Union of British Columbia Municipalities

President—Mayor Lee, New Westminster.
Sec.-Treas.—Ex-Reeve Bose, Surrey.

EIGHTH ANNUAL CONVENTION

(Concluded)

Then came a paper on

Municipal Finance

Coun. McInnon, Revelstoke, B. C.

As my experiences in municipal work have been as a Councillor of Revelstoke, anything I have to say must largely partake of its environment. We meet however upon common ground in so far as the Municipal Act goes.

Does Municipal Finance differ from other finance? In my opinion it does just as one language differs from another language. In what way does Municipal Finance differ from the finance of the individual? Largely for two reasons: first, on account of the length of the term of office, and second, on account of the influences which follow upon the first.

Let us take a glance at Number One. With a term of office of twelve months can an Alderman be developed who can intelligently digest the matters that come before him; who can act quickly and yet with caution; who can deal with the various and varied questions that come up in a manner that will commend itself to the municipality and to those who sent him to office; who can exercise the same energy, zeal and horse-sense which you see him display as a citizen? I do not believe one year can do it, and you who have had years at municipal work will sympathize with such a statement. The term of office should be for more than one year and the experience gained during the first year can be well used during the following year. Large commercial institutions could not exist and progress to the extent they do if Managers were changed every year and absolutely green men put in their place. Nor can cities expect to get value for every dollar expended by men who, although quite capable in their own line, are without experience in municipal expenditure.

Let us take a glance at reason Number Two. What follows upon reason Number One? Several things follow. Just as soon as the new council gets to work, the trouble begins. Every Councillor is a new broom and in his desperate attempts to sweep clean, more often than not he tries to sweep out things that should be left alone, and often succeeds in doing so, and makes nasty dents and scratches with his new broom—and, all this he does in a spirit of honest and buoyant enthusiasm and with an earnestness that is almost appalling; ideas that were in embryo all through his life now become full-fledged and often these ideas become ideal whether right or wrong; often too the desire to please his supporters has its baneful effect; often too self-interest is not dead. And as the months of office grow less, interest in the work slackens, and the end of an official year closes upon a Council at sea with itself and having carried into successful existence little that was promised and little that redound to their credit, and yet the men who make up this Council are in themselves all right, the most progressive citizens in town. Can you account for this state of affairs?

I have given you what I consider the material we have to work with. Of necessity, these men become your Board of Directors; your Board of Managers, to serve the interests of their Corporation and to carry to a successful issue the various problems that will come before them.

The financial problems that any Council must face naturally consist of revenue and expenditure. In the forefront of receipts come the estlmates for the year. These when once made up and accepted by the Council must be abided by, and as the taxation is known and other receipts can be conservatively estimated, there would seem to be no difficulty in reducing to figures the exact amount of money which may be expected during the year. The Municipal Act, too, provides that the corporate body may borrow under certain conditions on current revenue. In the expenditure columns the fixed charges are known, other expenses of all kinds, sorts and descriptions can be estimated, based upon the experience of the past and wants of the present. Expenses that cannot be estimated—such as epidemics, etc., your council knows nothing about and thus there would seem to be no great difficulty ahead—and that the end of the fiscal year will find the municipal council facing the electorate with a statement showing everything in rosy colours. There is a difficulty in making estimated revenue fit estimated expenditure, a difficulty that seems so simple to surmount, that is so close, yet so elusive. Your estimated expenditure should be signed by the different committees submitting same, they should be adhered to and held sacred. But the year is not half spent when you will find petitions presented to the Council requesting work done which in the opinion of the Council at the beginning of the year could be got along without; but here we get back to the desire to please supporters and we find the work ordered to be done contrary to all that provides the meeting of expenditures and receipts.

Along this line is the giving of donations by councils for one cause or another. They do not seem to realize the danger of this practice, and petitions again come into play and the council donates monies that do not belong to them, are not in their estimates and not even legalized by the Municipal Act and contrary to good trusteeship.

The estimates then should be our sedulous care and once made should be adhered to. Not only because it is wise to do so, not only because it is the law, but because if you don't do so you are riding for a fall.

Now take the revenue.

First comes Taxation; the collection of this source of revenue is often the cause of financial trouble. People are prone to put off the payment of taxes to a more convenient season. and as its collection by process of law in the year in which it is levied is invidious to say the least, you must either borrow or wait for the Tax Sale which is far enough ahead. I said "borrow" and that is a word that municipal finance for current account should be absolutely afraid of.

The remedies offered by the Municipal Act are clear and if taken advantage of require the nicest kind of management to enable the municipality to swing clear. I believe that every legal inducement should be offered to taxpayers to square up, and the Estimates should be framed and so carried out that no deficit should exist. All arrears of taxes, all delinquent taxes should be intact and at the disposal of an incoming council, so that the proceeds of a tax sale can be known and a fair estimate of what will come in fron the arrears can be arrived at and place in the Estimates.

All other sources of revenue are of such a type that it is comparatively easy to make them up and so I would not consider them a source of danger.

How about Expenditure?

First come the fixed charges. The interest and sinking fund upon all the debentures of the corporation must be provided for, whether this interest and sinking