



**Learning from Abroad:
Multi-Purpose Special Districts in British Columbia as a
Possible Model for Governance Innovation for Local
Governments in the United States**

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Executive Summary

The large number of governments in metropolitan areas has been termed “fragmentation” (as opposed to, at the other extreme, a single unitary regional government). Local government fragmentation in the United States makes it difficult to effectively address problems that cross jurisdictional boundaries or are regional in nature. Mechanisms to deal with these problems in the U.S. consist primarily of single-purpose special districts spanning all or part of the region, inter-local agreements, and voluntary associations of local government such as COGs.

Local government fragmentation in the United States makes it difficult to effectively address problems that cross jurisdictional boundaries or are regional in nature.

In several foreign countries (e.g., Belgium, Canada, France, Italy, Spain), multi-purpose special districts (MPSDs), rather than or in addition to single-purpose special districts, are a common mechanism for achieving inter-municipal collaboration in service delivery. Although multi-purpose special districts do exist in the United States, they are relatively rare and consist mostly of some combination of water, sewer, and natural resource districts. Multi-purpose special districts (MPSDs) provide the potential for reducing at least some of the adverse consequences of fragmentation.

The most relevant example of MPSDs are the Regional Districts in British Columbia. British Columbia regional districts (RDs) are entities set up under a 1965 provincial law that provides for the voluntary establishment of districts comprised of municipalities in the region. A regional district is a vehicle for delivering services to some or all of the region. The regional district board (which consists of members appointed by the member municipal councils, with representation and voting rights determined on a population-weighted basis) determines which services to deliver and to which geographic areas.

Local government participation is voluntary. Individual municipalities can determine whether or not they wish to be a member of the RD (in fact virtually all municipalities have agreed to do so, partly as a result of encouragement by the provincial government, but mostly as a result of their calculation that the benefits of membership far outweigh the cost). Once a member of the RD, individual municipalities can also choose to opt in or opt out of each service. This is the major feature that assures municipalities that they retain control of their own destinies and serve their municipality’s interests.

The service areas may differ from service to service, i.e., they do not have to encompass the entire region, although some services do so. Regional districts do not have the legal ability to impose a tax, but they do have the power to requisition payments from member municipalities in

an amount required to cover the cost of the services they receive. The cost paid by each of the members is supposed, to the extent possible, to be equal to the benefits received.

The main report concludes that regional districts have performed well in accomplishing their objectives. The regional districts have reduced costs through taking advantage of economies of scale (as do single-purpose special districts), but also through reducing administrative and overhead costs as a result of being able to pool central functions across all services instead of constructing separate structures for each special district. They have achieved improved coordination across service functions. Most importantly, they have greatly facilitated the ability of local governments to engage in multi-lateral inter-municipal agreements.

Would regional districts or their equivalent work in the United States? The report considers several possible differences in setting that might affect transferability to regions in the U.S., including differences in institutional, legal, political, cultural, historical, and demographic contexts. The report concludes that the major contextual concerns are political in nature and particularly the fear local governments have of surrendering their autonomy and decision making to external institutions. However, it also emphasizes the voluntary nature of RDs and the ability of individual local governments to either opt in or opt out of each service delivery agreement provides a new and innovative feature that should greatly reduce a local government's political reluctance. The report also notes that questions of membership, representation and voting rights and weights will have to be worked out on a region by region basis.

The report concludes that, compared to the current system of many single-purpose districts and individually negotiated inter-municipal agreements, a multi-purpose district designed along the lines of the British Columbia regional districts and as a complement to or substitute for single-purpose special districts, has the potential to deliver substantial improvements in terms of efficiency, coordination, and effectiveness. It observes that problems of accountability and transparency remain, but these problems are, nonetheless less severe than those that exist in the present single-purpose district system. RDs have potential to work in both metropolitan regions and in rural areas.

The report also stresses that, at least initially, RDs are likely to be much more attractive to and engender much less opposition in some regions than in others. If state legislatures can be persuaded to enact legislation that authorizes the setting up such multi-purpose service districts (where such authorization does not already exist) and, further, to provide incentives for local governments to join, political interest would be further stimulated.

The report concludes by suggesting a series of next steps.

Introduction

Local governments abound in the United States. The number of local government units within metropolitan areas varies from one metropolitan area to the next, but in many

The 2012 Census of Governments counted a total of 90,056 local governments in the U.S.; of these nearly 39,000 were general purpose governments (19,519 municipalities, 16,360 towns and townships, and 3,031 counties) and more than 50,000 were special purpose, including 12,880 school districts.

areas local governments proliferate. For example, there are 1655 local governments in the Chicago metropolitan area, including 348 municipalities, and 1,043 local governments in the Denver metropolitan area, including 45 municipalities. On the other hand, the Baltimore metropolitan area has “only” 40 local governments with 20 municipalities and the Charlotte metro has 124 local governments with 71 municipalities (see Table 1).

The term applied to this large number of governments in metropolitan areas is “fragmentation” (as opposed to, at the other extreme, a single unitary regional government). The large number of governments in metropolitan areas leads to two types of fragmentation. Horizontal fragmentation refers to the large number of local governments of the same type within metropolitan areas. The horizontally fragmented system of local governments in U.S. metropolitan areas makes it extremely difficult to effectively address problems that cross jurisdictional boundaries or are regional in nature. The most frequently cited concerns are the inability to take advantage of economies of scale, the inability to deal with spillovers that extend beyond the borders of individual jurisdictions difficulties in coordinating activity across borders, and unproductive tax competition.

Vertical fragmentation refers to the layering of local governments within metropolitan areas. A single household may be resident in several local governments, for example, a municipality, a school district, a county, and several special districts. Vertical fragmentation is thought to pose problems of coordination, accountability (it’s not always clear what level of government is responsible for what) and cost.

Problems of fragmentation are widely recognized; indeed, the urban and metropolitan literature has been concerned with them for nearly a century³. During much of that time, the standard prescription for dealing with these problems has been the creation of a regional government

³ The text presents the standard critique of “fragmentation. It should be noted, however, that there are arguments made in support of fragmentation as well. These relate primarily to competition among local governments that results in lower service costs, the ability of a system of fragmented local governments to better reflect the views of their residents than would be the case through a less fragmented and smaller number of local governments, and the ability of many of the so-called problems resulting from fragmentation (e.g., spillovers, economies of scale, coordination) to be dealt with through mechanisms such as region-wide special districts and inter-municipal agreements.

institution or consolidation (see Norris, 2015, for an excellent review of the history of this literature, both with respect to the way in which problems have been conceived and of solutions to them). However, regardless of whether it is desirable or not, general-purpose regional government has not proven adoptable in the U.S.

The lack of a regional government does not imply that the region is ungoverned. It is now quite

Regional Government...the existence of a formal regional government institution or institutions.

Regional Governance...the process by which intentional decisions are made by public and private institutions that guide development and deliver services to the entire region or parts of it beyond individual local governments.

common to distinguish between *regional government* (the existence of a formal regional government institution or institutions) and *regional*

governance (the process by which intentional decisions are made by public and private institutions that guide development and deliver services to the entire region or to parts of it beyond individual local governments.) These governance processes consist of three components. First, regional and sub-regional single-purpose special district institutions that engage in planning, investments, and service delivery and which are common institutional features of metropolitan areas. Second, collaboration, both formal and informal, among individual local governments (see Ostrom et al., 1961; Parks and Oakerson, 1989; Oakerson, 2004 and others who make a distinction between metropolitan government and metropolitan governance). Inter-local agreements, while difficult to enumerate, are clearly widespread. Richard Feiock and his colleagues term these agreements and the process of putting them in place *institutional collective action*, and have set forth the conditions under which they are likely to occur (See Feiock, 2007, 2009, 2013). Third, the existence of voluntary region-wide councils of governments (COGs) and metropolitan planning organizations (MPOs), which serve as venues for discussion of common problems and area-wide data collection and research.

Nonetheless, even with these mechanisms, problems persist. There is a substantial body of literature on the advantages and disadvantages of single-purpose special districts⁴. The most obvious advantage of a single-purpose special district is that it permits the delivery of a service to an appropriate sized geographic area in terms of efficiency (cost minimization) rather than to an area defined by municipal boundaries. It thus provides a mechanism for regional and sub-regional service delivery that otherwise would not occur in the absence of general purpose regional government institutions. Special districts are also lauded for their reliance on professional staff and expertise and their isolation from politics in pursuit of professionally

⁴ See particularly Foster, 1997 and Berry, 2009 for reviews of the literature as well as their own research findings.

defined objectives (though critics point to the corresponding lack of political visibility and transparency as a serious flaw of special districts). It is also argued that special districts provide a means for overcoming tax and expenditure limitations that are often imposed upon local general purpose governments.

However, special districts are also criticized on several grounds⁵. Special districts make coordination across service functions difficult, since each special district is responsible for only the single service it provides (the silo effect). In addition to its effects on coordination, single-purpose districts distort spending priorities by preventing comparisons of local services at the margin, i.e., is it more important to spend this dollar on service A or on Service B. There are also accountability and transparency problems: although the majority of special district boards are elected, elections are often held off-cycle (rather than coincidental with general elections), with consequent low – sometimes very low – turnout, even compared to elections for general purpose local government⁶ (Berry, 2009: 64). Their operation is rarely subject to media coverage, and they are nearly invisible to the public.

In addition, the literature suggests that single-purpose special districts are costly. Compared to delivery by general purpose local governments, empirical research is nearly unanimous that service delivery by special districts results in *higher* total government expenditures (Foster, 1997: 74-75) without any improvement of quality (Berry, 2009: 145-146). As Foster (1997: 32ff)⁷ notes, it is functional specialization itself that results in higher government costs: “District officials and board members need not consider alternative service priorities... and so, wearing spending blinders, channel their energies and district financial resources into the single function for which the district is responsible. The district’s governing body ‘is apt to become an official lobby for the activity it oversees.’ Unlike most municipal departments, moreover, districts typically enjoy a dedicated revenue stream for operations, thereby avoiding the need to share revenues for more pressing government needs... Low visibility leaves districts susceptible to control by functionally oriented special interest groups, whose intense service preferences encourage higher public outlays.

⁵ Foster (1997: 31ff) summarizes the reformers’ case against special districts:

“Districts fragment the region functionally, adding to service coordination problems and associated administrative inefficiencies. Providing additional affront is districts’ low political visibility, which reformers allege exacerbates the ills of geopolitical and functional fragmentation, further hampering effective service delivery... With respect to costs, reformers contend that special purpose governments, whether sub-metropolitan or metropolitan wide, will require higher total government outlays than will general purpose governments. In particular, the reform view criticizes districts for duplicating the services of general purpose governments, which leads to unnecessary overhead expenses... Reformers also contend that special-purpose provision sacrifices the economic benefits of personnel sharing, legal and financial services, and centralized purchasing that are available to general purpose governments.”

⁶ Berry also notes (2009: 65ff) that single-purpose special district electorates are not representative of the general electorate, but tend instead to consist disproportionately of voters who have a special interest in increasing the special district service.

⁷ For a more formal presentation, see Berry (2009: 63ff)

Inter-local collaboration, for its part, will not simply occur because two or more municipalities will each benefit from it. As Feiock (2007; 2013) and others who engage in institutional collective action analysis stress, collaboration will occur only when benefits exceed costs, the most important of which are transaction costs. Feiock points to four different types of transaction costs (2007: 51)

- Information/coordination costs – information on the willingness of local governments to engage in collaborative efforts and the preferences of possible participants over possible outcomes must be gathered.
- Negotiation/division costs – the costs involved in negotiating the collaboration agreement and agreeing to how the mutual gains will be divided.
- Enforcement/monitoring costs – the cost of monitoring and enforcing an agreement, once made.
- Agency costs – these are costs associated with the uncertainty that government officials who negotiate collaborative agreements truly represent their elected overseers and can commit them and their successors to the agreement.

Empirical research suggests that transaction costs can be reduced (and collaborative activity made more likely) in settings in which information is more readily available and is more trusted. This situation is more likely to exist when jurisdictions share borders, share policy preferences (both among jurisdictions and within each individual jurisdiction), share demographic characteristics, have a manager-council form of government (due to professional training and career ambitions, both of which promote a concern for efficiency gains), engage in repeated interactions with each other or have strong regional norms favoring reciprocity, are within a metropolitan area that has a high geographic density of local governments per square mile (because information on local government willingness to collaborate is more readily available), are in a less fragmented, and are in a state that has permissive laws with respect authorizing inter-local agreements (Post, 2004; Feiock, 2007, 2009; Carr, LeRoux and Shrestha, 2009; Hawkins, 2010; Feiock and Lee, 2012; Bel and Warner, 2013, 2014; Qian and Warner, 2016,).

In many foreign countries, multi-purpose regional and sub-regional special districts rather than single purpose ones are a common mechanism for achieving inter-municipal collaboration in service delivery. Although such districts do exist in the United States, they are relatively rare and consist mostly of some combination of water, sewer, and natural resource districts⁸. Much more common in most US regions is a plethora of single-purpose special districts.

⁸ Seattle, Portland, and the Twin Cities (Minneapolis-St. Paul) are important exceptions. Seattle's Metro is responsible for water, sewer, and transportation. Portland's METRO includes several functions including solid waste disposal, parks, the area's stadium and zoo, and land use and transportation planning. The Twin Cities Metropolitan Council performs several functions, including metro transit, wastewater collection and treatment, land use planning, housing planning, and regional parks. (See Norris, 2015).

Multi-purpose special districts (MPSDs) provide the potential for reducing at least some of what are seen to be the adverse consequences of fragmentation. In most countries, these MPSDs have been adopted to achieve efficiencies associated with economies of scale and spillovers across jurisdictions rather than to address regional competition or fiscal disparities (see Bel and Warner, 2015). Like single-purpose special districts, MPSDs promote efficiency and lower per unit costs through permitting services to take advantage of economies of scale where the optimal geographic area for service delivery exceeds that of individual jurisdictions. However, unlike single-purpose special districts, MPSDs provide promise for achieving administrative efficiencies by reducing costs since a single administrative infrastructure can service multiple functions as opposed to having to build and maintain separate staffs and systems for each single-purpose special district. The structure of multi-purpose districts permits the coordination of activities *across* various, often related, functional areas, thus surmounting the “silo effect.” In addition, if existing templates have been established and trust has been established through a history of negotiation and conciliation, MPSDs can also reduce the transaction costs for arranging new inter-municipal agreements.

The purpose of this report is to examine the experience of multi-purpose districts in several countries for possible adoption, with necessary adaptations, in the United States or at least in several of the states in the US. The report will focus particularly, though not exclusively, on Regional Districts (RDs) in British Columbia, Canada. It does so partly because I believe the structure and operation of RDs provide the best MPSD format and partly because of the relevance of the Canadian experience to that of the U.S.

The first section of the paper (pp. 9-12) describes multi-purpose regional special districts and sets forth a range of possible design features and choices facing MPSDs. These are drawn from the experience of MPSDs in several countries, particularly Belgium, Canada, France, Italy, The Netherlands, and Spain. The second section (pp. 12-23) focuses more intensively within this context on the choices made and the experience of regional districts (RDs), a form of multi-purpose special district, in British Columbia. It examines what RDs are set up to accomplish, the politics of bringing them into existence, their structure and organization, the ways in which they relate to existing local governments and to the broader public (accountability concerns) and the extent to which existing local governments have provided support. The third section (pp. 23-28) discusses what RDs are seen to have achieved, both in the eyes of participants and in the eyes of observers and researchers, and the problems they have encountered. The fourth section (pp. 28-40) focuses on the critical question of whether they might be workable in the U.S. local government context, and what kind of adaptation would be necessary to make them so, while the fifth section (pp. 40-42) assesses the possibility of transfer to the US, and the sixth section (pp. 40-42) extracts the major “takeaway” themes from the report. The report concludes (pp. 44-47) with suggestions for next steps – how to proceed to initiate efforts to introduce multi-purpose service districts modeled upon British Columbia’s regional districts to both metropolitan and non-metropolitan regions in the United States.

Multi-Purpose Special Districts Abroad

MPSDs are districts that deliver two or more services throughout an area.

Our interest is in MPSDs that operate in a region or that cut across local government boundaries.

Examples of these multi-purpose districts include Regional Districts in British Columbia, Canada; mancomunidades in Spain; intercomunalities in Italy, including both Unioni di Comuni (unions of municipalities) and convenzioni (conventions); SIVOM and communitautés urbaines, communitautés agglomérations, and communitautés communes in France; plusregios (regional corporations) in the Netherlands; sub-regional contracts and councils in Finland; regional associations in Germany (particularly the Stuttgart Regional Association); and intercommunales in Belgium.

MPSD Characteristics

Creation

The creation of multi-purpose special districts, like that of any governmental institution, is a political act that occurs within an intergovernmental structure. In particular, what role, if any, have higher levels of government played in that process? To what extent have MPSDs been mandated by higher levels of government, come into existence as a result of provision of incentives from above, simply required the provision of permissive authorizing legislation, or were the result of self-initiating activity by local governments? From the local point of view, if MPSDs were not mandated from above, what were the political and other considerations that nonetheless impelled local governments to create or adopt them?

MPSD Design

Mandatory vs. Voluntary Participation (top-down vs. bottom-up): In every case a higher level of government first authorizes the setting up of MPSDs. While there are many historical examples of national governments not only authorizing inter-municipal cooperation, but also making participation of municipalities in MPSDs mandatory, nearly all current MPSD systems rely on voluntary participation of local governments. In some cases, national governments offer incentives to encourage voluntary participation. In France, for example, government legislation authorizes the establishment of *communautés urbaines*, which are bodies dedicated to inter-municipal cooperation. While they are voluntary, the central government provides strong incentives in the form of central government grants to local governments that agree to join. In some cases, MPSDs, once voluntarily formed, must nonetheless adhere to some national government regulations related to specific services that must (or must not) be delivered, structure, and/or membership and voting rights, etc. Local governments that agree to set up a

communauté urbaine, for example, must adopt a specific structure and agree to take over, responsibilities in areas such as transportation, spatial planning, regional development and water provision.

Services: The defining characteristic of multi-purpose service districts is that they are responsible for two or more services. But which services and how is the decision made?

Services delivered by MPSDs vary by country. In France, for example, as noted above, the Communautés Urbaines, once they are established, are required to deliver specific services. In

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other countries MPSDs are limited in the kind of services they can deliver. For example, while the tasks performed by any single mancomunidad in Spain varies, the range includes water provision, waste disposal, fire, social work, town planning, public transport, environment, tourism, economic development, and information technology. The number of services delivered by a mancomunidad ranges from two to 30, and the average is five. In a few cases (France, the Netherlands, until 2013), once an association is voluntarily set up under the relevant national law, the association *must* offer a set of services specified by the national government (Ahrend and Schuman, 2014). In British Columbia the RDs must deliver a small number of environmental services (solid and liquid waste management), but can also deliver any other services that it wishes to.

Geographic scope: What is the geographic area that comprises the regional area to which or within which services are delivered and how is this determined? Conceptually, the region can either be defined through authorizing legislation enacted by a higher level of government or through negotiation among local governments that perceive they have inter-connected interests. In nearly all cases, it has been authorizing legislation that has been the main determinant of geographic scope.

Membership, Representation, and Voting: Because they affect calculations about how much influence each participant will have and whether it is in its self-interest to join (particularly for “voluntary” MPSDs), membership, representation, and voting procedures are key characteristics of MPSD design.

There are, of course, many ways to approach the important choices of membership, representation, and voting. Members can consist of municipalities in the region, municipalities and other local governments, or local governments and other quasi-public or private entities. In most cases, the governing board is composed of members appointed or elected by the participating local governments, although in a few cases the board must reflect the political

composition of the local government members. In a small number of cases (e.g., the Stuttgart Regional Association, French communautés urbaines as of 2014) the governing board is directly elected. Usually the MPSD representation and voting mechanism is one local government member, one vote, but sometimes voting is weighted by population size (mancomunadades in Spain as well as RDs in British Columbia).

Governing Board Powers: British Columbia regional district boards are decision making entities. Although their board members are appointed by municipalities (and, in the case of unincorporated areas, directly elected), the Board is an independent entity. Once service responsibility is assigned to it through agreement of the member municipalities, a committee is appointed consisting of the board members (directors) from the municipalities and electoral districts participating in that service. That committee becomes in effect the governing body for the service. There are thus as many RD committees as there are services, and a single director will sit on a variety of committees. As Robert Bish pointed out (personal correspondence), this serves as a counterforce to the silo effect that is a common criticism of separate single-purpose special districts.

With respect to governing board authority, in some countries MPSD board members operate as agents of the local government that appoints them, carrying out their wishes and requiring their approval for actions (Belgium, Finland, Germany). In other cases, the districts, once created and the board appointed, operate as corporate entities independent of their local government members (e.g. French communautés urbaines, Spanish mancomunadades, British Columbia regional districts, although in this last case members can be recalled by their local councils at will).

MPSD Staff and Financing: Does the MPSD have its own staff and administrative structure, as do regional districts in British Columbia, or is it simply a vehicle through which local government participants share and coordinate services provided by individual local governments? If the former, how is the MPSD financed? Multi-purpose district revenue sources range from contributions from member governments, to fees and charges, grants from higher levels of government, and, in rare cases, taxing authority. French Communautés urbaines formed since 1999 are permitted to levy a precept on local taxes and *must* levy a single business tax. Communautés formed prior to 1999 are funded through contributions from member governments. In many cases multi-purpose districts are dependent primarily upon contributions from their members. RDs in British Columbia receive revenues through user fees and charges and through requisitioning payments (usually financed from the property tax) from municipalities to which they deliver services. In the case of mancomunidades, Spanish law stipulates that member governments that do not fulfill their financial obligations to the district will risk withdrawal of grants from the central and provincial government.

Regional Districts in British Columbia: A Case Study for Possible Adoption in the US.

The primary focus of this report is on the British Columbia Regional Districts. In brief, regional districts are entities set up under a 1965 provincial law that provides for the voluntary establishment of districts comprised of municipalities and unincorporated areas in the region (Cashabank, 2001). A regional district is a vehicle for delivering services to some or all of the region. The regional district board (which consists of members appointed by the member municipal councils and directly elected members from the unincorporated areas, with representation and voting rights determined on a population-weighted basis) determines which services to deliver and to which geographic areas.

Participation is voluntary. Individual municipalities can determine whether or not they wish to be a member of the RD (in fact all municipalities have agreed to do so, partly as a result of encouragement and some mild coercion - described below, p. 13 - by the provincial government, but presumably mostly as a result of their calculation that the benefits of membership far outweigh the cost⁹). Once a member of the RD, individual municipalities can also choose to opt in or opt out¹⁰ of each service. This is the major feature that assures municipalities that they retain control of their own destinies and serve their municipality's interests.

The service areas may differ from service to service, i.e., they do not have to encompass the entire region, although some services do so. Even for these regional services, there have been very few instances of individual municipalities opting out. Long-term association and constant negotiation have apparently constructed a norm of cooperation among members.

Regional districts do not have the legal ability to impose a tax, but they do have the power to requisition payments from member municipalities and electoral areas in an amount required to cover the cost of the services they receive, which, of course, is the functional equivalent of a tax. The cost paid by each of the members is supposed, to the extent possible, to be equal to the benefits received.

Regional districts thus serve as a ready-made vehicle for arranging and delivering a variety of services that might otherwise be delivered through single-purpose special districts, voluntary inter-municipal agreements, or not at all. As Bish et al. observe (2016: 24), the role of the regional district "is to provide a forum and administrative structure for shared service cooperation so that each service does not have to have a one-of-a kind arrangement. This

⁹ Indeed, as Brian Walisser points out (personal communication), although participation is voluntary, "for all practical purposes, it is today taken for granted that participation is automatic... it has become a de facto or quasi-constitutional norm."

¹⁰ The opt out provision was not initially part of the RD legislation. It was adopted in 2000 as a means of reducing the risk to municipalities of entering into service agreements (Bish, 2016: 37)

appears to lead to greater cooperation and more shared services for mutual benefits than with other kinds of local government structure.” According to Chadwick (2002: 50), “

How Did Regional Districts Come into Being?

With respect to Regional Districts in BC, the concept emerged from the office of the ministry responsible for local government responsible for local government in the BC provincial government¹¹ in response to two factors (Cameron, 1999: 15 and interview): 1) growing concerns about urbanization, fragmentation, and problems that crossed municipal boundaries and 2) the fact that service delivery to rural unincorporated areas in the province was widely viewed to be ineffective.¹² While a variety of single-purpose special districts existed, particularly in the large metropolitan areas of Vancouver¹³ and Victoria, the ministry felt that these were not adequately responding to regional problems. In an interview in 1970, Dan Campbell, the British Columbia Minister of Local Affairs at the time of the act’s passage, referred to “cancerous parochialism [which] tends to block or kill the benefits which could otherwise be achieved by a community” (Barnes, 1970: 110). Previous efforts aimed at creating a more comprehensive regional government through amalgamation or other means had been discussed, but were vigorously opposed by existing local governments¹⁴¹⁵. In fact, a plan to create a single tier metropolitan government for the Vancouver region had been voted down in the early 1960s (Barnes, 1970: 110).

After substantial consultation with individual municipalities and the Union of British Columbia Municipalities (UBCM), the Minister and his office developed a plan for the creation of Regional

¹¹ Tennant and Zirnelt (1973: 127) observe that, “The policy was not a response to immediate problems or to pressure from outside of the Department; rather, rather it was created by civil servants who sought to provide a framework for orderly development of local government in the future.”

¹² Prior to the development of RDs, service delivery in rural areas was the direct responsibility of the provincial government since local government institutions such as counties do not exist in British Columbia.

¹³ See Smith and Oberlander (1998), p. 375 for a discussion of the single-purpose special districts that preceded RDs.

¹⁴ Everett Brown, the Deputy Minister of Municipal Affairs given credit by most for conceiving the idea of regional districts, has written (1969: 83), “In the metropolitan regions, the dividing line between adjacent municipalities was becoming completely obliterated, and the resulting interrelationships were such that the informal methods of resolving common problems was both too slow and too uncertain... We made an initial attempt to interest people in a ‘Metro Toronto’ type of government, but this did not prove readily salable. When it became evident that a metro type of organization as established in Toronto was not likely to be acceptable, we were then faced with the necessity of finding an alternative. Those single-purpose districts which we had were, in their way, successful and acceptable. It occurred to us that these might be the building blocks on which we could create a unified metro system by the simple expedient, in effect, of establishing a holding corporation. Gradually out of this initial idea there evolved the present concept, which is a single district having a number of distinct functions, each function being in a sense a separate activity with its own set of conditions as to participation, cost-sharing, service area, scope of activity, etc.”

¹⁵ It is worth noting, as Sancton (2005: 320-321) that two-tier metropolitan governments in Toronto (1954-97), Winnipeg (1960-1970), and Ottawa (1969-2000) have all proven unpopular and/or ineffective and have been repealed, while Regional Districts in British Columbia have persisted.

Districts in 1964¹⁶ and presented it to the provincial legislature. In 1965 the legislature passed legislation that authorized, but did not mandate, the creation of a system of regional districts throughout the province¹⁷. The legislation permitted institutions delivering joint services to be created throughout the region without special enabling legislation for each. By the end of 1966, 12 RDs had been formed (Brown, 1968: 83). In early 1967, the legislature also created regional hospital districts (RHDs) for financing hospital construction. Municipal membership in these districts was mandatory. The regional hospital districts were designed to have the same geographic boundaries as RDs and the board membership was to be the same. The enactment of that legislation provided the strong incentive for any recalcitrant municipalities to join the RD in their area, since they would have to be members of the concurrent RHD in any case. After the enactment of RSHDs an additional 16 RDs were created in 1967-68 as dual RDs and RHDs.

RDs were described, and have continued to be described, as not another level of government¹⁸,

Regional Districts...not another level of government but a forum to reduce the transaction costs of inter-local cooperation for mutual benefit in service delivery.

but as “forums to reduce the transaction costs of inter-local cooperation for mutual benefit in service delivery” (Walisser et al., 2013) or as a regional federation of autonomous partners. Bish, for

example (1999) writes that, “they are part of the municipal system, not a separate level of government. The legislation and subsequent regulations provided the geographic framework for possible RDs but little else. There were no mandated services; they were, on the day they were set up, “empty vessels.” Walisser et al. (2013) note that “through a series of intergovernmental negotiations in the late 1960s, each region was set up with local consent.” By 1968 there were 28 RDs, a number that has remained more or less constant since then. The two largest RDs are the Greater Vancouver Regional District (now called *Metro Vancouver*), covering the city of Vancouver and its surrounding suburbs, with a population of nearly 2.5 million in 2014, and the Capital Regional District, covering the capital of the province, Victoria, and its surroundings, with a 2014 population of 372,000. The other districts range in size from slightly over a population of

¹⁶ Although Tennant and Zernhelt (1973: 127) observe that, “by June, 1964 the basic strategy for regionalization had been decided upon without any participation from outside the Department.” Tennant and Zernhelt also provide an interesting discussion of the politics of the provincial legislation setting up RDs.

¹⁷ Interestingly, Collier (1973) notes that part of the background work for the RD proposal included a study of single-purpose special districts in the United States. These were judged as structurally unable to cope with the problems they faced.

¹⁸ The claim that, unlike regional government, regional districts do not constitute another level of government between local and provincial government appears to be a major and continuing feature of the politics of gaining and retaining support for RDs. However, Collier (1973: 34) observes that, “It is difficult to argue that in actual fact they do not operate as a fourth level of government. They pass by-laws, they requisition funds (an indirect form of taxation), and they assist in the financing of certain selected services in all or portions of the region. All of these activities are directed by elected representatives and implemented by administrative staff.”

3,000 to 250,000 and include districts that are largely rural as well as those that are a combination of medium or small-sized towns and rural areas.

Most RDs began by initiating a small number of services and have added to them as they perceived the need to do so over time. In many cases, such as in Vancouver, some previously existing special districts have been gradually merged into the RD (Cameron, 1999: 16), although some single-purpose regional districts remain. Tennant and Zirnhelt (1973) term the establishment of the RD system as characterized by “the strategy of gentle imposition.”

Regional District Design

Services: The RD legislation when enacted in 1965 did not specify what services should be included, nor at the beginning, were any mandated. After 1967 when regional hospital boards were in effect merged with regional districts, the implicit assumption was that hospital capital finance was to be included as a mandated function. In 1970 the province amended the legislation to require that RDs be responsible for regional planning (Chadwick, 2002: 51). This resulted in substantial political conflict among the region’s municipalities and between the RDs and the Province¹⁹. The mandatory regional planning requirement was removed in 1983 and later replaced with a voluntary process²⁰. More recently two other mandatory service responsibilities have been placed upon regional districts: solid and liquid waste management planning and emergency planning. The RDs also are the vehicle for administering and transmitting requests by local governments within the district to receive bond financing through the Municipal Finance Authority²¹. As a consequence, a municipality’s full exit from an RD (or refusal to join) is very unlikely since it would render it unable to raise funds in the bond market and to take advantage of the high credit rating and low borrowing costs that the Authority makes possible²².

In all other cases, RD services are voluntarily adopted. However, the original provincial legislation did provide rules for how services were to be adopted. In essence, new services must be approved not only by the RD board, but also by municipalities that are to receive them. A municipality can decline to participate in a service, and a participating municipality can decide

¹⁹ For a discussion of this, see Chadwick, 2002, ch. 3.

²⁰ Several of the RDs, including the two largest, Metro Vancouver and the Capital Regional District (Victoria), have in fact agreed to continue with a regional growth and planning function.

²¹ In 1971 the Municipal finance Authority, a cooperative run by municipalities, was established. The MFA permits local governments to pool their tax base in approaching debt markets, thus lowering the risk (and interest rate) for individual municipalities). Municipalities seeking debt financing must do so through the MFA, and regional districts are the vehicle for accessing the MFA. (Technically municipalities borrow from the RD which then, in turn, borrows from the MFA

²² In short, despite the political rhetoric of “voluntary” participation and service take-up, strictly speaking this does not accurately describe regional district services. As noted in the text, a small number of services have, over time, been added as mandatory for all RDs to provide.

to opt out after having participated²³. This means that services that are region-wide must be approved by all of the members, raising the risk of either non service provision due to a single or small number of hold-outs or of regional provision without the participation of one or more members. In the latter case non-participating members would not be paying their share of the cost and, in effect, would be free-riding. However, interviews with Brian Walisser and Gary Paget, both with substantial experience in the British Columbia ministry responsible for local government and close observers of RDs, suggest that, in most cases, this has not been a major problem because an ethos of cooperation has been developed through RD membership and continual interaction among the members (or perhaps it previously existed). In short, cooperation among members has become a guiding norm.

Although there is no centralized account of services provided, Bish (personal communication) estimates that the RDs in aggregate provide over 1,000 services.

The Local Government Department of the BC ministry responsible for local lists some of the more common services provided as:

- ***water supply;***
- ***sewers;***
- ***fire protection;***
- ***parks and recreation;***
- ***solid and liquid waste management;***
- ***economic development;***
- ***regional planning and development***
- ***regional and emergency planning;***
- ***animal control;***
- ***public housing;***
- ***libraries;***
- ***E-911;***
- ***airports; and***
- ***television re-broadcasting.***

As examples, the Greater Victoria Capital RD is responsible for delivering 32 services to two or more local governments or to the entire region, including GIS, community health services, traffic safety, regional parks, a regional housing trust fund, solid waste disposal, storm water quality management, regional emergency program, fire dispatching, arts grants, and water supply. The average number of participants per service is 8.7 municipalities out of a total of 13 in the region (Bish, 2016: 14). The Comox-Strathcona RD had

more than 40 services it provided to two or more local governments or to the entire region.

However, it is important to note that in many cases the transfers to the RDs are not of entire functions, but of activities. Thus, Bish (personal correspondence) observes that in the Capital RD, "Parks are provided by both municipalities and the RD – but the municipalities do small

²³ There are a few exceptions. Municipalities may not opt out of general administrative functions, regulatory functions, mandatory functions (such as liquid waste management and solid waste and recyclable materials) as well as a few services such as emergency telephone and regional parks.

neighborhood ones and the RD does the large ones that attract users from a broader area.” Similarly, the reservoir for water is operated by the RD, while some trunk lines are sub-regional and the distribution is a municipal responsibility.

Most services that RDs deliver are physical, environmental, or protective. There are very few cases of RDs delivering services that are social in nature or that are overtly redistributive, services more likely to involve inter-jurisdictional political conflict. Indeed, in 2014 expenditure for health, social services, and housing accounted for only 1.3% of total regional district spending in the 26 RDs other than the Greater Vancouver Regional District, where it accounted for 7.3%

Most services that RDs deliver are physical, environmental, or protective.

(Bish, 2106). (However, it is worth pointing out that social service provision in British Columbia is largely a function of the provincial government rather than municipalities.) Also, there is no mechanism for fiscal redistribution among local governments in the region.

Despite the existence of regional districts, a majority of spending on services continues to occur through individual municipalities rather than through RDs. For example, in 2014, municipalities still accounted for 65% of local service spending in the Capital region, with the Capital Regional District accounting for 18%, and the remainder from four single-purpose regional entities. Like municipal governments, RDs may provide the service directly, may contract it out to private contractors, or may contract it to one of the member municipalities to provide.

Geographic Scope: In the case of British Columbia regional districts, provincial regulations under the original legislation set up the boundaries for 29 possible RDs, should local governments within them wish to adopt them. In all but one case, RDs were incorporated within these boundaries. The RD boundaries in the Vancouver area essentially followed those of existing regional single-purpose special districts. The boundaries of the other RDs were established through merging the boundaries of existing school districts (this was done for convenience only; the school districts and schools play no role in the RDs). However, the legislation also allowed for geographic variation *within* the region with respect to services and made clear that not all services that the RD undertook had to be delivered region-wide. In some cases, a service may be provided throughout the district, i.e., regional service delivery. In other cases, the service is provided to two or more municipalities in the district, but not to the entire region. A service can also be provided to rural areas where there is no other local mechanism for service provision (county level governments are absent in British Columbia).

Membership, Representation, and Voting: For BC regional districts, all municipalities within the region can be members. In addition, unincorporated rural areas, represented through electoral

districts, can also be members²⁴. For finance measures, each municipality receives a number of votes in proportion to its population. Every municipality and rural district receives at least one vote. For more populous municipalities, a board member casts multiple votes, but no member can cast more than five. If a municipality is entitled to more than five votes based on its proportion of the population, an additional member (or members) is appointed, each of whom also has up to five votes. According to Bish (2002: 8), the average size of an RD board is 20 board members (called Directors). The Board of Directors elects one of its members to serve as Chair for an annual term.

RD board members, called “directors”, representing municipalities are appointed by the municipal council to serve a nominal four-year term²⁵. However, despite this the appointed municipal members serve at the pleasure of the municipal council and thus can be removed at any time. Walisser and Paget (interviews) observe that selection of a council member as an RD director is competitive and describe the appointment as desirable. Smith (interview) also notes that the position is desirable, partly because there is a stipend associated not only with appointment but also with chair of various RD committees and subcommittees. Often the mayor (who is a member of the council, though separately elected) is selected by the council to serve as an RD director or as one of the directors. Representatives from unincorporated areas are directly elected by residents of these areas.

Smith notes that there is substantial continuity of membership on regional district boards. Turnover usually occurs as a result of the director either leaving the municipal council through retirement or, less often, defeat or simply as a result of the director losing interest in serving as an RD director. He observes that the “quality of appointees is mixed. Many serve because they have a strong commitment to regionalism and think many issues need regional solutions.

RD board decision making is a more complicated matter. For issues having a direct and immediate financial impact on all members (e.g., adopting a budget, contracting debt), decisions are made using population-weighted voting. For other issues affecting all members, votes are decided using the one vote per director rule (e.g., establishing a new service, general administrative services, regional growth strategies). For services where not all municipalities or rural electoral areas are participants, referred to as a “stakeholder vote”, only Board members from participating areas vote and all such voting is on a population-weighted basis. Where population-weighted votes are used, the number of votes due a large member of the regional district is divided equally among each of its multiple board members.

²⁴ In British Columbia, municipalities are the only local governments; there is no equivalent of a county level government that provides services to unincorporated areas. Prior to the incorporation of the RDs in the mid-late- 1960s, services such as policing and streets/roads were provided directly to residents of rural unincorporated areas by the provincial government and financed by a small property tax paid by rural residents to the provincial government.

²⁵ As is the case for all local governments in British Columbia, the terms are not staggered

However, Smith (interview) observed that regional district decision making is highly collaborative in nature, much more so than is the case with municipal councils. Votes are more often a formality to ratify decisions already arrived at through discussion.

Governing Board Powers: British Columbia regional district boards are decision making entities. Although their board members are appointed by municipalities (and, in the case of rural areas, directly elected), the Board is an independent entity. Once service responsibility is assigned to it through agreement of the member municipalities, a committee is appointed consisting of the representatives of the municipalities and electoral districts participating in that service. That committee becomes in effect the governing body for the service. There are thus as many RD committees as there are services, and a municipal representative or representatives will sit on a variety of committees. As Robert Bish pointed out (personal correspondence), this serves as a counterforce to the silo effect that is a common criticism of separate single-purpose special districts.

The RD board is able to make decisions about service delivery and capital investment. However, the potential for political conflict is much mitigated by the opt-in and opt-out provisions.

Governing Board Structure and Staffing: The RD Board of Directors is headed by a chair, elected by the Board, to serve as Chief Executive Officer of the RD. In addition to the Board members, each RD has a professional staff, including a Chief Administrative Officer (CAO) who is responsible for administration and for implementing the Board's policies and who also serves as the Board's chief policy advisor. Department heads and other professional and administrative staff report to the CAO. RD staff sizes vary widely. Of the 19 RDs that responded to a recent survey (see www.civicinfo.bc.ca), total employment in 2010 ranged from 15 to 1445, with the average RD having a staff size of 243. The two largest, Greater Vancouver and Victoria, had employment levels of 1445 and 910 respectively. In 2014 both of these RDs spent 7.5% of their total expenditures on general government (administrative) cost; for the average RD, general government accounted for 13.3% of regional district expenditure.

Finances: Each RD service has its own operating and capital budget. Each service is separately funded, and the full cost (including a portion of general overhead) must be paid for each year. Operating budget deficits are not permitted, and revenues from one service fund cannot be shifted to pay for a deficit in another.

Individual services provided by the RD are financed through user costs²⁶ and, where that it not possible, through a property tax, with the tax set, to the extent possible, so that it fully

²⁶ In the Greater Victoria CRD, about 2/3 of the revenue is raised through non-municipal sources, mostly through user charges (Bish, 2016: 15).

incorporates (but does not exceed) the benefits received by residents of the individual municipalities and rural unincorporated areas (fiscal equivalence). The tax is not actually imposed by the RD, but the amount is requisitioned from the municipality²⁷ and sent to the RD (theoretically the municipality can raise the funds at its own discretion, but in practice does so through adding an extra line in each taxpayer's annual property tax bill). The amount of the requisition is determined by calculating the cost of the service as a percentage of the total RD property tax base. That rate is then applied as an addition to the tax rate of each municipality²⁸. Thus, the tax yields different amounts per capita from different RD members: a 0.5% tax rate increment will raise more per capita from a community with high per capita assessed property value than it will from a community with a low per capita assessed value (thus providing a redistributive effect on a per capita basis). Revenues also cover the administrative costs of the RD staff. For services that are regional public goods in nature or that cover the general overhead and staff costs of the RD, the cost is covered by imposing a tax rate that is necessary to cover the full cost.

As Bish notes (2002: 12), "The process for allocating costs among municipalities and custom areas within electoral areas works because the B.C. Assessment Authority has a complete data base on all properties in the province with an estimate of the market value for the property. This data base makes it possible to record all service area memberships for each property, obtain total assessed values for all properties within a service area for budgeting and rate setting processes and calculate the taxes due for each service for each property."

However, when there are situations where benefits may be greater in some local jurisdictions than in others (or when there is contention over the allocation of benefits relative to costs), *custom agreements* can be negotiated that set cost-sharing to better reflect the incidence of benefits and, sometimes, to reflect political forces. While most services are financed through the default mechanisms described above, custom agreements permit flexibility through negotiation. Bish (2006-7: 36) states that, "Custom agreements are used to relate voting strength more closely to use of a service and to financial contributions rather than financing from different areas in relation only to the property tax base. Examples of custom agreements within one regional district include financing based on the following:

- 50% assessed value and 50% population – for a theater and an arena.
- The number of cases the previous year – for permitting and regulation of soil deposit and removal

²⁷ Or, for rural areas, the amount is requisitioned from the province, which increases the provincial property tax rate for these areas by a sufficient amount to cover the costs.

²⁸ In unincorporated areas the province essentially sends a property tax bill to residents that imposes the tax rate on the value of their property.

- One-third converted assessed value, one-sixth land area, one-sixth population, and one-third high-and medium-priority discharges in the previous year – for storm water quality management
- Population – for 911 emergency service.”

Accountability

When public decision making bodies are not chosen through direct elections, the question of accountability inevitably arises. RD board members are not directly elected, except for those in non-municipal areas. Instead, board members are members of the elected municipal councils who are appointed by the council to the RD board. They are thus, at best, indirectly accountable. In these circumstances the question of accountability is two-fold. First, how accountable are RD board members to the general public, and, second, how accountable are they to the municipal councils that appoint them?

How accountable are RD board members to the general public? How accountable are they to the municipal councils that appoint them?

It seems clear that regional district policy making and politics are not highly visible to the public, even though the same public meeting laws apply to them as to municipal governments. Indeed, one of the problems noted in the 1999 review of RDs was that the citizenry did not have a good understanding of what they were and how they functioned and that this was recognized by the RD administrators. Bish (2002) observes that, while residents of rural areas seem to understand what their (directly elected) RD board members do, “Citizens in municipal areas, however, seem to have greater difficulty. Most do not seem to realize that their municipal council is appointing one or more representatives to the regional district board to represent the interests of the municipality. In an interview, Ken Cameron, a former planner for the Greater Vancouver Regional District, observed that, “RDs are a blip on the public consciousness. They fly under the radar.” Patrick Smith, a professor of political science at Simon Fraser University, was equally emphatic: “The public has virtually no idea what regional districts do. I’ve never had a single councilor, much less a citizen, ask me about a regional district, despite the fact that I’ve written a lot about them.” Smith went on to note that regional districts do have reasonable coverage in the press, and votes by individual directors are sometimes reported there. However, in the more frequent case where votes are not reported by the press, votes on decisions, while public, are usually not recorded in the minutes. As a result, those who are not present have no way of knowing how directors voted. He concluded that, “given the size of the budget, you would think there would be a lot more concern about accountability to the public.”

With respect to accountability of RD directors to the municipal council that appointed them, it first must be noted that legally the RD board members act as a corporate body rather than

simply as a member of their municipal council sitting on the body. Except in terms of approval of new services and in adopting regional growth strategies, municipal councils are not required to approve of actions undertaken by the RD board. In a formal sense, RD board members (with the exception of directly elected rural members) are accountable to the public only indirectly through municipal councils. In a behavioral sense, this kind of accountability mechanism will work only if municipal councils pay some attention to the actions taken by their appointees to the RD board and exercise some ability to influence how their appointed members behave as RD decision makers.

As Walisser noted (interview), “while the public is unlikely to notice a vote by a RD board director on a controversial issue, the members of the municipal council the director represents will certainly do so.” Derek Barnaby (interview), the mayor of Barnaby, qualifies this a bit: “Municipal councils will pay attention to a regional district only if it is involved in something that is directly affecting them. If it has a major impact on their tax levy they will certainly pay attention!” Presumably a council appointed member will reflect the interests of the municipal council which appointed the member on issues that are important to it, and, if that does not occur, he/she faces the possibility of removal or not being re-appointed.

There has been, from time to time, to recommendations for the direct election of regional directors²⁹, but these have been rejected in favor of retaining the current model.” Direct election, while addressing the accountability problem, would remove municipal councils as members and would create a situation where conflict between municipalities and the RD would be nearly inevitable. As Taylor (2016): 7) observes, “Direct election is one solution, but it may hurt as much as it helps. Switching to direct election in 1988 was supposed to reinforce Metro Toronto’s legitimacy. Instead, it removed the constituent municipalities’ stake in metropolitan questions, generating new conflicts between them and Metro.”

Support for, Opposition to, and Sustainability of Regional Districts

Regional Districts as institutions have survived, with a variety of relatively modest adaptations for 50 years. They have proven sustainable. However, they remain relatively invisible to the general public (despite specific lines on residential property tax bills specifying the tax rate a resident is paying to support RDs and RD services). Surveys suggest that while they support services that the RD provides, they have only a vague sense of RDs as institutions. There doesn’t seem to be either a lot of support or opposition from the citizenry.

Efforts to get rid of RDs have from time to time arisen, usually either from a municipality or municipalities disgruntled by a decision or from lobby groups or political factions motivated by the “less government, lower tax, simplify government lobbies (interview with Brian Walisser).

²⁹ See, for example, Patrick Smith in Smith (2009), p. 258

However, there has never been a serious threat emanating from these sources to the continued existence of RDs. Bish (2016: 37) cites two serious instances where RDs have “run into a problem.” The first was when the province enacted legislation in 1970 mandating that RDs engage in regional planning and municipalities within the regional districts commenced to fight with each other over decisions that affected business location and consequently municipal tax bases. The requirement was rescinded in 1983 and replaced in 1995 by a provision allowing, but not requiring, RDs to engage in regional planning. The second, according to Bish, was an accumulation of instances where municipalities, once having agreed to join a service, later decided they no longer wished to be a participant. Until 2000 there was no way for a municipality to exit from participating in a service; however, the province enacted legislation that allowed a participant to opt out of a service, after first going through a dispute resolution and service review process.

In general, municipalities do not perceive RDs as threats to their important interests or to their autonomy. Political support by the municipalities and their association, the Union of British

Municipalities do not perceive RDs as threats to their important interest or to their autonomy.

Columbia Municipalities (UBCM) is sustained by the founding narrative that RDs are *not* a form of metropolitan government or a separate level of government, but an extension of local government. This

narrative is reinforced by the fact that municipal councilors serve as directors for each RD. The success of this narrative is reflected in Mayor Corrigan’s comment (interview) that, “We view regional cooperation as good, but we are not for a fourth level of government. That would adversely affect the competitive nature of individual local governments.”

Of course, RDs, as state authorized institutions, could also be eliminated or seriously altered through provincial action. Indeed, as one of the people we interviewed exclaimed, “I would say the current government (it’s on the Right) holds them in pretty low esteem. They would say RDs spend too much money, get in the way, and can’t make decisions.” Yet, while provincial government attitudes towards RDs and their usefulness and effectiveness have varied across time, they have persisted despite government turnovers at the provincial level. They have not been at risk and don’t seem to be.

Assessment of Regional Districts

Advantages and Accomplishments of Regional Districts as Seen by Participants and Observers

What have multi-functional districts accomplished that would not otherwise have been accomplished in their absence or accomplished by a variety of single-purpose districts?

In the case of RDs, Bish et al. (2016: 40) conclude, “The most important observation is that local government service relationships are much more integrated than generally recognized, with committees, boards and commissions established at the locus of decision-making and with the flexibility to adjust to the different scales at which local services are produced... The result has been flexibility based on high levels of democratic participation in diverse communities and with a high level of fiscal equivalence to encourage elected officials to balance benefits and costs in their decisions.” Fahim (2009) writes, “There is no denying that local governments in British Columbia achieve the benefits of larger scale while preserving those of local autonomy and control.” And Patrick Smith (interview) observed that “Regional districts have worked very well on the efficiency side – particularly with engineering services rather than social services.”

One of the most important accomplishments of RDs is the establishment of a template for inter-municipal agreements. Bish (1999) writes that, “a major advantage of the regional district system... has been that regional districts provide a political forum that reduces the cost of negotiating benefitting area agreements, partly because voting rules were fixed and a default financing rule based on converted assessed values was provided.” As a result, Walisser et al., (2013: 162ff) contend that, “RDs have resolved hundreds of inter-local servicing problems. This is a singular achievement in that, while often encouraged in local government systems worldwide, successful implementation of joint servicing schemes is comparatively rare.”

Bish and Clemens (2008: 62) argue that the RD system reduces conflict in regional decision making relative to two-tier systems in which one group of officials govern at the regional level, while another group governs at the local level. In RDs the same set of officials elected at the municipal level also governs at the regional level. This not only leads to RD decisions that take into account the interests of the various municipalities, but it also provides municipalities the comfort of believing that their essential interests are protected in the regional bargaining arena.

In addition, regional districts appear to serve as an important vehicle for municipal governments to lobby the provincial and federal governments for the common institutional and policy interests of local governments. Mayor Corrigan (interview) pointed to several cases where the Greater Vancouver Regional District had lobbied the provincial government successfully.

Problems of Regional Districts

There are, nonetheless, problems that observers (and advocates) have clearly recognized. The most commonly mentioned of these is system complexity. Not only is the system complex, it is demanding in terms of decision making time and intensity. Bish (2002: 10), for example, writes, “There is no question that regional districts can become rather complicated organizations. However, their organizing philosophy is rather simple: they provide a forum and institutional framework for local governments to make binding decisions jointly with their neighbors and with boundaries for a service different from their own, where governance and financing matches the

benefit area.” Walisser (2011, presentation), echoes this, observing that there are two views of RDs. The first is of flexible and effective service delivery. The second is of difficult governance issues, noting that regional district governance is “inherently complex (with) seemingly endless decision-making processes.”

In addition to promoting inter-local agreements at a sub-regional level, regional districts are widely viewed to have been successful in addressing regional service delivery problems that have been difficult under most other types of institutional arrangements. However, Bish (2016) notes that there are limits to that success in regional provision. First, there are instances where a service would provide widespread benefits to the region, but where costs would be heavily concentrated on citizens within one municipality. In these circumstances, the municipality bearing the disproportionate costs would likely decide not to opt into the service, thereby depriving the entire region of the benefits. There are other situations where municipalities might be tempted to free-ride, receiving the benefits of a regionally provided service, even though they have decided not to opt in to participation. These instances may be minimized through the development of cooperative norms, as discussed above, but they nonetheless exist.

In terms of actual accomplishments, Paget (interview) observes that, while RDs have been remarkably successful in terms of much of what they were set up to do, “they often struggle in tackling the really tough issues. These are the issues that create winners and losers. These are issues that are the most intractable. Sometimes the decisions don’t get made. Sometimes they get made, but with a lot of political fallout.” Bish (personal correspondence) and Smith (interview,), both point to the location of undesirable regionally required facilities as an example, noting the location of a sewage treatment plant which was set for Esquimalt. Esquimalt resisted and refused to rezone for the plant.

Paget and Walisser (personal correspondence) observe that economic development competition also makes regional development decisions difficult, particularly for those RDs that have voluntarily decided to take on regional planning as an RD function. They note that, “In British Columbia locals sometimes prefer more parochial economic development strategies. Municipalities seek economic development because it brings local taxation benefits. In the absence of incentives like tax or revenue sharing schemes they are generally not interested in supporting regional economic development schemes largely because the benefits accrue to other taxing jurisdictions. It is this contest between the regional and the local that makes this a tough nut to crack.” Others, such as Ken Cameron (see Brunet-Jailly, 2009), note that RDs have not shown a capacity to address social and economic issues.

The other commonly noted concern, already discussed above, is that of the related issues of public awareness and understanding and accountability. In a talk given at a conference on a 40-year retrospective on RDs, Kelly Daniels of the Capital Regional District noted, as recorded by a rapporteur, that, “Despite the positive contributions of RDs, Daniels has dealt with a

number of challenges. While the public is satisfied with the CRDE's services, surveys also indicate dissatisfaction with the district as a political entity. On occasion, municipal politicians also voice their opposition to the district and its operation. At times, municipalities resist co-operating over questions of money (where the municipality feels they are paying more into the service than what they are receiving) or power (where the municipality wishes to have control of the service.”

Evaluations of Regional Districts

The most recent formal review of RDs commissioned by the provincial government was conducted in 1999 by Robert Bish of the University of Victoria's Local Government Institute. The report was not a formal evaluation or cost-benefit analysis, but an overview by Bish, an economist and long-time observer, based on questions posed by the BC Ministry responsible for local government and the Union of British Columbia Municipalities and surveys of RD administrators in response to these questions. In particular, Bish, who is an economist trained in the US, was asked to compare RDs to regional collaboration institutions and mechanisms in the United States and in other parts of Canada. Bish concluded (1999: 4) that the, “regional district system of local governments in British Columbia compared very favorably with local government systems elsewhere in North America.”

Bish compares the form of inter-municipal cooperation common among municipalities in the United States to inter-municipal cooperation in RDs and identifies what he considers an important difference (1999: 21): “A major advantage of the regional district system... has been that regional districts provide a political forum that reduces the cost of negotiating... area agreements, partly because voting rules were fixed and a default financing rule based on converted assessed value was provided. Common rules also provide an opportunity to reduce administrative complexity on an on-going basis.”

Do Multi-Purpose Special Districts (Regional Districts in British Columbia) work?

The obvious first question is work with respect to what? According to Chadwick (2002: 50), Regional districts were to be a vehicle ... providing a framework for inter-municipal and sub-regional service delivery in partnership with municipalities.” The resulting inter-municipal partnerships were then expected, according to Bish (2016: 12):

- To achieve economies in production where a single large facility can serve the region. He notes that this is particularly important for small local governments, which, in the absence of shared service agreements of some kind, would be unable to provide many services due to high costs not offset by economies of scale.
- To achieve economies of scale where a very specialized service can be provided to everyone in the region once someone pays to produce it such as a GIS system

- To provide services where there are sufficient spillovers from one municipality to another so that joint governance is beneficial to both.
- To provide other services where council members from two or more municipalities believe that it is mutually beneficial to enter into a voluntary agreement to provide services.

The literature we reviewed and people we interviewed were nearly unanimous in their perceptions that RDs have been effective in terms of their goals of encouraging and maintaining inter-municipal collaboration that result in both the economic and the administrative efficiencies. For example, Sanction (2005: 325), in his article on regional institutions in Canadian metropolitan areas observes of RDs that, “it is hard to imagine a mechanism that could better combine local self-government through established municipalities with the existence of an institution at the metropolitan level that can both provide a degree of consensual metropolitan leadership... and a framework within which municipalities can voluntarily cooperate with one another.”

Bish (2002: 16) concludes, “Regional districts are a very useful institutional innovation. Their most important attributes are that they provide a systematic authoritative framework that lowers decision-making costs to facilitate cooperation among local governments to provide activities on a variety of scales. They can adjust boundaries to match either demands to provide a service for a group whose boundaries differ from those of existing local governments or they can adjust boundaries to achieve scale economies in production—depending on which is more beneficial for that particular service. The choice is a local one and local people are most likely to make the

Regional districts provide a systematic authoritative framework that lowers decision-making costs to facilitate cooperation among local governments to provide activities on a variety of scales.

right trade-offs when there is an incompatibility. They are also designed, and to a significant extent, achieve fiscal equivalence for services whose boundaries do not fit existing governments and this can take into account the huge number of

specific activities that make up the local services in a metropolitan area.” Bish concludes (2016: 4), “British Columbia’s regional district(s) have actually resulted in a higher level of shared services... because of the role of regional districts.”

Walisser, Paget, and Dann (2013: 163) contend that the RD strategy “of managing distinct individual services under a common board has proved to have merit: (a) as a means for accumulating collective regional intelligence, (b) by providing a political forum for issue identification and problem resolution among partners; (c) by acting as a channel for vertical coordination; and (d) by facilitating the provision of expert, professional administration of even the smallest individual services.”

Chadwick also observed that, “Regional districts were to be a vehicle for advancing political interests for the region [with respect to the provincial government].” As Mayor Corrigan made clear (interview), municipal government officials certainly believe that this has been the case.

Transferability to the US

Overview

Are RDs a suitable mechanism for adoption in the United States, and, if so, what kinds of adaptations would be required?

To succinctly summarize our findings that we go on to present and discuss below, we believe that, on balance, a multi-purpose special district based upon the British Columbia regional districts holds promise for improving

efficiency, cost-control, coordination, and effectiveness for local governments in US regions. Problems of accountability and transparency would remain, but we believe that such problems would nonetheless be less serious than those that currently exist under the present system of a multitude of single-purpose special districts. Such a mechanism is likely to be more appropriate – and more politically feasible – in some states and regions than in others. Similarly, there is no one size fits all; the adaptations made to RDs in order to make them work in the US context will differ state by state and region by region.

The critical first steps are how to bring them into existence. Clearly states that already provide enabling authority for multi-purpose districts and regions that are already engaged in promoting inter-municipal cooperation and regional activity are obvious places to start. However, even prior to that, bringing the benefits of such a multi-purpose institution to the attention of organizations that have the ability and the desire to promote them – such as state municipal leagues, the ICMA, NLC, USCM, NARC, NACA, and NCSL – sets the first task.

We begin our discussion with comments from two informed observers on the question of transferability to the U.S. Comparing regional districts in British Columbia to efforts to deal with fragmented local governments in metropolitan areas in the United States, Robert Bish, an economist who has had academic appointments in both the US and British Columbia and who is well-versed in the local government systems of both, contends that, “Metropolitan areas elsewhere in North America need solutions to the same issues [that RCs address in British Columbia]. In most areas [in the United States] there is greater use of individual contracts, special authorities, county governments or second-tier systems. It is only in BC, however, that a single organization, the regional district, provides a regular forum and administrative structure for such agreements over such a broad range of activities. The result appears to be fewer regional organizations and fewer separate inter-municipal contracts in BC, with a very high level of shared services among municipalities arranged through regional districts.”

Patricia Atkins, an American who previously was the editor of *The Regionalist* and has studied regional districts, comments that (2008: 72), “Regional Districts in British Columbia have features that make them attractive to metropolitan areas in the United States because they do not supplant local governments or compete with them, are voluntary, are fiscally efficient, and work in conditions of polycentrism.”

Framework for Analysis

As I have argued elsewhere³⁰, efforts to transfer policies or mechanisms from one setting to another require careful examination and analysis. There are many pitfalls. Policy transfer efforts: 1) frequently suffer from the curse of some “Best Practice” literature (i.e., says who? and based on what?), 2) often involve analysis that is not based on deep understanding of the local government system of the foreign country, 3) frequently do not consider important differences in the political, institutional, or cultural settings between the foreign country and the U.S. and 4) ignore what kinds of changes in local practice or institutional arrangements that might be necessary to make these practices viable for local governments in the United States.

The analysis will proceed along the lines suggested by Mossberger and Wolman (2003) and Wolman (1992; 1993) in their discussion of assessment methods for policy transfer. The assessment will thus consist of 1) an examination of whether the problems and objectives the policy (multi-purpose regional district such as RDs in British Columbia) is addressing in the originating country are similar to those of the borrowing country, 2) an analysis of the effectiveness of the RDs in their home setting, drawn primarily from existing literature and interviews with participants, 3) consideration of the appropriateness for transfer of RDs or their equivalent to U.S. local governments given differences in the institutional, cultural, and political setting local governments in the two countries, and 4) suggestions for adaptations that would have to be made in order for RDs to be a politically viable and effective mechanism whose outcomes would be an improvement over the current system of regional governance.

Are Problems to Which Regional Districts Addressed and Their Goals Similar to Those in the United States?

The first element of the analysis can be dispensed with fairly quickly. Regional districts are explicitly directed towards problems of inefficiency (inability to take advantage of economies of scale, duplication of efforts), lack of coordination across service functions, and ineffectiveness (inability to address policies towards some cross-jurisdictional problems), all of which are perceived to result from fragmentation. These problems and the way they are defined are quite similar in both the Canadian and the US context. However, RDs are not meant, nor are they

³⁰ See Mossberger and Wolman, 2003; Wolman (1992, 1993).

designed, to deal with problems of fiscal disparities that result from fragmented local government in U.S. metropolitan areas. These problems are dealt with through equalization grants from the province in BC. Thus, if the concern is with addressing fiscal disparities in metropolitan areas in the United States, RDs are not the place to look.

Have Regional Districts “worked” in British Columbia

Next, have RDs been effective in achieving their objectives in British Columbia? It would be foolish to contemplate transferring a policy that had not worked or had not worked well in one country to another. The answer to this question is not straightforward. There is near unanimous agreement in both the literature and among the individuals interviewed that RDs have been successful in increasing inter-municipal collaboration and that the resulting increase has resulted in greater efficiency and effectiveness. However, there is also a near total lack of rigorous analytical research on whether and the extent to which efficiency has actually been affected, not only with respect to RDs, but also with respect to MPSDs in other countries. Has the cost of service delivery per unit actually declined as a result of RDs, as would be predicted through taking greater advantage of economies of scale? Have administrative costs declined as duplication of efforts have been reduced? Have spillovers that cross local government boundaries and thus produce inefficiencies through imposing costs on those who do not receive benefits of a policy or benefits to those who do not pay their share of the costs been reduced? Is there greater effort to address regional problems and to cooperate on a regional basis? Has greater coordination across services been achieved?

In the absence of such rigorous evaluation efforts we can only rely on informed speculation on the counterfactual: what would British Columbia regions have looked like in terms of extent of efficiency, amount of spillover, etc., service coordination, etc. in the absence of regional districts? However, lack of rigorous evaluation is not in itself reason to reject transferability; if certainty about prospective policy effects were a prerequisite of putting a policy into place, paralysis would be the result. The near unanimity of informed observers (not just program operators, but, also academics, researchers, and journalists) that RDs have been successful in achieving their objectives, at least in dealing with problems that are not zero-sum or overtly redistributive, should count heavily in any assessment. The lack of visible public opposition and the sheer fact that RDs have now existed for more than 50 years testifies both to their political sustainability in the British Columbia context and to the implicit judgment that RDs are working or at least doing no harm.

The overall success of RDs, however, does not come without recognition of some limitations and problems. As noted above, RDs are not likely to solve highly contentious issues that are zero-sum or redistributive in nature. In addition, they are susceptible to free-rider problems for services provided at the regional level. Reviews of RDs have also pointed to problems of complexity, transparency, and related problems of accountability that are frequently associated

with indirect representation. Despite these concerns, my overall evaluation is that RDs have been effective in British Columbia have been effective in achieving their objectives.

Do Differences in Context Between British Columbia and US States Make Adoption in the US Difficult or Impossible? What kinds of changes could be made to make adoption and implementation more likely?

Now to the difficult part. Taking into account differences in institutional, legal, political, and cultural contexts, the broad question is whether RDs, or their equivalents, are transferable to the U.S., and, if so, with what changes? Indeed, this question can be stated a bit more precisely. Since no one is suggesting that the federal government impose this structure throughout the United States, the real question concerns state governments, the equivalent of British Columbia provincial government in Canada. The institutional, legal, political, and cultural settings differ enough across states so that successful adoption might be much more likely in some states than in others. Thus, the question stated more precisely is: *taking into account differences in context, are RDs or their equivalents transferable to some states and sub-state regions in the U.S., and, if so, with what kinds of adaptations?*

There are five different sets of contextual differences we will examine:

1. ***Differences in institutional and legal context***
 - a. ***Presence of many single-purpose special districts in the US***
 - b. ***Existence of other general purpose local governments (counties and townships) in the US***
 - c. ***The number of local governments in US regions compared to British Columbian ones***
 - d. ***Forms of local government***
 - e. ***Legal authority***
2. ***Differences in political context***
 - a. ***Political strength of individual local governments and potential opposition***
 - b. ***Potential opposition from existing single-purpose special districts.***
 - c. ***Institutional concerns (representation and voting rights)***
3. ***Differences in historical context***
4. ***Differences in political culture***
5. ***Differences in demographic structure***

Differences in Institutional and legal context: Prior to the creation of RDs, the local government institutional structure in British Columbia consisted of municipalities and, in Vancouver and Victoria, a few regional special purpose districts. There were (and are) no county level governments, and areas not incorporated as municipalities received services directly from the province or from other ad hoc local arrangements. In contrast, the typical region in the United States has not only municipal governments, but also a county or counties, and, in many states, townships, all of which serve as general purpose local governments. It also has a variety of

single-purpose special districts. What difference, if any do these differences in institutional structure make?

Special districts: The presence of many single-purpose special districts is of particular importance, for RDs would, in effect, serve as a substitute for, or at least substantially supplement, this system of single-purpose districts³¹. This changes the nature of our inquiry with respect to whether RDs or their equivalent would be effective in the United States context. In the British Columbia context, the question is whether RDs were effective relative to what would have occurred had the pre-existing system of many municipal governments and, in Vancouver and Victoria, a relatively small number (compared to the typical metropolitan area in the United States) of single-purpose regional special districts. In the United States context, the counterfactual is considerably different. How would a multi-purpose special district in a region perform relative to the existing situation that consists of many municipalities (as well as other general purpose local governments such as counties and townships in some areas) *and* a large number of single-purpose special districts? In short, would a region with a multi-purpose special district have better outcomes in terms of efficiency, effectiveness and coordination than would a region with many single-purpose special districts?

Counties and townships: In British Columbia RD members consist of municipalities and the non-municipal territory surrounding municipalities. But in the United States counties are also an important unit of general purpose government. Indeed, in many cases counties play an overarching role that not only provides some important regional or sub-regional services but also serves as a means for facilitating agreements among some of its municipalities.

It seems clear that, given their role, counties (or at least counties in multi-county regions) and perhaps townships, where they exist, should be eligible for membership in a US version of an RD. But with what kind of representation and voting rights? We return to this question below.

Multiplicity of local governments: In total, there are 162 municipalities in all of British Columbia, and the average number of municipalities in a regional district is slightly less than 6, although some are substantially larger. In US metropolitan areas, by contrast, the number of local governments has a much broader range, and in some areas can be very numerous indeed. The average number of general purpose local governments per metropolitan area in 2012 was 102. This presents problems for transferring the idea of regional districts to the US in terms of board membership, representation, and voting. If each municipality in the average US metropolitan area, for example, had membership on the board as in the case with RDs, the number of board members and the size of the Board, would be unwieldy. While population-weighted voting and fractional votes might solve the voting problem, the board itself would be more like a legislative assembly than a city or county council. Some solution that meets both

³¹ Other than school districts, which even in British Columbia continue to serve as special districts and are not part of RDs.

technical and political requirements (and may well differ from region to region) will be necessary. One possibility might be a general assembly with an executive committee to act on its behalf and made up of 20-25 members. The Executive Committee could be based on a UN model, with some permanent members – the largest cities and counties – and other members elected to the board by the general assembly at periodic intervals.

Form of government: Municipal government in British Columbia (and in Canada more generally) operates on the council-manager system model, with the council choosing a professional city manager to run the city. It is possible that local governments with professionally trained city managers are more likely to be willing to engage in inter-municipal and regional activities and organizations that advance the city's interest and are more likely to embrace collaboration as a governing value than are mayor-council systems. This does not suggest that elected councils in council-manager systems are not important political actors or that they and their members are not also concerned with protecting their city's interests; it simply suggests the possibility that systems with professionally trained city managers whose focus is likely to be more on efficiency of delivery systems and less on the power relationships among local governments, may be more inclined to engage in regional activities. If this is the case, then US regions where local governments are predominantly council-management may be better prospects for setting up RDs or their equivalents than is the case in systems that are predominantly mayor-council. On the other hand, it is possible that strong directly-elected, mayors, once they have become convinced of the advantages of an RD, may possess the political resources and negotiating and bargaining skills necessary to bring them into existence and to bring along both council members and their constituents in support.

Legal authority: The British Columbia provincial government enacted legislation authorizing the creation of RDs. State governments would have to permit the creation of multi-purpose special districts in the US, either through existing home rule provisions, through legislation that already authorizes the creation of such districts, or through enactment of new legislation. As this suggests, in many states multi-purpose special districts are likely to already be legally permitted. In others, however, authority will have to be provided through new legislation. It is unclear how many states would require new legislation, but RDs or their equivalent are likely to be much more feasible in the short term where new legislation is not needed.

Take away: What do these differences in institutional and legal context imply for a potential transfer of the RD model to the United States?

1. The existence of large numbers of single-purpose special districts in the US in effect defines the problem: can a multi-purpose special district as a replacement for or supplement to these single-purpose special districts mitigate some of the problems resulting from the current system and produce better outcomes. The current system of single-purpose special districts thus becomes the counterfactual against which adoption of RDs must be measured.
2. The presence of general purpose local governments (counties and townships, where the latter exist) in addition to municipalities in the United States poses several institutional and political concerns that will have to be addressed in adapting an RD system for the US. Should counties be members of an RD (since counties in nearly all regions are important policy makers we believe that counties clearly have to have a role; townships, where they exist are a more difficult decision, the answer to which will inevitably have to be worked out on a case by case basis). Where regions consist of a single county (a one country MSA or a large non-metro county), the question is whether the county government itself should be a member. One possibility would be to have the county as a full and voting member only for non-incorporated areas of the county (see below for discussion on how this might work). Alternatives might be to have the county as a non-voting member or as an observer.

What about regions where there are multiple counties? Here counties themselves are important players in inter-local arrangements. However, for counties to be members questions of representations and voting relative to municipal members will have to be worked out, e.g., how many board members and how many votes should they have relative to municipalities that are a part of the county? These decisions too will probably have to be worked out by each region. However, if counties are not members or are reluctant members because satisfactory representation and voting formulas cannot be agreed to, the effectiveness of an RD in the US will likely to be considerably less than has been the case in British Columbia.

3. The sheer *number* of local governments in US metropolitan areas compared to RDs in British Columbia poses a problem in terms of membership and representation in a multi-purpose district based on the RD model in the US. Some institutional solution that meets the test of political feasibility will need to be fashioned.
4. It is possible that regions in the US that where local governments are dominated by council-manager systems will be more attracted to the RD concept (or that RDs will operate more effectively there) than regions where mayor-council systems are the primary government form. While we are not necessarily convinced this is the case, it might well be to focus on systems with council-manager systems in initial efforts to promote RDs.
5. It is critical to recognize that the starting point for any effort to import the RD concept to the United States is state government for such institutions require state authorization, either explicitly or implicitly through home rule provisions. In some states such

authorization undoubtedly already exists, while in others it may not. In the latter case, enactment of authorizing legislation may be an easy task; in others it may require more heavy lifting. It probably makes sense for efforts to promote RDs in the US to start initially in states where authority for their creation already exists.

Differences in Political Context:

Opposition from general purpose local governments: There are many reasons why efforts to bring about regional service delivery and inter-local cooperation beyond inter-local agreements and single-purpose districts have been opposed in the United States. Regional government, whether through imposing a new layer of government above the existing set of local governments or through city-county consolidation, is seen as an affront to the American tradition of localism. In particular, it raises the specter of individual local governments having to subordinate their interests and those of their residents to external forces. This may be a particularly intense concern in regions where there is substantial rivalry and distrust between central cities and suburbs. In more extreme forms, efforts to establish regional type governments might eliminate existing political offices, both elective and appointive, and rearrange the electoral landscape so that groups that control offices and resources in a subsection of a region might no longer do so if the electorate were enlarged to include the entire region or a larger portion of the region. An example would be a central city with a predominantly African-American or Hispanic population that has elected minority political officeholders but would be much less likely to do so if the electorate encompassed the entire region where these groups were a minority. White upper-middle class suburbs, of course, might have the same fear.

RDs address some of these concerns easily. No local governments are eliminated and no officeholders lose their jobs. It can be argued that localism continues as the dominant feature of the local government system. In British Columbia, the seemingly successful narrative is that RDs are not a new level of government at all, but simply an extension of local government that allows members to achieve greater collaboration. This might be a more difficult sell in the US.

The major innovation that RDs bring to regionalist efforts in the United States is the opt-in, opt-out provision. An individual local government would have the ability to decide whether or not to be a participant, not only in the RD itself, since membership is voluntary, but, should it decide to be an RD member, in each of the services the RD provides. In addition, once having agreed to participate, it could later opt-out. This provision would allow local governments to act in accordance with their own interests, protecting it against participation when it feels its interests are threatened, but enabling it to participate when it feels it can benefit. The critical question is whether this arrangement is sufficient to overcome the fear of a local government that it is somehow losing a degree of its local autonomy and compromising its own interests.

Another source of possible political opposition from local governments could relate to the role of state government. Depending on the state, local governments might be concerned that authorization of local governments to enter *voluntarily* into a multi-purpose special district with an *opt-in* provision for participating in each service might constitute a slippery slope for state government to move to require mandatory membership and/or participation in service delivery. Indeed, this has occurred, albeit to a minor extent, with RDs in British Columbia. On the other hand, RDs in British Columbia appear to have served as a vehicle for leveraging municipal government influence beyond that of individual local governments in lobbying at the provincial and federal government level for common municipal government issues.

Opposition from existing single-purpose regional special districts: The existence of other actors on the local government scene, particularly single-purpose special districts, poses another political concern. Would existing single-purpose special districts oppose the creation of a multi-purpose special district and, if so, how successful would they be? It is difficult to imagine that existing single-purpose special districts would not be opposed if the proposal were simply to eliminate them in favor of the new MPSD. Even in this case, it's unclear how potent their opposition would be. Most special districts (there are exceptions) do not have the ability to mobilize voters effectively, though many have other political resources, such as money, expertise, status, and support from powerful elites. One approach might be to just add an RD to the array of single-purpose special districts already in existence and then proceed with a "strategy of gentle imposition" over time. Another might be to build an RD on the base of an existing single-purpose special district. If that district were one of the more politically potent ones, political opposition of at least that single-purpose special district might be diminished and might even turn into political support. Another option would be to simply merge existing special districts into a single federated organization as the basis for an RD. An even grander strategy would be to merge existing special districts into a federation under the auspices of the existing council of government³².

Membership, representation and voting: As noted above, the large number local governments in many US metropolitan areas poses a problem for the size of a multi-purpose special district, such as an RD as decision making and service delivery bodies. Membership for each municipality and county would make for very large bodies in many cases

Voting rights would also have to be sorted out. Councils of government, organizations that do not have taxing power and do not usually deliver services, generally operate on a one jurisdiction-one vote basis. However, a 1990 federal court decision, *Cunningham vs. the Municipality of Metropolitan Seattle*, made clear that when an entity is engaged in government like activity and its members are elected, it must operate on a one-person, one-vote basis. The

³² It should be noted that any effort to merge existing one or more single-purpose special districts into or with a multi-purpose special district would face both technical and political problems of how to allocate existing pension fund and debt responsibilities.

decision does not affect COGs, since its members are not elected. However, the decision is potentially relevant to the RD model, since Metro Seattle, an elected body, was one of the small number of examples of multi-purpose regional special district service delivery entities in the US. The question here is whether a multi-purpose district whose governing body consists of members who are *indirectly* elected (i.e., consists of elected members of local councils who are appointed by councils to the MPSD governing board) would be considered an elected government entity subject to the one-person, one-vote rule.

Population-weighted representation and/or voting would serve to assuage concerns of large cities that their interests were not being sufficiently represented, but it would simultaneously raise concerns among smaller municipalities and suburbs. Would the opt-in, opt-out provision reduce the fears of the latter municipalities?

There is also the problem, both technical and political, of county government representation and voting. In a population-weighted system, would county government representations be given representation and voting rights based on their total population, thus, in effect double-counting the representation of county residents who also lived in an incorporated municipality within the county and who would also have voting representation through their municipal representation? Alternatively, county representation and voting rights could be based only on the county population living in unincorporated areas. But would counties oppose this as a diminution of their political influence?

Take away: What do these differences in political context imply for a potential transfer of the RD model to the United States?

1. Political opposition to regional institutions in the United States stems primarily from concerns local governments have about surrendering local autonomy and local decision making to regional institutions that might constrain or redirect their actions. RDs provide two mechanisms that should greatly obviate these concerns: 1) for any local government in the region, participation in RDs would be voluntary rather than mandatory, and 2) any participating local government can opt in or opt out of any particular service. The question is whether these provisions will alleviate their concerns about threats to their local autonomy and whether these are strong enough guarantees that the benefits derived from joining and participating will outweigh their concerns about loss of autonomy.

2. Opposition from existing single-purpose special districts may well exist. Again, this is likely to vary from region to region. Possible strategies to reduce this opposition or to turn it into support include building the RD on the base of one of the existing strong single-purpose special districts or creating an RD that consists, at least initially, of a federation of existing single-purpose districts.
3. Any effort to introduce the RD concept in the United States will have to deal with politically sensitive, as well as constitutional, questions of representation and voting. We have already discussed concerns about representation and voting role of counties relative to municipalities. More broadly, RDs rely upon population-weighted voting, a system that, to our knowledge, is not used in regional organizations in the United States, or, for that matter, municipalities (though, it is not foreign to the US; the Electoral College is population-weighted). It is difficult to imagine how the obvious alternative, a system of one jurisdiction, one vote such as is routinely used by Councils of Government, would be politically feasible. Would a large city really find it palatable to have voting representation equal to that of a small suburb in important service delivery questions? If the one jurisdiction, one vote rule were adopted, it would seem to almost guarantee either non-participation by the most populous and most important local governments in the region or, if they do participate, large number of opt-outs. There may well be compromises that can be negotiated somewhere between one jurisdiction, one vote and population weighted voting. Such compromises, however, will have to be worked out on a region by region basis as RD type institutions are considered. They will also have to pass constitutional muster.
4. Although not reflecting a difference in contexts, the representation and voting discussion above suggests another possible point of concern that will have to be addressed: how the costs of the various services and of the administrative operations of the RD institution are to be apportioned among the local government members. In British Columbia, user fees and charges are used to the extent possible, a solution that would not seem to pose problems in the US. Costs that cannot be covered through fees and charges in the British Columbia version are apportioned among local governments according to their property tax base, although there is also room for negotiated “custom agreements” that diverge from that. Other than pointing to this as a possible likely point of controversy, my sense is that at least the possibility of custom agreements will have to be emphasized in the US and that they are likely to be resorted to more than in British Columbia.

Differences in Historical Context:

Is it possible that the circumstances in British Columbia that have led to the adoption and sustainability of RDs are unique to its circumstances and context? The fact that, with the exception of New Brunswick in 2013, no other Canadian province has adopted the RD system, despite its widespread praise and perceived success, does perhaps raise a warning flag. In

addition, the support of rural unincorporated areas, areas that intuitively might seem to be most opposed to entering into a regional arrangement with their more urban neighbors, does appear to be unique. Rural support resulted from the lack of counties in British Columbia and the effective lack of local government in unincorporated areas, where prior to the creation of RDs local services were delivered by the provincial government. This resulted in a source of political support for RDs that might well be lacking in most US regions.

In addition, Taylor (2016: 9-10) notes that regional districts had, at least in the Vancouver region, important antecedents that paved the way for their acceptance as legitimate entities. In 1913, as a result of the failure of the original sewer system, the region's municipalities came together to create the Greater Vancouver Sewerage and Drainage District. After the sewer system's construction its management structure was set up as a federation of the region's municipalities. Similarly, after World War II a regional planning Board was created, again as a federation of municipalities. In both of these cases regional interacted closely with municipal politicians and officials. Taylor argues (2016: 10) that, "By the end of the 1960s, a half-century of interaction through the infrastructure boards and 20 years of cooperation on regional planning had cemented inter-municipal collaboration. Through this constructive engagement, local politicians and their staff came to see regional institutions and their activities as legitimate." The implication is that regional districts were built upon a pre-history of collaboration through regional institutions structured as federations.

Take away: What do these differences in historical context imply for a potential transfer of the RD model to the United States?

Recognition of the historical circumstances for adoption in British Columbia does not necessarily suggest adoption is unlikely in the United States. It does draw attention to the possibility that adoption in the US may be a more complex political act than was the case in BC. It also suggests that collaboration does not spring easily from a situation of non-collaboration, but is more likely to occur through an organic evolution where interaction and trust are established over a period of time.

Differences in Political Culture:

Is Canadian, or at least British Columbian, political culture simply less contentious than is the case in the United States, placing a greater value on cooperation and making regional and inter-local agreements easier to achieve and regional organizations less controversial? Louis Hartz argues that important differences in political culture between the United States and Canada

stem from the founding experience of the two countries. The United States was founded as an act of revolution, while Canada remained loyalist. As a consequence, Americans have long been more suspicious of government and Canadians are more deferential to authority. There may be other elements of political culture related to settlement patterns, the frontier experience and terrain that distinguish the way in which British Columbia residents approach politics compared to US residents.

Patrick Smith points out that regional districts engage in more collaborative decision making processes than do municipalities in British Columbia. However, where political parties are organized at the municipal level (all elections are nominally non-partisan) and take stands on specific issues, decision making is likely to be more contentious – and that this may be reflected at the regional district level as well.

Take away: What do these differences in political culture imply for a potential transfer of the RD model to the United States?

It's possible that differences exist, that they contribute to the success of RDs in British Columbia, and that they are likely to make the success of RDs in the United States less likely, perhaps a lot less likely. I suspect this is not the case, but the only way to find out is to give it a try. If there is a regional element to British Columbian political culture that predisposes it to be more accepting of the kind of cooperative solutions that RDs offer, then it may be that efforts to adapt and adopt them for use in the United States should focus first on states in the Pacific Northwest, particularly those that border Canada. The British Columbia experience also suggests that RDs or their equivalents might be more workable in US regions where overt local political party conflict is relatively low. However, this is the case in much of the United States.

Differences in Demographic context:

If metropolitan regions in the United States are more demographically diverse in terms of racial and ethnic background than is the case in Canada, then it is possible that, regardless of political culture, political contestation will be greater in US regions than in Canadian ones and thus RDs will be less likely to flourish. Indeed, it is true that most of the RDs in British Columbia are very homogenous in nature, consisting primarily of white Canadians, albeit of various immigrant backgrounds. However, Vancouver, the largest RD, is famously heterogeneous. As of 2014 Greater Vancouver (the geographic area of the Vancouver RD) was 52.5% Caucasian, 29.7% East and Southeast Asian (predominantly Chinese), 11.1% South Asian (predominantly East Indian), 2.3% aboriginal, 2.1% middle eastern, and 1.3% Latin American, and 1% African. Yet, the Vancouver RD appears to quite successful. It is possible, of course, that Canadian ethnic

groups are not as segregated into specific municipalities to the extent is the case in the United States (e.g., predominantly black or Latino central cities, black or Latino suburbs, etc.) and that ethnic interests are therefore not as coincidental with municipalities, thus rendering differences based on ethnicity less of a barrier to municipal cooperation and regional activity in Canada.

Take away: What do these differences in the demographic context imply for a potential transfer of the RD model to the United States?

As suggested above, these differences are unlikely to have an important effect on whether RDs or their equivalent can be successful in the United States.

Assessment of Possible Transfer of RDs to the United States

I now return to the relevant question previously posed: would a U.S. region with a multi-purpose special district (in addition to, at least in the initial stages and perhaps permanently, some single-purpose special districts) have better outcomes than would a region with many single-purpose special districts and with inter-municipal agreements negotiated on a bi- or multi-lateral basis, but *without* a multi-purpose special district i.e., the present system?

Compared to a system of many single-purpose districts, a multi-purpose district, designed along the lines of the British Columbia regional districts has the potential to deliver substantial improvements over the current system that is heavily dependent upon single-purpose special districts and individually negotiated inter-municipal agreements. An RD system or its equivalent would provide the means for coordination across the multiple service functions which it delivers. RD observers indeed argue that this does occur, primarily through overlapping committee membership. As far as costs are concerned the most obvious savings would be through reducing administrative and overhead costs as a result of being able to pool central functions across all services instead of constructing separate structures for each special district. In addition, RD boards are comprised of members elected to their local municipal council and then appointed by their councils to the RD board. They are thus less likely to be advocates for expansion of a specific service. In addition, RDs do not have access to their own revenue source independent of that of general purpose local governments. While RDs “requisition” revenues from municipalities to cover the cost of services, RD board members (“directors”) are nonetheless accountable to their municipal council and its members (they can be removed at will) and the council members are accountable to the electorate (if municipal taxes are too high, they can be voted out of office). In addition, compared to many special districts, a multi-service district would provide cost saving through centralization of administrative and overhead functions.

A multiple-purpose district designed along the lines of RDs would probably not be an improvement compared to the current system of single-purpose districts in terms of transparency and visibility. As noted, the operations of RDs, like those of current single-purpose special districts, are not very visible to the public; they receive little media coverage and are not part and parcel of ongoing public debate and discussion. In terms of accountability, the RD design appears to have an advantage over single-purpose special districts. It is true that RDs do not have formal accountability to the public through direct election as do many single purpose special districts. However, the lack of visibility and extremely low (and selective) voter turnout indicate that the effective accountability to residents through direct election is severely attenuated. Nonetheless, unlike single-purpose special districts, RDs *are*, at least to some extent, held politically accountable by municipal councils, and, indirectly through them, by the electorate.

RDs would also provide several advantages not served by the way in which the current system of local government in the U.S. deals with problems that cross jurisdictional boundaries: individually negotiated inter-local agreements, single-purpose special district organizations, and voluntary council of governments. Canadian actors and researchers with an understanding of the US context particularly stress the importance of the first of these. Brian Walisser (personal correspondence) writes:

“A few years back, Gary and I were invited to a symposium on regionalization convened by civic leaders in the Lewiston-Auburn metro area (*that BC's regionalization scheme was voluntary was of great interest to them*). At the time, they were actively exploring the expansion of inter-local sharing. One thing that was very clear to Gary and me was that sharing agreements for the Mainers, and they only had a couple, were very tough to conclude. This was because in each and every case, they DID start with a blank page – negotiating service sharing in a very legalistic fashion. Tough work, we thought! If there was no standard template in BC, it is pretty well a certainty that a region like the one I happen to live in would never have succeeded in establishing upwards of 200 individual urban and rural services of varying scales and involving different partners. It simply wouldn't have happened. The transaction costs would have been crushing.”

Bish (2002: 18) reinforces this same idea: “There are also many examples of county-city cooperation in the U.S., including jointly sponsored departments. The question that an understanding of regional districts raises is whether some institution on a county or multi-county basis could be created so that there is regular forum for undertaking joint service arrangements instead of leaving each of them to a separate agreement. COG's have not fulfilled this role because they are voluntary associations– not real governments like regional districts.”

RD equivalents would also at least provide the potential for greater coordination among services, thus addressing the “silo” problem resulting from a proliferation of single-purpose special districts. While this was not a major objective of the British Columbia RD, Bish and Walisser both separately observed (interviews) that it nonetheless has occurred, since the RD, as designed, has a committee from its Board for each service it delivers, and committee membership is thus overlapping.

Major Themes and Conclusions

- Multi-purpose special districts, such as Regional Districts (RDs) in British Columbia provide a possible model for adoption, with adaptation, as a means of improving local governance in the United States.
- British Columbia Regional Districts provide a particularly attractive model. RDs are regional organizations whose board consists of “directors” appointed by and members of the municipal councils that belong to the organization. RDs provide service delivery for services two or more of its members agree to provide and, in some cases RDs provide service delivery to the entire region. Membership is voluntary as is participation in individual services.
- Compared to the present US system, which is dependent largely on single-purpose special districts and on negotiated inter-local agreements to address concerns that cross jurisdictional boundaries, multi-purpose special districts such as RDs have the potential to achieve greater efficiency, effectiveness and coordination across functional silos. They could prove particularly useful in facilitating more negotiated agreements among subsets of jurisdictions in the region and in increasing regional service delivery where all (or nearly all) local governments agree that the benefits to them of regional services exceeds the cost.
- Although much of the debate about fragmented government and its perceived problems is centered on metropolitan areas in the United States, RDs in Canada work well in both metropolitan and non-metropolitan small town and rural areas. There is no reason they cannot be adapted to work in both type of areas in the U.S. as well.
- The major political barrier to greater inter-local and regional cooperation in US regions is the fear of local governments that institutions set up to achieve such cooperation will result in a significant loss of their local autonomy and a reduced ability to pursue their interests. The RD model should greatly reduce this concern because membership is voluntary and an individual member jurisdiction can opt-in or opt-out of any service the RD delivers.
- Introduction of a system based on an RD model will require adaptations to the US context to make it workable. Among these are mechanisms to allow for membership of counties (and perhaps townships) as well as municipalities, to allow membership and voting rights for a much larger number of general purpose local governments than exists in the British Columbia context, and to arrange representation and voting rights that

meet both the test of political viability and constitutionality. Population-weighted voting is one such possibility, but, given its lack of common usage in the US, also constitutes a challenge. The role of existing single-purpose special districts will also have to be considered.

- A system such as an RD will make more sense in some regions in the US than in others. Similarly, the kinds of adaptations that will need to be made will differ across regions. There need not be a one size fits all model, nor should it be expected that all regions will want to adopt, even with substantial changes, such a model.
- How to create a multi-purpose special district such as an RD based is a critical question. At a minimum it will require state government authorization in states where such authorization does not currently exist. It will also likely require a “champion” or set of champions to do the initial heavy political lifting to promote the idea and to sketch out the proposal.
- The political narrative and rhetoric associated with bringing into being an institution based on RDs will likely be highly important. In British Columbia RDs have been promoted as 1) voluntary organizations – membership is not mandated and members can opt out of any service (this narrative continues even though there are now a small number of services that the province requires all RDs to engage in) and 2) RDs are not a new level or type of government; rather they are an extension (akin to a system of committees) of the existing local governments. Hard thinking about the relevant strands of political narrative that would help promote a multi-purpose service district in a US region will be required.
- Adoption of an RD will not necessarily involve an immediate and once and for all setting up of a new institution (although that may be the case). Instead it may be built on the foundation of existing institutions or arrangements and evolve incrementally.
- RDs are not “silver bullets” for inter-jurisdictional problems. Observers (including advocates) of RDs in British Columbia note that they have not done well in addressing problems where there are clear winners and losers, where there is explicit and observable redistribution or where there are major social values at stake. That will likely be the same in the US.
- Nonetheless, these same observers also argue that the continual interaction among local government members of RD boards have helped foster trust and norms of cooperation that have made both addressing and solving inter-jurisdictional and regional problems easier, even for difficult problems.
- There appears to be a trade-off between the *flexibility* that permits a variety of approaches and member participants in setting up and delivering the various RD services and the resulting *complexity* of having a single organization with a variety of committees with overlapping membership. However, at the same time, this system of overlapping committee membership increases the possibility for coordination among services that the RD delivers.

- Special districts, whether multi-purpose or single-purpose almost always involve a trade-off between public visibility/accountability and effectiveness. I have argued that while this trade-off will continue to exist it can be made less severe in a multi-purpose special district where members have accountability to the local government that appoints them than it is in the current system of a multitude of single-purpose special districts.

The Next Steps: Creating RDs or Their Equivalents in the United States.

If, as we conclude, RDs are mechanisms worthy of trying in the United States, what are the next steps? What would it take to bring

What would it take to bring RDs or their equivalent into existence?

RDs or their equivalent into existence? The most obvious first step is some legal research: in what states does existing state law or home

rule provisions already authorize local governments to create a voluntary membership multi-purpose special district? Surely this is the initial task for anyone in a specific region to undertake. For those states that already authorize multi-purpose special districts, it would be useful to identify what prompted them to do so.

In terms of the politics of authorizing multi-purpose districts, and, if authorized, bringing them into existence, there are obvious hurdles to be surmounted. There are no strong interest groups or political support for such an entity in most US regions and states. In British Columbia, RDs, both in their conception and in their enactment, were a product of a single individual in the provincial office of Municipal Affairs. Such a policy entrepreneur or “champion” was largely a matter of luck and circumstance.

Does the creation and enactment of RDs or their equivalent in the United States thus require an individual or organization that can serve as an effective “champion” in a region or its state? If so, is the emergence of such a champion simply a matter of luck or can it be generated through strong support from existing relevant state organizations such as state municipal leagues; national organizations with state members or affiliates such as the International City and County Manager Association, the National Association of Regional Councils, or the National Council of State Legislators; or individual state legislators whose committee concerns are focused on municipalities, counties, regions and intergovernmental relations? In some areas an executive director of the area wide Council of Governments might be the instigator.

One way of encouraging the creation of RDs might be to incentivize them. State (or less likely, federal) government could pass authorizing legislation, as occurred in BC, and encourage local governments in a region to form an RD and to join. Beyond encouragement, incentives for creating and joining an RD might be provided in the form of state grants to cover some of the set up costs, additional grant funding for local governments who join, and/or access to

resources to the area that would otherwise not be available. There are successful examples of such incentives to encourage local governments to join multi-purpose special districts in France and in the Netherlands. But this still requires political will and resources to be employed at the state level in order to promote and enact such legislation.

There are some areas where initiatives already taken at the regional level suggest the possibility that existing interest might be built upon. An initial step might be to identify areas where structured inter-municipal collaboration (beyond individually negotiated agreements) has occurred, where local government and community leaders have already shown interest, and which might be interested in examining the concept of regional districts. For example, metropolitan mayor's councils/caucuses already exist in Chicago, Denver, and (more recently) Boston. These are voluntary organizations devoted to exploring common interests and are outside the organizational frameworks of COGs and MPOs. Similarly, 18 northern Cook County and Lake County municipalities in the Chicago area have developed a "Municipal Partnering Initiative" that takes advantage of the powers of bulk purchasing, and working together instead of working independently. Instead of separately seeking contractors for work they routinely do, the administrations work together to purchase shared services and commodities.

There are also some places where adoption of RDs or equivalents *might* serve as more likely first adopters or pilot programs. These include one county MSA regions or large one county non-MSAs ones, regions dominated by manager-council systems, regions with relatively low partisan conflict at the local level, and regions in states that share political cultural characteristics with British Columbia, particularly those in the northwest. In addition, regions in states that have already authorized multi-purpose special districts or have home rule provisions that would permit them would have an immediate advantage.

A productive next step would be to organize a conference on regional districts as a mechanism for possible transfer to some metropolitan area or areas in the United States. The purpose would be to stimulate interest and spread knowledge about the idea and to facilitate the emergence of "champions." Invitees at such a conference might include staff (and possibly board) members of the various city and county oriented interest groups (ICMA, NLC, USCM, NACO, NARC, NCSL, NACA, and others), members from state municipal leagues in a few states deemed to be most likely interested, individuals who are leaders in metropolitan areas that have shown interest in structured efforts to increase inter-municipal cooperation, board members from selected single-purpose special districts, staff local officials/experts from British Columbia who have been participants in regional councils, and local officials/experts from other countries that make use of multi-purpose service districts.

The conference might be followed by similar conferences at the state level in interested states. The purpose would be both to stimulate interest and to provide information. An additional step

might be to organize a tour of British Columbia regional councils for those most interested after having participated in the conference(s).

As this suggests, good ideas don't necessary propagate themselves. If regional councils or their equivalents are a possible "good idea" for at least some regions in the US context, the most important next step is to stimulate interest in them by disseminating knowledge to those organizations and individuals most likely to be interested in them and by providing access to those who can serve as informants and experts with respect to how they operate in British Columbia and how they might operate in the United States.

Table 1
Local Governments in Select Metropolitan Areas

MSA	Population	Total local governments	General purpose local governments	Counties	Municipalities	Special districts	School districts	Local governments per 10,000 residents
Baltimore	2710489	40	26	6	20	14	0	0.15
Charlotte	2217012	124	81	10	71	37	5	0.56
Chicago	9461105	1655	572	14	348	716	367	1.75
Cleveland	2077240	311	167	5	104	68	76	1.50
Denver	2543482	1043	53	8	45	964	26	4.10
Detroit	4296250	379	213	6	109	61	105	0.88
Phoenix	4192887	234	35	2	33	121	78	0.56

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