



Improvement District Trustee's Handbook

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Introduction

Improvement district trustees are elected by landowners in order to direct the operation and administration of those public services for which the improvement district is responsible.

Being a trustee requires an investment of personal time and an interest to serve the public during the course of the trustee's term. While trustees may receive modest financial compensation for their duties, being a trustee is not a full-time position with a regular salary.

There is an expectation of improvement district trustees that they will make informed, transparent decisions. However, when a person is elected to be an improvement district trustee, it does not necessarily follow that they have all the knowledge necessary to make informed decisions on every aspect of the improvement district's business. Many decisions made by trustees require an understanding of legislation, insurance, property assessment, taxation, meeting procedures, basic water system design, water quality standards, fire protection, labour relations and bylaw enforcement. Learning about these issues is often an ongoing process for improvement district trustees.

This Handbook is intended to introduce trustees to the fundamentals of improvement districts and explain the role of the trustees – including their financial responsibilities and powers. The Handbook may also be useful to anyone interested in becoming a trustee, or who wants a better understanding of how improvement districts are governed.

What is an Improvement District?

The system of local governance in British Columbia includes municipalities, regional districts, improvement districts and several special purpose bodies such as the Islands Trust. Each of these local governments and special purpose bodies operates independently although their interests do intersect occasionally.

Improvement districts are incorporated by the Province of British Columbia (Province) under the *Local Government Act* (Act) and they are granted certain powers by the legislation. Each improvement district was created when the majority of landowners in a community petitioned the Province to incorporate an improvement district to deliver one or more public services on their behalf. The people with the responsibility for making decisions about the service(s) are elected by the landowners – they are known collectively as the board of trustees.

Improvement districts are located in almost every part of the province but are concentrated on eastern Vancouver Island, in the Okanagan Valley and in the Kootenay region. There are 215 improvement districts in the province and they vary in size from small rural subdivisions to large urbanized areas.

The service most commonly delivered by improvement districts is a community waterworks system. Having a community water system means that landowners within the improvement district do not have to drill and maintain their own wells, or access a surface water source such as a lake, in order to supply their needs. As a result, the management of water can be economized.

Improvement districts were initially created to manage irrigation systems in the Okanagan Valley, but today the majority manage water systems that supply domestic household needs. The other public services typically managed by improvement districts include fire protection, street lighting, parks, dikes, and garbage collection. While an improvement district can manage multiple public services, more than two-thirds manage a single service.

While improvement districts are autonomous corporations, in some circumstances they are subject to direction by the Ministry of Community, Sport and Cultural Development (Ministry). As the Ministry responsible for the local governance system, it has an interest to ensure that the local government system remains open, representative, responsive and accountable to its citizens and that locally elected officials make effective use of their legislative powers.

Powers

There are aspects of several provincial and federal laws that apply to improvement districts such as the *Drinking Water Protection Act*, the *Taxation (Rural Area) Act* and the *Freedom of Information and Protection of Privacy Act*. However, the principal legislation that governs improvement districts is Part 23 of the *Local Government Act* (Act). Unless otherwise stated in the Handbook, all legislative references are to this Act.

The Act states that the Provincial Cabinet may, by Letters Patent, incorporate an area of land and its owners into an improvement district. The Letters Patent contain provisions such as the name of the improvement district, its boundary, and the service(s) for which it is responsible. Letters Patent are explained more fully on page 33.

The Act outlines the powers, obligations and limitations that apply to improvement districts and their boards of trustees. Generally, a board of trustees has all the powers necessary or useful for managing the improvement district's services. Some of these powers include taxation, regulation, the acquisition and disposal of property, borrowing, expropriation, the hiring of employees and the ability to enter into contracts. However, there are limitations to these powers.

One of these limitations is that the powers of the board of trustees do not extend beyond the improvement district boundary. The only exception is fire protection – where a board of trustees may, by bylaw, allow the fire department to respond to emergencies beyond the improvement district's boundary. In all other cases, the board's sphere of influence remains within the boundary of the improvement district and none of its bylaws or resolutions have affect outside its boundary.

Since improvement district powers flow from provincial legislation, a board of trustees cannot override provincial (or federal) legislation. If a board of trustees were to exceed its legislative authority, the Courts could set aside their decision, action or bylaw.

The Board of Trustees

Each improvement district is governed by three or more trustees who are collectively called the “board of trustees”. One of the trustees also serves as the chair – further information about the role of the chair can be found on page 9.

The powers granted to improvement districts in the Act must be exercised by a decision made by a majority of trustees at a legally convened meeting. While the chair may have duties that are not shared with other trustees, such as the duty to chair meetings and sign bylaws, the legislation does not grant the chair powers that can be exercised unilaterally on behalf of the improvement district. Similarly, individual trustees cannot commit the improvement district to any particular action. For example, a chair or a trustee cannot hire a lawyer to obtain a legal opinion unless the board of the trustees votes in favour of the action and authorizes the expenditure. Since each trustee has only a single vote, their powers are exercised through collective decisions rather than individual actions.

The principle of collective decision-making also extends to actions such as speaking on behalf of the improvement district. If a trustee expresses an opinion that is different than the opinion of the board of trustees, the credibility of that trustee, or the board, may come into question. For this reason, many boards of trustees develop a policy regarding who can speak on behalf of the improvement district to the media, its landowners or to other organizations. Often this role is assigned to the chair.

The Role of Trustees

Trustees have several roles including that of community representative, steward of a public service, policy-maker and law-maker.

Representative Role

The board of trustees are elected as representatives of their community and as such, their decisions and actions can affect how people perceive that community.

Candidates for the position of trustee often identify issues that they will address if they are elected. Once they are elected, a trustee may assume that a majority of constituents supported their view of the issues. However, communities often have citizens with different interests and some of those interests may at times be in conflict. Therefore, making decisions that represent the interests of all citizens can be challenging.

Election to office often means that a trustee has access to information that may not be readily available to the public, and therefore trustees will often have a broader understanding of an issue. Conveying their understanding of that knowledge to the public in an open and transparent manner usually results in increased public confidence in the board of trustees. Decisions made by trustees that appear to be uninformed or to have been made “behind closed doors”, often raise public concerns.

Making open, transparent and informed decisions demonstrates that trustees respect the public’s right to know what issues have, or may have, an impact on their service(s) and how well the trustees are addressing those issues. In order to have a positive relationship with the community, a board of trustees will often:

- hold meetings that are open to the public – unless there are sensitive matters where the interests of the improvement district or an individual would be compromised;
- publish and circulate a newsletter;
- hold public consultation processes;
- enact policies for dealing quickly with public complaints; and,
- adopt a code of conduct for the trustees.

The measure of a community is often determined by how well their representatives perform and since trustees are in a position of trust, it is expected that they will not make decisions that benefit them directly. “Conflict of interest” is the term used to describe this situation and further information about the topic can be found on page 22.