

A Corporate Review

Final Report

Executive Summary

District of Highlands

George B. Cuff & Associates Ltd.

2004

Private & Confidential

June 7th 2004

Mayor Karel Roessingh & Councillors
District of Highlands
1980 Millstream Road
Victoria, BC
V9B 6H1

Dear Mayor Roessingh & Councillors:

We are pleased to enclose an **Executive Summary** of our **Final Report of the Corporate Review** for the District of Highlands. Our Report provides a clear picture of what we found in the course of our work and our assessment of what needs to change if the District is to successfully move forward.

We have been pleased with the cooperation received to date and believe that this augers well in terms of both Council and the administration recognizing that both need to be involved and engaged if appropriate changes and improvements are to be made.

Our Report speaks to the issues within our terms of reference. Each of these have been addressed.

If you have any questions relative to this Report, we would be pleased to address them and provide you with any follow-up documentation necessary.

Yours very truly,

George B. Cuff, CMC
President

BACKGROUND & TERMS OF REFERENCE

The now District of Highlands was an unincorporated area of the Capital Region District and formed part of the CRD's Electoral Area B prior to incorporation. Its neighbour Langford was incorporated in 1992 with other nearby municipalities such as View Royal, Colwood and Metchosin incorporated over the mid to late 1980s. While the District of Highlands is quite small (about 1700 population), it is larger than many other BC municipalities. During the 1993 referendum process, it was estimated by the consulting firm that there were 40 municipalities smaller than the proposed District of Highlands.

As stated in our proposal, it was the intention of this Council that we “undertake a comprehensive Corporate Review in order to provide Council and senior management with a report which provides clear recommendations on the most effective organizational structure, council decision-making processes, advisory committee structure, senior management performance, as well as organizational and system requirements.”

ROLES, RESPONSIBILITIES AND PERFORMANCE

Key Roles of a Council

The key roles of any Council can be generically described as follows:

- Provide Sound Leadership:** Councils are elected to provide leadership to the business of governing and managing municipalities. While many of the day-to-day matters can be discharged expeditiously by the administration (providing that there is a bylaw or policy allowing such decisions to be made), there are always other matters that need to be brought to the attention of the Council. When such decisions are forwarded to Council for its direction, the administration should be expected to provide their analysis and advice as to the best course of action to be followed. Where possible and relevant to the issue at hand, the administration through the CAO should forward to Council for its approval a proposed statement of policy. These policy decisions by Council are, at times, very complex and difficult to render and, at times, very straightforward and simple.

Setting Sound Direction: Leadership is all about identifying choices which impact the future. It is the business of determining what is on first base and what is on second. It is centered around picturing the future and trying to apply that sense of future vision to present day decisions. This is what a Council is charged with doing. A Council, with the input and guidance of its administration, must set the course-it must steer the ship in the right direction so that the efforts of those charged with rowing are not futile. Without someone, however, guiding the way, the ship will drift badly and time and resources will be lost. How does this come about? Well, normally the CAO will recommend to the Council that time be set aside for a session of goals and priority setting, preferably making use of an external facilitator. This is recommended as it is highly unlikely that the session will stay on track without someone who is experienced and external to the actual business ensuring that discussions do not become a repeat of the last Council meeting. The expected outcomes of such a process include the following:

✍ A statement of vision

✍ A statement of values

✍ A listing of Council goals

✍ A series of key issues facing the Council and a prioritized list of those which Council has identified as essential to their preferred course of action.

Decisions Made in the Best Interests of the Residents: The choices made by a Council need to be based on what it perceives as being in the best interests of the majority of the residents of the District. This is a challenging task. Several alternate views exist on most issues. At times, a few may sound quite acceptable. In difficult and perhaps urgent situations, the Council may struggle with determining which mix of views represents the best strategy. Thus, regardless of the fact that various options may appear to have at least some merit, it is the duty of Council to make its determination based on what it believes to be the best choice for its residents. Leadership is all about making difficult choices in often a stressful environment.

Resolve Issues of Conflict: Council's role of governance also requires the resolution of conflict between various interests within the community. Part of the

obligation placed upon Council is the expectation that it will strive to reconcile conflict. Many of the issues coming before Council require decisions which may appear to favour one part of the District vis-à-vis that of another or which may not be initially viewed as understandable or supportable. The public expects Council to review the facts and resolve in favour of what it believes to be what a majority of residents would construe as acceptable if they, too, were presented with all of the facts. At times, such decisions of Council, regardless of how much thought and advice has been evident, will elicit considerable criticism from vocal elements of the community.

☞ **Use of a Suitable Process:** Critical to difficult decisions being acceptable to the majority of the public is the process used to make such choices. If Council is successful in adopting a step-by-step process of decision-making, then its decisions will more often than not be in accordance with the wishes of the residents. Inappropriate decisions often result from hasty actions or requests presented to Council at the last minute and without sufficient administrative analysis or recommendation as to the potential implications to the community as a whole. It is not intended by legislation nor by this document that Council members should forsake their individual viewpoints in order to be viewed as a “board of directors.” Indeed, we would expect Councillors to, at times, disagree quite strongly on particular issues or policy changes. This independence of thought and speech should always prevail. Rather, we see the need for Councillors to be able to articulate their individual views prior to a decision being made but, once made, to not undermine the democratic will of Council.

☞ **Build Relationships:** One of the key responsibilities of any Council is to build a range of solid relationships not only within Council and its administration but externally to the public and key influential bodies that may be in a position to positively influence the direction of key issues. Thus, attention must be paid by the Mayor to the type of relationships being developed by members of Council as a body and discussions held wherever there is concern that Council as a body is not working together as a corporate team. Further, concern must be exercised by all

members of Council to ensure that the relationship to the CAO is sound, based on mutual trust and respect.

☞ The ongoing relationship between the Mayor as chief executive officer and the Chief Administrative Officer is also critical to the overall functioning of the District. The Mayor symbolizes Council authority and legislative leadership. He may be able to bring to each situation Council's perception of the political issues confronting the community. He should be in an ideal position to advise and counsel the Chief Administrative Officer with regard to the direction which they feel is appropriate for Council as a whole to take.

☞ **Ensuring Appropriate Programs and Services for the Community:** Other than any such requirements for services identified in legislation, it is Council's responsibility, in the final analysis, to determine which programs and services will be made available and in what areas to what citizens. Such decisions are left largely to a Council to review and assess as to whether or not the service being suggested is one which the residents may feel is warranted. Not all services or programs which are provided to the residents of a municipality, particularly a smaller one like Highlands, needs to be offered by the staff of the District. It may be far more cost effective to offer these services to the residents by way of contracting with a neighbouring jurisdiction or a private sector operator.

☞ **Making the Best Use of Public Resources:** The role of a Council has often been described as that of a steward. That is, one of the fundamental principles of a local governing body is that it will ensure that the resources of the municipality are being utilized wisely and in accordance with the budget and Business Plan as well as any policies and procedures which may apply. Ensuring that Council has made the best use if resources requires that it:

☞ Establish clear policies relating to the recruitment and treatment of personnel

☞ Identify potential risks in the use by the public of municipality-owned facilities and equipment

☞ Establish a comprehensive tender policy and procedures

☞ Identify potential suppliers of goods and services.

~~2.2~~ **Council Functioning As One Corporate Policy Unit:** Regardless of Council's own strengths and weaknesses, it is absolutely fundamental that it provide leadership to the District and to the administration through the establishment of appropriate policies and its unwavering support for decisions once they have been made. This Council will be viewed as effective to the extent that it:

- ~~2.2~~ views itself as one single entity;
- ~~2.2~~ does not capitulate on decisions to individual members but which maintains its focus on the directions which are supported by the majority;
- ~~2.2~~ acts as a group rather than a series of nine individuals;
- ~~2.2~~ seeks to understand issues fully prior to making a decision;
- ~~2.2~~ agrees to involve the public in advance on issues of considerable importance;
- ~~2.2~~ seeks the input of senior staff on any and all issues of significance; and
- ~~2.2~~ strives to hear the minority views prior to making a decision which clearly reflects a majority view.

KEY THEMES FACING HIGHLANDS

While there are a variety of challenges facing the District of Highlands Council and administration, we have chosen to group these together under various headings which we believe describes their importance; how they ought to be viewed; and an appropriate response.

Governance and Leadership

One of the most significant challenges facing the District of Highlands is the need for Council to find suitable ways to work together for the benefit of the residents. This one issue is the key to any progress being made by the District.

This Council consists of four members with experience and three people who are new to local government. When we inquired as to the process of orientation, we were advised that there was very little done by this administration other than to provide Council members with the minimum information but no advice on how their new roles were to be discharged. That

was left to the provincial association (UBCM), which offers a triennial “rookie school”. Members of Council attended this school and found it to be very useful. The fact that this Council does not provide for per diems to cover the cost of attending such events due to a loss of earnings or potential earnings is unfortunate and acts as an unwritten and unspoken deterrent to attendance at events which would likely be of benefit to the entire Council.

As a result, however, of the very minimal approach taken by the administration, members of Council did not formulate clear ideas on what role the Mayor and other members were expected to play. Given that there are various pieces of information on these roles and facilitators available, it is somewhat surprising that more was not done to bring all of Council up to speed relative to the hallmarks of a good Council.

We are convinced that this Council has a reasonable degree of respect for one another even though they have a number of areas where the philosophical differences are significant. We note that the perception of a split in Council thinking seemingly stems from the history of Council over the past couple of terms (and perhaps further back into history as well). The previous Council was also regularly divided with one side being in a more predominant position than today. This perception appears to have lead the “opposition” to campaign as a slate resulting in the two opposing viewpoints being presented to the community. The fact that there was not a clean sweep by either group would suggest that the community wants a Council to reflect the will of all of its constituent parts.

It is our view that this Council has allowed itself to become too easily characterized as “pro-development” and “status quo” while in actual fact neither label is accurate. The “pro-development” group want to see the District have a somewhat broader tax base with growth being allowed in areas which have been designated for those purposes. The “status quo” crowd would prefer a “go slow” approach while recognizing that some degree of growth is certain and even necessary. While this is a somewhat superficial characterization of the two perceived groups within Council, greater respect for the right of each other to hold disparate views would likely result in areas of common ground becoming more discernible.

The Mayor has a role to play in helping the Councillors find the common approaches as he is the one who has the primary leadership responsibility for the well-being of the community. However, it is our view that the potential positive impact that the Mayor could

have on how his Council functions as a body is not well understood by either the Mayor or the rest of his Council. The Mayor has been somewhat marginalized by becoming aligned with two other members of Council (largely through a similar philosophical approach) while the majority of those serving hold a somewhat different philosophical approach towards development and the economic base of the District. This has had a negative impact on the Mayor's ability to exercise leadership even though all members of Council believe the Mayor to be a competent person who has a strong desire to serve the residents to the best of his ability.

It seems to us that the Mayor has to spend more time trying to find the middle ground on the issues rather than allowing such matters to be too easily polarized. While there may be certain decisions that the Mayor cannot support, his leadership in trying to find the consensus amongst Council would likely receive the support of both Council and the public. The onus needs to be placed squarely on this Council to seek a form of governance that best serves the residents as a whole rather than groups of interest. While we have proposed certain changes to the current decision-making processes, it is up to this Council to seek a style of governance that achieves the best for the citizens of Highlands.

The Need for Priorities

The fact that this is a small District yet one with numerous challenges, suggests that priorities have to be established if this Council is to be successful in addressing the key issues facing its residents. It is not that Council has not attempted to identify its priorities as there is evidence that Council has been aware of the need to stay on top of this requirement of good governance. We were provided with a list of the Corporate Priorities Work Program as well as a document which contained reference to those issues that Council and the administration had either felt to be priorities or had established as such through discussion. When asked, the administration provided us with 15 pages of work priorities. It is interesting to note that 7 pages have been marked as "high priority". This situation simply adds frustration to both Council and staff.

While many of the corporate priority issues might be addressed by the CAO reasonably readily, he does not feel that he has the time to get to them in the timeframe expected by Council. This requires one of two solutions: either the CAO is authorized to retain

contracted resources to assist on specific projects on that list or the list is presented to Council with the obvious priorities marked, and the others recommended to be eliminated. It is our understanding that Council holds corporate priority sessions every 6 months or so. We see this as an excellent way of staying in touch with what each member perceives as the key issues of the day.

We held a planning session with Council and the senior staff during May 2004 and developed a draft of Council's vision, goals and priorities. These are reflected in the appendix which is shown at the conclusion of this report.

Resources

Of significant concern to the Council and the administration is the degree of demands being placed on the organization and the impact that has on District resources. The District employs:

- ☞ Chief Administrative Officer
- ☞ Deputy Clerk
- ☞ Planning Technician
- ☞ Administrative Assistant
- ☞ Building Inspector (part-time; 28 hours/week)
- ☞ Secretary/Receptionist/Cashier (20 hours/week)
- ☞ Accounting Clerk (20 hours/week)
- ☞ Student (full-time temporary-till fall 2004)

The current Administrator (CAO) has been with the District since its inception and has served in the roles of CAO, Treasurer, Clerk and Approving Officer. The office is very small which results in all staff being expected to roll up their sleeves and assist wherever the help is required. Much of the "normal" services of a municipality have been contracted out as noted in the listing of services. As a result, the main focus appears to be on the need to respond to citizen inquiries, development applications as well as all inquiries and questions pertaining to the contracted services.

It is our understanding that Council sees the need for "in house" planning expertise. Much of the staff time is spent on planning related issues with a number of significant development proposals currently facing the District. Further, there is considerable concern with regard to the demands pertaining to accounting/finance. The latter requirement has

been expressed by the fact that the District has had to bring in a financial consultant to help prepare for the audit. This requirement pertains to the need for improved resources in that area or else the redeployment of other office staff. Given the cost of those resources, there is a need to ensure that they are provided in a cost-effective manner.

Decision-Making

It is our observation that much of the concern voiced by Council pertains to how the decisions are being made and whether or not they have had sufficient debate and consideration by the public. While Council and its administration have made some improvements to the processes at Council meetings, there is still concern that given the limited number of administrative resources and the reluctance to add additional costs via salaries, that the use of Council and administrative time should be maximized in value and made as effective as possible.

We believe that public input can be very valuable if used appropriately and within reasonable parameters. It is too easy for a group of focused individuals to seize the agenda of a Council and use it to their own ends. Having a larger group than average attend a Council meeting and speak strongly to an issue does not make their advice sound or necessarily the consensus of the residents of any community. That is the role of Council (i.e. to reflect public opinion given that it is only Council that has been duly and democratically elected).

We note the concern that Council may be overly-reliant on advisory committees. These committees are not generally resourced properly by staff due to the limitations of staff time and resources and the cost of attending meetings and providing the required follow-up. Thus, while public involvement through the committee system is valued, there has been concern expressed by Council, staff and some committee members that the efforts of these committees needs to be better focused or supported if the Council and the District is to receive value for the efforts rendered.

At present, the six committees meet, largely without staff resources present albeit with a Councillor liaison appointed. The Councillor acts as a conduit of information from Council to the committee and from the committee to Council. While some committees see the Councillor as a liaison, most view the Councillor as their advocate (which is not what a Councillor should be).

Our Summary Observations re: Advisory Committees

Every community needs to find ways that enable their residents to have a voice in the affairs of their municipality. This model was thought of during the incorporation process and has likely served the District reasonably well, despite the difficulties which have been encountered along the way.

It is doubtful that the committees add the degree of value that they may feel they should for a number of reasons:

- ✍✍ The purpose of the committees is unclear; are they to be reflective of public opinion or an extension of the administration and thus expected to provide expert advice.
- ✍✍ The mandate of each is quite narrow which results in consideration of a myriad of details.
- ✍✍ The linkages to Council and the administration result in less than adequate information being made available to the committee.
- ✍✍ The fact that staff are not available to the committees results in the administration having the sense of playing catch up when reports from the committees are received by Council.
- ✍✍ Committees do tend to discuss matters beyond their terms of reference resulting in frustration for the members and for Councillors.
- ✍✍ Council tends to refer matters without much guidance as to what is expected of the committee.
- ✍✍ Some concern that the views of Council are limited to one person whose own political views may be inhibiting what the committee either needed to hear from Council or what Council should be hearing from the committee.
- ✍✍ The degree of detailed involvement by the committees results in the committee members seeing themselves often more as technical experts than community citizens.

Council Meetings

Council meetings represent the public “face” of a Council. For most residents, the only time they may see their Council in action will be through attendance at a meeting of Council. All members must be cognizant of the importance of public perception as to how Council does business and how it acts as a thoughtful, professional and community-sensitive body. While

there may be significant matters of disagreement between members of Council from time to time, all members of Council are responsible for conducting themselves in a respectful manner. While we are aware of the history of this Council and the behaviour at some of the meetings, we believe that Council should be better able to abide by decorum that is acceptable to all parties. This is a reflection of the maturity of those members involved in heated exchanges and their capacity to argue on the issues without bringing into question personalities.

The Mayor has been quite tolerant but is beginning to exercise more control from the chair. We view that as positive providing that the Mayor treats all members equally and with fairness regardless of whether or not the Mayor supports the arguments being put forward. The Mayor needs to act as the chairman in an impartial manner even though he should still be afforded the opportunity to present his own concerns and views at the close of each debate. This should be done briefly and to the issue without any attack on the right of others to differ.

Public involvement has been quite extensive although generally unplanned. As a result, meetings have tended to be overly long and have suffered from a lack of focus. Involvement of the public should be incorporated within the delegation portion of the Council and committee meetings. Involving the public during Council's own process of discussion and debate allows for one-sided input and acrimony from those not in agreement with a particular faction of Council.

Issues identified by the public should be presented to Council via delegations so that the CAO can do some research on the issue and present all members of Council with an outline of his thinking on the issue and the relevant policies of Council that such a course of action might impact. If the delegation refuses to provide the administration with a written summary of their issue before the deadline for receipt of such items, then the Mayor should ensure that the issue has been heard; thank the delegation for their presentation; advise the delegation that any useful discussion and debate will have to await an analysis of the issue by the CAO; and that the item will be placed on a subsequent agenda of Council.

Management Systems

Even a relatively small organization like the District of Highlands needs to establish solid management practices which work towards the building of a healthy environment. The CAO

in particular has the task of ensuring that the office runs effectively and efficiently; that services needed by the residents are offered at a reasonable price; and that the Council has the information which it needs to make wise public policy choices.

This requires that the CAO:

- ✍✍ Establish a useful policy process and format
- ✍✍ Develop a performance appraisal system for his employees and one for the Council to use in assessing his performance
- ✍✍ Draft a suitable and comprehensive orientation process and manual for the use of any new Council
- ✍✍ Assist the Council in coming to grips with how best to inter-relate with the public
- ✍✍ Develop a comprehensive process for evaluating salaries and ensuring fair compensation for all employees
- ✍✍ Draft properly crafted position descriptions against which performance can be measured
- ✍✍ Hold management meetings with his senior staff and staff meetings with all the staff from time to time
- ✍✍ Ensure that any key document or process that needs to have administrative control and/or input is properly channelled through his office
- ✍✍ Review employee morale on an ongoing basis and take steps to improve it as the need suggests; identify training requirement for the staff and seek out useful training opportunities
- ✍✍ Identify performance problems and take steps to either correct or require the affected staff member to find alternate employment.

Facilities

The current District of Highlands office lacks sufficient document storage space. This situation needs to be resolved if the organization is to be effective. Options include physical storage on site (requires construction of extension to the current building), physical storage offsite (presently being used but will increase lower staff productivity) or electronic storage (will require less investment than a physical building, but a higher level of staff training).

The current Council Chamber appears to be largely inadequate for the purposes of holding Council meetings, particularly when there is a need for presentations or when a larger than normal audience is expected. While we concur with the District's desire to retain the charm of this facility, it would appear that a new facility is needed with access to the modern lighting, minute taking, and presentation tools that increase the effectiveness of Council.

There are concerns that rural fire suppression is impacted negatively by the lack of ability to supply sufficient water after the fire equipment has arrived on site. Current development standards have attempted to address this but an overall Fire Master Plan is needed to identify equipment and water source needs for the entire municipality.

Review of the Planning Function

An important consideration leading to the incorporation of the District of Highlands from the Juan de Fuca Electoral Area as a distinct municipality was the need to limit the urbanization of the area and to ensure that, to the extent that development did take place, particular consideration was given to the topographical diversity and environmental sensitivity of the municipality. This concern was reflected in the original Official Community Plan for the District which stated that *"Development in the Highlands will remain primarily residential on rural acreages or large lots. The Highlands is not and should not be considered for future urban development in the region..."*.

The concern about the urbanization of the District is reflected in the CRD's Regional Growth Strategy which leaves the Highlands outside the Strategy's urban containment boundary with the exception of a small industrial/commercial area in the southeast corner of the municipality to the east of Millstream Road.

Based on the interviews we conducted, it would appear that, for the most part, residents of Highlands would like to see their municipality remain rural in nature with the exception that some sensitive residential development might be considered in the southwest corner of the District. An expansion of the Bear Mountain project has been proposed for this area, which would encompass a golf course and up to 235 residential units. The expectation here is that, were development allowed to proceed in this area along with the industrial/commercial development already provided for in the southeast, a broadening of the District's tax base would be possible thus allowing additional municipal services and amenities which are not presently available. While there are different points of view in the Highlands as to whether

or nor expansion of the Bear Mountain development should be permitted, there would appear to be general agreement that the balance of the District should remain rural in nature.

We were advised that, in order for more comprehensive residential development to occur in the southwest, amendments to the Regional Growth Strategy that would see this area included within the urban containment boundary will be required as will servicing agreements providing for piped water and sewer services to this area.

These issues are important matters being investigated as part of the review of the District's Official Community Plan currently underway. This review is being undertaken by a planning consultant working in close conjunction with the District's Advisory Planning Committee. The nature of future development anticipated in the Highlands has a fundamental bearing on the type of the planning program the District provides and the staff size and expertise necessary to provide this program.

DECISION-MAKING FRAMEWORK

One of the issues the District asked us to review was the approach taken by Council and its advisory committees to ensuring public input and making good use of the time and efforts of the public. We believe that Council should make changes to its present system of decision-making due to the very small nature of the community and the administrative resources available. Highlands simply does not have the staff to adequately support the current number of advisory committees. While the members of these committees may feel that they do not add any demands to an already over-stressed administration, there is always a need to respond to their input and advice, or it will appear to the public that the Council and administration do not care about their views.

We see the need to improve the two components:

- ✍ the processes that Council uses in making its decisions; and
- ✍ the way by which Council accesses the public's input.

The committee of the whole should be renamed the "Policies and Priorities Committee" as an indication that Council is intent on making certain changes to how their decision-making process functions. While this in and of itself is not a major distinction, we see this as one measure which links well with the other changes we are proposing.

The Policies and Priorities Committee should be utilized by Council as a mechanism for gathering information on key topics and encouraging public participation with Council members prior to the issue being formally tabled at a Council meeting. The P & P Committee should be the forum where new policy issues are considered or where matters which may have previously proven contentious can be discussed in greater depth and in a less formal atmosphere than a regular meeting of Council. This Committee is not expected to become a dry run for Council in terms of its regular Council meetings but, rather, a more informal and casual discussion forum for gathering information, discussing options and seeking community feedback. In order to ensure that this new process not become bogged down in uncertain procedural matters, we recommend that it be governed by certain terms of reference and principles of operation that will ensure that all parties are aware of these guidelines.

Terms of reference for the proposed Policies and Priorities Committee

The following are proposed as the appropriate terms of reference for the Policies and Priorities Committee. The Committee may:

- Hear from delegations and/or refer these on to Council
- Review matters forwarded to it by the CAO or by Council
- Consider matters placed on its agenda by members of Council (as determined by a resolution of Council) or by referral by the CAO and may refer such issues to the CAO for a report
- Refer any matter on to a regular meeting of Council which is not the subject of current policy (including new statements of policy)
- Review reports or minutes from external boards and committees so that there is some degree of consistency as to how each is treated by the Council
- Meet publicly at a time conducive to most members of the public (likely after 5 p.m.); meet on the alternate weeks to that of regular Council meetings
- May determine to meet in-camera on a vote of the committee at the conclusion of a meeting; in-camera matters are limited as per the legislation
- Meet principally as a forum for discussion rather than as a decision-making arena; enables all of Council to review and discuss key issues without the requirement to decide

- May refer an item to the CAO for more information or clarification but must move the issue forward to Council for its consideration and decision upon receipt of the clarifying information (in other words, the referral process if used is intended to be brief yet thorough)

Final reports or recommended actions should be placed on the agenda of the regular Council meeting and be subject to the discussion and debate of the Council at that time. We view the regular Council meeting as the principal decision-making forum of any municipality. This is where the major issues of the day need to be aired, debated and decided. As a result, the regular meetings of Council are recognized as the forum for decision-making.

In terms of the public input to Council, we believe that the public of Highlands has considerable opportunity for making its impact felt vis-à-vis issues deemed of importance. The public will continue to be able to present issues of concern to Council through the delegation period of every Council meeting, through the public advisory committee process, and via the revised committee of the whole (the Policies and Priorities Committee). Further, the public's views will also continue to be heard via the public process to review the OCP. The terms of reference of the proposed public advisory committees are recommended as follows:

Public Advisory Committee on Community Services

To review and provide advice to Council through the Policies and Priorities Committee on matters regarding:

- Roadway development
- Parks and Trails
- Special Events
- Leisure Services
- Issues of public safety including the Fire Master Plan & Emergency Services/Response Plan

Public Advisory Committee (PAC) on Environmental & Community Sustainability

To review and provide advice to Council through the Policies and Priorities Committee on matters regarding:

- Fiscal sustainability of the District

- Pest management
- Tree cutting
- Provision and maintenance of all trails, walkways and open spaces
- Environmental considerations regarding proposed new developments.

We believe that the CAO (or his designate) should be in attendance at these committee meetings and be responsible for:

- Providing committee members with the relevant and available background on matters referred to the committee by Council
- Responding to the questions of committee members (within the policies and bylaws of the District)
- Ensuring that someone is designated on the committee to take the minutes and ensure that these are provided to the District for referral to the next meeting of the Council.

RECOMMENDATIONS

- 1.1 We recommend that this Council engage an external advisor to provide a one-day session on Council roles and responsibilities immediately following the next municipal election.
- 1.2 We recommend that Council accept in principle the statement of roles of a Council and Mayor.
- 1.3 We recommend that Council accept in principle the statement of roles of a chief administrative officer.
- 1.4 We recommend that members of Council refrain from meeting in small groups to discuss any matter pertaining to Council business unless all members of Council are able to attend (and unless such meetings are in accord with the provisions of the Community Charter, as advised by the solicitors to the District).
- 1.5 We recommend that Council establish a fixed date managerial contract with its CAO (Administrator) and that any subsequent CAO also be placed on a fixed date contract of employment.

- 1.6 We recommend that Council request the CAO to advise on the development of a compensation plan for all staff (with the exception of the CAO who should have his compensation addressed through a separate performance review process).
- 1.7 We further recommend that Council limit any discussions relating to the compensation of any individual staff only be held with the CAO who is expected to act on behalf of all other members of the administration.
- 1.8 We recommend that Council approve the proposed staff complement plan which indicates the need for additional planning expertise and the recruitment of a Treasurer/Accountant.
- 1.9 We recommend that the CAO provide Council with an ongoing list of key administrative priorities, limited to the top 15 regardless of how many issues Council refers to the administration at any given time. Where the CAO is sensing that Council has expectations beyond the resources of the administration, then the CAO will bring a report on the matter, together with recommendations on how to resolve such an issue.
- 1.10 We recommend that, in terms of staffing the planning function, the District of Highlands should give first priority to hiring a professional planner to take responsibility for all municipal planning activities, including providing the staff support to Council public hearings and other meetings dealing with planning matters. In addition to dealing with day-to-day planning applications the job description for the planner position should include overall responsibility for policy planning as well.
- 1.11 We recommend that consultants should continue to be retained to undertake large scale planning policy studies, such as the review of the Official Community Plan currently underway.
- 1.12 We recommend that the CAO review the planning needs of the District within eight months of hiring a planner, so as to determine the need for clerical and technical support staff for the planning function.

- 1.13 We recommend that pending the completion of the review of the need for planning support staff, limited term staffing should be utilized should the need arise.
- 1.14 We recommend that a review of the planning fee structure of the District should be completed in time for implementation in the 2005 budget year.
- 1.15 We recommend that a review of the District's planning application process should be completed with a view to simplifying this process through enabling a variety of development-related applications to be included in one overall application.
- 1.16 We recommend that the Council rescind the current committee system and replace it with an alternate committee structure which we see as being far more suited to the needs and resources of Highlands. The proposed system will include:
 - ☞ Council Committee of the Whole (Policies and Priorities Committee))
 - ☞ Public Advisory Committee on Community Services
 - ☞ Public Advisory Committee on Environmental and Community Sustainability
 - ☞ The Advisory Planning Commission

The P & P Committee will be held in an open forum (except in those instances wherein Council is both entitled to go in camera and wherein conditions so warrant). The Committee will meet on alternate weeks to regular Council meetings and will be less structured with portions of each meeting given over to discussing community concerns formerly the mandate of the six Council advisory committees.

The two public advisory committees will be authorized to meet once monthly on dates that do not conflict with the PPC or the Advisory Planning Commission. They will meet to discuss matters referred to the committees by the Council or the administration and will be advisory only to the PPC. The APC will deal with issues within its terms of reference but will not refer matters to other committees save to the PPC. Council will also only refer matters to one committee and not to all committees, given that such matters will again be discussed at a meeting of the PPC.

Council members may attend the Public Advisory Committees but such attendance is not mandatory as the reports from those committees will flow through the PPC.

The terms of reference of these committees are recommended as follows:

Public Advisory Committee on Community Services

To review and provide advice to Council through the Policies and Priorities

Committee on matters regarding:

Roadway development

Parks and Trails

Special Events

Leisure Services

Issues of public safety including the Fire Master Plan & Emergency Services/Response Plan

Public Advisory Committee on Environmental and Community Sustainability

To review and provide advice to Council through the Policies and Priorities

Committee on matters regarding:

Fiscal sustainability of the District

Pest management

Tree cutting

Provision and maintenance of all trails, walkways and open spaces

Environmental considerations regarding proposed new developments

- 1.17 We recommend that the Mayor ensure that members of Council consistently treat each other with respect including: listening to contrary points of view, restraining any negative body language and not engaging in any offensive language which has no place in a public arena.
- 1.18 We recommend that the agendas be made available for Councillors to pick up at the close of business on Thursday of the week preceding the Council meeting.
- 1.19 We recommend that where the CAO feels that certain late issues should be considered by Council, the CAO brief the Mayor and that the Mayor

determine if it is sufficiently important so as to warrant immediate consideration by Council.

- 1.20 We recommend that anytime that Council is planning to hear a presentation from a developer that the CAO and District's senior planning staff member (and/or consultants) be in attendance.
- 1.21 We recommend that any report to go to Council for approval must first be reviewed by the CAO and "signed off" as being approved and recommended by the CAO for the consideration and approval of Council.
- 1.22 We recommend that the any matters within the context of this Report that have an impact on the Procedure Bylaw be considered and approved by Council.
- 1.23 We recommend that all performance reviews of the CAO be carried out by all members of Council.
- 1.24 We recommend that the administration identify policy issues as they arise in the "requests for decision" being placed before Council and present to Council draft policies for its consideration.
- 1.25 We recommend that the CAO draft an orientation manual for members of Council prior to the next municipal election. This is a project that may be suitable for members of Council and the public to provide input.
- 1.26 We recommend that the CAO prepare an orientation manual and process for new members of the administration.
- 1.27 We recommend that the CAO schedule regular staff meetings on a bi-weekly basis and that management meetings, if necessary to be held separately, be scheduled immediately thereafter.
- 1.28 We recommend that the consultants engaged on OCP review be expected to report directly to the CAO and through the CAO to Council. Every report by the consultants should first be reviewed with the CAO.
- 1.29 We recommend that the CAO continuously review the office morale and take any necessary steps to ensure that the morale is maintained at a reasonable level.

- 1.30 We recommend that the CAO undertake performance reviews on any staff directly reporting to him, and ensure that the other staff have their performance reviewed on at least an annual basis.
- 1.31 We recommend that the CAO develop a staff training plan which could be updated on an annual basis.
- 1.32 We recommend that the CAO ensure that adequate IT support has been addressed effectively; and that contractual services be retained to ensure prompt and effective solutions to IT problems.
- 1.33 We recommend that the District ensure that it is cognizant of the importance of diversifying the tax base; and that a) municipal fees be reviewed annually; b) careful use of higher density residential and industrial development in the southwest corner of the municipality be actively pursued.
- 1.34 We recommend that the budget for General Government Services reflect all salary, wage and benefit costs being appropriately charged to each function effective July 1. This will allow for 6 months of costs in 2004 to be tracked.
- 1.35 We recommend that the current Purchasing Policy be revised to reflect:
- ☞ procedures for sealed tenders
 - ☞ tenders to be received by email or fax, when this is appropriate
 - ☞ inter-provincial tender access requirements be identified
 - ☞ criteria for the analysis and award of tenders be stated.
- 1.36 We recommend that the District consider options for the storage of office supplies and additional equipment. The current office appearance is negatively impacted by the mess created through storage of supplies and files in any available space.

- 1.37 We recommend that prompt action be taken in addressing the need for a new Fire Master Plan which includes the District's ability to access sufficient water supplies and equipment to serve the entire District.
- 1.38 We recommend that the District develop a plan for the eventual replacement of its current Council chambers. A new facility is needed with access to the modern lighting, minute taking, and presentation tools that increase the effectiveness of Council.

Appendix A

2004 Corporate Vision, Values and Priorities

Our VISION is an affordable, viable and diverse RURAL COMMUNITY that

- Fosters a sense of harmony and balance culturally, environmentally and economically
- Balances the need for public safety with rural values
- Balances the need for a diversified tax base and economic sustainability with the protection of green space

We VALUE:

- Respect for the democratic process
- Respect for another's views, decisions and privacy
- Equal treatment of all presenters and views
- Engaged and active listening
- An integration of "Highlands" values with sound business principles

PRIORITIES

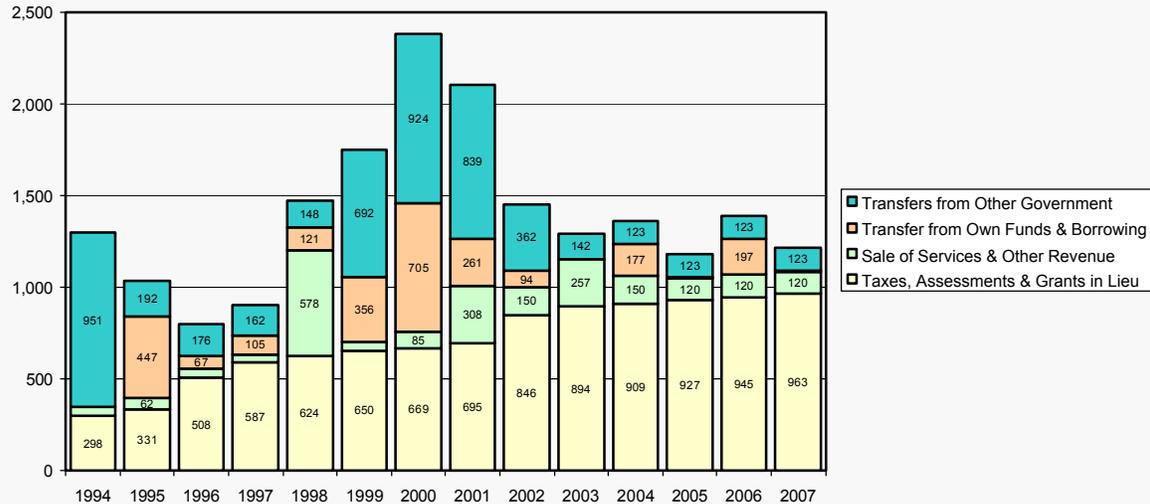
1. Completion of Corporate Review
2. Planning & Development Issues
3. Facilities Review
4. LGB9
5. Emergency Plan & Safety Issues
6. Environmental Issues
7. Legislative Review
8. Tax Diversification
9. Set Priorities

Summary of All Related Priority Issues

1. **Completion of Corporate Review**
 - Planning Staff
 - Cuff Report (Council, staff, committee reorganization)
 - An effective Council team

- Council-staff relationship
 - File storage facility
 - Compensation for Council/staff
- 2. Planning & Development Issues**
- Complete the OCP
 - Section 996 (relative) subdivisions
 - Land use issues, East Highlands
 - Secondary Housing
 - Define “rural”
 - Minimum lot size
- 3. Facilities Review**
- Community Hall and ballfield facilities
 - Improved Council Chambers
 - East Firehall renovation
 - Trail network and proper maintenance
 - Youth recreation facilities
- 4. LGB9**
- 5. Emergency Plan & Safety Issues**
- Highlands Emergency Plan and Wildfire Interface
 - Road safety issues – fire department
- 6. Environmental Issues**
- Cleanup of Crown and CRD polluted land
 - Future of piped services
 - Viability of Water Supply
 - Integration of stewardship measures (land, water, air)
 - Aquifer mapping
- 7. Legislative Review**
- Inconsistency of Bylaws
 - Fees and Services Review
- 8. Tax Diversification**
- Municipal Initiatives in Diversification of Tax Base
- 9. Set Priorities**

Revenues

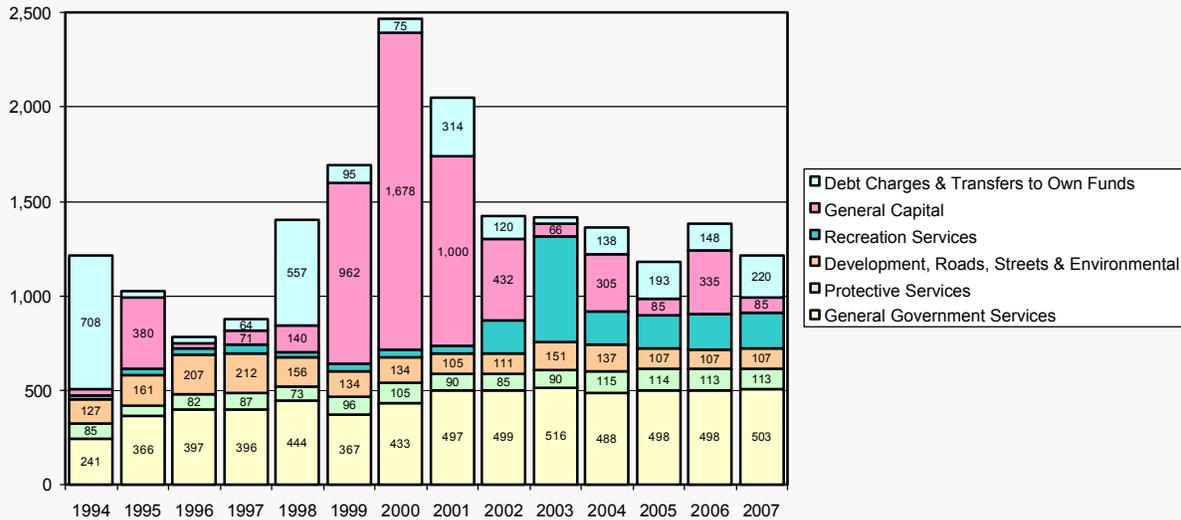


REVENUES (Thousands of Dollars)	Actuals										Amended Plans				Average Annual % Change 1994 to 2007	
	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	Current Dollars	Constant Dollars
Transfers from Other Government	951	192	176	162	148	692	924	839	362	142	123	123	123	123	-15%	-16%
Transfer from Own Funds & Borrowing	0	447	67	105	121	356	705	261	94	0	177	7	197	7	-29%	-31%
Sale of Services & Other Revenue	45	62	46	45	578	51	85	308	150	257	150	120	120	120	8%	6%
Taxes, Assessments & Grants in Lieu	298	331	508	587	624	650	669	695	846	894	909	927	945	963	9%	7%
Municipal Revenues	1,294	1,033	797	900	1,471	1,749	2,382	2,104	1,452	1,293	1,359	1,177	1,385	1,213	0%	-2%
Municipal Expenditure (Constant \$ 2003 = 100)	1,553	1,209	920	1,021	1,656	1,937	2,583	2,203	1,495	1,293	1,337	1,143	1,328	1,148	-2%	-2%
Consumer Price Index (2003 = 100)	83.4	85.4	86.6	88.1	88.8	90.3	92.2	95.5	97.1	100.0	101.6	103.0	104.3	105.7	2%	2%

Source: www.bankofcanada.ca/en/inflation_calc.htm

- ✍ Over the fourteen years from 1994 to 2007 total municipal revenues have varied widely due to other government transfers and the municipality's own borrowings & transfers.
- ✍ Revenues in 2007 are virtually the same as revenues in 1994. In constant dollars (i.e. after discounting for inflation), revenues will have decreased by an average of 2% each year over the fourteen year period.
- ✍ Based on current plans, revenues from property taxes, special assessments and grants in lieu will have increased the most, by an average annual rate of 7%, after discounting for inflation.
 - ✍ Similarly, Sales of Services and Other Revenues are projected to have increased by 6% annually in constant dollars, over the fourteen year period.
- ✍ Transfers from other governments, funds from municipal borrowings, and transfers from municipal reserves have decreased the most.

Expenditures



EXPENDITURES (Thousands of Dollars)	Actuals										Amended Plans				Average Annual % Change 1994 to 2007	
	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	Current Dollars	Constant Dollars
Debt Charges & Transfers to Own Funds	708	30	31	64	557	95	75	314	120	33	138	193	148	220	-9%	-10%
General Capital	37	380	29	71	140	962	1,678	1,000	432	66	305	85	335	85	7%	5%
Recreation Services	17	33	34	47	30	40	42	46	173	559	177	181	185	186	20%	18%
Development, Roads, Streets & Environmental	127	161	207	212	156	134	134	105	111	151	137	107	107	107	-1%	-3%
Protective Services	85	54	82	87	73	96	105	90	85	90	115	114	113	113	2%	0%
General Government Services	241	366	397	396	444	367	433	497	499	516	488	498	498	503	6%	4%
Municipal Expenditures	1,214	1,024	780	876	1,400	1,694	2,467	2,051	1,419	1,414	1,359	1,177	1,385	1,213	0%	-2%
Municipal Expenditure (Constant \$ 2003 = 100)	1,457	1,200	900	995	1,576	1,875	2,675	2,148	1,461	1,414	1,337	1,143	1,328	1,148	0%	-2%
Consumer Price Index (2003 = 100)	83.4	85.4	86.6	88.1	88.8	90.3	92.2	95.5	97.1	100.0	101.6	103.0	104.3	105.7	2%	2%

Source: www.bankofcanada.ca/en/inflation_calc.htm

- ✍ Over the fourteen years from 1994 to 2007 total municipal expenditures have varied widely due to capital expenditures, debt payments and transfers to reserves.
- ✍ Expenditures in 2007 are virtually the same as expenditures in 1994. In constant dollars (i.e. after discounting for inflation), expenditures will have decreased by an average of 2% each year over the fourteen year period.
- ✍ Based on current plans, and after discounting for inflation, expenditures on Recreation Services will have increased the most, by an average annual rate of 18%. In constant dollars, over the fourteen year period, expenditures on
 - ✍ General Government will have increased by an average annual rate of 4%,
 - ✍ Protective Services have remained constant, and
 - ✍ Development, Roads, Streets & Environmental Health will have decreased by 3% each year.

Exhibit #3

District of Highlands
Organizational Chart
Proposed Functional Structure

