



Duncan-North Cowichan Citizens' Assembly on Municipal Amalgamation

Interim Report

March 8, 2017



Members of the Duncan-North Cowichan Citizens' Assembly, January 21, 2017

About the Citizens' Assembly

The Citizens' Assembly on Municipal Amalgamation is a unique exercise in local democracy that provides residents with an opportunity to develop and evaluate the case for amalgamating the City of Duncan and the Municipality of North Cowichan. The Assembly is an arms-length process that has been commissioned by the elected councils of both municipalities. Thirty-six area residents will serve on the Assembly which will meet over six days between January and April, 2017. The Assembly will report to both councils in May, 2017.

Context

Over the past decade, new growth has blurred the boundaries between Duncan and North Cowichan. Many residents routinely drive between the two jurisdictions several times during a normal day. Some municipal services are already jointly administered and others could be combined. This has prompted both councils to ask whether the time is right to consider amalgamation. The creation of the Duncan-North Cowichan Citizens' Assembly on Municipal Amalgamation is a first step towards examining this issue.

Mandate

The Citizens' Assembly on Municipal Amalgamation is a deliberative process intended to provide residents with an opportunity to actively participate in developing and evaluating the case for amalgamating the City of Duncan and the Municipality of North Cowichan. The Citizens' Assembly is an impartial advisory body that works to represent all residents and exemplify high standards of transparency, accountability, and robust civic participation.

The Citizens' Assembly is tasked by the City of Duncan and the Municipality of North Cowichan to learn about the needs and interests of residents, examine the implications of creating a new, amalgamated municipal structure, and advise local councillors and their administrations on the conditions under which the Municipalities should proceed.

Specifically, the Citizens' Assembly on Municipal Amalgamation will develop:

- A set of values which describe their aspirations for good local governance;
- A list of issues which they believe need to be satisfactorily resolved for municipal amalgamation to merit consideration; and
- A detailed recommendation concerning municipal amalgamation, including any conditions which would need to be satisfied if a merger was to proceed.

Membership on the Assembly

The members of the Duncan-North Cowichan Citizens' Assembly were selected using a Civic Lottery. In December 2016, 10,000 area residents were randomly selected to receive an invitation to volunteer. From a pool of 144 volunteers, the 36 members of the Assembly were randomly selected to broadly represent the population and communities that make up the two municipalities.

The members have each generously agreed spend more than 50 hours serving on this Assembly. They do not receive an honorarium or any other form of personal compensation.

The Chair and Assembly Team

The Assembly is chaired by Peter MacLeod, principal of public engagement firm MASS LBP. This firm won the contract to lead the Assembly process following a public tender, and is internationally recognized for its work leading deliberative policy processes. The Chair is responsible for developing the Assembly program and process, leading the local facilitation team, and serves as the spokesperson for the Assembly. He does not have a vote and is expected to remain neutral throughout the Assembly's deliberations.

Process

The Assembly meets three times between January and February, and three times between April and May. It will also host public meetings open to any resident in February and April. During their March recess, technical consultants will complete their independent study of the municipalities' finances, infrastructure, and services and report their findings to the Assembly on April 1, 2017. This study is intended to provide councillors, Assembly members and residents with an

objective assessment of the likely costs and benefits of amalgamation. The Assembly will work to reach a consensus recommendation and deliver its report to both councils in mid-May.

The Citizens’ Assembly is an advisory body and its recommendation is not binding. The support of both municipal councils, a majority of voters during a public referendum, and the consent of the provincial cabinet is required for amalgamation to proceed.

Midpoint survey

Following their third meeting, members of the Assembly were invited to complete an anonymous survey indicating their satisfaction with the process. Members were asked to respond to each question on a ten-point scale from ‘strongly agree’ to ‘strongly disagree’. The responses were then aggregated to yield a confidence score, where 100% equals all members strongly agreeing with a statement.

Survey questions	Confidence
I am enjoying my experience as a member of the Citizens Assembly	92%
I feel my voice and perspective are welcomed and respected by the Assembly Chair and the facilitation team	96%
The Assembly Chair is careful to remain neutral and ensure the impartiality and independence of the process	97%
I feel my voice and perspectives are welcomed and respected by other members of the Assembly	89%
I feel I have had a good opportunity to become better informed about this issue and more clearly understand local government and the implications of amalgamation	92%
I am confident in our ability to work effectively together as an Assembly and produce a report that will provide a clear direction to both municipalities	85%

Summary of meetings

Values

The Assembly values local government that:

- Is efficient and cost-effective
- Provides quality services and infrastructure
- Promotes public engagement
- Exercises environmental stewardship
- Is collaborative
- Is accessible, accountable, and approachable
- Is respectful of local differences

Please see the Assembly Values document posted to the project website: dnc-cama.ca

Speakers in Sessions 1-3

Phil Kent, Mayor of Duncan

Jon Lefebure, Mayor of North Cowichan

Kyle Young, Assistant Manager of

Planning and Subdivision, Municipality of North Cowichan

Kathryn Gagnon, Executive Director, Cowichan Valley Museum and Archives

Peter de Verteuil, CAO, City of Duncan

Gary Paget, Senior Policy Advisor - Local Government Division, Government of British Columbia

Marijke Edmondson, Director, Local Government Structure, Government of British Columbia

Patricia Ross, City Councillor, City of Abbotsford

Debra Oakman, CAO, Comox Valley Regional District

Brian Walliser, former senior advisor and expert on local government in B.C.

Jean Cardno, Owner, Cardino Shoes *representing* Downtown Duncan BIA

Blair Herbert, Broker/Owner, Royal LePage Duncan

Moira Hauk, First Vice President, Duncan Cowichan Chamber of Commerce

Don Hatton, President, Hatton Insurance

Meeting 1: January 21, 2017

On Saturday, January 21st the thirty-six members of the Duncan-North Cowichan Citizens' Assembly on Municipal Amalgamation met for the first time. The Chair of the Assembly, Peter MacLeod, welcomed everyone and invited the mayor of Duncan, Phil Kent, and the mayor of North Cowichan, Jon Lefebure, to acknowledge the traditional territories and welcome the members of the Assembly. Both mayors thanked the members for their commitment to the process and explained why they looked forward to receiving the Assembly's report.

Next, the Chair explained the Assembly's mandate: "to examine the implications of creating a new, amalgamated municipal structure, and advise local councillors and their administrations on the conditions under which the Municipalities should proceed."

MacLeod took care to underscore that the Assembly was not deciding whether the municipalities would merge. Instead, their task was to advise both Councils which would then vote on whether to endorse the Assembly's recommendation. If a recommendation to pursue amalgamation is endorsed, a public referendum would also be required, as would support for the provincial government. In this way, the work of the Assembly is an important first step in a longer process that will involve significant public input.

Next, he described the role of the members as local representatives. He urged the members to think not only about their own interests, but to work to understand the needs and interests of others, and represent the community as a whole.

Each member then introduced him or herself and talked about the reasons why they had volunteered for the Assembly. Many were motivated by a sense of civic duty. Other were curious about the process and hoped to learn more about local government. Others still said it was a 'good reason to get out of the house' and were keen to meet others and contribute.

After a short break, the Assembly heard from its first guest speakers. Kyle Young from the North Cowichan Planning Department began by providing an overview of the area's geography and population, and explained how each municipality's Official Community Plan guides local development.

Next, Kathryn Gagnon from the Cowichan Valley Museum and Archives gave a lively account of the area's local history using early photographs to help understand the Valley's colonial past. Gagnon explained how North Cowichan was the fourth municipality to incorporate in 1874, and why the City of Duncan separated from North Cowichan thirty-eight years later in 1912. Then as now the condition of local roads in part spurred new municipal reforms.

Following lunch, Peter de Verteuil, Chief Administrative Officer at the City of Duncan, provided a detailed introduction to the work of local government. He discussed the services each municipality provides, the infrastructure they must maintain, as well as their respective budgets, staffing levels and governance model. He also explained how the municipalities work together to provide some services and infrastructure as well as with the Cowichan Valley Regional District.

Lastly, the Assembly spent two hours discussing how the Cowichan Valley had changed, what they thought was important to know about the Valley, and what they valued about local government.

Public Roundtable Meeting: February 2, 2017

Please see the Public Roundtable Meeting Summary posted to the project website: dnc-cama.ca.

Meeting 2: February 4, 2017

To start their second meeting, an Indigenous member of the Assembly acknowledged the Territory, and talked about the history of local First Nations. The Assembly agreed that each meeting would start with an acknowledgement of the land and the First Nations.

Next, Assembly members talked about their experience hosting the residents who attended the Public Roundtable Meeting.

Several members noted that many people seemed unclear about the boundaries between the two municipalities. Others shared that they had heard concerns about the rural-urban divide and wondered whether these different perspectives could be well-addressed within a single municipality. Other members were concerned about the cost and wondered about the impact on taxpayers. Another member mentioned that much of the feedback he had received was unrelated to amalgamation. He encouraged assembly members to stay focussed on the task and to filter out those issues which would be unaffected by amalgamation.

The Assembly then heard from its second set of speakers. First, the Assembly heard from Gary Paget, a senior policy advisor in the local government branch of the B.C. government. Paget provided a history of municipal amalgamations in B.C., noting the change in policy that occurred in the 1970s following a wave of forced municipal amalgamations. Today, the provincial government insists that amalgamations be voluntary and community-led.

Marijke Edmondson, Program Director in the Local Government Division, then explained the province's role in assisting communities to determine whether they should amalgamate. Edmondson explained that the Province provides support to municipalities for technical studies and public consultation, as well as leading its own consultations with local First Nations. The province may also provide special funds to municipalities during a transition period following an amalgamation.

The Assembly then heard from Patricia Ross, a City Councillor from Abbotsford. She spoke candidly about her own experience with amalgamation. The City of Abbotsford and the District of Matsqui amalgamated in 1996. Her story was a positive one, "We were already living together, and it just made sense to get married". As a councillor, she's found that being a larger municipality has helped Abbotsford to attract more businesses and support from senior levels of government.

With a more cautionary message, the Assembly then heard from Debra Oakman, CAO of the Comox Valley Regional District. She oversaw the division of two Regional Districts and discussed the complexity and cost of adopting a new governance structure. According to Oakman, before committing to any major reform, proponents should be very clear about what they are trying to achieve and attach benchmarks to their goals.

Finally, members heard from Brian Walliser, a former senior advisor with the Province and expert on local government in B.C. Walliser described how shared service agreements and greater use of the Regional District could provide an alternative to amalgamation, allowing the municipalities to proceed issue by issue. Walliser encouraged the Assembly to be clear about the specific service challenges they believe amalgamation can solve and to think if alternative approaches might prove less costly or more effective.

After lunch, the members of the Assembly revisited their discussion of values, and worked to define and adopt six values that would guide their work: Efficient and cost effective; Quality services and infrastructure; Public engagement; Environmental stewardship; Collaborative; Accountable, accessible, and approachable; Respect for local differences

Please see the Assembly Values document posted to the project website: dnc-cama.ca

During their final hour, the members turned their attention to identifying the issues they believe should be considered when considering the merits of amalgamation. Working in six small groups, they developed and then shared in plenary the issues they believed were most important. During their third day, the members visited these lists as they had done with their values, and used these issues to draft questions for the technical consultants.

Meeting 3: February 25, 2017

The Assembly reconvened for their third meeting on February 25th. During his overview, the Chair discussed the meetings he and a

member of the Assembly had with representatives of local First Nations. He reported that the meetings were generally positive and appreciated.

The Assembly then welcomed the consultant team from Urban Systems, who were hired by both municipalities as independent advisors to complete a technical analysis of the proposed amalgamation.

The consultant team described the scope of their analysis, shared several draft factsheets they had prepared, and took questions from the Assembly.

After a short break, the Assembly heard from its first “Perspectives Panel” whose members were selected to speak on behalf of Duncan and North Cowichan businesses.

Jean Cardno from the Downtown Duncan BIA, Blair Herbert from Royal LePage, Moira Hauk from the Duncan Cowichan Chamber of Commerce, and Don Hatton from Hatton Insurance each took turns sharing their points of view.

Two panelists spoke strongly in favour of amalgamation believing that a single municipality would be more efficient and cost effective, and that the area would benefit from harmonizing its by-laws and zoning, and by having a unified plan for development and growth.

The other panelists were more cautious believing that it was premature to endorse amalgamation without a clear analysis of its impact.

Following lunch, the Assembly returned to the issues they identified during their second meeting. When grouped together, these issues fell roughly into eight themes: Consistency of services; Governance and leadership; Economic development; Environment; Culture and identity; Land use and planning, Taxes; and Efficiencies and savings. Members were invited to join a table focussed on the theme which interested them most and to refine a list of questions based on their theme which could be sent to the technical consultant for review.

With the questions complete, the Assembly adjourned until its fourth meeting on April 1, 2017

Questions for the Technical Consultants

February 28, 2017

Members of the Citizens' Assembly drafted the following questions which were transmitted to technical consultants at Urban Systems Inc. who have been retained by the Duncan and North Cowichan to provide an independent assessment of the fiscal, infrastructure, service and governance implications of amalgamation. Urban Systems will provide a report on their findings to the municipalities and the Assembly on or before April 1st, 2017.

To learn more about the Assembly, please visit: www.dnc-cama.ca

General

1. What lessons can Duncan and North Cowichan learn from Abbotsford and Nanaimo? How do the circumstances concerning amalgamation compare?
2. Why consider amalgamation now? Is there a better time or scale at which Duncan and North Cowichan should consider amalgamating?
3. What strategies could an amalgamated municipality adopt to preserve the distinct character and identity of local communities?

Land Use & Planning

4. Is there anything we can learn concerning the development or harmonization of OCPs from other amalgamated municipalities in B.C. or other provinces?
5. What would be the approximate cost of creating a new Official Community Plan (OCP) for the amalgamated municipality as well as Local Area Plans for each of the communities within an

amalgamated municipality, and harmonizing corresponding land use by-laws? What would be a reasonable timeline for completing this work?

6. Is it possible that the province could provide one-time funding to develop a new OCP and LAPs as part of transition funding?

Governance

7. How would the by-laws of the two municipalities be harmonized? Would they continue to co-exist, would new by-laws be drafted or would the existing by-laws of one of the two municipalities supersede the other?
8. How have comparable municipalities in Canada changed their council systems following amalgamation? Is there a case for expanding council or implementing a ward or hybrid ward and at-large system? What factors should be considered when determining the appropriate council system for an amalgamated municipality?

Environment

9. What environmental regulations would be affected by amalgamation? How would these regulations be harmonized?
10. Would an amalgamated municipality be better able to invest in local alternative energy sources, such as biomass, geothermal, tidal, or wind power? Would an amalgamated municipality be better positioned to attract alternative energy investment?
11. Would an amalgamated municipality be better able to influence provincial or federal environmental regulation? How would amalgamation affect our ability to responsibly manage and protect local water sources?
12. Would an amalgamated municipality be better able to protect and advocate for the local bioregion?

Taxation and finances

13. What is the likely impact of amalgamation on tax rates for residents and businesses in Duncan and North Cowichan?
14. What factors related to amalgamation could lead to increased taxes for residents and businesses?
15. Could amalgamation have an adverse impact on low-income residents? If so, what might it be?
16. What provincial funds might be available – for what use, period and amount – to offset transition costs?
17. How would amalgamation change North Cowichan and Duncan’s eligibility for specific provincial and federal funding programs?

Efficiencies, services, infrastructure

18. How would an amalgamated municipality harmonize its services and infrastructure? Where are the widest gaps between existing services and infrastructure affecting residents and businesses of the two municipalities?
19. If amalgamation was to occur, in which areas could local administration and services could be streamlined and what savings are likely to result?
20. Where have previous amalgamations typically found cost savings and improved methods for delivering municipal services?
21. Given anticipated capital expenses in the next 5 - 10 years, how would amalgamation affect the overall costs of these projects and how would it impact the taxes of residents in both Duncan and North Cowichan?
22. Are there any anticipated new capital costs associated with amalgamation?

23. What are the anticipated costs of integrating services, governance, bylaws and zoning? How do these costs compare with anticipated savings during both the implementation period and over twenty-five years?
24. How would user fees and parcel fees change for residents if the municipal were to amalgamate?
25. What advantages would an amalgamated municipality enjoy in terms of cost efficiency, quality of services and infrastructure and standing with the provincial and federal government?
26. If the municipalities amalgamate, what would happen to existing service contracts? Are there any specific liabilities with regards to these contracts?
27. How should emergency services be delivered in an amalgamated municipality? What are the likely costs or savings and consequences for services?
28. Would an amalgamated city be in a better position to provide social and affordable housing?

Economic growth

29. How is amalgamation likely to affect local economic activity and growth?
30. How does population and economic growth in Duncan and North Cowichan compare with the province as a whole and comparable municipalities over the past decade?
31. What are the current bylaw and policy differences between Duncan and North Cowichan that led to competitive advantages/disadvantages between municipalities?
32. What are the likely economic or opportunity costs of not amalgamating?

33. What advantages or disadvantages might accrue to local businesses from amalgamation?
34. Without amalgamation, does North Cowichan's continued growth pose a challenge to the viability of Duncan businesses and its tax base?
35. Would amalgamation strengthen area tourism?