

Stewardship Role

The public services delivered by an improvement district can continue for decades – while a single term of office for a trustee is three years. Therefore, it is the board of trustees' responsibility to ensure that the improvement district's resources are used effectively during their time in office and that the public service(s) can be delivered indefinitely.

Trustees must make decisions to ensure that adequate funds are available to maintain current operations and to replace capital infrastructure as it ages. Equally important is maintaining an effective organization to operate and administer the improvement district's services. Therefore, knowledge about the improvement district's history, operations, administration and services needs to be retained and conveyed to future employees and trustees. Policy and procedure manuals are excellent tools for transferring that knowledge.

Policy-making Role

Policies provide direction for both the board of trustees and improvement district employees. Policy-making involves a number of steps such as:

- identifying the issue;
- reaching agreement on the facts and the objectives;
- considering information from as many sources as necessary;
- weighing the implications of various options;
- making a decision based on the information;
- directing staff to implement the decision; and,
- evaluating the policy and amending it as necessary.

Policy decisions can be implemented in many forms. For example, they may appear in the terms and conditions of an agreement, the establishment of watering restrictions, a resolution in favour of allowing staff to attend conferences, or a motion passed by the board of trustees to purchase directors' insurance.

As policy makers, trustees are not directly involved in the operation and administration of the public services for which they are responsible – that duty falls to their employees. Information about the role of employees can be found on page 17.

Law-making Role

The powers granted to improvement districts in the Act can be enacted by the board of trustees by bylaw or by resolution – both instruments are legally enforceable.

The Act lists a number of powers that a board may enact by bylaw such as borrowing, levying taxes and entering into contracts. In all other instances, decisions by the board of trustees can be enacted by passing a resolution.

Some bylaws come into effect upon enactment by the board of trustees while others come into effect when they are registered with the Inspector of Municipalities (Inspector), a senior position within the Ministry. Further information about bylaws including their format, enactment and enforcement, can be found on page 27.

A resolution is an expression of a decision, position, or intent by the board of trustees. A resolution takes effect once it is passed by the board of trustees and does not need to be registered or filed with the Inspector. Resolutions and bylaws are proposed by a trustee at a trustees meeting and decided by a majority vote of the trustees.

The Role of the Chair

The Act requires that a trustee be elected from the board to assume the role of chair. The chair assumes additional responsibilities to those of the other trustees. The selection of the chair occurs at the first meeting of the trustees held each year, or at the first meeting held after the position becomes vacant.

The principal duty of the chair is to preside at board meetings and it is their responsibility to become familiar with the rules governing meetings. The chair is guided by the procedures established by the board of trustees in their meeting procedures bylaw. Where a question on procedure is raised, the chair has the power to decide points of order, although there is opportunity for the other trustees to appeal the decision. Additional information on trustee meetings can be found on page 13.

Each meeting must be presided over by the chair – if the chair is absent, the remaining trustees must appoint one of themselves as acting chair for the purpose of holding the meeting.

Conducting meetings is not without its challenges. For example, there may be a situation in which a controversial subject is being discussed and a person in the audience is acting inappropriately or using offensive language. The chair may ask the person to stop or to leave the meeting. If the person does not comply, the chair may make a motion that the meeting be adjourned and reconvened after a short break, or be adjourned to another day. The decision to adjourn the meeting must be made by a majority vote of the trustees.

As is the case with the other trustees on the board, the chair only has one vote. However, they are often regarded as the person who sets the tone for the board of trustees through their leadership style and the manner in which they conduct board meetings.

Although the board of trustees generally establishes a regular meeting schedule, the chair has the authority to call a special meeting of the trustees. Additional details on special meetings can be found on page 13. In addition, the chair is generally responsible for preparing the agenda for each meeting in consultation with the improvement district's corporate officer. The procedures for establishing agendas, calling meetings and conducting meetings, are detailed in the meeting procedure bylaw enacted by the board of trustees.

It is usually the responsibility of the chair and the corporate officer to sign the minutes of meetings as being correct after they have been reviewed by the board of trustees. This review usually occurs at the next meeting of the trustees.

It is also the chair's duty to sign all bylaws enacted by the trustees – unless the chair was absent from the meeting at which the bylaw was enacted. In that instance, the acting chair who presided at the meeting must sign the bylaw. It is also customary that the chair be a co-signer, along with the corporate officer, to bank accounts or to agreements that have been approved by the board of trustees.

Financial Responsibilities

The board of trustees is responsible for ensuring there is sufficient revenue to finance the costs of operating, administering and maintaining the public services for which the improvement district is responsible.

Budgets, capital financing policies, a cash management system, financial administration and reporting policies, taxes, tolls, reserve funds, debt, fees and developer charges (also called capital expenditure charges) are all tools the board of trustees may use to manage revenues and expenditures.

A budget is an essential tool for estimating revenues and expenditures for the coming year. Some boards create separate budgets – one for operating costs – and one for capital costs. Operating costs generally include day-to-day expenditures such as salaries, employee benefits, heat, electricity, insurance and building maintenance. Capital costs generally apply to tangible capital assets such as land, buildings and infrastructure as well as debt and reserve funds. Operating and capital costs are also separated in the annual financial statements.

Many boards choose to recover operating costs by levying tolls (user fees) that are paid by residents who directly receive a service such as water or garbage collection. Capital costs are generally recovered from landowners by levying taxes on properties that benefit directly or indirectly from the service. A budget can assist in identifying whether cost increases are anticipated and if so, how much the tolls and/or taxes will need to be increased and when.

The board of trustees must establish a method of property assessment if taxation is chosen as a method of cost recovery. In addition, the board must create a Court of Revision and appoint its members to hear and resolve complaints about individual property assessments.

An exception to the requirement to create a method of property assessment occurs where an improvement district delivers a street lighting or fire protection service. In these instances, the board of trustees can ask the Province to collect the improvement district's taxes on the Provincial property tax bill. The amount of the tax for each property owner is based on the improvement district's budget and the taxable assessed value of land and improvements in the improvement district as established by BC Assessment.

The improvement district officer assigned responsibility for financial administration is required to prepare a financial statement for each calendar year. The financial statement must be prepared in accordance with generally accepted accounting principles for local governments and presented to the board for its acceptance. The board of trustees must appoint an independent auditor who provides a report to the board of trustees on the annual financial statement. The report safeguards the interests of the landowners and trustees by stating whether proper accounting procedures are being followed. The report must be in accordance with the form and the reporting standards recommended by the Canadian Institute of Chartered Accountants.

The annual financial statements must be presented to the landowners at the annual general meeting. The annual financial statements must be submitted to the Inspector by May 15 each year.

A board of trustees must make adequate provision in its budget to renew infrastructure when it is required and to raise sufficient funds for that purpose. The board of trustees must establish a reserve fund(s) and those monies must be used only for the specific purpose for which the fund was established.

Another method for financing the renewal or construction of capital assets, is to borrow money through a financial institution. No borrowing can be undertaken unless a borrowing bylaw is enacted by the board of trustees and it has been registered with the Inspector. A public consultation process, such as a referendum, is usually required before the Inspector will register a bylaw that authorizes borrowing.

Meetings

Trustee Meetings

A board of trustees must convene a meeting in order to conduct improvement district business. The meeting must be called in accordance with the provisions in the improvement district's meeting procedure bylaw and there must be a quorum of trustees present. A quorum is a majority of trustees – the quorum for a board with three trustees is two and a quorum for a board with five trustees is three. If one or more trustees leave the meeting and a quorum no longer exists, the meeting cannot continue.

A regular schedule of trustee meetings is usually established in a meeting procedure bylaw. Notice of these regularly scheduled meetings does not need to be given to the trustees once the schedule is established.

A meeting held outside the regular schedule is called a "special meeting" and it can be called either by the chair, or by a majority of the trustees. The meeting procedure bylaw must explain the process for giving the trustees notice of a special meeting.

If the requirements for holding a meeting are not met, the meeting is not legally convened and decisions made, or bylaws enacted at the meeting, could be challenged in the Courts.

The general public will likely be interested to hear about issues affecting the service(s) being managed by the improvement district, and how well their trustees are dealing with those issues. If the trustees allow all meetings to be open to the public, then the public interest can be served. However, there can be circumstances in which the board of trustees believes that it is in the public interest to close a meeting, or portion of a meeting, to persons other than trustees and employees. A meeting that is closed to the public is known as "in camera" and they are limited to situations where the trustees are discussing issues related to the purchase or sale of land, legal issues, or personnel matters.

The chair presides at all meetings and if the chair is unable to attend a meeting, the remaining trustees must appoint one of themselves to act as chair for that meeting.

Voting on motions that are proposed at a meeting by trustees is how the board reaches its decisions and exercises its powers. People other than trustees are not permitted to make a motion or vote on a motion. A suggestion for a motion from a landowner could be discussed by the trustees if one of the trustees agrees to put the suggestion forward as their own motion. The exception to this rule is at the annual general meeting when the landowners decide how much remuneration should be paid to the trustees.

While people other than trustees cannot make motions, they are permitted to speak at trustee meetings. Most meeting procedure bylaws contain the order of events (agenda) to be followed at trustee meetings. Often a time is provided on the agenda when people can address the trustees directly. Some meeting procedure bylaws restrict speakers to people who have previously made a written request to attend the meeting and they have disclosed the topic they wish to discuss. In some cases, an open forum is scheduled during the meeting where anyone can speak on any issue. In order to keep meetings timely, the meeting procedure bylaw may impose a limit on how long each person can speak.

The minutes of all trustee meetings must be recorded; however, the extent of the information recorded is determined by a policy adopted by the trustees. Some minutes only reflect the wording of motions and whether they were passed by the trustees. However a board of trustees may decide to include additional information in the minutes, such as the opinions expressed by the trustees during the meeting and how the trustees voted on motions.

The minutes are usually signed by the chair and the corporate officer as being correct. The certified minutes form a critical part of the improvement district's historical record and it is the responsibility of the corporate officer to keep them safe.

The minutes are public documents and copies must be made to the public upon request. A minor fee for reproducing the bylaw can be charged to the person requesting a copy. The minutes of an in-camera meeting are not available to the public unless the reason for withholding them no longer exists and the board of trustees agrees to release them.

If a trustee is unable to attend meetings for an extended period of time due to an illness or other reason, it may be difficult to attain a quorum to conduct trustee meetings. Without a quorum, no meetings can be held and no business can be conducted by the board. Therefore, a trustee who will be unable to attend meetings for an extended period may want to consider resigning their position so that a by-election can be held to fill the remainder of that trustee's term. The resignation should be made in writing and delivered to the corporate officer.

A trustee cannot be removed from office by the other trustees, the landowners, or any other person.

The Annual General Meeting (AGM)

Every board of trustees is required to hold an AGM that is open to everyone, not just the landowners within the improvement district. Notice of the meeting must be given at least 14 days in advance. The notice can be given by advertising in a newspaper, by sending the notice by first class mail to all property owners, or by posting the notice in a prominent place in the community. Each improvement district's Letters Patent specify the method for giving notice. In cases where there are property owners who live within the improvement district and property owners who reside outside of it, notice should be given by more than one method.

The purposes for holding the AGM are to:

- provide the landowners with a report on the conditions of the improvement district's works;
- present the audited financial statements for the preceding year;
- discuss with the landowners any matter relating to the works or finances of the improvement district;
- have the landowners decide the remuneration to be paid to the trustees; and,
- elect a trustee(s) to succeed any trustee whose term of office expired at the annual general meeting, or whose office became vacant within the preceding 60 days.

The AGM is an excellent opportunity for a board of trustees to provide a report on their accomplishments for the past year and to present their insights for the coming year. It is also a chance to discuss issues with the landowners so that the trustees can gauge the amount of public support for such things as new policies, proposed rate increases, or the options available for financing upcoming capital projects.

The time period for holding the AGM is established in each improvement district's Letters Patent and it is usually between January 1 and May 1. There is no legislative authority for an improvement district to be exempted from this requirement. If the trustees hold the AGM outside of this period, anything that transpires at the meeting, such as the election of trustees, could be subject to challenge in the Courts. If a trustee is not elected according to the legal requirements, any motion, resolution, or bylaw for which the trustee voted could be challenged in Court.

The minutes of the AGM must be sent to the Inspector of Municipalities as soon as they are transcribed and signed by the chair and/or corporate officer.

Special General Meeting

A special general meeting is different than a special meeting. A special general meeting can be called by the board of trustees at any time but is generally held to elect a trustee to a position that became vacant before the end of a three-year term. Other common reasons for holding a special general meeting are to discuss matters such as a large rate increase, or to hold a vote on a proposed borrowing bylaw. Notification of a special general meeting must be given using the same method required for the AGM.