

**MEMORANDUM OF UNDERSTANDING
ON
LOCAL GOVERNMENT FINANCIAL RESILIENCY**

BETWEEN

**HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA represented by
the Minister of Municipal Affairs and the Minister of Finance(The “Province”)**

AND

THE UNION OF BRITISH COLUMBIA MUNICIPALITIES (“UBCM”)

collectively referred to as the ‘Parties’.

Whereas:

- UBCM members endorsed the report entitled *Ensuring Local Government Financial Resiliency – Today’s Recovery and Tomorrow’s New Economy* (the Report), aimed at strengthening the municipal and regional district (collectively referred to as “local government”) finance system in B.C. on September 15, 2021.
- The Report identifies key cost drivers (attainable housing, community safety and climate change) and the impact of the new economy as significant factors in the local government finance system and made 20 recommendations.
- The Report acknowledges that more analysis is required, such as quantifying the cost drivers or adding details to the recommendations, and it proposes further work with the Province.
- The Report covers a wide range of complex and diverse topics involving or affecting numerous ministries in the provincial government, local governments, other interests and the people of B.C.; as such, it will be important to start with gaining a solid shared understanding of the topics in the Report and its recommendations, as well as developing a work plan for short, medium and long term consideration.
- On September 17, 2021, Premier Horgan committed the Province to work with UBCM to establish a memorandum of understanding (MOU) to review the local government finance system in B.C.

Therefore:

This MOU reflects the commitment of the Parties to:

- Engage through a meaningful working relationship in order to meet the respective interests of strengthening the local government finance system,

- Review local government financial resiliency and analyze recommendations in the Report;
- Be guided in that review by the Principles outlined in this MOU; and
- Implement actions outlined in this MOU to undertake that review.

Principles:

UBCM and the Province are interested in fostering co-operative approaches on matters of mutual interest. The following principles will guide how the parties work under this MOU:

- *Cooperation* – the parties will work to foster cooperative approaches on reviewing the matters of mutual interest in the Report. The parties also agree to provide sufficient information within a reasonable time to undertake further quantitative and policy analysis of the recommendations in the Report.
- *Flexibility* – the parties recognize that the review process is not “one size fits all”; first, different topics may be at various stages of readiness and need to be considered in different ways and at different times and second, local governments’ economic conditions vary among regions and communities and any proposed outcomes or actions need to recognize these differences, including the need to balance needs within a community.
- *Mutual benefit* – the extent to which solutions must be considered a win-win because they are anchored in common or shared provincial and local government mandates or objectives.
- *Value* – the extent to which approaches will create benefits or value for people in communities throughout BC
- *Resiliency* – ensuring that the resulting approaches are practical, durable and adaptable given the diversity of local and regional interests as well as provincial interests
- *Evidence-based decisions* – the parties recognize that the outcomes and priorities should be informed by multiple types of evidence, including quantitative data, qualitative research, observations, and experiences of all orders of government.

Implementation:

- A Local Government Financial Review Working Group (the “Working Group”) comprised of staff members from each of the parties will be established. The purpose of the Working Group will be to function as a forum for discussion as well as the planning and coordination of any work undertaken in relation to the subject matter of this MOU.
- Prior to the first meeting of the Working Group, the proposed members of the Working Group will develop a ‘Terms of Reference’ which will outline the purpose and structure of the group, including members of the group, functions, timelines and deliverables.
- The Working Group will develop a work plan to undertake a review of the Report, including identifying:
 - the readiness, complexity or relative priority of various topics;

- the type of further work needed on various topics (such as additional research, analysis and monitoring);
- recommendations that have provincial alignment;
- alternative tools that may be more suitable than those proposed in the Report;
- topic areas in which other ministries may be involved; and
- short, medium and long-term work plan to be presented to each parties' respective senior staff for consideration and direction.
- To ensure the efficiency and accountability of the progress of the Working Group, the parties may agree to establish a steering committee of senior staff members to seek direction at different stages of the working group; and
- The members of the Working Group are responsible for keeping their respective senior staff and executives informed of the Working Group's activities.

Timelines/Communications

- The parties recognize that the issues raised in the Report are complex and the work required to carry out the appropriate analysis will be a multi-year project, with a work plan for short, medium and long-term consideration.
- The Minister of Finance, Minister of Municipal Affairs and the President's Committee of UBCM will meet at least once a year, no later than June 30 of each year, to discuss the work program for the review of the Report and may meet after that as mutually agreed to discuss progress.
- The parties recognize the importance of UBCM members being apprised of progress in the review of the Report, and for that purpose will take into account the timing of the annual UBCM Convention in the work program and processes.
- The parties recognize that the recommendations in the Report affect several different ministries that have their own processes and priorities, in addition to each ministry being accountable to and considering their diverse stakeholders. The parties recognize that each of the ministries may have to balance competing priorities and requests, including requests from UBCM, and the Province will need time to make its own assessment of those requests.

Review/Termination

This MOU will be reviewed three years from the date of signing unless the Parties jointly agree to an earlier review or may be terminated in writing by either party.

Effective date and signatures

This MOU is effective January 25th, 2022 and signed on behalf of the Province of British Columbia by:


X 

The Honourable Selina Robinson
Minister of Finance

X 

The Honourable Josie Osborne
Minister of Municipal Affairs

SIGNED on behalf of the Union of British Columbia Municipalities by:

X 

Laurey-Anne Roodenburg
President