

## **UBCM Select Committee on Local Government Finance Terms of Reference**

### **Purpose:**

Authority to impose property taxes and user fees stem from an era where local governments delivered a narrow range of services, such as water, sewer and local roads. With a significant broadening of the types of services that local governments deliver there is a need to consider whether these traditional revenue sources align well with the broader suite of services, or whether there are better ways to finance some or all of these services.

The select committee will explore the fit between this broader range of services and existing revenue tools available to local governments in the context of whether the revenue tools are sufficient and whether they support tax policy objectives such as ensuring that those that benefit from a service pay for it. In addition, the select committee will consider whether additional taxing authority or a change in inter-governmental transfers might better meet these objectives.

The select committee will undertake inter-jurisdictional research, comparative and/or economic analysis, consultations with local governments and others, and any other work necessary or desirable to fulfill its mandate. Work may include, but is not limited to, the following subject areas:

- local government services, including service benefits and cost drivers;
- existing and potential local government own source revenues, including fees and charges, and property and other taxes;
- existing and potential inter-governmental transfers, including grants and sharing of revenues, as well as considerations relating to methods of delivery and distribution;
- the degree of alignment between local government revenues and servicing responsibilities and demands; and
- local government and taxpayer capacity, including economic, fiscal or other circumstances which may affect that capacity.

### **Members and Support:**

- UBCM Executive will appoint select committee members composed of:
  - At least 2 members from the UBCM Executive;
  - At least 2 other members from amongst local government elected officials, who may or may not be members of the UBCM Executive;
  - Up to 4 other members, who may or may not be elected officials, but who are either partners in the local government system or possess specific relevant expertise;
- UBCM Executive will appoint one of the members as the Chair;
- UBCM staff will support the select committee; and
- The select committee may contract with any person, so long as that contract is within its budget allocation, and the contract is approved by UBCM's Executive Director.

**Products/Deliverables:**

The select committee will prepare a report of its findings for the UBCM Executive, and may prepare interim reports as it considers appropriate. The final report will be provided by June 30, 2013, unless the term of the committee is extended.

If the term of the select committee is extended, it shall provide an interim (update) report to UBCM Executive by June 30 in each year of its mandate.

**Resources:**

UBCM will pay costs of the select committee, up to the maximum budget allocation, including:

- travel and per diem expenses for committee members at the same rates as UBCM Executive policies;
- meeting and other operating expenses of the committee;
- consultant fees and expenses;
- any other expenses specifically approved, in advance, by the Executive Director.

**Term:**

The select committee will meet from August, 2012 through to June 30, 2013, at the call of the Chair. The UBCM Executive may consider extensions to this term on an annual basis.