

LUD Committees and municipal councils working together

(Courtesy of Intergovernmental Affairs and Trade, Finance & Advisory Services)

One of the challenges facing rural municipalities today is the servicing of urban areas within their boundaries. The Municipal Act offers the option of utilizing special service levies OR Local Urban Districts (LUDs) to provide these special service requirements. Both tools enable the municipality to levy taxes to pay for these special services against only the properties benefiting. LUDs are unincorporated residential areas with a population of at least 250 residents that are provided with special servicing requirements by the RM. The LUD committee assists council in developing an annual service plan that addresses the service requirements of the district. This article looks at the LUD committee. It provides practical advice on how LUD committees can work with their municipal councils to address municipal challenges and capitalize on opportunities.

LUDs were introduced in 1997 as part of the new Municipal Act and replaced Unincorporated Village Districts (UVDs). Under the old legislation, UVD committees could establish, administrate and deliver special services. They reflected a time when municipalities had limited legislative tools to service unique pockets of the municipality. LUD committees now assist council in identifying the unique needs of ratepayers who live in an urban-like area through the development of an annual service plan.

The LUD committee

LUD committees are formal committees of council comprised of not more than three members elected by the LUD electors at a general election and one member who is a councillor of the municipality. The committee appoints a chair, adopts rules of procedure for their meetings and establishes indemnities for committee members that are no higher than that of the municipal council. The committee is primarily tasked with the development of an annual service plan that establishes the basis for the special levy within the area of the LUD. This special levy covers the costs of these services, which are delivered by the RM. Section 118(1) of The Municipal Act provides that an LUD service plan can include expenditures for:

- municipal roads
- sidewalks, street lights, public parks
- maintenance and operation of utility services
- waste management.

While all of these services may be provided, most committees are responsible for only one or two. Sewer and water supply facilities are normally provided under separate utility funds of the municipality.

The LUD committee's service plan

The LUD service plan includes an operating budget and a capital budget for the special services, as well as a description of the type and level of services, the area of the LUD where the services will be provided and the tax that will be imposed. The LUD committee works closely with the citizens of the district and with council to draft the plan. The committee should begin drafting the plan early in the year to ensure timely delivery of the finalized plan to council. This is the time when council needs to advise the committee of their preliminary plans for the upcoming year. Once completed, the plan must be adopted by resolution, first by the LUD committee and then by council. The contents then become a part of the Financial Plan and the municipality levies accordingly. Council is responsible to provide the services set out in the service plan and pays the bills.

The Municipal Act Procedures Manual, available to all municipalities, contains a template and tips for the development of a service plan.

Challenges and opportunities

In addition to being responsible for the preparation of the service plan for the district, the LUD committee also needs to be:

* Instrumental in establishing open lines of communication between citizens and council. The committee provides servicing information to residents and a forum for individuals and community groups to present their viewpoints and recommendations. The committee should have regular meetings and

provide regular reports to council. The council representative that serves on the LUD committee can best deliver these reports. Communication is key in providing efficient and effective municipal governance.

* Planning with council to develop a service plan that meets with the overall financial plan and long term strategic plan for the municipality. It is important for the LUD committee and council to be on the same page when planning for the future. As important as it is to establish a service plan that meets with the needs of the LUD area, it's equally important to establish a plan that meets with council's objectives for the entire municipality. Evaluating past years' programs and monitoring the present year's work plan helps achieve this goal.

* Collaborating with council on new ideas. Councils should continually evaluate their effectiveness to ensure they are providing the most efficient delivery of services to their citizens. More and more municipalities are finding it necessary to look for ways to maximize their effectiveness and efficiency. The Municipal Act provides municipalities with enhanced flexibility for innovative municipal service delivery. A special service by-law and levy is a vehicle that can be used to provide special services to urban areas within a RM.

It is possible for RMs to adjust to changes and make smooth transitions when called upon to do so. The Council of the RM of Franklin found that it did not have sufficient candidates to run for the LUD committee and, thus, the LUD was not viable. The municipality realized that it was still responsible to provide unique servicing to Dominion City and determined that a special services by-law and levy would meet their requirements.

LUD committee members provide a valuable civic service and those that serve should be recognized for their contributions. LUD committees continue to work well and have positive relationships with their residents and council. However, as it becomes more and more challenging to meet service expectations at an affordable cost, it is increasingly important to evaluate your LUD structure. Is it serving the purpose for which it is intended and doing so in a cost-effective manner? ●