

Finances of British Columbia Municipalities

Reduction in Tax Arrears a Favorable Feature—Revenue and Expenditure Account Shows Surplus as Compared with Deficits of Previous Years—Sinking Funds Need Adjusting—Shortage has Grown to Large Figure—In Utilities Electric Light Makes Satisfactory Showing, but Waterworks and Sundries Have Fallen Behind

STATISTICS of the finances of British Columbia municipalities for the year ended December 31, 1919, have just been issued by Robert Baird, inspector. In commenting on the report Mr. Baird makes the following remarks:—

"The report is of particular interest in view of the fact that in the year 1919 the first serious effort was made to clear up the large amount of arrears of taxes outstanding, much of which was on account of the extent of the accumulation rapidly becoming uncollectable. The amending act of 1919 re-enacted in whole the taxation and tax-collection provisions of the "Municipal Act," and provided for a compulsory annual tax sale and also for the obtaining of a tax sale title without delay and at very little cost. The full result of this policy will not be seen from the figures of the first year of which we have complete record; the arrears of taxes show a decrease, the decrease being from \$14,631,216 at the end of 1918, to \$12,094,121 at the end of 1919. The figures submitted also show that the moneys actually received exceeded the expenditures by \$1,119,670. For a number of years previous the expenditures had steadily exceeded the receipts, in the year 1918 the excess being \$1,884,475.

"Sinking funds still show an alarming shortage, being \$5,289,012, as compared with \$5,206,093 at the end of the previous year, but from an examination of the comparative statement shown under the heading of sinking funds, it will be seen that in a very large number of the municipalities there has been a satisfactory recovery."

Tax Arrears

As Mr. Baird has pointed out, the item of tax arrears is the most important consideration. It is interesting, therefore, to note the development of that account since 1914:—

	Cities.	Districts.	Totals.
1914	\$ 3,879,775	\$2,114,454	\$ 5,994,230
1915	6,845,741	2,520,634	9,366,375
1916	8,964,834	2,890,942	11,855,777
1917	10,642,651	3,037,476	13,680,127
1918	11,551,567	3,079,648	14,631,216
1919	9,996,200	2,097,920	12,094,121

Sinking Funds

Having apparently satisfactorily disposed of the tax arrears problem, some move should be taken to adjust the sinking fund shortage situation. The only cities to show surpluses in this regard, for the year ended December 31, 1919, were: Alberni, Cranbrook, Fernie, North Vancouver, Port Alberni, Prince Rupert and Trail. The districts were: Coquitlam, Delta, Esquimalt, North Cowichan, Oak Bay, Point Grey and Spallumcheen. That these surpluses were small in comparison with the shortages will be seen from the following figures, which show the conditions of the sinking funds of cities and districts combined, as compared with the previous year:—

	1919.	1918.
Cash	\$ 2,009,108	\$ 1,924,907
Invested	11,844,740	9,580,337
Total	13,853,849	11,505,244
Sinking fund required	18,958,720	16,669,546
Short	5,289,012	5,206,093
Surplus	184,140	41,791

In his report for 1918, Inspector Baird remarked of the poor sinking fund investments, particularly in regard to mortgages, and spoke of these as doubtful assets. A com-

parison of the distribution of the investments shows that the account mentioned has not improved; but a substantial increase in holdings of Dominion of Canada bonds is a favorable feature:—

	1919.	1918.
Dominion of Canada war bonds	\$7,007,512	\$4,977,209
Mortgage	278,704	273,320
Debentures of the municipalities	4,558,523	4,329,807

Total debenture debt of the cities at the end of 1919 was \$72,581,126, while the total debt was \$79,800,504, as compared with \$73,164,612 and \$82,388,002 at the end of the previous year. Total debt of the districts amounted to \$24,496,152, and the debenture debt \$22,160,488, as compared with \$23,912,456 and \$21,855,497. On the whole there was some improvement.

Assessments and Exemptions

Assessments increased substantially for the year under review, but exemptions showed reductions. The following figures give a comparison of the details:—

Total cities and districts.	1919.	1918.
Value of taxable land	\$363,508,519	\$366,004,371
Value of taxable improvements	194,430,709	181,358,225
Total taxable property	557,939,288	547,362,596
Exemptions	37,072,096	39,495,172
Population	374,740	374,980
Area in acres	945,008	945,208

Public Utilities

As details of the operations of utilities in 1918 are not available, a comparison with that year is not possible. As compared with 1917, 1919 figures do not appear very satisfactory. The electric light account showed good improvement, but waterworks and sundries fell behind considerably. The following are the figures for 1919:—

	Electric light.	Total revenue.	Profit.	Loss.
Cities	\$ 410,163	\$ 50,421	\$ 22,032	
Districts	26,118			3,959

Waterworks.

Cities	1,038,674	104,858	128,213
Districts	252,384	1,822	219,791

*Sundries.

All municipalities	582,896	25,061	50,946
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For 1917 the figures, in the same order as above, are:—

	Electric light.	Total revenue.	Profit.	Loss.
Cities	\$ 316,586	\$ 26,653	\$ 21,933	
Districts	22,392	1,772	357	

Waterworks.

Cities	978,696	112,908	129,403
Districts	206,486	528	220,692

*Sundries.

All municipalities	345,577	3,090	64,169
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*Including water, light, telephones, irrigation and street railway.

Receipts and Expenditures

As pointed out by Inspector Baird in his résumé, a favorable showing was made in receipts and expenditures, the former amounting to \$18,815,692 and the latter \$17,696,022, a surplus of \$1,119,670. In previous years the situation had not been so favorable.