



Alberni-Clayoquot Regional District

COMMITTEE OF THE WHOLE

WEDNESDAY, DECEMBER 4, 2019, 9:00 AM to 3:00 PM

Regional District Board Room, 3008 Fifth Avenue, Port Alberni, BC

AGENDA

PAGE #

1. **CALL TO ORDER**

Recognition of Traditional Territories.

2. **INVITED GUESTS**

- Port Alberni Council and Staff
- Tseshaht First Nation Council and Staff
- Hupacasath First Nation Council and Staff

3. **APPROVAL OF AGENDA**

(motion to approve, including late items required 2/3 majority vote)

4. **CORRESPONDENCE FOR INFORMATION**

- | | | |
|----|--|--------|
| a. | Discussion Outline – Sub-Regional Discussion on Aquatic Facility | 2 – 4 |
| b. | 2018 Summary of Aquatic Facility Discussion | 5 – 14 |
| c. | 2018 Press Release | 15 |

THAT the Committee of the Whole receive correspondence a – c for information.

5. **PRESENTATION**

- a. **Allan Neilson, Neilson Strategic Inc.**
Allan Neilson of Neilson Strategies will facilitate a discussion on a sub-regional Aquatic Facility.

6. **ADJOURN**



**Alberni-Clayoquot Regional District
Sub-Regional Discussion on Aquatic Facility
December 4, 2019**

DISCUSSION OUTLINE

TIME & PLACE: Wednesday, December 4, 2019
9:00 am – 3:00 pm
Regional District Board Room
3008 Fifth Avenue, Port Alberni
(lunch and refreshments will be provided)

BACKGROUND: In June 2018, Regional District Directors from the City of Port Alberni, Electoral Areas and First Nations in the Alberni Valley sub-region met for facilitated discussions on the future of the Echo Aquatic Centre. Over two half-days, participants considered the recreation needs and interests of the sub-regional community, and explored the potential to jointly build, fund, and govern a new, sub-regional aquatic facility.

At the end of the first day of discussions, participants reached consensus on the need for a new aquatic facility to replace the existing Echo Centre. Participants also expressed a common interest in developing the new facility through a sub-regional service. During the second half-day of discussions, participants considered different options related to the structure of a new sub-regional service, including governance, scope, cost-recovery, and cost-sharing.¹ Consensus was reached on some issues; the need for further discussion was highlighted for others.

On December 4, 2019, Directors from the Alberni Valley ACRD jurisdictions will reconvene to continue the earlier discussions. Leaders from the Tseshat and Hupacasath First Nations have been invited to join the session. Participants, it is hoped, will be able to explore and reach agreement in principle on the key service elements, as well as the next steps to take.

SESSION OBJECTIVE: The primary objective of the December 4 session is to reach agreement-in-principle on the structure (i.e. Governance and cost-sharing) of a new, sub-regional aquatic facility service. An additional goal is to agree on next steps.

It should be emphasized that leaders are not expected — indeed, are not able — to make final decisions at the December 4 session. Agreement-in-principle is the goal.

¹ The Director from the Uchucklesaht First Nation attended a portion of the session to voice support for the initiative.

FACILITATOR: Allan Neilson (Neilson Strategies Inc.) will facilitate the session. Allan facilitated the earlier 2018 discussion.

AGENDA:

1. Introductions & Stage Setting

Participants will introduce themselves, identify their expectations for the day, and provide any additional opening comments they wish. The facilitator will outline of session agenda and propose a set of desired outcomes.

2. Review of 2018 Discussion

It is important to begin by reviewing the key points and outcomes from the earlier 2018 discussion, including:

- the reasons why leaders came together in 2018
- views on the broader, Alberni Valley community
- the assessment of the Echo Aquatic Centre
- points of consensus that were reached by participants
- points that were identified for further discussion

The *Summary of Discussion* and *Press Release* from the 2018 session have been distributed to participants.

3. Confirmation of Consensus Reached

The facilitator will review with participants the various points on which leaders reached consensus in 2018, including:

- the need for new aquatic facility in Alberni Valley
- support for exploring further the provision of a new facility through shared, sub-regional service
- the set of supportive jurisdictions
- the preferred definition of any sub-regional service definition (i.e., what would be included in a new service)

Participants will be asked to comment on and, if possible, confirm these points.

4. Service Governance

In the 2018 discussion leaders spent some time exploring the topic of service governance (i.e., who makes decisions for the service), and the different options that could be considered in order to ensure fairness for all jurisdictions. On December 4, service governance options will be explored further in the hopes of identifying a preferred model.

5. Service Cost

Recreation service costs are recovered using a variety of revenue sources, the two most significant of which are property taxes and user fees. User fees are paid in the form of general admission to the facility, program registration fees, and facility rentals. Property taxes are paid by property owners in jurisdictions that comprise the service area. A major challenge facing every shared service is

to determine how to share the tax burden among participating jurisdictions — or, put differently, to figure out "who should pay what".

In 2018, leaders tackled this question and explored some of the possibilities. These possibilities will be explored on December 4, along with their implications for taxpayers in Alberni Valley jurisdictions. If possible, a preferred method of cost-sharing will be identified.

6. Summary and Next Steps

The facilitator will summarize the outcomes of the December 4 discussion. Collectively, the group will consider and set out next steps.

7. Adjourn — 3:00 pm



Alberni-Clayoquot Regional District
Sub-Regional Discussion on an Aquatic Facility

SUMMARY OF DISCUSSION

INTRODUCTION

Over two half-days, on June 28 and 29, 2018, elected representatives of the local government jurisdictions in the Alberni Valley sub-region of the Alberni-Clayoquot Regional District (ACRD) participated in discussions on aquatic recreation. The discussions were aimed, specifically, at exploring the potential for working together to build, fund and govern a new aquatic facility for the broader Alberni Valley community.

This summary report provides a written record of the discussions, and identifies possible next steps for the jurisdictions to pursue. In accordance with the agenda that was followed for the session, the report is broken into the following sections:

- Day One
 - Stage Setting
 - Alberni Valley Community
 - Echo Aquatic Centre
 - Future Provision of Aquatic Recreation Service
- Day Two
 - Sub-Regional Service Elements and Considerations
 - Next Steps

Areas of consensus on the desire to explore further the development of a sub-regional aquatic facility service, and on elements of the service, are highlighted in the text. Three documents are attached to the report:

- *Attachment I* presents a copy of the agenda for the event
- *Attachment II* presents the slides that were used to review key data on the Alberni Valley community
- *Attachment III* presents the slides that were used to review the impacts of different cost allocation bases on participating jurisdictions

DAY ONE

STAGE SETTING

Introductions

The session began with introductions of persons present. The list of attendees from the ACRD's Alberni Valley jurisdictions included:

- Director, Electoral Area B — Beaufort
- Alternate Director, Area D — Sproat Lake
- Director, Electoral Area E — Beaver Creek
- Director, Electoral Area F — Cherry Creek
- Municipal Director (Mayor), City of Port Alberni
- Municipal Director (Councillor), City of Port Alberni
- Councillor, City of Port Alberni
- Councillor, City of Port Alberni (first day only)

In addition to these attendees, two elected representatives from other ACRD jurisdictions participated in all or a portion of the session. These representatives were:



- Municipal Director (ACRD Vice Chair and Mayor), District of Tofino
- Director, Electoral Area A — Bamfield (first day only)

The Director (Councillor) from the Uchucklesaht First Nation visited the group on day two to express support, but was unable to stay at the event. Senior staff from the ACRD, City of Port Alberni and the Tseshaht First Nation also attended the discussions as resources to the elected officials and the process. The session was facilitated by local government consultant, Allan Neilson, of Neilson-Welch Consulting Inc.

Purpose

As noted, the session was convened to determine whether there is a collective desire on the part of Alberni Valley jurisdictions to collectively develop, fund and govern a new aquatic centre for the broader Alberni Valley community. In reviewing this purpose, the facilitator stressed that attendees were not present to make decisions, or to commit to any definitive sub-regional service design. The development and pursuit of a specific service would come later, it was noted, if there were a shared desire to proceed. The session, it was noted, was an opportunity for representatives to:

- understand concerns, needs and interests, and determine if there is sufficient common ground to move forward
- understand service options, and narrow the range of options to consider

Expectations

The facilitator asked participants to share their expectations for the session, and to identify what, in their view, would make the discussions a success. The following points were offered:

- a general direction forward for the group
- an understanding as to why a sub-regional service is a good idea
- an understanding of the City's perspective — what the City planning, what the City wants
- a sense of what is fair in terms of cost-sharing
- consensus on how to proceed
- an understanding of service scope

- a discussion of equals — not about what the City wants, but about what is fair
- a governance model
- an understanding of the role of First Nations in service funding and planning
- an understanding of what the Regional District wants
- discussion on benefits of a centre
- reaching agreement on the need for an aquatic centre — an alternative to shutting it down
- consensus on the need for a shared service

Facilitator Observations

Prior to the discussion session, the facilitator reviewed a range of materials and spoke with a number of Alberni Valley elected representatives. Based on this background research, the facilitator offered a number of opening observations:

- the Alberni Valley is similar in many respects to other sub-regions in the province that have made the decision to establish shared, facility-based recreation services
 - a broader community that features one dominant municipal jurisdiction surrounded by electoral areas
 - some tension between the municipality and the electoral areas related to the provision and cost of existing services
 - a shared recognition of the need for compromise and cooperation
- the important involvement of four Treaty First Nations as ACRD members, and the involvement of two non-Treaty First Nations in the Alberni Valley community, make the Valley somewhat unique in British Columbia
- inter-jurisdictional relations in the Valley are marked by some historical mistrust related to past, perceived expansion aspirations, concerns around financial management, and concern dealing with perceived electoral area free-ridership
 - the representatives are aware of this history; but it does not define the Valley
 - there is a shared desire to move beyond historic concerns and grievances



- there is a clear sense among representatives of a broader community — the recognition, that is, that the Alberni Valley as a whole is the community, not one individual jurisdiction within the Valley
- there is recognition of the need for and value of an aquatic facility in the community; the feeling is stronger among some than others
- there is a desire for fairness in cost-sharing for all shared services; no group wishes to be a free-rider
- there are concerns about the ability to control costs in the operation of a future centre

ALBERNI VALLEY COMMUNITY

Views on Community

The facilitator explained that the first morning of the session would focus on building the foundation required for a strong shared service. The facilitator asked the attendees to consider and share their thoughts in response to some key questions. The questions and responses are listed as follows:

- What is the community — that is, which jurisdictions comprise the Alberni Valley community?
 - Alberni Valley is all of the residents in City and Areas B, D, E, F
 - businesses included
 - Port Alberni is the centre — people will say, when elsewhere, that they are from Port Alberni
 - political, jurisdictional boundaries blurred for most people — all jurisdictions in the Valley are one community
- How would you describe the Alberni Valley today?
 - economic challenges since decline of traditional economic driver (forestry)
 - fewer resources than in earlier times
 - earlier, when money not an issue, there was less need to collaborate on services; today, totally different situation

- distinct mindsets exist in the Valley; long-term population feels overtaxed, but newcomers see value and want more
- a community with civic pride, particularly when there is a supported, rallying cause
- polarized at times
- sense of being here together; blurred political lines; geography (a valley) defines the size of the community
- place with an economy that needs to be reinvented

Participants focused a portion of the discussion on inter-jurisdictional relations:

- trust among jurisdictions — particularly between the Electoral Areas and the City — has been a challenge
- concern on the part of some Electoral Area representatives that City needs to get its costs under control
- sense on the part of the City that the Electoral Areas need to contribute more towards City services that benefit residents in the Areas
- concern also on part of some Electoral Area representatives that Port Alberni wishes to "take over" through creation of district municipality
- Electoral Areas have a sense of autonomy they want to protect
- City representatives noted that the City has zero interest in taking over the Electoral Areas; City does want the Areas to pay more
- new residents do not care about historical concerns and grievances (opportunity to write a new story)

This discussion ended with a consensus that while historical concerns need to be acknowledged, the group should not be held hostage to them.

- What does "we are all one" mean to you?
 - the phrase speaks to the intrinsic value of every person in the Valley, regardless of jurisdiction or background



- the phrase speaks to the reality that we need each other (including to provide services that we all use)
- What do you see as the major challenges facing the community?
 - economy
 - declining population
 - competing service needs, some of which may be more important than a new aquatic centre
 - the absence of asset management in past years, and the resulting funding challenges to replace aging infrastructure
 - social issues in, and the social make-up of, the community
- How do you want to be able to describe the Alberni Valley ten years from now?
 - vibrant
 - affordable and safe
 - welcoming and inclusive
 - sense of community
 - a place with amenities for people
 - healthy population
- What are the benefits of recreation facilities in the Valley?
 - physical and mental health benefits
 - promotes physical literacy
 - economic benefits — reduce the need to travel to centres outside of the community
 - gathering place for community
 - social equity — providing opportunities and inclusion for everyone, regardless of socio-economic status
 - potential to attract new residents, including families, to the area
 - educational benefits
 - sport tourism
 - meeting community expectations
- Would it matter if the Alberni Valley did not have an aquatic facility?
 - if we want to be welcoming to new residents, need to have a pool
 - yes, having a facility helps to build community
 - yes, families with children would not live here without a centre; seniors may not, either
 - an aquatic facility represents a collective achievement
 - matters very little — jobs, not aquatic centres, attract families (but jurisdictions will support a new facility if it is affordable)

Data on Community

To further lay the foundation for discussions on a new aquatic facility service, the facilitator reviewed some data on the Alberni Valley jurisdictions. The slides on key data are included as *Attachment II*.¹ Highlights from the slides are as follows:

- the City of Port Alberni is by far the largest jurisdiction in terms of population
- all jurisdictions, including the City, recorded a decrease in population in the 2016 Census compared to the 2011 Census
- the City has the lowest median household income — a finding that is not surprising given the range of housing types and social services available in the City, as well as its socially diverse population
- the City has the highest converted assessment base in the Alberni Valley; Area B (Beaufort) has the lowest
- the City's converted base has grown only slightly since 2011 compared to the bases of all Electoral Areas in Valley — a finding that underscores the relative decline in traditional economic drivers that are based in the City

¹ All data are shown are the most recent available. Population and income data are from the 2016 Census;

converted assessment totals are 2018 numbers from BC Assessment.



- Valley-wide, there has been a decline since the 2011 Census in the proportion and growth rate of the 0-14 (children) and 15-64 demographics; the proportion and growth rate of seniors have increased — this finding highlights the challenge in the Valley of attracting families with children
- the child poverty rate in the ACRD as a whole is substantially higher than for the province — this finding will, for some, support the idea of a stronger role for local government in the provision of youth-focused recreation and social opportunities

ECHO AQUATIC CENTRE

The group reviewed the existing City of Port Alberni Echo Aquatic Centre. Key facts on the facility were identified, including those related to:

- services and programs
- facility age and state of repair
- operating cost and annual capital investment
- facility usage

It was noted that the Centre is the oldest unrenovated aquatic facility in Canada. At some point in the not-too-distant future, questions around facility closure and replacement will need to be tackled.

Electoral Areas in the Valley noted that they do make an annual contribution to the City in exchange for equal access to the City's recreation services, including the Echo Centre. These contributions recognize that all residents of the Alberni Valley use — and, therefore, benefit directly from — the Echo Centre and other facilities in the City. It is also the case, however, that at their current levels the contributions reflect the fact that the facilities are owned by, and are the responsibility of, the City of Port Alberni. Electoral Area Directors do not participate in service governance. If the Echo Centre were a shared, sub-regional service, the financial contributions of the Electoral Areas would almost certainly be higher.

FUTURE PROVISION OF AQUATIC FACILITY

Day one ended with some discussion on need for a new aquatic facility in the Alberni Valley.

Attendees also considered the desire to explore further the idea of a shared aquatic facility service.

Consensus on Future Aquatic Facility Service

Participants reached consensus on the need for a new aquatic facility in the Alberni Valley (one participant identified a new facility as a "nice to have", but offered support for it).

Participants expressed support for the idea of exploring further the development of a new aquatic facility through a shared, sub-regional aquatic facility service. This support reflects the following points:

- > residents throughout the Alberni Valley would use and benefit from (directly and indirectly) a new aquatic facility
- > the Valley is one community
- > no single jurisdiction, including the City, is able on its own to develop and operate a new facility

DAY TWO

On day two of the session, the group explored the elements of a shared, sub-regional aquatic facility service. The purpose of the discussion, attendees were reminded, was to learn about and consider some of the options available in structuring a shared service. Areas of consensus could be identified, but no decisions would be made.

SUB-REGIONAL SERVICE ELEMENTS

Every shared service has four key elements:

- service participation — the jurisdictions that participate in the service
- service definition — the scope of the service
- service cost — total cost, cost recovery, cost allocation
- service governance — how control over the service is shared



Service Participation

Which jurisdictions in the ACRD would participate in a new sub-regional aquatic facility service? The term "participant", it was noted, has a special meaning in the regional district service context. A service participant is:

- a member jurisdiction that decides to act as part of a collective rather than on its own
- a partner in service planning, service decision-making and service funding
- a jurisdiction that chooses to surrender a certain amount of authority to, and to share responsibility with, the collective
- distinct from a jurisdiction that simply purchases use of or access to a service, or that makes an annual financial contribution to support the efforts of another jurisdiction

The group was presented with some criteria to consider when determining which jurisdictions may wish participate in an Alberni Valley aquatic facility service. Jurisdictions, it was noted, may wish to participate when:

- they are supportive of, and a co-architect of, the shared vision for the service
- it is clear and accepted that their residents use — and thus directly benefit from — the service
- their residents are able to access the facility
- they derive indirect benefits — economic, social, health, other — from the service
- they consider themselves a member of the Alberni Valley community — geographically, economically and emotionally

Jurisdictions may also choose to participate out of a desire or need for reciprocity. A jurisdiction that anticipates having to rely on its neighbouring jurisdictions for support on a future service may consider it to be in its best interest to participate in a shared aquatic facility service. Alternatively, a jurisdiction may choose to participate in the service to recognize past support on services from the other Valley jurisdictions.

Service Definition

What does the term "sub-regional aquatic facility" include? A new facility-based service, it was explained, could be defined very narrowly to

Consensus on Service Participation

Representatives agreed that the list of participating jurisdictions in a new, sub-regional aquatic facility service would include:

- > City of Port Alberni
- > Area B — Beaufort
- > Area D — Sproat Lake
- > Area E — Beaver Creek
- > Area F — Cherry Creek

It was recognized that the Uchucklesaht Tribe (and possibly other Treaty First Nations as well as non-Treaty First Nations) has expressed support for a new facility, as well as an interest in contributing in some fashion to the shared service. This support and interest to contribute were lauded and encouraged by session attendees. The idea of a possible contribution to the capital cost of the facility was identified as a short-term step. The idea of full participation in the service may be more problematic at this point given the absence of a converted assessment base for Uchucklesaht Treaty Lands.

include only a swimming pool and change rooms. Alternatively, the service scope could be set more broadly to include ancillary features such as a fitness centre and community rooms, or even other facilities (e.g., Multiplex). The exact definition that is chosen is a matter for the participating jurisdictions to determine, with the help of community input. There are some points that participants may wish to consider when setting the definition:

- narrow versus broad definition
 - jurisdictions tend to prefer a narrow definition (i.e., limited scope) when trust among jurisdictions has been an issue in the past, and/or when there is disagreement on how many ancillary components to include



- it can be difficult to limit the scope once participants start to add components and/or facilities
- new facilities only, or existing facilities as well
 - focusing on a new facility (e.g., a new aquatic centre) allows participants to start with a "clean sheet"
 - attempts to include an existing facility in a shared service can lead to disputes over the condition of the facility, as well as disagreements around the idea of a buy-in cost
- facility development and facility operation
 - participants could attempt to limit the service to facility development only, and exclude facility operation
 - in a truly collaborative shared service, however, development and operation are difficult to separate²
- practicality is important when setting scope
 - it is difficult to "cherry-pick" different elements of a multi-purpose building to include in a shared service
 - it is easier to include an entire facility complex and all of its uses
 - makes planning and design easier, as well, since all participants are involved in the planning exercise for the entire facility

Service Cost (Total Cost)

The total service cost will be determined by participants, informed by community input on what is needed and/or desired at the new facility. The cost will include:

- a capital component to build the facility, expressed as an annual debt payment (principal and interest)

² Property owners in three of the Electoral Areas in the Valley (Areas D, E and F) make annual payments, through the ACRD, towards the capital debt of the City's

Consensus on Service Definition

Service definition will be influenced by community input. Among attendees, there was consensus on certain points, namely:

- > the focus is on a new aquatic facility, not the existing aquatic centre or other existing facilities
- > the shared service would include both facility development and operation

- an operating component, expressed as an annual net cost to recover, primarily through user fees and taxes

Representatives noted that it will be important to consider what the community can afford, and what it is willing to pay for a new facility service. It was suggested that community input through surveys would provide guidance on these points.

Service Cost (Cost Recovery)

The consultant noted that the establishing bylaw for the shared service will need to identify the methods by which the participants will recover the cost of providing the service. Cost recovery, it was explained, is different from cost allocation. Cost allocation, which is addressed later in the report, speaks to the ways in which participating jurisdictions agree to share the property value tax burden. Cost recovery, by contrast, speaks to the methods — only one of which is property value tax — that will be used to fund the service.

There are five basic methods available:

- user fees, which in the case of an aquatic facility consist largely of admissions and program registrations
- lease, concession and sponsorship payments
- contributions from non-participants
- property parcel taxes
- property value taxes

Multiplex. The contributions are structured, however, as a separate local service in every contributing Area. There is no shared Multiplex service.



The consultant took the group through a series of considerations to guide decisions on cost-recovery methods. Highlights are as follows:

- user fees
 - tend to be favoured when users are the primary beneficiary of the service
 - need to take into account ability to pay
 - reliance on fees will be influenced by desire to encourage or limit use of the facility
 - not ideal as the only method when the service has significant fixed costs that must be paid irrespective of use
- lease, concession and sponsorship payments
 - will be limited by the demand for space and sponsorship opportunities
 - in seeking tenants for space, the jurisdictions will need to consider the impact on existing landlords
- contributions from non-participants
 - may be sought from jurisdictions that acknowledge the benefits of the facility, and that wish to support the facility, but that do not (or are not able) to be a participant in the service
- property parcel tax
 - tends to be favoured when property owners seek stability in annual payments
 - reflects belief that value taxes, based on assessment, do not reflect ability to pay, and are not equitable
 - may be best suited to capital debt, payments which do not change over time (less suitable for operating costs)
 - does not capture all units, and does not differentiate among property classes (i.e., every parcel of property pays same amount)
- property value tax
 - value taxes, which are most often referred

to simply as property taxes, are used for services that have broad social benefit

- most common form of cost-recovery, and therefore is understood by taxpayers

Group discussion on these methods highlighted the need to consider users' ability-to-pay when determining how much to rely on user fees as a cost-recovery tool. Some existing users, it was noted, are low income with a below-average ability to pay. The group also suggested that efforts be made to seek capital grants for the development of the facility.

There was some discussion on the possibility and preference of using a property parcel tax to recover the capital cost to build the facility. This method is perceived by some to be more equitable in the Valley; as well, it is well-known and understood by property owners, given the Multiplex situation.

Consensus on Service Cost (Cost Recovery)

Participants recognized that further study and discussion on cost-recovery tools will be needed. Consensus was reached, however, on the need / desire to:

- > rely on user fees as one source of funds for the facility
- > maximize lease, concessions and sponsorships, as well as contributions from non-participants
- > seek capital grants to reduce total cost to the Alberni Valley jurisdictions

Service Cost (Cost Allocation)

When property value tax is used as one method of funding a service, an annual tax burden is created. Participating jurisdictions in the service must determine how to share (i.e., allocate) this annual burden. Allocation on the basis of converted assessment (land and improvements) is the default method in the *Local Government Act*; it is also the primary method used for ACRD services. Converted assessment is not, however, the only basis that may be used. The list of possible bases is



significant — indeed, jurisdictions may agree to share costs on any basis or combination of bases. Some of the more popular ones include actual usage, population, and the level of service provided in participating areas.

It is important to remember that the basis (or bases) for allocating the tax burden determines the amount that each jurisdiction must pay, through property value taxes, for the service. The amount assigned to an individual jurisdiction is collected from property owners in the jurisdiction using a property value tax that is charged against the assessed values of all properties.

The consultant identified some considerations to guide jurisdictions when determining which basis, or combination of bases, to allocate the tax burden associated with a new aquatic facility service. Highlights are as follows:

- converted assessment (land *and* improvements)
 - often used because people are familiar with it and understand it
 - used when jurisdictions feel that the assessment base in a service area reflects an ability to pay, and that the taxes generated from the base are equitable
 - results in a uniform tax rate across the service area
- converted assessment (land *or* improvements)
 - may be used when there is a desire to reflect the nature of the service, which in the case of an aquatic facility is of a service that benefits people (as opposed to property)
 - may be preferred depending on the nature of the tax base, and the desire to focus on specific parts of the base
 - results in a uniform tax rate in all jurisdictions
- population
 - population as a cost-allocation basis is often used as a proxy for direct usage,

- when usage numbers are not available
- assumes equal ability throughout a service area to access a facility
- results in different tax rates in each jurisdiction

- direct usage
 - often used when facility users are the main beneficiary
 - may be preferred, as well, when the amount of the service that is used varies considerably across jurisdictions
 - results in different tax rates in each jurisdiction

The group reviewed a number of slides to show the impact across participating jurisdictions of different cost allocation bases. The slides, which were presented for the purpose of illustration only, assumed:

- a facility capital cost of \$18.0 million, borrowed over 20 years through the Municipal Finance Authority to result in a \$1.21 million annual debt servicing cost
- a net annual operating cost of \$225,000
- a property parcel tax on facility construction cost (capital) of \$73 per year for 20 years

The slides which show the allocation impacts of these costs are presented in *Attachment III*.

Consensus on Service Cost (Cost Allocation)

Cost allocation will be the focus of further discussion on the new service. To assist in the discussions, the group wishes to see data on facility usage — existing and anticipated future — to understand differences among jurisdictions.

Service Governance

Service governance deals with the sharing of decision-making power (i.e., control) over the service. The consultant introduced the topic by identifying certain constraints in the *Local*



Government Act that must be recognized:

- the decision to adopt the service establishing bylaw must be made by the full ACRD Board as a corporate vote (i.e., one vote per Director)
- decisions on financial plans, borrowing and property must be made by the full Board as weighted votes

The consultant explained that all other decisions for the service constitute service administration and operating decisions. The default decision-making method under the *Local Government Act* for these types of decisions is to use stakeholder (i.e., participating jurisdictions only) weighted votes. The *Act* also allows service participants, however, to use a customized voting approach in which the number of votes per Director varies.

Two charts on service administration and operating decisions were shown. The first applied the legislative default of stakeholder weighted votes. The slide showed that under this default approach the City of Port Alberni, with a total of nine votes, would have the potential to control every decision for the service. The second chart varied the voting weights to assign one vote to each Director from every participating jurisdiction. Under this alternative, Port Alberni would have two votes and each of the four Electoral Areas would have one. With these numbers, the largest jurisdiction (Port Alberni) would:

- need the support of one other jurisdiction in order to block a decision
- need the support of two other jurisdictions in order to advance a position

This alternative weighting option would eliminate the potential dominance of one jurisdiction, and would provide — arguably — a more meaningful sharing of control. The option would also promote the need for compromise.

As a final point on service governance, the group considered the ability to delegate service administration and operating decisions to a separate service commission, created by the ACRD to oversee the new service.

Consensus on Service Governance

Participants in the discussion favoured:

- > the use of the alternative decision-making structure, with one vote per Director, for service administration and operating decisions
- > no delegation to a separate commission

NEXT STEPS

The discussion ended with a decision by the group to issue a joint press release on the session. The group also identified some next steps to undertake in the coming months:

- study further the service elements and options available
- guided by the points of consensus, consider concrete proposals on the elements
- obtain data from the City of Port Alberni on actual usage of the Echo Centre, broken down by jurisdiction
- explore the need for and design of community surveys to test support levels, determine anticipated future demand, and gauge willingness to pay
- explore facility development and operating models

It is recognized that, ultimately, elector approval for any new service will be required. A single-issue referendum in each jurisdiction the Spring of 2019 appears to be the most supported form of electoral approval.





ALBERNI-CLAYOQUOT
REGIONAL DISTRICT

3008- 5th Ave, Port Alberni, V9Y 2E3

PRESS RELEASE

For Immediate Release

August 17, 2018

Officials Gather to Discuss Aquatic Centre Services

During their consideration of Strategic Priorities early this year, the ACRD Board of Directors confirmed their direction for staff to work with the City of Port Alberni staff to develop an action plan for examining the potential for the development of a new aquatic centre and the provision of aquatic centre services in the Alberni Valley.

Over two mornings, elected and appointed officials from the Alberni Valley including First Nations, the Electoral Areas and City of Port Alberni and supported by Directors outside the Valley, gathered to exchange ideas regarding the future of facilities-based aquatic recreation in the Alberni Valley. The outcome was a strong interest to continue working collectively on the feasibility of a new sub-regional aquatic facility for the Alberni Valley.

Based on that, ACRD staff will be preparing a report as part of the orientation of the new Board in 2019 to recommend next steps to engage the communities to define the aquatic needs for the Alberni Valley and how those needs might be met.

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