June 8, 2020

Ref: 253010

His Worship Mayor John McEwen, Village of Anmore
His Worship Mayor Neil Belenkie, Village of Belcarra
His Worship Mayor Gary Ander, Bowen Island Municipality
His Worship Mayor Mike Hurley, City of Burnaby
His Worship Mayor Richard Stewart, City of Coquitlam
His Worship Mayor George Harvie, City of Delta
Her Worship Mayor Valeria van den Broek, City of Langley
His Worship Mayor Jack Froese, Township of Langley
His Worship Mayor Ron McLaughlin, Village of Lions Bay
His Worship Mayor Mike Morden, City of Maple Ridge
His Worship Mayor Jonathan Cote, City of New Westminster
Her Worship Mayor Linda Buchanan, City of North Vancouver
His Worship Mayor Mike Little, District of North Vancouver
His Worship Mayor Bill Dingwall, City of Pitt Meadows
His Worship Mayor Brad West, City of Port Coquitlam
His Worship Mayor Robert Vagramov, City of Port Moody
His Worship Mayor Malcolm Brodie, City of Richmond
His Worship Mayor Kennedy Stewart, City of Vancouver
Her Worship Mayor Mary-Ann Booth, District of West Vancouver
His Worship Mayor Darryl Walker, City of White Rock

Dear Metro Vancouver Mayors:

Thank you for your letter regarding local government support and collaboration with the Province of British Columbia during the COVID-19 pandemic. I apologize for the delay in responding.

I appreciate your acknowledgment and gratitude for the Province’s support and leadership in response to the COVID-19 pandemic. I too want to share my appreciation for your excellent leadership and the critically important work your communities are undertaking to address this unprecedented challenge.

I recognize that the current COVID-19 emergency creates questions and concerns about municipal finance issues and may place administrative burdens on municipalities. The current Provincial and Federal COVID-19 action plans provide direct assistance to people and businesses affected by the COVID-19 pandemic. The provisions in these plans are key to the well-being not only of those individuals affected, but also maintaining government revenues to pay for providing critical services, as well as the economy in general.
The Province’s $5-billion COVID-19 Action Plan announced widespread actions including relief for community members directly affected by job loss. Business and light and major industry property classes will see their school property tax cut in half for the 2020 tax year, providing $720 million in relief for business that own their property and for tenants on triple-net leases. Payments for provincial sales tax, employer health tax, municipal and regional district tax (hotel tax), carbon tax, motor fuel tax and tobacco tax are also deferred. All these measures will help ensure residents and business can afford their core financial needs, including paying their property taxes, utility bills and other essential fees for critical services. More information on this plan is available online at: https://news.gov.bc.ca/releases/2020PREM0013-000545.

For local governments, it is imperative to ensure the necessary funds are available to continue their core operations – and that comes through the normal budgeting and tax cycle. I encourage local governments to focus on their budget, requisition and tax cycle. Additionally, it is critical to pay attention to maintaining a strong cash position, prioritizing critical expenditures and deferring noncritical capital investments. Consideration can also be given to liquidating some financial investments to ensure an adequate cash position by deferring a noncritical capital upgrade or other re-prioritization to help address cash flow concerns.

In addition, the Province is delaying the remittance of police and school tax to the end of the 2020 calendar year to ensure there is sufficient tax revenue available to local governments over the summer months to address critical cash flow issues, including remittances to other public authorities like Metro Vancouver Regional District, TransLink, Greater Vancouver Water District and Greater Vancouver Sewerage and Drainage District. The Province is also allowing local governments to borrow from statutory reserve funds to address potential operating cashflow shortages in 2020. This borrowing can be repaid over five years without interest charge.

We know we all must be thoughtful when it comes to local government finances. We have a financial system that is strong and respected by many other jurisdictions, with the collective borrowing power we get through the Municipal Finance Authority of British Columbia and the other checks and balances that keep the system very stable. Any interventions – even in this extraordinary time – need to be prudent, developed in collaboration together, and thinking not just short-term but also medium- and long-term, as well as thinking about the unintended effects. Please consider and plan carefully before, for example, deciding to delay the tax due date through an alternative tax collection scheme, as you need timely revenues to operate core services during this COVID-19 disruption, as do other public authorities like regional districts and regional hospital districts. I encourage you to refrain from waiving or reducing tax penalties as this may discourage tax payments all together.

To help local governments, particularly smaller ones, this year the Ministry of Municipal Affairs and Housing will not be enforcing the statutory deadlines for audited financial statements and Local Government Data Entry (LGDE) forms, which are normally due on or before May 14 of each year. If your municipality does have the resources to complete the submission on time, you can defer these reports until later in the summer – but again, focus should be first on the budget and tax cycle.

.../3
I welcome your concerns and your suggestions. The Ministry of Municipal Affairs and Housing is working collaboratively across ministries and reaching out to critical stakeholders to monitor the ongoing impact of COVID-19 on the local government financial system. The ministry will continue to keep you informed of the progress on this important issue and ministry staff will be reaching out directly to your Chief Administration Officers and Chief Financial Officers with new information as this situation unfolds.

The Province also recognizes the challenges and immense financial impacts that the current pandemic has on both landlords and tenants in British Columbia and that the safety of our communities is of paramount importance. To support British Columbians during this difficult time, the ministry announced a series of immediate actions, including a moratorium on all non-emergency evictions, a robust rent supplement program, a freeze on all rent increases during the state of emergency, and a number of other measures targeted at providing relief, security and safety for landlords and tenants. These changes will be in place for the duration of the provincial state of emergency.

The Province is also taking swift action to protect vulnerable people, including those experiencing homelessness. As you know, initial actions to protect this population include: The actions to protect renters listed above, the development of emergency response centres in many communities to provide emergency shelter that accommodates physical distancing guidance, distinct protocols and identification of sites to support isolation for vulnerable people experiencing homelessness and those in private single room occupancy (SROs), sustaining service providers through continued payments to ensure they can pay their staff and operating costs, distributing food to vulnerable people in congregate housing and the procurement of critical supplies needed by frontline providers.

These are difficult times and we need to remember that this is temporary. Again, I commend you on your excellent individual and collective leadership. If we plan logically and work collaboratively, we can get through this while maintaining the municipal finance system and the critical services that system supports for the people who call B.C. home.

Thank you again for writing.

Sincerely,

Selina Robinson
Minister

pc: Honourable John Horgan, Premier