News of Municipal Finance

Per Capita Assessment and Debt of Western Municipalities High—St. Laurent Loan By-Law Passed in 1917, Declared Illegal and Void — Edmonton Utilities Make Satisfactory Showing For First Three Months of Year

SPEAKING before a meeting of war veterans on civic matters in Moose Jaw, Sask., recently, Commissioner Mackie, in referring to the assessment of debt per capita of Canadian municipalities, quoted the following figures, which are for 1919, and which, in some cases, would be larger for 1920:—

City.	Assessment per capita.	Debt per capita.
Regina, Sask.	$1,178.02	$238.39
Moose Jaw, Sask.	1,005.00	257.90
Saskatoon, Sask.	1,140.67	330.82
Victoria, B.C.	1,499.76	348.24
Edmonton, Alta.	1,532.00	402.72
Lethbridge, Alta.	836.36	254.98
Brandon, Man.	1,105.21	183.80
Charlottetown, P.E.I.	458.33	63.92
Sydney, N.B.	377.60	101.36
Moncton, N.B.	770.14	114.00
Verdun, Que.	486.26	37.45
Sherbrooke, Que.	712.44	94.22
Kingston, Ont.	586.00	64.69
Peterborough, Ont.	749.70	87.33

With reference to the above figures, Mr. Mackie said: "It has been laid down recently by a prominent writer in civic economics that the assessment in towns and cities with a population of over 20,000 should not exceed $1,000 per capita, and that the per capita debt should not exceed $200."

It can be readily seen from the above table that nearly all western cities exceed this limit. Speaking of this, Mr. Mackie went on to say: "It must be remembered that most of the cities in the west are comparatively new and the capital expenditure has been incurred, as in the case of Moose Jaw, in less than ten years. In 1910 our net debt was $1,750,000, whereas last year it was $5,092,000, an increase of 190 per cent."

Cobourg, Ont.—The tax rate this year is set at 40 mills, being the highest in the history of the city.

Campbellford, Ont.—The tax rate this year has been struck at 42 mills, an increase of 10 mills over last year.

Kingston, Ont.—Ratepayers have carried a by-law to exempt from taxes for five years, all dwellings to the value of $2,500 erected on vacant lots during 1920 and 1921.

Brantford, Ont.—Assessment will be increased from $4,000,000 to $5,000,000 this year, according to an estimate by Assessment Commissioner Ludlow. At the rate of 40 mills on the dollar, this would provide $200,000 extra revenue, and at 30 mills, $150,000.

Winnipeg, Man.—Civic utilities showed an adverse balance of $16,711 for the current year at the end of April, according to a summary submitted to the city council by the auditors. This is in comparison with an estimated surplus for the whole year of $28,084, or taking into consideration the apportionment from property sales account, a net surplus of approximately $8,000.

Lloydminster, Sask.—The financial statement of the town for the year ended December 31, 1919, shows that assets exceed liabilities by $36,819. Cash on hand and in the bank at the end of the year amounted to $2,799. General revenue statement showed a surplus of $4,867, the principal item on the credit side being tax levy of $23,823. Debentures outstanding now amount to $15,606, $15,593 of the original amount of $31,200 having been redeemed.

Alberta.—The first itinary of the government's equalization assessment board has been completed. Chairman Lamb says the purpose of the initial investigation was to secure information from typical municipal organizations, and Lethbridge, Cardston, Macleod, Blairmore and Vulcan were the points selected for a start. It was merely a purview of the situation, as Mr. Lamb puts it, and the same preliminary inquiry will be continued in other towns and villages for the next month or two. The municipal districts will be dealt with as soon as the towns have been covered and then the formal sittings of the board will be commenced. Statements from the municipalities are being secured by the equalizers, each of whom is making his own notes for future use when they meet as a board. The results of the first trip says Mr. Lamb, were entirely satisfactory and no difficulty is anticipated in getting the new work under way.

St. Laurent, Que.—The by-law which the town passed in June, 1917, authorizing a municipal loan of $264,000 was, by judgment of the Superior Court, pronounced by Mr. Justice Tellier, illegal, null and void. In declaring the by-law invalid, the Judge said: "The Court does not pronounce on the validity of the debentures which have been issued or negotiated in virtue of the said by-law, seeing that the record and proof contain nothing which would guide the Court in deciding this question." Action in nullity of the by-law was directed against the municipality by Michel Goyer, a tax-payer, who alleged insufficiency of notice of submission of the by-law to the vote of the proprietors of the town on June 13, 1917, after it had been passed by the municipal council on May 19; that several persons had voted for the measure who were not qualified to vote; and that, as a result, the by-law did not receive the necessary majority to become valid.

"The approval given to the by-law by the Lieutenant-Governor-in-Council," added the Judge, "cannot have for effect in the circumstances, the rendering of the by-law valid, nor legalize its execution by the defendant municipal corporation. The law 4 George V., chapter 50, cannot be invoked in favor of a by-law, which is null or invalid, though it can serve for the protection of the bearer or acquirer, in good faith, of municipal obligations."

Edmonton, Alta.—The summary of the estimates for general administration, according to Comptroller Mitchell, show requirements for general municipal, general debenture interest and redemption, school and library purposes, to be $3,542,395 (inclusive of discount) for the present year. This represents an increase of $738,261 over the general levy of 1919. Actual expenditures of that year were less than the levy, resulting in a surplus of $53,359. As in the previous past few years, provision has again been made for a further addition towards the reserve against uncollectible taxes of $150,000 in order to offset any possible shrinkage in the outstanding taxes receivable, which now amount to rather more than $7,000,000, this being inclusive of those taxes against lands sold to the city itself.

The principal items responsible for the increased estimates of the current year are those of departmental wages and salaries, besides higher cost of materials and supplies, the increase in the demands of the public school district, which are nearly $300,000 over last year's figures, hospitals, etc. The total levy for general administration, therefore, necessitated a rate of 45 mills for public school supporters and in the case of separate school adherents, a rate of 41.76, with one mill additional on lands only for provincial supplementary revenue tax. Last year the total general rate was 35.30 mills. The net assessment for municipal purposes this year is approximately the same as last year, or $79,191,550.

Attention is directed to the satisfactory showing of the civic utilities for the first three months of the year, there being a net surplus on the operation of these (inclusive of all capital and other charges) of $20,774, as against $50,622 last year, the reduction being of course due chiefly to higher scale of wages now in vogue and also the increased cost of all materials.