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## B.C. to drag municipal books into the light

**Municipal governments and the tax dollars they spend have been thrust into the spotlight in recent weeks, and they are about to discover that scrutiny of their dealings is only going to increase**

BY KEITH BALDREY, SPECIAL TO NORTH SHORE NEWS    AUGUST 12, 2011

First came two reports by the Canadian Federation of Independent Business.

One showed that municipal government spending in the last decade had increased at twice the speed of population growth and inflation.

In one year alone (2008), municipal spending rose by almost 10 per cent, far more than the 4.4 per cent growth in population and inflation combined.

The other report showed that commercial businesses were being squeezed by steadily increasing property taxes.

Business property taxes are now almost three times that of resident property taxes, which spells bad news not only for those businesses but also potentially for municipalities as well, if businesses close or relocate because of high taxation.

Next was that dust-up over the proposed twocents-a-litre gas tax to help pay for the Evergreen transit line. Most Metro Vancouver mayors signed off on the deal.

B.C. Conservative leader John Cummins said the mayors should scrap the tax and instead look inward to cut about one per cent of their municipal budgets.

The reaction from some mayors was telling, in that they utterly dismissed the notion of cutting back spending.

Next up was Phillip Hochstein, president of the Independent Contractors and Business Association. He appeared on CKNW and wrote an op-ed piece for the Province newspaper in which he painstakingly made the case that municipal politicians have sold out taxpayers by agreeing to ridiculously generous collective agreements (when it comes to benefits) with unionized staff.

Hochstein took no issue with the unions, but aimed his criticism directly at the municipal politicians for agreeing to the contracts.

Now, another shoe is about to drop.

Few will remember this, but Premier Christy Clark promised - back when she was in the middle of the B.C. Liberal leadership race - to establish a new independent watchdog of municipal finances if she won the leadership.

Well, she won and, yes, she is embarking on establishing the Office of the Municipal Auditor-General.

The deputy minister of community services, Don Fast, has quietly been leading the consultation phase. It will continue through the upcoming Union of B.C. Municipalities convention in the fall.

The new office will likely be modeled on the provincial auditor-general, who is an independent officer of the legislature and who has the ability to scrutinize government operations and spending decisions.

Some of the B.C. auditor-general's investigations have led to embarrassments for the provincial government over the years. One has to assume there is potential for the municipal version to do the

same thing.

Municipal politicians love to insist they are the most accountable of all government because they are "closest" to the voters. But this is nonsense, of course.

Voter turnout in municipal and school board elections is even lower than those for provincial and federal elections.

As well, municipal governments garner nowhere near the media scrutiny aimed at other levels of government. A typical municipality may have a reporter from the local paper covering the council meetings, but small papers don't have the resources to offer much more than that.

By comparison, three television stations, several radio stations, four daily newspapers and a host of other news outlets cover the B.C. government with dozens of reporters every day.

It's unlikely media coverage of municipal politicians will increase any time soon, but those politicians will soon find themselves under the scrutiny of auditors who will be able to walk into municipal halls all over the province and ask to see the books.

I'm not suggesting that a bunch of wrongdoing will be discovered, but I'd be surprised if independent auditors don't look askance at some of the spending decisions that occur in city governments around the province.

Such issues as six-digit salaries for management staff, expense accounts and travel allowances for politicians, and benefit packages for unionized staff may soon be on the table in a way that we haven't seen before.

Those kinds of spending items may be framed against the steady rise in property taxes, which is an issue that will grow in importance in the months ahead.

Is that a bit of nervousness I detect in our town councillors and managers out there?

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