

NOMA speaker challenges municipal officials to liberate their communities from feudal rule

April 27, 2012

Author, entrepreneur, businessman and community builder Gord Hume commended the Northwestern Ontario Municipal Association executive for choosing Building Better Communities as the theme for its annual meeting in Kenora, April 25 to 27. The conference attracted 198 registered delegates to the city representing three district municipal associations and communities from across the region.

As keynote speaker at Thursday's session, Hume noted the theme reflects the title of his third and latest book 'Taking Back our Cities' as well as his topic for the morning discussion 'Taking Back Our Communities'.

In Hume's view, the provincial/municipal relationship is essentially feudal in nature, the tax system is broken and both are long overdue for an overhaul.

"How do we build 21st Century communities that can compete successfully in a global economy when burdened with a 17th Century tax structure and 19th Century governance?" Hume questioned.

He suggests just struggling to survive isn't good enough and advocates a fundamental change in the municipal/provincial relationship to address current challenges facing communities and achieve future prosperity.

As an advocate for change, Hume believes municipal governments have been too polite for too long in securing a new deal with the provincial and federal governments and must gain more control over the destiny of their towns and cities.

"We can change the system, we're not locked into this. We have to have courage and change the conversation locally, provincially and federally," he said. "Municipalities have to become stronger and more vocal."

Granting municipalities new powers of taxation isn't an original concept. Hume referred to the Saskatchewan government which allocates one per cent of provincial sales tax to municipalities and Manitoba, which similarly dedicates one per cent of sales tax to municipal infrastructure.

By comparison, Hume contends the property tax system which funds municipalities in Ontario is applied inconsistently by the province and doesn't significantly contribute to economic growth or prosperity in the communities from which the revenue is collected.

He referred to Canada's growing infrastructure deficit as assessed by the Federation of Canadian Municipalities at \$123 billion to repair or replace the nation's aging roads and bridges as posing a barrier to community growth and prosperity.

"No town or city can pay for infrastructure problems through property tax. It can't be done," he said, adding that current 'guesstimates' place the actual deficit at more than double the federation's calculation.

Municipalities require new sources of revenue to rebuild, provide affordable public services, housing and facilities to create active, vibrant, appealing communities where skilled and educated people will want to live and raise their families.

To accomplish that, Hume believes municipalities require new sources of funding such as income from resource extraction, municipal income tax and a share of HST.

As an example, the former London, Ontario municipal councillor cited a per capita funding formula as it would apply to his city based on a one per cent allocation of HST for \$83 million and one per cent municipal income tax of \$19 million for a total of \$102 million in annual revenue.

Following Hume's presentation, Mayor Dave Canfield, who is also Northwestern Ontario Municipal Association vice president, noted Hume's comments on urban renewal and community development reinforce the direction Kenora has been moving with downtown and Harbourfront revitalization. However, the city's questions regarding



Author Gord Hume advocates for a new municipal/provincial relationship during his keynote address at Northwestern Ontario Municipal Association annual meeting and conference in Kenora, Thursday, April 26. REG CLAYTON/Daily Miner and News

unanswered. The mayor agrees municipalities must band together in pressing their case to the province on the infrastructure issue as well as bureaucratic impediments to economic growth and resource development.

“Municipalities have been too politically correct. They’re scared to speak up and risk losing what they get from the province. Somehow we have to stand together and convince the province we’ve got a problem with infrastructure,” the mayor said. “The province has to find a way to finance these things other than from property tax.”

Canfield suggested the Ontario government could allocate a greater percentage of provincial gas tax to municipalities specifically for infrastructure.

“In Kenora, an additional \$6 to \$8 million in revenue would have a huge impact on the city’s ability to put money in reserves to sustain infrastructure,” he said.

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