting Unit value. Apparently, this type of request doesn't happen very often and as such they want to understand what the Board wishes to address and why. A copy of an email from the Ministry and our responses to them is pasted below for your information:

Please answer the following questions in your proposal:

- Is there a consensus at the RDCO board table supporting this change? Has a vote been taken and what was the outcome? Did non-voting board members participate in the discussion?

At the regular Board Meeting held on November 25, 2019 the Board received a staff report from the CAO seeking direction confirming its wish to review the RDCO Voting Unit. The Board unanimously approved a resolution authorizing the CAO "to enter discussions" with the Province regarding this matter and further to indicate to the Province that it wished to increase our Voting Unit to 6,000 from 4,000. A link to the minutes for this meeting is provided below in this bullet point for your information. Based on these two resolutions I view our "discussions" to date to being preliminary in nature and are intended to gather more information from the Ministry that will form a further report back to our Board. Also, our non-voting Board member from Westbank First Nation was in

attendance and had opportunity to participate in the discussion. https://www.regionaldistrict.com/media/287792/19_11_25brdmin.pdf

- What issues are there for the RDCO board (as a whole) with respect to the current voting unit? What are the anticipated impacts for the RDCO board if there is a change in the voting unit?

The issues the Board wishes address through a review of the current Voting Unit are:

- **The RDCO is the only regional district in British Columbia that has their largest municipality assigned a majority of votes not only on weighted matters but also on regular corporate matters;**
 - **The RDCO Board (as a whole) is aware that should the City of Kelowna vote as a block they could make unilateral decisions affecting the entire region. It has been my experience that the City of Kelowna does not vote as a block, to the contrary, they are the most regional minded jurisdiction I have had the pleasure of working with;**
 - **The optics of one municipality having complete control over all matters at the Board is less than optimal from a governance perspective.**
- What operational challenges are there for the City of Kelowna under the current board composition? Please provide specific examples.

The operational challenges that face the City of Kelowna under the current board composition is that the majority of their council is appointed to the regional board and with one councillor having a conflict of interest that prevents him from being a board member they only have one qualifying “alternate director”. Over the past 2 years this has resulted in almost half of the Board Meetings where at least 1 director from the City of Kelowna is absent. Occasionally, there have been instances where up to 3 directors were absent from the City of Kelowna due to other commitments. 7 of their 9 council members are currently appointed. Based on growth rates for this region we anticipate yet another Kelowna councillor will be appointed following the next census.

- What impact will there be on the City of Kelowna’s voting strength? How is this proposed change viewed by the current City of Kelowna council? What consultation and outreach has been done with the City of Kelowna council?

The November 19th, 2019 RDCO staff report on this matter outlines the potential impact on the City of Kelowna’s voting strength based on a number of scenarios. <https://pub-rdco.escribemeetings.com/filestream.ashx?DocumentId=1836> I have spoken to Kelowna’s City Manager about this matter and he has had discussions with his Council. To my knowledge, the Kelowna City Council has not formed a position on this matter and are waiting for the subsequent RDCO staff report based on input from the Province. As an aside, the City Manager did express concern about this matter however he was non descript. Again, waiting for a further report from the RDCO.

- What would a future City of Kelowna council be giving up if there were a change to the voting unit?

That depends on the Voting Unit value. Presumably, they would give up the majority vote on all unweighted corporate matters. I don’t believe, under any reasonable circumstance would they lose the majority vote on weighted corporate matters. They would also give up, to a certain degree, the voting strength they are currently entitled to under the current voting scheme.

- What impact will there be on the voting strength of other RDCO members if there is an increase in the voting unit? Has there been any consultation with the other municipalities and what are their opinions on this change?

The potential impact on the voting strength of the other RDCO members under a variety of voting unit values has been calculated based on their respective growth rates over the next 20 years. A copy of this report is attached to this email for your reference. There has not been any formal consultation with the other municipalities so we do not know what their opinions are on this change. That said, this issue has been raised at the Regional CAO Level and there is interest on what the outcome will be. Based on the discussion by Board members when this report was tabled there was a general consensus supporting a change. A link to the audio recording of the November 25th, 2019 Board Meeting is attached for your

reference: https://www.regionaldistrict.com/media/276824/Audio_19_11_25brd.mp3

- Which specific kinds of votes / region-wide services the change would affect and how? Are there any examples where a specific service may be affected by a change in voting unit?

Based on the participation and composition of our regional, sub-regional and local services I would suggest there would not be a change on the weighted stakeholder vote on regional services such as economic development, parks, dog control, air quality, etc. and similarly on sub-regional services such as wastewater treatment service in West Kelowna of which the City of Kelowna does not participate. There wouldn't be any change to the weighted corporate vote either. Most of the change would be associated with unweighted corporate matters.

- Any other impacts this change may have that are important to identify?
- **I think the Board wants to take a pro-active approach to this matter. The City of Kelowna has operational challenges with fielding all of the Directors on a consistent basis. This is only going to get worse after the next census. The other municipalities are looking for more of a balance of voting strength/power at the Board. The Board is wanting to practice good governance and wishes to address the optics of having one municipality being able to control all decisions at the Board table.**

Please provide a summary of any consultation undertaken or votes taken on this issue with the RDCO board and each individual RDCO jurisdiction. This may include council minutes documenting the view of board or council or letters of support for the proposal.

Because we are in the preliminary discussion phase with the Province there has not been any consultation at the political level and therefore we have no letters of support.

As you are aware, regional district voting is a complex topic, so sharing this information with the public would need to be carefully communicated. A summary of how interested members of the public have had the opportunity to raise their concerns with the board and been informed of this potential change would also be helpful.

I see this happening after we (the RDCO and the Province) have some "discussions" about the process and the possibilities.

Options:

There are several options available for the Board to consider. They consist of:

- Do nothing and keep the Voting Unit value at 4,000;
- Respect the resolutions from the two largest jurisdictions who will be impacted the most by any change to the Voting Unit value and increase it to 5,000;
- Consider a compromise Voting Unit value of 5,500 that will have a longer lasting effect;
- Confirm the Board's previous resolution supporting a Voting Unit Value of 6,000;
- Increase the Voting Unit value to 6,500

Alternate Approach:

- Consider changing the "divisor". A divisor value of 5 is applied consistently throughout the province and is the value used as the maximum number of weighted votes a Director has. Consideration could be given to increasing this value which is another way of reaching the similar result.

Option #1:

		Current Voting Unit of (2021 Projected Population) 4000				
Member Jurisdiction	2021 Projected Population	# Directors	Voting Strength (# of Votes)	% Weighted Vote	% Corporate Vote	% of Population
Kelowna	140,714	8	36	62%	57%	66%
West Kelowna	36,539	2	10	17%	14%	17%
Lake Country	14,317	1	4	7%	7%	7%
Peachland	5,752	1	2	3%	7%	3%
Electoral Area East	4,176	1	2	3%	7%	2%
Electoral Area West	12,323	1	4	7%	7%	6%
Totals:	213,821	14	58	100%	100%	100%

Option #2

		Voting Unit of (2021 Projected Population) 5000							
Member Jurisdiction	2021 Projected Population	# Directors	Change in # of Directors	Voting Strength (# of Votes)	Change in # of votes	% Weighted Vote	% Change in Voting Strength	% Corporate Vote	% of Population
Kelowna	140,714	6	↓ 2	29	↓ 7	63%	1%	50%	66%
West Kelowna	36,539	2	No change	8	↓ 2	17%	0%	17%	17%
Lake Country	14,317	1	No change	3	↓ 1	7%	0%	8%	7%
Peachland	5,752	1	No change	2	No change	4%	1%	8%	3%
Electoral Area East	4,176	1	No change	1	↓ 1	2%	-1%	8%	2%
Electoral Area West	12,323	1	No change	3	↓ 1	7%	0%	8%	6%
Totals:	213,821	12		46		100%		100%	100%

Option #3

		Voting Unit of (2021 Projected Population) 5500							
Member Jurisdiction	2021 Projected Population	# Directors	Change in # of Directors	Voting Strength (# of Votes)	Change in # of votes	% Weighted Vote	% Change in Voting Strength	% Corporate Vote	% of Population
Kelowna	140,714	6	↓ 2	26	↓ 10	62%	0%	50%	66%
West Kelowna	36,539	2	No change	7	↓ 3	17%	-1%	17%	17%
Lake Country	14,317	1	No change	3	↓ 1	7%	0%	8%	7%
Peachland	5,752	1	No change	2	No change	5%	1%	8%	3%
Electoral Area East	4,176	1	No change	1	↓ 1	2%	-1%	8%	2%
Electoral Area West	12,323	1	No change	3	↓ 1	7%	0%	8%	6%
Totals:	213,821	12		42		100%		100%	100%

Option #4

		Proposed Voting Unit of (2021 Projected Population) 6000							
Member Jurisdiction	2021 Projected Population	# Directors	Change in # of Directors	Voting Strength (# of Votes)	Change in # of votes	% Weighted Vote	% Change in Voting Strength	% Corporate Vote	% of Population
Kelowna	140,714	5	↓ 3	24	↓ 12	62%	-1%	45%	66%
West Kelowna	36,539	2	No change	7	↓ 3	18%	1%	18%	17%
Lake Country	14,317	1	No change	3	↓ 1	8%	1%	9%	7%
Peachland	5,752	1	No change	1	↓ 1	3%	-1%	9%	3%
Electoral Area East	4,176	1	No change	1	↓ 1	3%	-1%	9%	2%
Electoral Area West	12,323	1	No change	3	↓ 1	8%	1%	9%	6%
Totals:	213,821	11		39		100%		100%	100%

Option #5

		Proposed Voting Unit of (2021 Projected Population) 6500							
Member Jurisdiction	2021 Projected Population	# Directors	Change in # of Directors	Voting Strength (# of Votes)	Change in # of Votes	% Weighted Vote	% Change in Voting Strength	% Corporate Vote	% of Population
Kelowna	140,714	5	↓ 3	22	↓ 14	63%	1%	45%	66%
West Kelowna	36,539	2	No change	6	↓ 4	17%	0%	18%	17%
Lake Country	14,317	1	No change	3	↓ 1	9%	2%	9%	7%
Peachland	5,752	1	No change	1	↓ 1	3%	-1%	9%	3%
Electoral Area East	4,176	1	No change	1	↓ 1	3%	-1%	9%	2%
Electoral Area West	12,323	1	No change	2	↓ 2	6%	-1%	9%	6%
Totals:	213,821	11		35		100%		100%	100%

Conclusions:

The results of the consultation process for the RDCO Voting Unit review are summarized in the table below:

RDCO Voting Unit Review – Consultation Summary		
Jurisdiction	In Favour of Review	Desired Voting Unit Value
City of Kelowna	Yes	5,000
City of West Kelowna	Yes	5,000
District of Lake Country	Yes	5,500
District of Peachland	Yes	6,500
Electoral Area East	Yes	5,500
Electoral Area West	Yes	6,000

Our office has shared these results with the Ministry for comment. We have been advised the Ministry will be reluctant to weigh in on the issue unless the Regional Board considers all of the information in this report and provides a formal resolution identifying a preferred Voting Unit value that would be implemented at the Inaugural Board Meeting in November, 2022.

The options available to the Board are:

- Do nothing and keep the Voting Unit value at 4,000;
- Respect the resolutions from the two largest jurisdictions who will be impacted the most by any change to the Voting Unit value and increase it to 5,000;
- Consider a compromise Voting Unit value of 5,500 that will have a longer lasting effect;
- Confirm the Board's previous resolution supporting a Voting Unit Value of 6,000;
- Increase the Voting Unit value to 6,500

This is a foundational issue rooted in Provincial Legislation that has a direct impact on how the Board advances the business of the corporation. It is a matter requiring a political response and a decision that the Board wishes to present to the Province.

Alternate Recommendation:

THAT the Regional Board recommend a preferred RDCO Voting Unit value of 5,000 to the Ministry of Municipal Affairs for their consideration;

AND FURTHER THAT the Regional Board supports the implementation date of this change to the Voting Unit being the Inaugural Meeting of the next Board following the 2022 general local election

Attachment(s):

- Board Report – November 19, 2019
- Current Voting Structure