

## **Metro Vancouver Regional Financial Symposium**

Metro Vancouver hosted an important municipal conference last week that attracted elected and administrative officials from across southern British Columbia. The Symposium dealt with how we're going to finance municipalities in the future; few things are of greater urgency or importance to municipal leaders in today's economy.

I was privileged to be the kick-off keynote speaker at the conference. I spoke about the changing and increasing demands on municipal governments, the massive infrastructure deficit we face, the limitations of the property tax system, the need to change how municipalities are financed, and a strong plea for British Columbia towns and cities to make funding municipalities a key issue in the May, 2013 provincial election.

As more and more people understand that the property tax system is broken and is limiting municipal growth, there is a greater understanding of the need for new, non-property tax based revenue for communities.

That fundamental issue formed much of the discussion at the Vancouver Symposium, and as one would expect, there was a wide range of ideas and options thrown on the table. These ranged from municipalities getting (and being held accountable for) some piece of consumption taxes, most commonly the sales or income tax, to the model found in 34 US states where cities can implement a local sales tax, to a national infrastructure lottery to getting pension funds to invest in cities to—well, the list goes on. All good and interesting ideas, worthy of consideration.

There seemed to be consensus that provinces need to significantly update and upgrade their relationship with their municipalities. It is encouraging that Saskatchewan has recently begun to share 1 cent of its provincial sales tax with its towns and cities.

That issue also brought out a warning as well—that several provinces have or are contemplating a special relationship with only the largest one or two cities in a particular province. Small and mid-sized cities are increasingly concerned that new tax powers or financial arrangements only for the biggest cities could result in have and have-not communities in the same province.

The Metro Vancouver Regional Financial Symposium was another important step in openly challenging the traditional way municipalities have been funded and financed. It was a starting point, and more discussion will follow. Provinces have to understand that large and small communities are increasingly anxious about their financial futures, and wandering around with their hands out hoping that grants will drop from above is hardly a certain or sustainable financing strategy for smart municipalities.

At the same time, the infrastructure deficit grows daily. It is not just the roads, pipes and physical structures that must be renewed. Smart cities understand they need to have a modern

electrical grid and telecom system, they need to build and reshape appealing, sustainable communities to attract bright minds and entrepreneurs, and there are growing demands for cities to contribute to hospitals, colleges and universities. The final piece is the overdue need for the federal and provincial governments to invest in the infrastructure they control that directly impact local prosperity—the Trans Canada highway, bridges, ferries, dams and so on.

There are no easy or simple answers for municipalities. But, there must be dialogue, there must be ideas brought forward, and the provinces need to start paying much more attention to the needs of their municipalities.

When we strengthen our cities, we strengthen our country. That was what the Metro Vancouver symposium was all about, and it was another important step forward for Canadian municipalities.