

# Local governments want action on finances

UBCM president says province refusing to discuss call for new method of funding

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WHISTLER — The provincial government's refusal to open discussions on a report calling for a new and equitable model in municipal finance has caused a rift in relations with the Union of B.C. Municipalities in recent weeks.

That rift blew into a full-blown fracture Wednesday when UBCM president Rhona Martin, in her annual address, criticized the government for not acting on any of the concerns addressed in the "Strong Fiscal Futures" report the UBCM tabled last year.

The report concluded the current property tax system is failing to meet the needs of local governments. It called for a new method of financing municipalities and proposed that the province share revenues when growth exceeds three per cent.

The UBCM had been singularly unable to get the province to act on the report, Martin told delegates to the annual meeting of municipal politicians.

But in her own address to the UBCM later Wednesday, Minister of Community, Sport and Cultural Development Coralee Oakes announced her government is indeed acting on a number of the report's findings. The

minister's statements came as a considerable surprise to many convention delegates, including Martin, who said it was news to her since the UBCM has yet to have any substantive meetings with her.

"I am trying to be careful," Martin said.

"I guess what I would say is I look forward to sitting down with our minister to discuss Strong Fiscal Futures."

Martin said relations between the UBCM and the province were "not good."

"We've been unable to get them to come to the table at all," she said.

"I would say we are having our challenges at present ... But you are right, there are ups and downs, and this is one of the downs."

Oakes, however, made it clear that the province is willing to discuss the SFF report only at the same time the UBCM addresses concerns raised in B.C.'s "Taxpayer Accountability Principles."

That program involved a report done for the province by Ernst & Young that looked at compensation across all government sectors, including municipalities. It concluded that wages and compensation in the municipal sector were well out of line with provincial aspirations.



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Minister of Community, Sport and Cultural Development Coralee Oakes said the province has been acting on UBCM report's findings.

The Ernst & Young report has also come under heavy criticism from the UBCM and municipal governments, who were not consulted and who say

it contains fundamental flaws.

"What we said is if you are looking at expenses, you also need to look at income. So we would be very pleased to work

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**RHONA MARTIN**  
UBCM PRESIDENT

with UBCM and have these very important dialogues," the minister said.

"We continue to have these conversations. I think where the frustration was is we said we would talk Strong Fiscal Futures at the same time we want to talk about expenses that were outlined in the Ernst & Young report."

She said the province offered a partnership with the UBCM to look at both the findings of the SFF and the Ernst & Young report, but it was rejected.

Martin told the UBCM convention she refused to agree because "the compensation review is an inadequate starting point for ongoing collaboration."

UBCM members were also unconvinced that the province is listening. They unanimously adopted a special resolution calling for the province to "commit to meaningful engagement under the Strong Fiscal Futures framework ..."

In her address to the UBCM, however, Oakes appeared to be reading from a different playbook. She recounted for delegates all of the actions her government is taking to improve municipal finance issues.

She reconfirmed a number of existing programs, including a renewed partnership in the federal gas tax agreement, which will see \$2.76 billion distributed through the province for local infrastructure.

In one new announcement, she said the province will begin to move on recommendations to establish local election expense limits. The promise fulfils part of a two-phased plan to update local elections legislation.

Earlier this year the province brought in new campaign finance rules, but new expense limits for local elections won't kick in until 2018.

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