

# Municipalities and the Municipal Act

An Address of the Inspector of Municipalities Before the Convention of Union of British Columbia Municipalities Held in Kamloops, October 22nd.

Robert Baird, M.A., Inspector of Municipalities.

During the few months which the Municipal Department of the Province has been in existence, I have received many inquiries as to the objects and the working of the department, the assistance which it is designed to provide for the municipalities of the Province, and the control which it is permitted to exercise over them. My remarks will be, as far as possible, an answer to these inquiries, and I shall hope to make the relationship of the department as at present constituted, to the municipalities, entirely clear to you, and, through you, to the various municipal bodies which you represent.

I have been frequently asked what is to be done with reference to the systematizing of municipal book-keeping. I can only say that, although our Municipal Department itself is only in process of organization, this is one feature which is under serious consideration. The Act of 1914 has made ample provision for any regulation which may be made to attain this object, and we propose to advance as rapidly as possible in this direction, with due regard for the various and varying requirements of the different cities and districts. The Province of British Columbia is unique in the variety of its problems and its requirements, a statement which applies very directly to the needs of our book-keeping system. In so far as I have seen, our several sets of municipal books are fairly uniform, except in the elimination in smaller municipalities of features cumbersome to their particular needs, but necessary to others. At the end of this year we will ask for a similar form of financial return from each municipality, and, judging from what I have seen of the various accounts in use, there will be no difficulty expressed in compiling these uniform statements.

I can safely say that in the near future a beginning will be made in provincial auditing. There is no grievance against the auditing as it is done at present (much of it is done by efficient chartered accountants), but I may emphasize this point that more attention must be given to the interpretation of the work of the municipal council in relation to the requirements of the Municipal Act. It is important for the protection of the ratepayers and of the council, and for the credit of our municipalities in general, that the detail of the work done by the council, and municipal affairs generally, should be inspected by capable men not appointed by the council. The objects chiefly in view in the audit which I have mentioned would be the procuring of an uniform and unbiased review of the work done by the councils and their officers, as well as of the financial position of the municipalities, and the rendering of assistance to municipal officers in their work, and the preventing, as far as possible, of irregularities.

On the last mentioned subject we must admit that the present system of auditing has exhibited a weakness. Irregularities have occurred, and no report whatever has been made of them. Municipalities are today suffering hardship from over-expenditure in previous years of funds raised under bylaw. The voting of \$75,000 by the ratepayers for a certain purpose does not mean an authorization to the municipal council to spend \$100,000, nor does the voting of \$75,000 for a waterworks system mean the expenditure of \$50,000 for water, and the balance for street improvements. I may add here that the Legislature of this Province have taken the matter of any possible irregularities so seriously that they have placed in the hands of the Lieutenant-Governor-in-Council full power to impose any penalties which may be deemed advisable.

I have had several inquiries with reference to the powers invested by Section 475 of the Act, which authorizes the Inspector of Municipalities, when directed by the Lieutenant-Governor-in-Council to do so, to conduct investigation into alleged municipal irregularities. While this section is intended as a protection to the ratepayers, to the municipal council and to the municipal officers, it must be understood that it is not designed to replace or to affect the statutory provisions made for the remedy of grievances. For example, it is not provided that inquiry shall be made as to the details of particular assessments; that is a matter which is definitely placed in the hands of the courts for final decision. It is not intended that the Inspector of Municipalities shall inquire into the validity of bylaws and regulations made by the council other than those which come before him for approval; that is a matter also which is subject to review by the courts. The provision for investigation refers only to two classes of alleged grievances, those for which no remedy is provided by statute and those which arise from acts of negligence or wrongdoing. The former must necessarily be few, and I trust that the latter will be very few.

Your attention has been called to the fact that the Government of the Province have made provision for a systematic review of your financial condition: they have also made provision for a systematic review of the protection which you give to your obligations in the matter of sinking funds, even to the extent, should it be necessary, of the control of those funds, an extent to which, I trust, it will never be necessary to go. The Government of the Province have considered that your good name is an asset not only to yourselves, but to the whole Province, and is an asset which must be protected. The default of one injures the credit of all; consequently, not only for the good name of our own particular city or district, but for the reputation of the whole Province, we must make every effort to meet obligations promptly. I do not mean this to apply only to ordinary conditions, but also to the very unusual conditions under which we now find ourselves. The outside world with which we have dealings are convinced that we have the brains and the energy and the resources, but we must also demonstrate that we have the adaptability—the power to adapt ourselves to adverse conditions, industrial and economic. Our mettle is being tried by adverse conditions, and I trust we will stand a satisfactory test. If we demonstrate that we are equal to the emergency of keeping business moving through a period of great financial stringency, of assisting in providing for the requirements of that part of the world which is now non-productive, of taking precautions against hardships among our own people, and if we at the same time meet our obligations promptly, we have earned and will receive every confidence from the investing public.

Probably the most important function exercised by the office which I have the honor to represent, is the supervision and approval of municipal borrowings. The Municipal Act provides that "The council of any municipality which shall, after the coming into force of this section, pass a money bylaw or a bylaw imposing a special assessment or a special rate under this or any other Act, including the Local Improvement Act, may apply to the Inspector of Municipalities for a certificate approving the bylaw." There is no compulsion in the matter of submitting bylaws for approval, but it is very evident that the investor will prefer a security the validity of which cannot be questioned, and which he knows will bear no possibility of involving him in litigation.

Should there be occasion to extend the powers of supervision, the Act also provides that "The Lieutenant-Governor-in-Council shall have power to make regulations with reference to the submission by every municipality of money bylaws, local improvement bylaws, debentures,