

NEW DEAL FOR CITIES AND COMMUNITIES KEY PRINCIPLES AND ELEMENTS TO GUIDE UBCM IN ITS NEGOTIATIONS

The federal government has committed to a “New Deal for Cities and Communities.” It includes transfer of a portion of the federal gas tax (or equivalent) to support national objectives for sustainable communities. There will be a presentation during the convention on a UBCM perspective on the New Deal and this paper lays out directions for the UBCM Executive to pursue with the federal and provincial governments to reach an agreement before year-end.

A. PRINCIPLES

The following set of principles was developed by the UBCM Presidents Committee and the provincial government in the spring of 2004 to signal our joint commitment to the New Deal and an initial foundation position. These were conveyed to the Prime Minister by the Premier.

- Respect for all levels of government;
- Equitable treatment of provinces;
- Recognize diversity - one size does not fit all;
- Equity between urban and rural communities and recognition of the different capacities of local government;
- Support for community and regionally driven solutions that build on existing strengths in planning and governance;
- Support competitive communities with a positive investment climate and clusters of innovation;
- Focus on outcomes to achieve sustainable communities;
- Stable, predictable and long-term funding for local government;
- Permanent collaboration, between all orders of government, on issues that significantly impact communities;
- Administrative ease and no new bureaucracy.

B. KEY ELEMENTS OF A MANDATE FOR UBCM

This section deals with key mandates regarding how the federal funding flows and for what purposes and proposes “directions” to be advocated by UBCM.

1. Purpose of the New Deal

The federal government has suggested that the New Deal should support four pillars of sustainability: environmental, economic, social and cultural.

Direction: The scope of the program should include any local government project or program that is directed at the national sustainability goals.

2. Recognition of local and “regional” needs

BC local governments have needs individually and collectively.

Direction: Portions of the funding (to be determined) should flow to municipalities and regional district electoral areas directly and portions should support cross-jurisdictional strategic initiatives.

3. Recognition that the needs of various areas of Province are different

One of the principles speaks to a diverse province. It needs to be blended with the principle that speaks to equity. An analysis suggests three distinct sets of challenges in different parts of the province.

Direction: There be three basic regions for allocation purposes:

- metropolitan Lower Mainland
- Urban Corridors (East Coast Vancouver Island/ Okanagan Valley)
- Resource and Rural BC communities

In each "region" a portion of the funds be set aside for:

- municipalities and electoral areas; and for
- cross-jurisdictional, strategic purposes.

but the percentage allocations should vary, with more cross-jurisdictional funding in the Lower Mainland and less in Resource and Rural BC.

Exact percentages will be determined during discussion with federal and provincial officials.

4. Method of Funding

Local governments want to avoid as much as possible an application-based funding system.

Directions:

- i) All of the municipal and electoral area funding should be entitlement-based funding rather than application-based. It would be largely be population-based allocations. Communities must commit to spending the money on initiatives that support national sustainability goals. *Community Charter* based performance reporting will be the basis of accountability for the outcome of the spending decisions.
- ii) That as much as possible cross-jurisdictional funding will flow based on long term agreements (eg. for multi-year programs) or for projects, through an application-based process.

5. Recognize that small communities have a need for a minimum level of support.

A per capita distribution formula would not provide for sufficient funds for small municipalities, or electoral areas to undertake any meaningful activities.

Direction: A minimum level of funding for small communities be established.

6. Recommendation on Program Management

That UBCM pursue a three-way partnership to manage the "New Deal" agreement such that the funds would flow from the federal government to local government in a predictable and transparent manner.