

## APPENDIX E

TO: UBCM Members  
FROM: UBCM Executive  
DATE: October 19, 1997  
RE: **FINANCING LOCAL GOVERNMENT:  
SUPPLEMENTARY REPORT AND  
RECOMMENDATIONS**

**ITEM #7(c)<sup>2</sup>**

October 23, 1997

**B.C. COMMUNITIES  
AGENDA**

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### 1. DECISION REQUEST

To consider recommendations on provincial transfers and other aspects of financing local government.

### 2. DISCUSSION

This report is a supplement to a report previously circulated and contains our recommendations.

There is a very complex array of forces at play:

- continued uncertainty about transfer levels for 1998 and beyond
- unresolved program cuts
- lack of recognition by the provincial government of services provided to it by local government
- effects, if any, of changes in federal transfers to BC
- lingering bitterness about the process of introducing 1997 cutbacks
- desire for return to and recognition of the legitimate place of revenue sharing in the local - provincial financial relationship
- the flux surrounding the balance between conditional and unconditional transfers

After reviewing this complex array of competing forces, the Executive recommendations are based on:

- stabilizing the system for 1998 in light of the continuing impacts of the 1997 impacts;
- establishing a process that attempts to restore some clarity to the local - provincial financial relationship; seek certainty, provide access to adequate resources and a fair and equitable relationship.

### 3. RECOMMENDATIONS

With respect to the 1997 Provincial Budget:

3.1 That UBCM reiterate its opposition to the unilateral reductions in transfers and related actions (secondary roads; courthouse closures, etc.) both in terms of:

- the process used; and
- the severity of the cutbacks.

With respect to the 1998 Provincial Transfers:

3.2 That the provincial government maintain the small community and equalization transfers at 1997 levels.

With respect to Principles and Process for future local - provincial financial relations:

3.3.1 That the basic principles for financing local government as set out in Appendices A to E of Item 7(c) be reaffirmed.

3.3.2 That UBCM adopt a new policy reaffirming the importance of provincial facilities to the viability of communities and accessibility of services to the effect that:

- i) The Provincial government recognize the integral role that its facilities play in maintaining and sustaining community viability;
- ii) Prior to any change to programs or budgets, the provincial government must assess the impact of reduction or elimination of facilities would have on community viability; and that
- iii) The provincial government must ensure that decisions do not jeopardize the viability of existing communities.

3.3.3 That UBCM participate in a joint Task Force on the future of local - provincial financial relationship on the basis that the scope is sufficiently broad to explore alternative financing; local recognition of transfers to the provincial government; and the full range of program funding.

3.3.4 That the local government representatives on such a Task Force be guided by the principles reaffirmed above (see 3.3.1).

3.4 With respect to Related Issues:

3.4.1 That arterial highway devolution be deferred until there has been adequate consultation on the criteria for classifying arterials; local budget impacts can be assessed; and the relationship to provincial discussions with the GVRD is clarified.

3.4.2 That UBCM acknowledge the willingness of the provincial government to share traffic fine revenues and discussions under the Joint Council on allocation methods continue.

3.4.3 That the following recommendations on the disposition of resolutions C7 to C27 be accepted.

| RESOLUTION | TOPIC  | HOW THE RESOLUTION IS INTEGRATED INTO THE STRATEGY |
|------------|--|--|
|            |  |  |
| C7         | All encompassing   | Elements 3.1                                       |
| C8         | New incorporations<br>Consultation required before program changes     | Element 3.3.3/3.3.1                                |
| C9         | Reinstate BC Games funding   | Element 3.3.3                                      |
| C10        | Restore aquatic weed control funding                                   | Element 3.3.3                                      |
| C11        | Review grant allocations for Vancouver Island Regional Library funding | Element 3.3.3                                      |
| C12        | Provide additional funding mechanisms                                  | Element 3.3.3                                      |
| C13        | Retain downtown revitalization program                                 | Done - no action needed                            |
| C14        | Reinstate downtown revitalization program                              | Done - no action needed                            |
| C15        | Reinstate downtown revitalization program                              | Done - no action needed                            |
| C16        | Reinstate Building Standards Branch                                    | Element 3.3.3                                      |
| C17        | Establish a system of bylaw courts                                     | Element 3.3.3                                      |
| C18        | Halt courthouse closures   | Element 3.3.2                                      |
| C19        | Houston courthouse   | Element 3.3.2                                      |
| C20        | Training for bylaw enforcement officers                                | Element 3.3.3                                      |
| C21        | Hold declassification of highways                                      | Element 3.4.1                                      |
| C22        | Highways downloading   | Element 3.4.1                                      |
| C23        | Highways downloading   | Element 3.4.1                                      |
| C24        | Formula for grants-in-lieu and other transfers                         | Element 3.3.3                                      |
| C25        | See C24  | Element 3.3.3                                      |
| C26        | Gas tax for highways   | Element 3.3.3                                      |
| C27        | Gas tax for highways (see also C12)                                    | Element 3.3.3                                      |