



Does your community need more money?

Municipal Economic Reform

Think City Discussion Paper, Spring 2010



Think City: Who Are We?

- Founded in 2002.
- Non-profit, policy and citizen engagement organization based in Vancouver.
- Bring citizens and stakeholders together to discuss the challenges facing cities to develop practical policy solutions.
- Think City has expertise in producing large-scale citizen participation exercises and grassroots policy development.
- Over 7,000 citizens have participated in Think City projects in past two years.



Process and Participation

- Mayors, councillors and senior staff
- 178 took online survey
- 96 local governments represented
- Large and small municipalities from all regions of the province



What We Heard: Challenges

- Local governments are highly dependent on property taxes and need alternate revenue sources
- Property taxes accounted for 70%-80% of revenues in most municipalities
- 74.6% of local governments contemplating tax increases, while 6.8% will consider tax cuts



What We Heard: Challenges

- 33.9% of local governments contemplating spending increases, while 39.5% will consider spending cuts
- Nearly one in six, or 15.2% of local government surveyed had difficulty collecting taxes from large, industrial taxpayers



What We Heard: Your Priorities

Local governments would spend new revenues equal to five per cent of their current budget on:

- Infrastructure/maintenance 37%
- Financial reserves/tax reduction 15%
- Recreation, sports, arts and culture 13%
- Tourism/economic development 9%
- Environmental programs/projects 8%
- Housing and social programs 6%
- Policing and fire services 6%
- Improving current programs/staffing 6%



What We Heard: Harmonized Sales Tax

The Province of British Columbia should use Saskatchewan's policy as a model and transfer a share of the new Harmonized Sales Tax (HST) to local governments in BC:

- Agree/Strongly Agree 88.9%
- Disagree/Strongly Disagree 2.5%
- Don't Know 8.6%



What We Heard: Carbon Tax

The provincial government should direct carbon tax funds towards public transit, energy saving retrofits of public buildings, and other local initiatives to cut greenhouse gas emissions:

- Agree/Strongly Agree 78.4%
- Disagree/Strongly Disagree 14.2%
- Don't Know 7.4%



What We Heard: Tax Fairness

Local governments should look at their tax policies through the lens of tax fairness for lower-income people:

- Agree/Strongly Agree 53.2%
- Disagree/Strongly Disagree 32.4%
- Don't Know 14.4%



Timelines and Involvement

- UBCM briefing (Sep. 2009)
- Initial research phase complete (Dec. 2009)
- Survey of municipalities (Nov. 2009-Feb. 2010)
- Discussion paper issued (April 2010)
- Strategy towards UBCM convention (April-Sept. 2010)
- Industrial Property Taxation Review (Fall 2010)



Questions to Think About

- How do we convince the public that municipal finance reform matters?
- Which policy reforms are most important?
- What is a reasonable timeframe?
- Who do we need to bring on board?
- How do we broaden debate using industrial tax review and corporate vote?



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