



Regional Service Commission

HANDBOOK

February 2015

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Regional Service Commission Board Member Handbook

INTRODUCTION

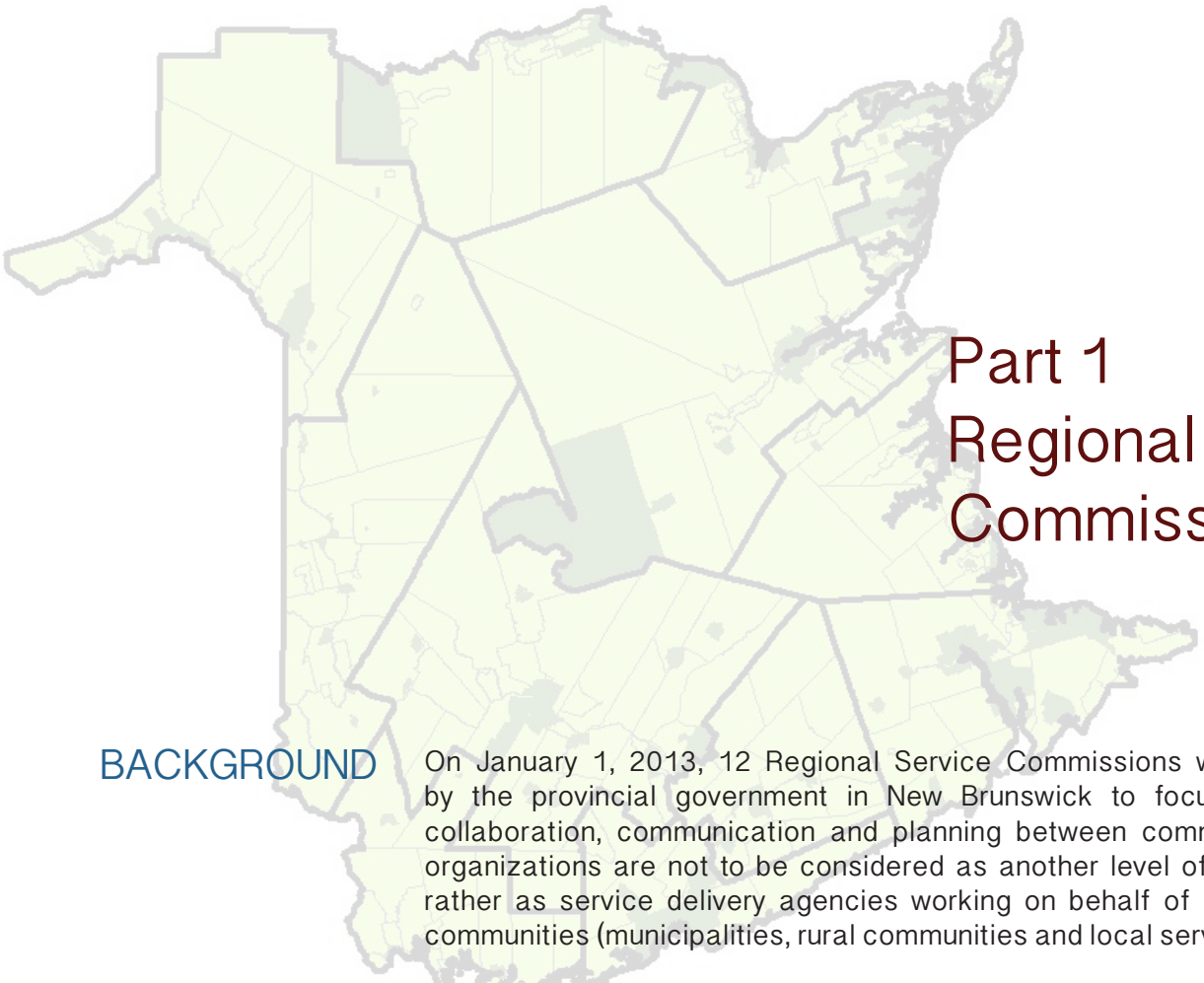
Regional Service Commissions were established on January 1, 2013 in New Brunswick as a new structure to facilitate inter-community collaboration and regional service delivery. The Province was divided into 12 regions, with one Regional Service Commission established for each of these regions. All municipalities, rural communities and local service districts situated within each region are served by the Regional Service Commission designated for that area.

Each Regional Service Commission is governed by a Board of Directors comprised of mayors of the municipalities and rural communities, as well as selected representatives of the local service districts within the defined region. The structure brings together at one table representatives of both incorporated communities (municipalities and rural communities) and unincorporated communities (local service districts) and is a forum through which service delivery and inter-community dialogue are facilitated and through which planning at a regional level is to be pursued.

This handbook describes the key features of the Regional Service Commission structure, outlines roles and responsibilities of the Board of Directors and the Executive Director within the Commission structure, and provides guidance on various governance practices.

This handbook was developed as a collaborative initiative between the Executive Directors of the Regional Service Commissions and the Department of Environment and Local Government.

The terms “Regional Service Commission” and “Commission” will be used interchangeably throughout the handbook. In addition, term “Board” is intended to mean the “Board of Directors” of a Regional Service Commission.



Part 1
Regional Service Commission

BACKGROUND

On January 1, 2013, 12 Regional Service Commissions were established by the provincial government in New Brunswick to focus on increased collaboration, communication and planning between communities. These organizations are not to be considered as another level of government but rather as service delivery agencies working on behalf of New Brunswick's communities (municipalities, rural communities and local service districts).

The creation of the Regional Service Commissions brought together the existing Solid Waste Commissions and District Planning Commissions on a regional basis under one organization. It is important to highlight, however, that while the bringing together of the Solid Waste Commissions and District Planning Commissions was the initial emphasis, the Regional Service Commissions will eventually play a much broader role in facilitating and co-ordinating inter-community collaboration and planning, as well as service delivery and management.

In more specific terms, the Commission structure provides an opportunity for:

- Increasing collaboration and service sharing among communities;
- Stronger and more integrated planning on a regional basis;
- Identifying and offering improved service quality and efficiency;
- Increased cost-sharing for regional and sub-regional services;
- Improving co-ordination of decision-making and investments in infrastructure, facilities and equipment;
- Increasing the level of accountability relative to services provided on a regional basis;
- Establishing concurrent boundaries that reflect and respect broad regional communities of interest;
- Bringing together the full range of communities within each region to benefit from collective strength in order to meet common needs and plan for the future;
- Addressing issues that cross community boundaries and/or are of mutual concern; and
- Serving as a focal point through which the provincial government can engage the regions and their constituent communities.



Part 2 The Legislative Framework

The *Regional Service Delivery Act* provides the authority for the creation of Regional Service Commissions covering the entire province. The municipalities, rural communities and local service districts that comprise each of the 12 Commissions are designated in New Brunswick Regulation 2012-91 under the *Regional Service Delivery Act*. This regulation is otherwise known as the "*Region Boundaries Regulation*". New Brunswick Regulation 2012-109 under the *Regional Service Delivery Act* provides further details on the governance and administrative framework for the operation of the Regional Service Commissions. It is also referred to as the "*General Regulation*".

ESTABLISHMENT, POWERS & BOARD COMPOSITION

Each Commission is a body corporate, meaning that it is a separate legal entity which has legal rights and liabilities that are distinct from its directors and/or employees. As such, it can acquire property, enter into contracts, sue and be sued, enter into agreements, hire and pay employees and generally operate like a private corporation or individual. It should be emphasized, however, that while the Commissions are incorporated, their authority is limited to what is set out in the *Regional Service Delivery Act* and *General Regulation* only.

A Commission's Board of Directors is comprised of the mayors of each municipality and a number of local service district (LSD) representatives. The number of LSD representatives is established by a formula that assigns representation on the basis of population and tax base relative to municipalities and rural communities (this formula is outlined in section 7 of the *General Regulation*). The Chairs of the LSD Advisory Committees choose the specified number of Board members by vote at a meeting of all the Chairs within a defined Commission region. Despite the formula, the minimum number of LSD representatives on a Commission's Board is set at four and the maximum is ten.

Typically, each Commission Board will annually elect a Chair and Vice-

Chair who will serve in place of the Chair when the Chair is unable to do so. Subsection 14(2) of the *General Regulation* authorizes the Board to enact a bylaw allowing for the vote for the Chair and Vice-Chair to take place by secret ballot.

Each of the mayors on the Board has as their alternate the deputy mayor of their respective communities. In the case of the LSD representatives, a maximum of three alternates can be selected by the Chairs of the Advisory Committees. If there is an insufficient number of Chairs available and/or willing to serve as alternates, the alternates may be selected from among the rest of the LSD Advisory Committee members. Section 12 of the *General Regulation* outlines the requirements regarding the appointment of alternates. A suggested process with respect to naming an alternate when an LSD representative is unable to attend a Board meeting is outlined in Appendix 1.

DECISIONS, BYLAWS & OBLIGATIONS OF THE BOARD

For most of the decisions of the Board, a simple majority of the Board members in attendance at a regular or special Board meeting is required. However, for the adoption of the annual operating and capital budgets, the establishment of service fees and undertaking long-term borrowing, the requirement is different. In these specific cases, approval requires that at least two-thirds of the members of the Board present, who represent at least two-thirds of the total population represented by all the members of the Board present, vote in favour of the proposal. For purposes of determining whether the two-thirds population threshold is met, mayors present at the meeting will represent the population of their specific municipality or rural community. In the case of the Local Service District representatives, section 11 of the *General Regulation* specifies that

"...the total population of the local service districts shall be proportionally distributed between the local service district representatives present at the meeting of the Board."

The Board is required to enact a procedural bylaw outlining, within the context of the requirements of the *Regional Service Delivery Act* and the *General Regulation*, how it is to operate. The Board may also enact other bylaws it feels are required in order to formalize how it will operate, to create committees of the Board or to establish other procedures or policies for the effective governance of the Commission (refer to section 12 of the *Regional Service Delivery Act*).

SERVICES

The Regional Service Delivery Act sets the framework for services that the Regional Service Commissions must provide, should be involved in, or may offer should a need exist within the Region. These can be divided into three categories:

1. Mandated Services

The *Regional Services Delivery Act* requires that each Regional Service Commission provide to all its members the services of solid waste disposal and regional planning. Furthermore, it stipulates that only the Commission can provide those services. Individual member communities, be they municipalities, rural communities or local service districts, may not provide these services themselves, nor can they obtain them from anybody other than the Regional Service Commission.

With respect to regional planning, each Commission will eventually be required to develop and adopt a regional plan involving all communities within a region. The framework for the regional plans, in terms of content and process for adoption, has yet to be determined.

Commissions are also mandated to provide land use planning services (including building inspection) to all of the LSDs within their respective regions. LSDs must acquire this service through the Commissions. The powers and authority regarding land use planning and building inspection that were formerly vested in the District Planning Commissions now rest with the Commissions. Municipalities and rural communities may obtain their planning services from the Commission or opt to provide the services themselves. A municipality or rural community that receives its planning service from a Commission must provide at least two years' notice to withdraw from that service.

While municipalities and rural communities have the option to provide planning and building inspection services themselves, it is important to mention that the notion of regional service provision is to take advantage of economies of scale and to provide good quality cost effective services. If individual municipalities and / or rural communities are considering opting out of a Commission's planning and building inspection services, they should consider the impact on the quality, scope and cost of the service for their own residents, and should also be aware of the effect on the communities that would continue receiving these services from the Commission.

2. Serving as a Forum for Cooperative Action

In addition to the mandated services, there are other obligations that have been assigned to the Regional Service Commission through the *Regional Service Delivery Act*. Specifically, the Commission must provide to its members a forum for discussion and action in three areas:

- Regional Policing Collaboration
- Regional Emergency Measures Planning, and
- Regional Sport, Recreational and Cultural Infrastructure Planning and Cost Sharing

The Regional Service Delivery Act and the associated regulations are

generally silent as to how Commissions are to become involved in these areas and, therefore, provide for flexibility for the Commission to identify their own needs, priorities and timetables.

The provincial government, through the Department of Public Safety, has assumed the lead role in terms of Regional Emergency Measures Planning; nonetheless, some Commissions may choose to play an active role in this area in co-operation with provincial officials, to help ensure that their member communities are appropriately prepared for emergency situations.

3. Voluntary/Optional Services

The *Regional Service Delivery Act* gives the Commissions flexibility in identifying needs within their member communities and developing or offering services of benefit to them. These types of services are completely voluntary (in terms of member communities agreeing to receive and pay for the services) and should generally be offered through the development of specific agreements with the particular communities. This area offers great possibilities for the advancement of the Commissions in terms of supporting their member communities, finding efficiencies and improving local service effectiveness. A flowchart outlining the current process for obtaining community agreement for these voluntary services is found in Appendix 2.

FINANCES

This section outlines the financial framework and budgetary provisions for Regional Service Commissions.

Budgets



Commissions are required to produce annual budgets. The budget year (or fiscal year) is the same as for municipalities and rural communities (i.e., the calendar year). Two budgets must be produced: an operating budget and a capital budget. The operating budget sets out the anticipated expenditures and required revenues to support those expenditures for each of the services provided by the Commission. The capital budget sets out the estimated capital expenditures and the planned sources of funding for these expenditures (e.g., from reserves, borrowing, or operating fund). The Minister of Environment and Local Government prescribes the form for these budgets. This budget form combines both the operating and capital budgets into one document and incorporates the accounting and reporting requirements for New Brunswick municipal bodies.

Each main service provided by the Commission is accounted for in separate funds in so far as revenues and expenditures are concerned; however, the overall budget is the combination of the service funds into one document. The budgets of each service area must project a balance of expenditures and revenues; they cannot project a surplus or deficit. As with municipalities and rural communities, if a surplus or deficit occurs in one service area, that surplus or deficit is brought forward to the budget for that service area in the second next ensuing year. Surpluses in one service fund cannot be used to offset deficits in other service funds.

Once the budget is prepared, the Commission must give formal notice in writing to the member communities that the budget will be voted on for adoption on a specified date, and provide a copy of the proposed budget to the member municipalities, rural communities and the Minister on behalf of LSDs (in practical terms, this notice would be sent to the Local Services Manager who receives it on behalf of the Minister). This notice must be sent at least 45 days in advance of the vote to adopt the budget. A resolution of the Board should be made to authorize sending out the proposed budget package to the member communities. This resolution does not signify formal approval of the budget by the Board, but rather a general comfort among Board members with the budget proposal.

For the approval of the annual budgets (capital and operating), there are special voting requirements. At least two-thirds of the members of the Board present, who represent at least two-thirds of the total population represented by all the members of the Board present, must vote in favour of the budget proposal for it to be approved.

Once the budgets are approved, a copy must be sent to each of the member municipalities, rural communities and to the Minister responsible for local government. This must be completed by **November 1** of the year leading up to the actual budget year.

Developing and approving the annual budget of an organization is a significant and critical annual undertaking of the Board. It is a complex process and document that is intended to express what the Commission's Board directs the organization (the Executive and his or her staff) to undertake in the next year, and how the revenues to support these undertakings are to be achieved. Its complexity is heightened for the Commissions because of the various time constraints and the need for notification and consultation with member communities.

Careful planning and clear directions and understanding between the Board and the Executive Director are required to produce the annual budget in a timely manner. Board members will be involved in the budget process on a cyclical, year-round basis. In order to meet the specific time requirements of the legislation, it is recommended that the annual budget development

process begin as early as possible in the year in order to meet the November 1 deadline, which is specified under section 19 of the *General Regulation*. The budget development and approval process is outlined in Appendix 3.

Commissions must also be aware that they are required to prepare multi-year budget projections, as per subsection 19(18) of the *General Regulation*. Undertaking this task, in concert with strategic planning, will be a helpful tool to a Commission in setting a course for its future.

Charging for Service and Cost Distribution

Each of the major services provided by a Commission must be budgeted for, cost recovered and managed as a distinct "line of business". Furthermore, some of the Commission services will be subject to a specific method of distribution of cost (i.e., the method of determining each community's share of paying for the cost of the service) that is spelled out in *General Regulation* as follows:

- Solid Waste Disposal – based on the tonnage of waste collected within the community (municipality, rural community or LSD) [Subsection 16(1)(a) of the *General Regulation*]
- Land Use Planning – based on the tax base of the community relative to total tax base of region [Subsection 16(1)(b) of the *General Regulation*]
- Other Common Services (Regional Planning, other cooperative and consultative services) – 50% on tax base and 50% on population [Subsection 16(1)(c) of the *General Regulation*]
- Administration Costs – the overall cost to administer the Commission is distributed across the other services in accordance with a formula established through a decision of the Commission [Subsection 19(2) of the *General Regulation*]

For voluntary services that member communities decide they wish to receive from the Commission, the apportionment of costs would be determined by way of an agreement between the parties (the communities receiving the service and the Commission).

For services provided to a community by the Commission, the costs apportioned and billed to the member communities become an obligation to that community, and they are obliged to pay in accordance with the billing method approved by the Board. If a member municipality or rural community does not pay the amount billed within 90 days, the Minister may pay on their behalf and recover the amount from other payments to be made to that community. Refer to Section 20 of the *Regional Service Delivery Act* for further details.

The "costs" to be distributed in accordance with the regulation refers to the costs remaining after consideration of other revenues that the

Commission will receive from other sources. For example, the landfill operations normally receive significant revenues from tipping fee charges to industrial, commercial and institutional users. Other services may be provided and cost recovered through service or product pricing as determined by the Commission. All planning-related fees that are charged under the authority of the *Community Planning Act* must be remitted to the community for which the service is being provided. For example, if a building permit fee is charged by a Commission to a property owner in municipality X, then the revenue received as a result of charging this fee must be remitted to municipality X. Commissions usually remit such fees to communities on a quarterly basis, but this may vary.

Borrowing

Commissions have the power to borrow money to finance their operations in accordance with applicable legislation. Short term borrowing can be undertaken by a commission to support operating expenses, but the amount borrowed cannot exceed, in the case of the solid waste management service, 25% of the operating budget or 5% of the operating budget for each of the other services. (Refer to section 19 of the *General Regulation*)

A Commission may also borrow for the acquisition of capital assets but, like municipalities and rural communities, can only borrow from the New Brunswick Municipal Finance Corporation, the Province or the Government of Canada. Furthermore, it must receive authorization from the Municipal Capital Borrowing Board (MCBB) to do so.

The MCBB requires detailed information about the purposes of the borrowing, its effect on the overall finances of the Commission, and other information necessary to fully disclose the impact of the proposed borrowing.

The MCBB holds regular hearings to consider applications and, where appropriate, recommends to the Minister that authority is granted. Requirements regarding public notification are set out in section 3 of Regulation 84-113 under the *Municipal Capital Borrowing Act*. Furthermore, Regional Service Commissions are required to give 45 days' notice to their members of their intention to put forth a motion to apply for authority to borrow. Further details regarding the operation of the MCBB can be found in the Guide to Municipal Capital Borrowing and the *Municipal Capital Borrowing Act* and regulations. Information on the issuance of debentures can be found in the *Municipal Debentures Act*.

Reserve Funds

Commissions may put funds aside both for operating and capital purposes for future expenditures subject to rules and stipulations in the *General Regulation*.

In general, operating and capital reserve funds are allowed for each service that the Commission provides. The establishment of each reserve fund and

contributions to the fund must be done by resolution of the Commission and the resolution must be made before the end of the calendar year in which the contribution or withdrawal is made. An operating reserve fund cannot exceed 5% of the budget for that service. There is no limitation for the capital reserve.

For both an operating reserve and a capital reserve, withdrawals from the fund must be expended for the payment of operating or capital expenses with respect to that particular service. Operating and capital reserve funds are financial management tools available to help balance and manage the financial affairs of the commissions over a period of years. Special care should be taken in establishing, contributing to and withdrawing from reserve funds, as these funds really represent additional taxes and "pre-payments" by residents through the member communities to "smooth out" future cost spikes or other uncertainties.

In addition, the Commissions that own and operate a landfill site are obligated to establish a special account for anticipated costs related to the eventual closure and post closure costs associated with the landfill. There are strict rules around how this account is established, how much is contributed to it and how it is managed. Periodic assessments may necessitate additional contributions to these special accounts to ensure that the liability is fully funded.

Audited Financial Statements

Each Commission is required to present audited financial statements for the organization within three months of the end of the Commission's fiscal year (refer to subsections 29(1) and 29(2) of the *Regional Service Delivery Act*). These financial statements must be prepared in accordance with the requirements of the New Brunswick Municipal Financial Reporting Manual issued by the Commissioner of Municipal Affairs under the *Control of Municipalities Act*. Understanding of and compliance with the requirements are the responsibility of the Commission. Any non-compliance matters must be disclosed in the financial statements.

The Commission must send a copy of the audited financial statements to each of the member municipalities and rural communities as well as to the Minister of Environment and Local Government. Two copies must be forwarded to the Community Finances Branch of the Department of Environment and Local Government, as it is required to send a copy to Statistics Canada.

While not specifically required in legislation or regulation, Commissions should establish in a bylaw a process for selecting their auditor. Commissions may also establish an Audit Committee whose role is to oversee the audit, receive the audit reports, and ensure, on behalf of the overall Board, that the organization responds to any recommendations from the auditor.

ANNUAL REPORT

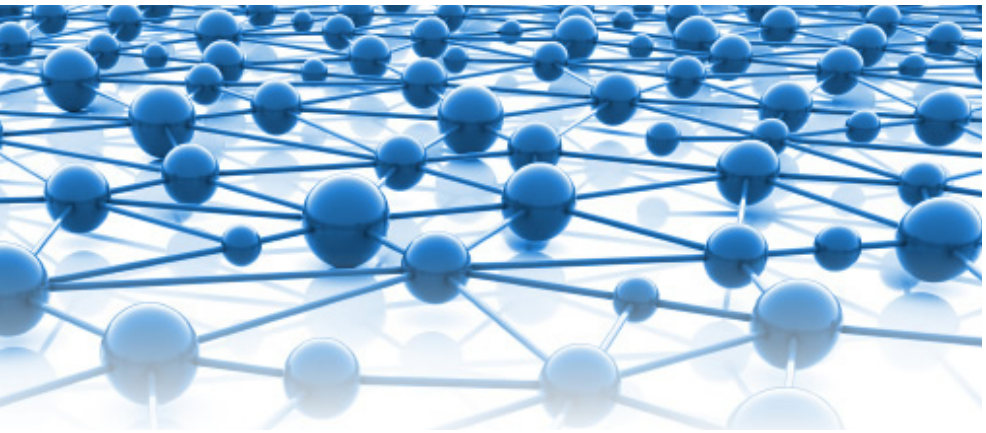
Every Commission is required to produce an annual report within three months after the end of the fiscal year and, like the audited financial statements, must provide it to the member municipalities, rural communities and to the Local Services Manager in the region on behalf of the Minister of Environment and Local Government.

The Annual Report sets out a description of the activities of the Commission during the previous fiscal year and, at a minimum, must include the information listed in section 20 of the *General Regulation*, which includes:

- audited financial statements;
- a description of the services provided by the Commission and to whom;
- the names of the members of the Commission or other persons for whom the Commission provides a land use planning service;
- the number of Board meetings;
- attendance at Board meetings;
- the per diems and expenses paid to Board members; and
- performance measures (once adopted) and progress made with respect to these measures.

A variety of other statistical information could also be provided in the Annual Report relating to services offered by the Commission. For example, information on the number of building permits issued and the number of building inspections conducted could be included.

The Annual Report is a public document and must be posted on the Commission's website. It is important to consider the Annual Report as an essential tool for Board visibility and accountability. As such, the form and content of an Annual Report should be carefully and thoughtfully assembled. The *General Regulation* also specifies that the Commission's web site must include, at a minimum, the following information: solid waste tipping fees, the names of all members of the Board, and any other fees assessed, charged, and collected from its members for services, and from other persons who received a service.



Part 3 Roles, Responsibilities & Relationships

The Regional Service Commission plays an important role in service provision and inter-community communication and co-operation in New Brunswick. In order to ensure that the Commissions effectively carry out their mandates, it is essential that all Board members have a solid understanding of their roles and responsibilities.

This part of the handbook will identify the various roles, responsibilities and relationships a Board member can expect to come across throughout their term of office.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS

There are significant public expectations of Boards of Directors in terms of the stewardship of their organizations. A high level of accountability is expected in all organizations, in particular for those expending public funds.

A Board member's primary role is to provide oversight and direction relative to the business and affairs of the Commission (but not be involved in day-to-day administration), and this is expected to be done in a publicly visible, accountable and collective manner. This role includes the following:

- Set Strategic Direction and Ensure Implementation: The Board establishes a vision for the Commission and directs the organization to the establishment of a multi-year strategy. The Board puts in place mechanisms to ensure accountability and oversight so that the strategic direction is implemented. The implementation of the strategic plan is the responsibility of the Executive Director.
- Promote a Corporate Culture: The Board sets an example to create an organization committed to excellence and innovation. It means fostering an environment that respects the roles and responsibilities of both staff and the Board itself.
- Build and Maintain Positive Relationships: What is achieved by the Commission as a whole is the result of solid and trusting relationships both

within the organization and with member communities. It is essential that the Board be committed to building relationships as this will lead to many opportunities for the Commission.

- Measure and Report on Performance: The Board ensures that appropriate goals are established to meet its strategic objectives, and puts in place the means by which progress towards these goals is measured.
- Manage Change: Commissions are expected to grow and evolve over time. There will be constant and significant changes. The Board sets the stage for this progress through thoughtful and active change management.
- Communicate with Stakeholders: The Commission is a service delivery organization as well as a consultative and co-operative forum. An important responsibility of the Board is to ensure that there is open and clear communications with its stakeholders. This means two-way communication: not only what the Commission is doing and intends to do, but what the stakeholders need and want of the Commission.
- Executive Management: The Board has one employee – the Executive Director. The Board must provide direction, evaluation and feedback mechanisms to the Executive Director. In addition, the Board ensures that there are appropriate systems in place for executive development, compensation, evaluation and succession planning.
- Adopt and Ensure Excellence in Governance: It is the Board's responsibility to make sure it operates in the most effective manner. While it cannot select its members or influence who sits on the Board, it does have an important responsibility in ensuring that the Board and individual members have the information, tools and processes in place to execute its strategic direction.
- Manage Risk: The Board identifies risks that would prevent the organization from meeting its strategic objectives, and ensures that mechanisms are in place to minimize the likelihood and impact of such risks.

RESPONSIBILITIES OF INDIVIDUAL BOARD MEMBERS

An individual is appointed to the Board of Directors of a Regional Service Commission either because he or she is the mayor of one of the member municipalities or rural communities or they are a local service district representative selected by peer Local Service District (LSD) Chairs to be a representative. New Board members must be willing to inform themselves about the relevant legislation and regulations, the Commission's structure, their responsibilities as Board members, the Commission's bylaws, the Commission's strategic plan, among other aspects of the organization. Throughout their terms of office, Board members must ensure they have sufficient information to make wise and informed decisions. There is an ongoing need to be aware and informed of developments in service areas and activities of the Commission. Board members should be comfortable in speaking to the Executive Director and / or to the Local Services Manager or municipal administrator, as the case may be, if they need more information or want further explanations.

Individual Board members must see themselves as owners of the Commission. The Board is responsible and held accountable for the success or failure of the Commission. When a Board member is sitting around the Board of Directors table, it is his or her responsibility to contribute to the success and progress of the Commission. Board members must be mindful and bring the perspective of the community they represent, but the goal is to make sure that the Commission has clear and established goals, a path to achieve those goals, and that it is well-managed and operated.

As noted previously, the appointments to the Board come as a result of being a mayor of a municipality or rural community or as a result of being selected as an LSD representative from among the LSD Chairs. As such, there are mixed loyalties. On the one hand, a Board member sits as representative of a community (municipality, rural community or local service district), and these communities will expect that their best interests are looked after, and that they are kept well informed of Commission activities and developments. As difficult as it may seem at times, a Board member must fairly balance representation of his or her community with their responsibility as a member of the Board to help move the Commission forward, in terms of its primary mandate of facilitating co-operation between communities.



A Board member is responsible for the overall success of the Commission in achieving its goals. Sometimes a Board member's dual loyalties to the community and to the Commission can conflict, which could occur most often in a financial context. For example, in developing and approving the annual budget, Board members will need to make provision for sufficient revenues to ensure the safe, effective operation of the various services, which might involve an increase in a fee or charge to the communities paying for the service. A community being represented by a particular Board member may not want to see an increase in costs. As community representatives, Board members will ultimately have to evaluate each situation on its own merit. While it is important for a Board member to reflect and share his or her community's perspective, it is equally, if not more important, to think beyond one's immediate boundaries and consider what is ultimately best for the Region as a whole. Willingness to

compromise is often necessary in balancing specific community perspectives with the requirements and objectives of the Commission, and for the betterment of the region as a whole.

The Executive Director can help support Board members in this regard by ensuring appropriate information is readily available. For example, if a Commission is considering a new recycling program, the Executive Director should ensure that the Board members have enough information and presentation materials to be able to effectively discuss the concept with their respective councils and LSD Advisory Committees. The Executive Director and Commission staff should also be involved in making the presentations to the councils and advisory committees. The Executive Director should work with the Local Services Manager in presenting information to the LSD Advisory Committees. Similarly, the Executive Director should also work with the municipal administrators in his or her region in presenting information to municipal councils, as necessary.

The role of Local Service District representatives on the Board is made somewhat more complicated as they will be a Chair of one particular LSD, but will represent the entire LSD area in the region “at large”. An LSD representative is expected to reflect the needs of the entire unincorporated area within the Region, even though they come from one particular Local Service District.

All Board members must use their leadership skills to ensure that their constituents are well represented. At the same time, they must direct and oversee the progressive governance and management of the Commission. Everyone comes to the table with different expectations, perspectives, knowledge bases, and attitudes. Willingness to compromise and consider what’s good for a region (and not just for an individual community) will be critical to moving things forward. Over time, there must be some give and take to allow for the success of the Commission.

Board members should always be on the lookout for opportunities or ideas where the Commission may be able to provide expanded or additional services to individual communities or groups of communities. In this manner, each Board member plays a business development role in finding opportunities and matching possible service solutions.

Board members have an important role in terms of communication and liaison with the communities they represent. For example, they need to be able to provide and present background information relative to initiatives the Commission is considering or is undertaking. Board members should also be prepared to speak about proposed annual budgets as well as other major financial matters. In doing so, support to Board members can be provided by the Executive Directors, the Local Services Managers (to the LSD representatives) and by municipal / rural community administrators.

It should be noted that there must be strong linkages and communications between Local Services Managers and the LSD representatives on the Board. This will help ensure that the LSD representatives are well prepared for participation in Board deliberations and decision-making. This "support" relationship should be similar to the one that a municipal administrator has with his or her mayor.

In addition to the above noted, specific roles also include the following:

- Reviewing agenda materials and participating in Board meetings
- Participating in the Commission's various organizational planning activities (e.g., setting the vision, developing the strategic plan, establishing the Commission's major priorities, involvement in the annual budget process, etc.)
- Sitting on various committees of the Board as assigned
- Reviewing Board effectiveness
- Reviewing the organization's bylaws and procedures relating to governance
- Participating in the evaluation of the Executive Director
- Participating in the hiring, and if required, the suspension or termination of the Executive Director

It is equally important to re-emphasize that the role of the Board member does not include the day-to-day administration of the organization. The responsibility for the administration of the Commission rests solely with the Executive Director. Mixing up these two roles will inevitably lead to conflict and a less effective organization. Appendix 4 outlines some examples of how the Board-Executive Director relationship should be organized.

Being a Board member is a challenging role to play. Members must keep in mind the following points, which will go a long way toward successfully fulfilling their mandate and role:

- Respect the line between governance and administration (do not get involved in day-to-day operations)
- Focus energy on advancing the Commission in terms of opportunities and meeting its key objective of enhancing co-operation between communities
- Listen to others' views and respect the views of others
- Be open to compromise
- Aim for consensus where possible
- Identify common interests and potential options to address challenges
- Support and respect final decisions of the Board
- Respect the bylaws of the organization
- Be mindful that there will be challenges and growing pains facing the Commission
- Provide constructive criticism and look for positive solutions

- Respect staff and other Board members
- Respect confidentiality requirements
- Remember that you are on the Board to ensure the organization is moving forward in order to support its member communities
- Be positive, proactive and supportive

ROLE OF THE CHAIR

The Chair of the Board of Directors is elected by the Board from amongst its members. A Vice-Chair is elected in the same manner and acts for the Chair when he/she is unable to act.

The Chair has a specific role to play in leading the Board to sound and productive oversight and decision-making. An effective Chair is essential in the success and effective management of the Board of Directors. While a Chair's most visible task is the running of regular and special meetings of the Commission's Board, his or her role involves providing overall leadership, ensuring that the Commission's agenda moves forward in a positive manner, building common understanding and awareness, rallying the Board to acceptable solutions, and facilitating the making of difficult and well thought-out decisions. The specifics of this leadership role played by the Chair are not legislated, but rather follow accepted and well-known practices.

It is important to note that the legislation does not give the Chair any extra decision-making powers. Moreover, any special powers or authority given to the Chair would have to be delegated to him or her by the Board (which the Board has the authority to do under section 16 of the *Regional Service Delivery Act*). Individual procedural bylaws of Commissions may assign particular additional responsibilities to the Chair, such as the appointment of members to committees of the Board, the calling of meetings, and other procedural duties. Such additional duties must be ratified by the Board.

Boards often assign the overall responsibility for acting as the primary public contact to the Chair. It is recommended that Commission Boards carefully consider and specify who is responsible for what level of public visibility. For example, while the Chair may be assigned as the primary public face of the Commission, direction to the organization should be given as to when the Executive Director, the manager of communications or the subject matter expert should respond to or be the face of a particular issue. It is vital that there is alignment between what the Board Chair expresses publicly and the actions of the Executive Director or staff members. It is recommended that Boards clarify how they want their Commission to operate from a communications standpoint. This can be accomplished by either establishing a communications plan with well-defined responsibilities, or by specifying in the Commission's procedural bylaw how the Board wishes to be seen and represented from a public perspective.

The leadership qualities of the Chair are critical, particularly given the size

and complexities of the Boards. Boards can be quite large and often include a mixture of urban and rural members whose perspectives may vary and will reflect the communities they represent. However, as members of the Board, they represent the region as a whole.

Essentially, an effective Chair needs to be:

- diplomatic
- organized
- flexible
- collaborative
- determined
- a leader
- a mediator
- trusted and respected



From a practical perspective, the Chair needs to be very familiar and comfortable with running meetings and procedural matters. The Chair must also be prepared for and knowledgeable about the matters arising on a Board agenda. As such, the Chair should review the agenda with the Executive Director prior to the meeting, to ensure he or she has all of the necessary information and understands the issues at hand. (Note that this does not mean that the Chair determines what is to be included on the Board meeting agenda.) He or she needs to be familiar with the issues and background, and lead the Board to informed and collaborative decision-making.

The Chair needs to ensure issues are well aired, and allow opinions to be heard, but also needs to know when to limit debate and call for the question. From the vantage point of the Board members, a Chair's effectiveness will be seen when difficult decisions of the Board are made, and all members feel their perspectives have been expressed and considered, and the decision is one which reflects the best interests of the Commission as a whole.

The Chair does not have any special role in the day-to-day operations of the organization; that is the responsibility of the Executive Director. Furthermore, the Executive Director takes direction from the whole Board and not the Chair alone.

The Chair, as one of the members of the Board, and because of his or her representation of one of the constituent communities of the Commission, will have his or her own opinions and perspectives. However, the neutrality of the Chair should not limit or muffle the expression of those opinions or positions. The Chair needs to ensure that he or she does not use his or her position of authority and leadership to unduly influence or attempt to manipulate the outcome of a decision. The Chair has no special weight of vote, and must carefully limit the amount of influence in effecting a certain outcome that he or she exerts by virtue of his or her leadership role.

There is, on occasion, debate as to whether the Chair of a Board should vote on issues brought to the Board table. Subsection 14(1) of the *Regional Service Delivery Act* specifies

"Unless disqualified to vote by interest or otherwise, a member of a Board, including the chair, shall announce his or her vote openly and individually and the vote shall be recorded in the minutes of the meeting..."

This means that the Chair votes on all items for which a vote is called and will vote unless he or she has declared a conflict of interest on the particular matter (in which case he or she must leave the room for the duration of the discussion and the vote).

ROLE OF THE EXECUTIVE DIRECTOR

The Executive Director is the Chief Executive Officer and has full authority and powers for the day-to-day management of the organization. The Executive Director is accountable to the Board of Directors for the performance of the organization, the success in meeting the business objectives, and the financial and resource management of the Commission.

The legislation provides that each Commission must appoint an Executive Director and, in addition to the appointment, the Board has the power to suspend or terminate the employment of the Executive Director. It is important to emphasize, however, that it is the Executive Director and not the Board who hires, dismisses, directs and manages performance of employees. Subsection 13(1) of the *Regional Service Delivery Act* specifies that

"A Board shall appoint an Executive Director of the Commission and establish the terms and conditions of the Executive Director's appointment."

Furthermore, section 14 of the Act specifies that

"The Executive Director may, on behalf of a Commission, employ such persons as the Executive Director considers necessary, including a planning director, to ensure the provision of services or the carrying out of the powers or duties of the Commission."

The Board has but one employee – the Executive Director. The Executive Director is responsible for carrying out the directions of the Board. Directions from the Board must be conveyed to the Executive Director who, in turn, provides instructions to staff of the organization as necessary. Moving away from this model will likely lead to confusion and frustration and can seriously limit the effectiveness of the Commission as a whole.

It is very important that the relationship between the Board and the Executive Director be sound, open, and trusting. It is incumbent on the Board to

understand the role of the Executive Director, and to provide clear direction to the Executive Director in the execution of its decisions and directions. It is just as important for the Executive Director to have a clear understanding of the role and decisions of the Board.

Another critical aspect of an Executive Director's job is the development of relationships with the region's Local Services Manager and municipal / rural community administrators. The Executive Director should be in contact with these individuals on an ongoing basis for several key reasons, including the building of relationships, providing and exchanging ideas, ensuring that initiatives being considered are well understood, obtaining feedback, and identifying opportunities for enhanced co-operation.

The following summarizes, though is not all-inclusive, the roles of the Executive Director:

- Ongoing reporting to the Board
- Providing advice and developing recommendations for Board consideration
- Implementation of Board directions
- Day-to-day management / administration / operations
- Identifying potential service, program and cost savings opportunities
- Budget preparations and ongoing monitoring
- Personnel management (hiring, salary administration, benefits programs, performance management, dismissal, etc.)
- Multi-year service planning / budget projections
- Identification and promotion of other service opportunities
- Building co-operative relationships between the Commission and member communities
- Facilitating communication and co-operation between communities and with other Commissions
- Development of accountability and reporting mechanisms
- Building an integrated organization

RELATIONSHIP BETWEEN THE BOARD AND THE ORGANIZATION

It is critical that Board members consider and understand their role in relation to the broader organization. As noted in the previous section, the Board of Directors has one employee who is the Executive Director. The Board must ensure the execution of their direction to the organization through the Executive Director.

This is not to say that the Board will not have contact with and exposure to the broader organization. The division directors and other officers of the Commission - such as the Chief Financial Officer, Planning Director, manager of communications, manager of the solid waste facility and other subject matter experts - may often appear at Board meetings and Committees of the Board, to present and respond to specific matters within their subject area. Some Boards may include the senior staff at meetings of the Board of Directors as a matter of course. However, it needs

to be considered that their presence and their input to the Board is through, and on behalf of, the Executive Director.

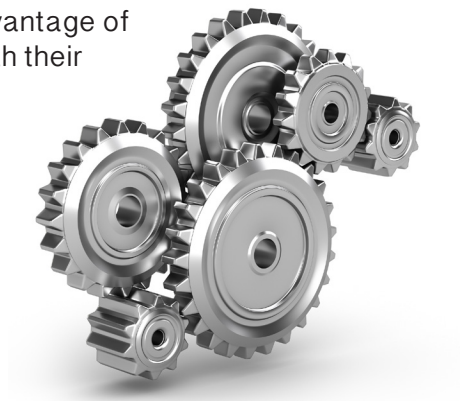
The Board and individual members of the Board must not circumvent the role of the Executive Director as the employer on behalf of the Commission. The relationship is similar to a municipal council's relationship to the senior staff of a municipality. It is the Chief Administrative Officer / municipal manager who is ultimately responsible and accountable to the Council for the operation of the municipality.

For this to be effective and respected, the Board must have a high degree of confidence in the Executive Director and on their part, must convey their direction and decisions clearly. At the end of the day, there is a critical need for Board members to respect and understand the role of the Executive Director as described above, and the Executive Director must respect and understand the role of the Board members.

RELATIONSHIP WITH OTHER COMMISSIONS

Each Regional Service Commission will constantly evolve. While maximum flexibility has been built into the legislative model to allow each region to identify their own priorities and approaches, it is recommended that Commissions nurture their relationship with the other Commissions. Though regional approaches may differ, there is much to be learned from the experience and approach of other Commissions. Individual Commissions and, indeed the overall province, will be better served if Commissions can observe and borrow successes and best practices from each other. Further opportunities for inter-regional cooperation may also arise.

Since the introduction of the Regional Service Delivery structure, there have been regular, formal meetings between the Regional Service Commissions and the Department of Environment and Local Government. These forums have demonstrated a growing commonality, collegiality and sharing of information, and will contribute to better decision-making and progress for all Commissions. In addition, there is considerable day-to-day interaction among the Commissions, which makes for positive sharing of information, approaches and best practices. Board members should encourage Executive Directors to take full advantage of formal and informal opportunities to gather with their colleagues and share information.





Part 4
Governance

The objective of the following section is to review various topics and provide some guidance relative to the governance of the Regional Service Commissions.

BOARD MEETINGS

Board members are expected to attend regular and special meetings of the Board. The *General Regulation* requires at least four meetings of the Board each fiscal year, but most will meet monthly or every two months. The frequency of regular meetings is a decision of the Board membership that needs to be reflected in a procedural bylaw. It is recommended that Boards review on a periodic basis the number of meetings required to conduct the business of the Commission. Board members and the Executive Director should carefully examine this question, keeping in mind the recurring costs associated with holding meetings (meeting per diems, travel costs, simultaneous interpretation if used, time required for document preparation, etc.) as well as the need to ensure ongoing accountability and transparency vis-à-vis the general public and member communities.

OPEN AND CLOSED MEETINGS

All regular and special meetings of the Board must be open to the public. However, a meeting or part of a meeting may be closed to the public if an item as set out in subsection 10.2(4) of the *Municipalities Act* is to be discussed. These matters are often summarized as “the three L’s; land, labour and litigation”. More specifically, they include:

(a) information the confidentiality of which is protected by law;
(b) personal information;
(c) information that could cause financial loss or gain to a person or the municipality or could jeopardize negotiations leading to an agreement or contract;
(d) the proposed or pending acquisition or disposition of land for a municipal purpose;

(e) information that could violate the confidentiality of information obtained from the Government of Canada or from the Province;
(f) information concerning legal opinions or advice provided to the municipality by a municipal solicitor, or privileged communications as between solicitor and client in a matter of municipal business;
(g) litigation or potential litigation affecting the municipality or any of its agencies, boards or commissions, including a matter before an administrative tribunal;
(h) the access to or security of particular buildings, other structures or systems, including computer or communication systems, or the access to or security of methods employed to protect such buildings, other structures or systems;
(i) information gathered by police, including the Royal Canadian Mounted Police, in the course of investigating any illegal activity or suspected illegal activity, or the source of such information; or
(j) labour and employment matters, including the negotiation of collective agreements.

If a meeting is closed to the public, it is because matters of a confidential nature are to be discussed (per the items listed in subsection 10.2(4) of the *Municipalities Act*). As such, it is important that Board members and the Executive Director continue to respect the confidentiality requirement outside of the meeting in regards to the matter that was discussed.

One question that is often raised relates to the type of Board meetings that must be open to the public. To respond to this question, it is helpful to consider what constitutes a "regular" or "special" meeting.

"Regular" meetings of the Board are defined as those meetings that are held at regularly scheduled times throughout the year. The public is to be made aware of the schedule of the regular meetings by posting the information on the Regional Service Commission's web site, and having this same information available at the offices of the Commission.

"Special" meetings of the Board of the Regional Service Commission are called from time to time in a manner prescribed in the Regional Service Commission's procedural bylaw. Such meetings of the Board are held in order to address issues that require immediate attention and due to time constraints or unforeseen circumstances, cannot be dealt with in the course of the regularly scheduled meetings. Such special meetings may also be held to address a specific issue (or issues) requiring an extensive period of review and discussion that would otherwise take up too much time during a regular meeting of the Board. The public must be notified of such meetings in accordance with the Commission's procedural bylaw.

From time to time, there may be a need for Board members to meet outside of

regularly scheduled or special meetings. Such ad hoc meetings could be held for the purposes of the following:

- Working on the development of a strategic plan for the organization (Vision, Mission, Objectives, Priorities)
- General brainstorming sessions relating to the various activities of the organization
- Attending a workshop, training and / or information session specifically for the Board members of the Commission
- Meeting with other municipal, provincial, federal or regional service commission officials

These types of meetings are not required to be open to the general public. At such meetings, recommendations can be developed, but no decisions of the Board can be made. Any decisions to be made must be made by the Board at a regular or special meeting.

CONDUCT OF BOARD MEETINGS

A Commission's procedural bylaw will specify matters like the notification for meetings, how the agenda is formulated and distributed, how special meetings of the Board may be called, and other matters related to the management of meetings.

As the public's eyes (often through the media) are on the regular meeting of the Board of Directors, Board member conduct at these meetings will often be how the Commission is judged. Well-prepared Board members, ready to inquire into matters in a clear and concise manner, will go a long way to ensure good decision-making and portray the Commission as a well-run and effective body. The public expects good and reasonable debate which backs up sound decision-making. In-fighting and grandstanding at the Board table will not be productive. While the Board Chair has a responsibility to keep meetings on track and to manage the discussions to ensure that everyone at the Board table has fair opportunity to engage in discussions, the other Board members have a responsibility to participate in the meetings in a constructive and respectful way.

All decisions of the Board must be made through the process of using motions and resolutions. A motion is essentially a suggestion or recommendation put forward by a Board member to undertake a particular action. A motion turns into a resolution when the Board members vote to accept the motion (i.e., they approve the motion that was put forward by a Board member). All decisions of the Board, including directives to the Executive Director, must take the form of a resolution. All such resolutions should be reflected in the minutes of the Board meetings.

BOARD COMMITTEES

Board members may be asked to sit on various committees of the Commission. Commissions are authorized to establish Committees of the Board; most will have certain standing committees (e.g., budget or finance committee, planning management committee, solid waste management committee, etc.). In addition, special or ad hoc committees of the Board may be established.

The deliberations of these committees will often result in recommendations to the full Board. Commissions should not use these committees as a way of sheltering or disguising the debate that is intended to be conducted at regular or special Board meetings. As a best practice, it is recommended that meetings of a Commission's Board committees be open to the public. This approach aligns with the legislated obligation that municipalities and rural communities have to ensure their council committee meetings are open to the public.

It is recommended that the Board, in collaboration with the Executive Director, periodically review and evaluate the Committee structure. This review should consider the effectiveness and necessity of the committees, the impact on accountability and transparency, and the costs of conducting committee business.

Every Commission is required to establish a Planning Review and Adjustment Committee (PRAC) for the purposes of making planning-related decisions as specified in the *Community Planning Act*. In addition, each Commission should have in place a PRAC bylaw to ensure that the structure and functioning of this committee is well understood by the Board membership (as well as the Committee members).

COMMUNICATIONS AND RELATIONSHIP BUILDING

One of the fundamental expectations of a Commission's Board is that it provides a forum for discussions and co-operative action among their member communities. It is essential that effective communications and strong relationships be developed. Particularly significant is the fact that the Commission brings together all of the diverse communities within a region, both incorporated and unincorporated. This means that varying perspectives and positions will be emphasized, and may not always be aligned. It is up to Board members (in particular, the Chair) to allow for an open and intelligent forum for debate, and to also know how and when to push on for decision and direction that will be of ultimate benefit to the region as a whole.

STATEGIC PLANNING

Perhaps the most powerful tool available to the Commission to shape and direct its activities is the multi-year strategic plan. Board members are expected to participate in the development of the plan and to monitor its execution. Multi-year strategic plans can use many formats and can be created through various processes. What they share in common, however, is

the establishment of a vision for the future and a road map illustrating how to get there.



It is critical that a strategic plan be seen as a living document that is reviewed on an ongoing basis and adjusted as necessary. And while senior staff of the organization will likely play an important role in preparing and presenting draft plans and supporting documentation to the Board, the strategic plan should be seen as the "Commission's plan" that involves both Board members and staff.

More and more governmental or near governmental organizations are adopting practices typically only used in corporate "business plans". The level of visibility, accountability and preoccupation with affordability and wise use of tax dollars are compelling governments, government departments and quasi government agencies and boards to adopt "business planning" features to support their strategic plans. So not only are the action plan and activities outlined, but the financial consequences from both capital and budgetary perspectives are also included to support that plan. Multi-year operating and capital budget projections should be produced and monitored as part of the overall plan.

There is sometimes a tendency to see a multi-year organization plan as "carved in stone", and an associated hesitancy to be prepared to make adjustments to the plan to reflect changing realities. As a result, the "plan" is often so lofty and general that it provides little direction to the organization and information to the public. On the contrary, the "plan" should be a living document, reviewed regularly and adjusted where it is clear that objectives may need to be altered, resources shifted or financial forecasting adjusted.

ACCOUNTABILITY AND TRANSPARENCY

Board members need to ensure their organization is operating in a way that emphasizes accountability and transparency.

Meetings of the Board as well as instruments like the Annual Report and strategic plan have already been discussed, all three of which can be powerful tools in enhancing accountability. An additional element of accountability is achieved by establishing, monitoring and measuring how well the Commission is performing through performance management. More and more organizations are adopting performance management and measurement as an essential ingredient of their planning exercises, and as

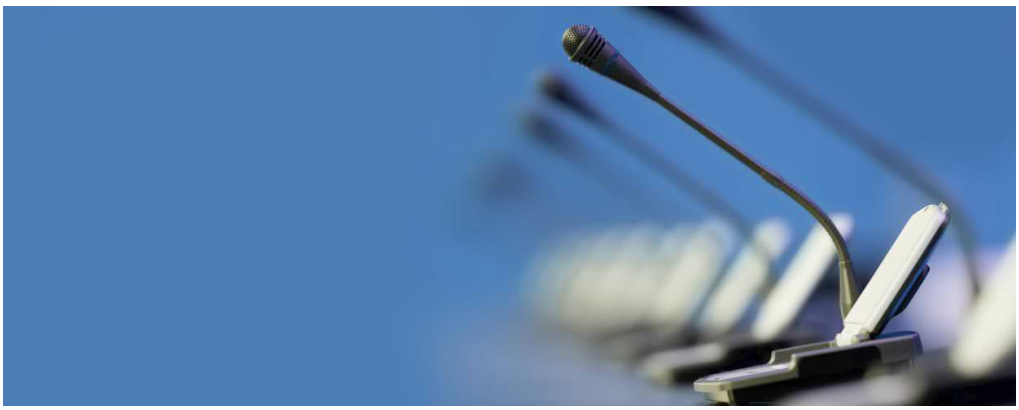
a way of showing to their constituents that they are on the right track and wisely using their resources to direct the organization towards its goals. Commissions should be considering the establishment of performance measures as a means of evaluating how well they are doing in terms of service effectiveness and customer (member communities) satisfaction. This may be an area where Regional Service Commissions could share best practices and ideas.

As a means of further ensuring a level of accessibility and accountability, a procedural bylaw can allow for the members of the public to address the whole Board at regular or special meetings. This can be accomplished by outlining a process in the bylaw by which an individual, organization or delegation can get themselves on a Board meeting agenda. The Chair, in his or her role of facilitating the conduct of meetings, must ensure that the rules regarding presentations from the public are strictly followed and respected.

It is also important to note that Commissions are subject to the *Right to Information and Protection of Privacy Act*. Commissions must ensure that staff and Board members are aware of the requirements of this legislation and that procedures are in place to properly respond to requests for information, while at the same time ensuring that personal / confidential information is appropriately protected.

MEDIA RELATIONS

The relationship with media is also an important dimension to consider in ensuring accountability and transparency. The Chair should generally be the primary spokesperson for all Board-related media inquiries, including providing the rationale behind various board decisions and the general policy directions being taken by the Commission. Board members can also be available to media, but should notify the Chair and Executive Director as a courtesy. Communication with the media should be seen as an avenue to provide greater understanding of an issue and / or to deliver a message regarding services and programs being provided or being considered by the Commission.



It is important that the Executive Director (or someone delegated such as the Solid Waste Services Manager or the Planning Director) be the first point of contact for media regarding details around the operations and administration of the organization. The Executive Director should be responsible for ensuring media requests regarding the operations of the Commission are answered in a timely fashion by the appropriate staff.

IMPORTANCE OF THE PROCEDURAL BYLAW

Every Commission is required by legislation to have a procedural bylaw. These bylaws are to deal with meeting procedures, the election and terms of Board officers, committee structures, the calling of special and emergency meetings, voting at meetings, remuneration and expense coverage paid to Board members and a variety of other administrative items. A clearly written and well-understood bylaw can be a very helpful tool to ensure business of the Commission is conducted in an orderly and professional manner. It is essential for Board members to become familiar with the procedural bylaw of their respective Commissions.

While not every situation or detail can be outlined in a procedural bylaw, it is important to ensure that such bylaws remain current and responsive to the needs of the organization. As such, the procedural bylaw should be reviewed periodically (perhaps every three to four years) to ensure its continuing effectiveness. Over time, some bylaws can become too complicated, too restrictive, or may be seen as not clear enough. A useful exercise can be to compare bylaws across the Commissions or with other similar organizations.

FINANCIAL AND RISK MANAGEMENT

The Regional Service Commission will finance its operations and services largely through payments received from the various municipalities, rural communities and local service districts, which, in turn raise their revenues through property taxes. One of the most important aspects of a Board member's role is the consideration of financial impacts of decisions on member communities. There will be inevitable conflict between ensuring high quality service provision and the cost to taxpayers. This conflict may be one of the most difficult challenges a Board member will face.

Board members will be challenged to consider what dollars are required for the various lines of business to effectively operate, grow and thrive. There will be constant pressure from communities and their taxpayers to keep costs low. Commissions need to have systems in place that will ensure the funds of the organization are spent according to budget plans and are properly accounted for. In addition, Board members are responsible for ensuring that an appropriate level of funding is in place to ensure the safe provision of services (for the general public and for the Commission employees), and that such services are being effectively provided in accordance with provincial legislation, regulations and operating requirements.

An associated area of effort that Board members need to consider is "risk management". Most mature and successful Boards, whether in the public or private sector, spend time and effort in identifying those risks that could get in the way of a Board achieving its goals, and what measures to put in place to reduce or minimize the risk of that happening. An effective risk management exercise should be led and owned by the Board, although the entire organization should be instrumental in contributing to the plan. Again, this is an area that Commissions across the province could share information on in terms of best practices, processes and outcomes.

CONFLICT OF INTEREST

Board members will be involved in various issues that will include having to make decisions around the allocation and expenditure of considerable amounts of money (e.g., decision to purchase a piece of equipment, awarding a contract, etc.). There may be occasions where a Board member (or senior staff member) could be in a conflict of interest by virtue of personal, family or corporate interests that may relate to the activities of the Commission. It is not illegal or immoral to have such conflicts. However, what is wrong is if a Board member doesn't make the conflict clearly known, participates in decisions related to the area of conflict, and/or benefits in a financial way from the decision.

Section 21 of the *General Regulation* outlines who is covered by the conflict of interest provisions (Board members and certain "designated" employees) and defines when a conflict of interest occurs. The circumstances where a conflict of interest exists apply not only to a Board member but also extend to his/her family, including the spouse, parent, child, brother or sister.

The *General Regulation* specifies that where a Board member has a potential conflict, and a matter related to this area will be discussed at a meeting of the Board, the member must, as soon as the matter is introduced, disclose the conflict and immediately withdraw from the meeting (which means physically leaving the room). In addition to the prohibition from participating in discussions relative to conflict areas, a Board member while in office or within a one year period following the expiration of his or her term cannot be employed by, contract with, or sell goods and services to the Commission (refer to subsection 21(2) of the *General Regulation* for further details on this matter).

Some pointers to keep in mind with respect to conflict of interest include the following:

- It is not wrong to have a conflict of interest;
- It is wrong not to declare the conflict of interest;
- Conflict situations extend to members of your family;
- The obligation is on the Board member to acknowledge and state their conflict;

- It is not the role of staff to manage or identify potential conflicts;
- If you think you may be in a conflict situation, the safest route is to declare it and absent yourself from deliberations on the matter;
- It is not your responsibility as a Board member to manage the potential conflicts of interest of other members; and
- There is no substitute for full disclosure and the application of common sense.

There are a few good practices for Boards to consider for identification and declaration of conflicts of interest. An annual declaration can be requested of each Board member where he or she is invited to disclose any involvement, ownership or other interest which might overlap with the anticipated activities of the Commission. Board members are encouraged to revise these declarations on an annual basis, or whenever there may be a change in such interests. These would be held in confidence by the Executive Director of the Commission. Such a declaration serves two purposes: 1) it causes the Board member to give thought to their potentially overlapping or conflicting interests in a formal way and not at the last minute when an issue arises, and 2) it can provide a record if there is ever cause for review by the courts or other authority as to the appropriateness of a Board member's actions.

Another practice that Boards may employ is to place a standing item early on the agenda of any meeting of the Board which calls for acknowledgements of potential conflicts that may occur for any item following on the agenda. Early disclosure does not obligate the member from dismissing himself or herself from the meeting at that time, but does give an early signal that when this item comes up for discussion, a member will be removing himself or herself from that portion of the meeting.

Board members and employees should also be very mindful of subsection 21(7) of the *General Regulation* which specifies the following:

"...a member of a Board or designated employee shall not (a) accept any fees, gifts, gratuities or other benefit that could reasonably be seen to influence any decision made by him or her in the carrying out of his or her functions as a member of the Board or employee of the Commission, or (b) for his or her personal gain or for the personal gain of a family associate make use in any way of his or her position or of any privileged information to which he or she may have access or to which he or she is privy because of his or her position."

When there is significant turnover on a Board (i.e., as a result of mayoral elections and the selection of new LSD representatives) or when a new member is appointed, it is recommended that the Board membership be reminded about their obligations regarding conflicts of interest as part of an orientation program.



Part 5 Shaping the Future

The Regional Service Commission model was established as a forum to provide regional services and to promote inter-community co-operation, collaboration and decision-making. While there are certain services and responsibility areas that are expected of each Commission, the future has been left deliberately open in terms of how they move forward to react and respond to the needs of their region and its communities. Boards of Directors should be thinking about where to shape and lead their organizations so as to take full advantage of its structure and assets in providing additional value for its members.

As Commissions evolve, it is expected that they will identify service delivery opportunities and / or particular communities will request that the Commission actually deliver certain services on a contractual basis. For example, for the smaller municipalities with limited administrative capacity, the Commissions may be able to provide such contracted services as book keeping, record-keeping, bylaw enforcement and various other services that could be purchased through contract from the Commission. The Commission may be able to offer contract management services to assist smaller communities with things like waste collection, animal control, street lighting, and bulk purchasing as examples. The Commission may be able to facilitate the sharing of equipment and its costs between communities. In addition, the Commission may be able to develop “service packages” to make available to smaller municipalities that would take advantage of economies of scale, and strengthen the capability of these smaller municipalities to serve their residents. For example, a Commission could hire an engineer to oversee and manage the operation of water and wastewater systems for several communities.

Key to these opportunities is the notion that the Regional Service Commissions could become an agent or contractor to certain communities without threatening their autonomy or decision-making. The Commissions could be thinking now about how to identify such needs within their

communities and come up with solutions and products to support and strengthen local capacity.

Board members have the opportunity and indeed the responsibility to shape and grow their Commission to become an organization that is responsive to the needs of communities in terms of providing economical, high quality services and serving as a forum for addressing common challenges and building stronger regions.





Appendix 1 Naming of Board Alternatives

- The process for the naming of the alternates who will be asked to attend Board meetings when the regular Board members are unable to participate should be well documented.
- In the case of a mayor not being able to attend, the deputy mayor is the alternate and he or she shall attend in place of the mayor.
- The mayor or someone from his or her office should inform the Commission's Executive Director that the deputy mayor will be attending in place of the mayor.
- For the LSD representatives, there are usually two or three alternates that have been selected. As such, a decision needs to be made as to who will replace a regular LSD representative if he or she is unable to attend a particular meeting.
- The LSD representative should notify the Local Services Manager by email that he or she is unable to attend the Board meeting. The Local Services Manager will then contact one of the alternates to determine availability.
- The Executive Director should be notified by the Local Services Manager that an alternate will be attending and who the alternate will be.
- The Executive Director and the Local Services Manager should ensure that the alternate receives all the necessary information for the meeting.



Appendix 2 Process for Voluntary Service Establishment

PROCESS FOR REGIONAL SERVICE COMMISSION OFFERING VOLUNTARY SERVICE

1. Proponents* submit request to Regional Service Commission (RSC) to present service proposal to the Board. It is strongly recommended that a meeting between the Executive Director of the RSC and service proponents occur prior to submitting the request. The service proponents present the service proposal to the RSC Board.
*The service proponent would typically be the RSC member proposing a new service be offered to member communities, though on some occasions may be an outside organization.

2. RSC Board reviews the service proposal and determines whether their RSC is willing, as an organization, to consider taking on the service, subject to member community interest. This initial decision requires a simple majority vote (i.e., 50% plus 1 of the RSC Board members present). If the decision is positive, then move to step 3.

3. Presentation of service proposal to communities. (Note that the RSC should write to the affected municipalities and rural communities, and to the Minister (on behalf of the LSDs), and request that the service be considered).

Municipalities and Rural Communities

4. Individual municipal and rural community councils determine if they will participate in and fund the service. Council resolutions affirming community participation are required and copies of the resolutions are to be sent to the RSC.

Local Service Districts

4. Advisory Committees consider the information regarding the proposal and provide their Committee's perspectives and opinions, in writing, to the Minister of Environment and Local Government via the Local Services Manager (LSM). The Advisory Committees, with the assistance of the LSM, may indicate that they support or do not support the proposal and that no public vote is necessary. They may also suggest a public vote to clarify the community's position. They may also seek more information from the service.

4.1 The Minister considers the proposal and the opinions received from the Advisory Committees. The Minister then determines if local service districts (some or all) will participate in and fund the new service or if votes are required to further clarify community positions. The RSC is notified of the Minister's decision.

5. A Service Agreement is drafted based on the level of community interest expressed by RSC members. The Service Agreement outlines the details of the service to be provided and the funding commitment of the member communities.

6. The Service Agreement is presented to the Board for approval. Mayors sign on behalf of their communities (those participating) and the Minister signs on behalf of the participating local service districts. Depending on the nature of the service to be provided, a contract between the RSC and the service provider may be required.

7. Official copies of the signed Service Agreement are provided by the RSC to all member communities.



Appendix 3 Budget Development and Adoption Process

SUMMARY OF RSC OPERATING AND CAPITAL BUDGETS DEVELOPMENT PROCESS

1

Corporate Services	Land Use Planning Services	Solid Waste Management	Electricity Generation Services	Collaborative Services
Executive Director and Financial staff prepare the budgets and determine allocation to each service.	Executive Director, Director of Planning and Financial staff prepare the budgets and fee schedule. Planning Management Committee	Executive Director, Solid Waste Manager and Financial staff prepare the budgets and fee schedule.	Executive Director, Solid Waste Manager and Financial staff prepare the budgets.	Executive Director, and Financial staff prepare the budgets.

2 Executive Director, Financial staff and Service Managers review budgets, borrowing and fees with Finance Committee.
Recommended timeframe: Mid to late August

3 Executive Director and Financial staff and Service Managers finalize draft budget package, including the capital borrowing proposal.
Recommended timeframe: First week of September

4 Executive Director and staff present proposed budget, fee schedules and capital borrowing proposal to the entire Board. Proposed budget package is approved by resolution (with or without modification) for distribution to member communities.
Recommended timeframe: By September 10

5 Executive Director forwards the Notice of vote, along with the proposed budget package, to member municipalities, rural communities and the region's Local Services Manager (representing the Minister), at least 45 days in advance of the RSC Board meeting at which the budget is to be put forward for adoption.
Recommended timeframe: By September 13

6 Executive Director responds to information requests and compiles feedback (e.g., meetings to explain budget with municipal and rural community administrators, local service managers and LSD advisory committees.).
Timeframe: Intervening period (at least 45 days – in legislation)

7 RSC Board public meeting is held to approve the budgets, fee schedules and application to Municipal Capital Borrowing Board where applicable.
Timeframe: By October 31

8 Approved budgets and fees are forwarded to the member municipalities and rural communities, and to the Local Services Managers (representing the Minister).
Timeframe: By November 1 (in regulation)



Appendix 4 Roles and Responsibilities: the Board and the Executive Director

The following examples are intended to illustrate the intended roles and responsibilities of the Board and the Executive Director of Regional Service Commissions.

Hiring of Employees

The whole Board is responsible for the decision to hire an Executive Director. The Executive Director is responsible for hiring all of the other employees within the organization, following budget parameters and hiring policies.

Benefits, Evaluations, and Remuneration for Employees

The Executive Director has the responsibility for salary administration, the determination and establishment of employee benefits programs as well as evaluating the performance of employees, all of which must be carried out within annual budget parameters and in accordance with the Commission's human resource policies. The Executive Director may work with senior staff in the organization to conduct evaluations of employees. The determination of whether employees are to receive merit increases also rests with the Executive Director, but such increases must fall within budget parameters. For its part, the Board is only to be involved in evaluating the performance of the Executive Director.

Developing a strategic plan

Both Board members and staff participate in the development of the strategic plan by taking part in brainstorming sessions, providing feedback and generally being part of the process. The Executive Director and senior staff may be tasked with developing drafts of the plan or portions thereof and coordinating various aspects of the planning process. While the development of the plan is a team effort, the Board as a whole is ultimately responsible for its approval.

Establishing the Board Meeting Agenda

The Executive Director is responsible for the preparation of the regular Board meeting agenda. Commissions should have in place a process by which an item is to be added to the regular Board agenda (if the item arises between Board meetings). In addition, Board agendas should follow the standard template that is described in the Commission's procedural bylaw. The Executive Director may review the Board agenda with the Chair in advance of a meeting in order to provide clarification and to ensure that the Chair is aware of what is to be discussed. It is not the Chair who determines what is or is not to be included on a Board agenda. Board members can decide (by way of a motion and resolution) to add an item to a meeting's agenda while it is in progress, or defer the matter to a subsequent meeting. The process of adding an agenda item during a meeting should be outlined in a Commission's procedural by-law.

Purchase of equipment for provision of services

The Executive Director is responsible for the purchase of equipment and supplies to ensure the ongoing operation of the Commission's services. Supplies and equipment required on an annual basis should be reflected in budget allocations; therefore, the Executive Director should have the full authority to make the necessary purchases (respecting tendering requirements, as necessary). From time to time, significant purchases may have to be made that fall outside the budget. In this instance, and depending on the Commission's policies, the Executive Director may bring a recommendation to the Board for its consideration.

Budget Development, Adoption and Monitoring

In most Commissions, the Executive Director and senior staff will work with the Budget/Finance Committee in the preparation of draft budgets (capital and operating). In cases where there is no Budget/Finance Committee, the Executive Director and senior staff will prepare the draft budgets. The Board's responsibility is to approve the draft budgets for circulation to member communities for their review and then to ultimately adopt the Commission budget. The Executive Director is responsible for managing the budget and ensuring that funds are being spent in accordance with the adopted budget. The Executive Director and senior staff should provide budget-to-actual or budget-to-projected actual comparisons to the Board periodically for their review. Reasons for deviations should be evaluated, including whether the deviations are expected to be temporary or longer-term in nature. The Board is ultimately responsible for providing budget oversight.