



Tax mob targeting wrong monster

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Come budget season, local governments take a lot of heat.

Geography is a factor -- as the only level of government you don't need a boat or an airplane to get to, a lot of people make their way to council to grouse about things they're unhappy about, even when it's really Victoria's or Ottawa's problem. Opportunity for public input is also pretty limited in the Legislature or at Parliament.

But also at play is the fact that municipal councils are the only level of government that puts your taxes up almost every single goddamn year. Imagine if the province or the feds did that -- we'd have troops in the streets before long. When those ever-larger local tax bills show up, it's not surprising people get angry.

Even so, I have to say, in the eight or so councils I've covered, elected officials seem considerably more aware of the value of a taxpayer's dollar than senior government. I always figured that accessibility -- both at council and at the grocery store -- was a part of it, but it's also the fact the numbers are so modest.

It's easy to get desensitized to millions and millions and billions of dollars, but when you're spending \$50,000 or so on a line item, it does make you stop and think: "That's someone's salary." When City of North Vancouver Coun. Rod Clark led his crusade against the free pre-council meeting dinner offered to staff, he shrewdly worked out how many people's tax bills went towards that item alone. It was 12.

So why is it that local taxes go up year over year?

Yes, I know West Vancouver had an ostentatious zero per cent increase last year, but I chalk that up as a political stunt rather than particularly skillful budgeting. Their communications manager was one of the casualties of that year. It took me two weeks to get a response on how many snow plows the district owned.

The main problem is that local government is set up to fail by the province. Councils essentially have two sources of revenue: property taxes and user fees. Compare that to the broad array of income and business taxes, resource royalties, gaming revenues and federal transfers that Victoria enjoys. City hall can hike your taxes or hike your swimming pool fees, but that's about it. There's no new money without new development, and residents get angry about that, too.

The other side of the equation is costs. A good chunk of the budget is made up of contracts that are largely or entirely out of the municipalities' control. In the District of North Vancouver, staff are suggesting a three per cent tax hike, fully a quarter of which -- half a million dollars -- is RCMP raises. A lot of those recent salary hikes are the result of the province buying labour peace through the Olympics, back when they thought the good times would last forever.

By law, municipalities can't run deficits. There are good reasons for this, but still, it takes away a lot of budget flexibility. There was plenty of anger when the province savaged arts funding last year, but Victoria still ran huge deficits. Imagine the protests if they had really balanced their books.

Senior government can also simply opt out of services to trim their spending. The federal government got out of the housing business some decades ago, and the province has essentially dropped the child protection business as well. There are real, terrible consequences for this, but they aren't brought home to the taxpayers and voters the same way turning off the water or not picking up the garbage would.

So when times are hard, local government goes back to the same property-tax well. Many of those provincially or federally abandoned services wind up begging in front of municipal councils. Councillors routinely face a choice between making a point at the expense of children/arts/homeless people/seniors or heaving more weight onto their ratepayers'

shoulders.

For the past year, however, staff at the District of North Vancouver have been plugging away at a plan to minimize the springtime anguish. They're looking to find about \$7 million in savings over the next five years, of which they've already found \$1.8 million. Two people have lost their jobs outright, six have taken early retirement, and staffing overall has been pared down by the equivalent of 25 full-time positions.

Services like community police stations are being moved out of leased buildings and tucked into space in existing municipal buildings. Some advisory boards -- like the joint bicycle advisory committee -- were folded into others to save staffing costs. Not exactly slash-and-burn, but it adds up.

The next phase is to look at the various services the district delivers and take the public temperature as to what should be subsidized and to what degree. There's a reason there aren't many private swimming pools. But they'll also look at tax exemptions and rental breaks and various granting programs. So expect to see a survey hitting district doorsteps sometime this year.

When I met the district chief administrative officer David Stuart and finance director Nicole Devereaux, they both bristled at the mention of the Canadian Federation of Independent Businesses' damning report on municipal spending. By the way, not since the Canadian Reform Alliance Party have I seen such a poorly chosen acronym. But I digress. The folks at CFIB accused all three North Shore councils of spending like B.C.'s most drunken municipal sailors, well above the product of inflation and population growth.

Superficial research to support a pre-ordained ideological goal, said Stuart and Devereaux. Well, OK, but still.

"If a business increases spending to invest in the future," said Devereaux. "They don't get criticized. It's deliberate and it's the right thing to do. That's what's missing in their story."

Which brings me to one of the tougher sentences I've written in this corner: You're probably not being taxed enough. I apologize to my neighbours for the torches and pitchforks assembling on our sidewalk right now.

A better way to put that it is that your tax dollars are going to the wrong place. In the next few years, there are going to be two colossal public works projects in Metro Vancouver: new sewage treatment plants and new solid waste incinerators. The costs will run into many billions. In the case of the Lions Gate plant -- required by new federal laws -- the feds have shamefully failed to produce any money. Asking the three North Shore councils to pay for it is like telling a nine-year-old to pay for the new roof on the house. Sure glad we got to have the G8 over for dinner, though!

On a smaller scale, many of the rec centres and bridges and overpasses that senior government helped pay for in the mid 20th century are now coming up for replacement, and again, senior government is coughing awkwardly and looking the other way. If they don't face up to it, just wait till you see those property tax notices. And before the letter from MP Andrew Saxton appears, a short-term stimulus program does not replace a consistent long-term infrastructure strategy.

Local government, like other government and indeed every human organization, is flawed. But many of its flaws are not of its own making. The funding and responsibility model for municipalities is broken and gives senior government an easy dumping ground. Victoria and Ottawa should answer for their own decisions, not just drop them municipal halls.

editor@nsnews.com

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