

Strong Fiscal Futures

A blueprint for renewing the local government finance system

Presentation to Mayors Caucus
September 2019

Committee's Mandate and Membership

- *Consider whether local governments have the right revenue tools for the range of services they now deliver; and*
- *If not, to consider what changes are appropriate*

Strategic Approach

Local Government

- Everyone benefits

Provincial Agenda

- Economic Growth
- Not asking for \$ already committed in Budget

Cost Containment

- Those largely outside of our direct control
- Those within our direct control

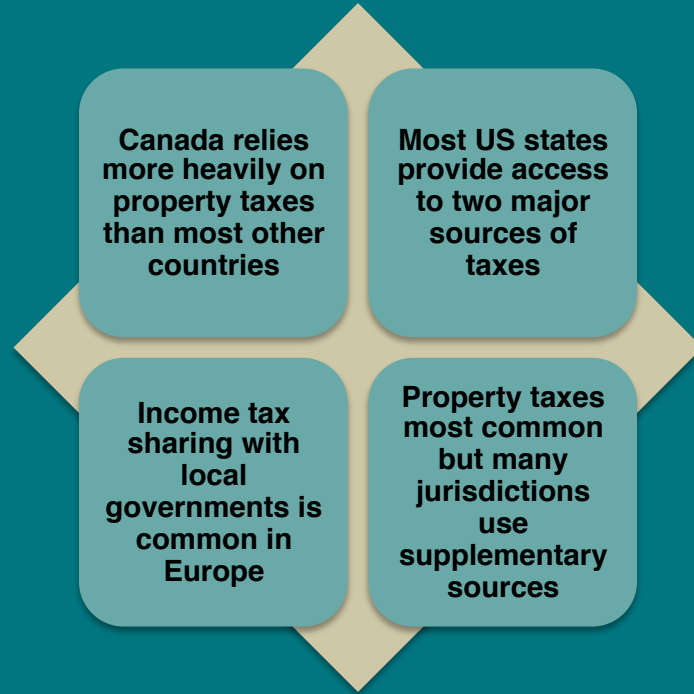
No quick fixes

- Blueprint for change over the next decade

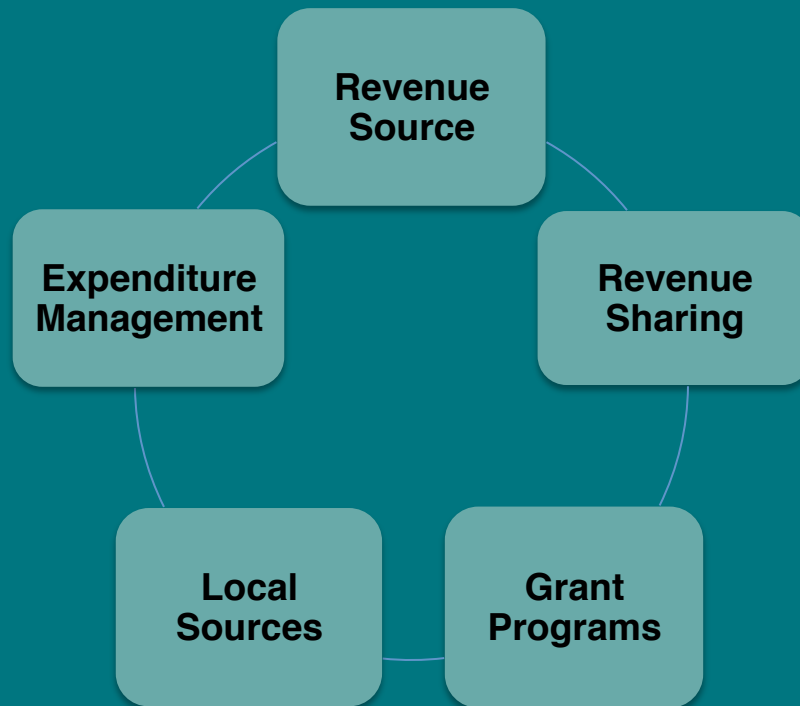
System Strengths and Challenges

Strengths	Challenges
Low per capita spending and taxes; reducing share of revenue from business	Substantial external cost drivers
Legislative, assessment and debt financing systems of high quality and modern	Property tax unresponsive to economic growth and not overly fair
20 years of infrastructure programming having impact on infrastructure deficit	Cost of future infrastructure upgrades will be considerable

System Opportunities



Evaluation of Revenue Options



Key Directions for Change

Resiliency

- Keep/protect what we've got

Economy

- Manage External Cost Drivers

Responsiveness

- Grow the economy and share in that growth

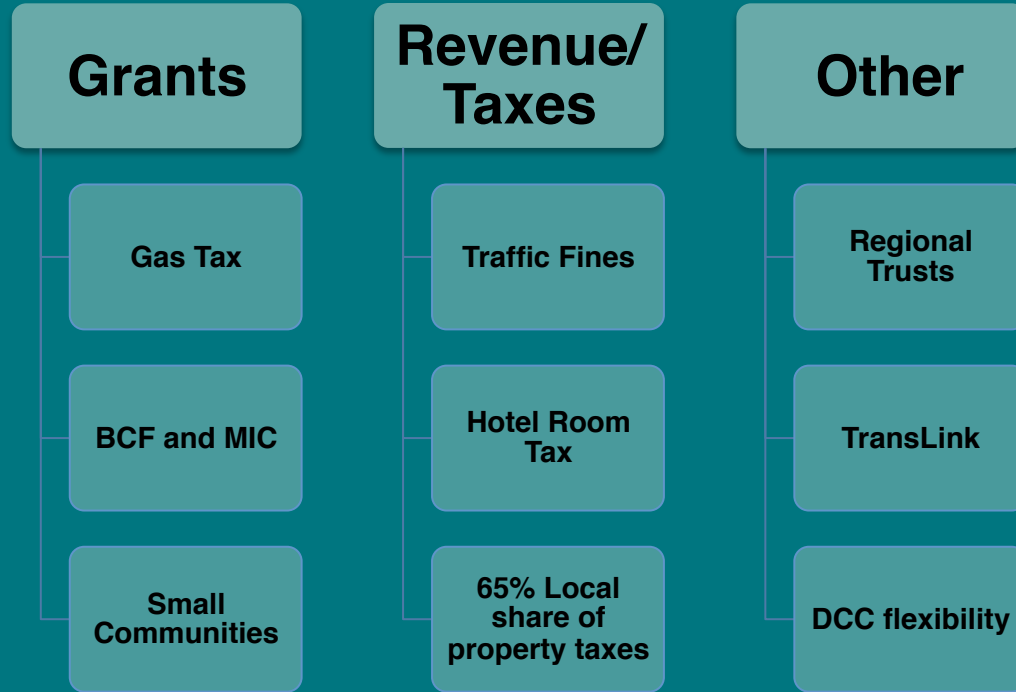
Fairness

- New revenue to counteract property tax challenges

Excellence

- Local governments helping local governments

Resiliency



Economy

Manage Externally Driven Costs

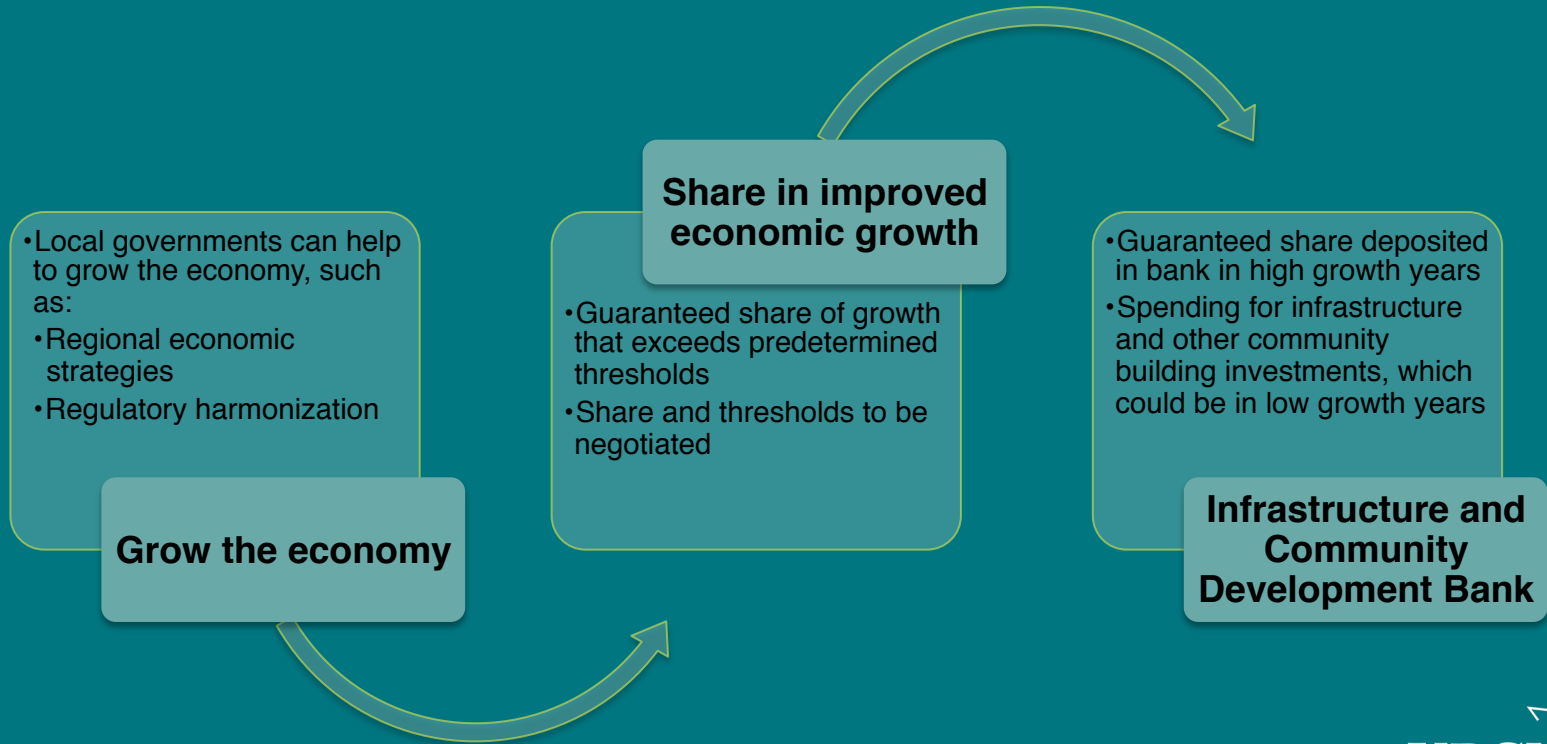
**UBCM/Provincial
Management
Committee to
oversee shared
mandates**

**Legislation to
require
Provincial
financial
commitment for
new regulations**

**Better first
response
paramedical
services protocol**

**Regional
transportation
authorities,
outside Metro**

Responsiveness



Fairness

Expand Revenue Tools to make distribution fairer
and more responsive to economic growth

Principles

Property Tax
Reform

Tax Sharing
Arrangements

Excellence

Creating a “made by local government” process for developing best practices advisory services

Develop meaningful
business tax
indicators and
benchmarks

Develop resource
materials to support
local finance and tax
decision making

Develop innovative
and collaborative
mechanisms to
achieve greater
service efficiencies
and economies

Status

- Report unanimously endorsed at 2013 UBCM Convention
- Overtures to the Province were declined under the previous government
- May be an opportunity to refresh SFF now

Questions?

- *The SFF report is available on the “**Finance and Infrastructure**” section of UBCM’s website*