

BC Municipal Spending Watch 2017

10th Edition: Trends in Operating Spending, 2005 - 2015

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Over the past 10 years, municipalities in British Columbia have struggled to employ sustainable operating spending habits. While a select few can be commended for their efforts to control expenditures, it is important to highlight that spending habits above sustainable levels have a direct financial burden on British Columbians, and furthermore the small businesses who live to support and grow our economy. This year's wage watch report looks further into the drivers of unsustainable operating spending. Analysis of public sector employee wage increases reveals a broken bargaining system which drives escalating operating spending. Additionally, to support and fund these unsustainable operating spending increases, property taxes have risen drastically between 2005 and 2015.

Small and medium business owners believe that a viable benchmark for sustainable operating spending growth is holding it at or below the rate of inflation plus population growth¹. In reality, BC real operating spending has increased 46 per cent between 2005 and 2015 - almost four times the province's population growth rate of 12 per cent. On average, a family of four in BC could have saved \$7,842 in municipal taxes over a 10 year term if municipal operating spending had been held in line with that benchmark.

¹CFIB Municipal Issues Survey, July 2017

Outline

- Section 1: Introduction (Pages 3 - 4)**
A Note on Municipal Rankings
Key Findings
- Section 2: Municipal Spending and Public Sector Wages (Pages 4 - 5)**
Figure 1: Municipal Operating Spending, 2015
- Section 3: Collective Bargaining and Arbitration (Pages 7 - 9)**
A Note on the Arbitration System
Figure 2: *Cumulative Municipal Wage Growth for Public Sectors vs. Inflation 2005 - 2017*
- Section 4: Municipal Revenues and Property Taxation (Pages 8 - 11)**
Figure 3: Sources of Municipal Revenue, 2015
Figure 4: Property Tax and Operational Spending Growth in BC, Inflation Adjusted (2005-2015)
Figure 5: City of Vancouver Property Tax Impact, 2017
Figure 6: Policy Options, CFIB Survey Data
- Section 5: Municipal Spending Snapshot (Pages 12 - 15)**
Figure 7: BC Municipal Operating Spending Growth (Adjusted for Inflation) and Population Growth, 2005 - 2015
Figure 8: Local Government Spending, CFIB Survey Data
Figure 9: Important Issues for Small Business, CFIB Survey Data
Figure 10: Local Government Actions, CFIB Survey Data
A Note on Cost Sharing
- Section 6: Twenty Largest Municipalities – Summary (Pages 15- 17)**
Table 1: BC Twenty Largest Municipalities’ Operating Expenditures - by Rank
Table 2: BC Major Municipal Operating Spending Rankings - by one-year change
Figure 11: Municipal Real Operating Spending and Population Growth: 2014 to 2015, Five Best and Worst Performing Major Municipalities
- Section 7: Province Wide - Summary (Pages 18)**
Table 3: BC Municipal Governments: Top 5 Best and Worst Performers by Rank
- Section 8: Conclusion and Recommendations (Pages 19 - 20)**
- Sources: (Pages 21 - 22)**
- Appendix 1: Methodology (Pages 23 - 24)**
- Appendix 2: Note on Policing Costs (Page 25)**
- Appendix 3: Overall Provincial Rank (Pages 26 - 28)**
- Appendix 4: Overall Provincial Rank in Alphabetical Order (Pages 29 - 31)**
- Appendix 5: Municipal Spending Trends by Region (Pages 32 - 36)**
- Appendix 6: Regional Public Sector Wage Increases in BC (Pages 37 - 38)**
- Appendix 7: Cumulative Wage Sources (Pages 39 - 41)**

1. Introduction

The 2017 Municipal Spending Watch Reports begins with new analysis on BC's collective bargaining system as a major driver of municipal operating spending, and how unsustainable operating spending is supported through property tax increases. In latter sections, this report examines the ranking of municipal governments based on their real operating costs per person, and the rate of real operating spending growth over a ten year period as seen in previous iterations of the Municipal Spending Watch report.

A Note on Municipal Rankings

Municipal performance is assessed by ranking municipalities against one another. The rank is calculated through an even split between two different measures: a municipality's 2005 to 2015 spending increase and its 2015 per-person spending level, thereby placing an equal importance on a municipality's long-term spending trend and its latest spending habits.

Both measures are important and distinct from one another. For example, a municipality may have had a low increase in its spending from 2005 to 2015, but at the same time it may have a high per-person operating cost. In this case, the municipality would be rewarded for its good long-term spending trend and penalized for its poor per-person spending level.

In general, a municipality with a large upward spending trend and a high current spending level will receive a poor rank, while a municipality with a low spending level and low or downward trend will receive a good ranking. See Appendix 1 for a more detailed discussion of the report's methodology.

Key Findings

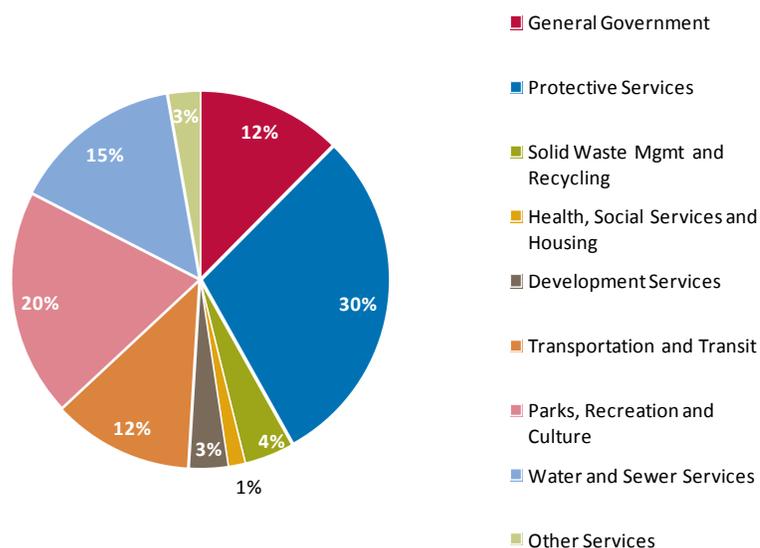
- From 2005 to 2015, municipally funded wages for the Firefighters' Union in Vancouver and Victoria both increased 39 per cent respectively. The Police Union saw similar wage increases, while CUPE workers received wage increases that grew roughly twice the rate of inflation during this time. These results are echoed across municipalities in BC, with Kelowna and Price George yielding similar trends.
- Real property tax growth has outpaced population growth in BC nearly 4 fold, rising a total of 45 per cent between 2005 and 2015 alone. During this time, population grew only 12 per cent.
- BC's major cities, Vancouver and Victoria, increased their operating spending per person by 20 and 24 per cent respectively from 2005 to 2015, after adjusting for inflation and population growth (see Table 1). Both municipalities have also declined in rank since last year, with Vancouver now ranking 64th overall and Victoria ranking 87th.
- Only 7 out of 152 municipal governments in BC have kept operational spending at or below levels of inflation plus population growth over the 10 year period. No major municipal government with more than 25,000 residents made the list.
- In 2005, average BC municipal operating spending per capita stood at \$927. In 2015, that dollar amount increased to \$1,209 per person when adjusted for inflation, representing a 30 per cent increase in operating spending per capita from 2005.
- In 2015, the average operating cost of local government per capita was the highest in Northern BC at \$2,752, and lowest in the Vancouver Island region at \$1,498. Northern BC had, on average, the highest operating spending growth over the 10 year term of all five regions examined at 46 per cent, after adjusted for inflation.

2. Municipal Spending and Public Sector Wages

In 2015, aggregate municipal operating spending in BC totalled \$6.4 billion. Of this, nearly 50 per cent was spent on general government and protective services combined (see Figure 1). A snapshot of spending in 2015 shows little difference from the previous year, with only a few categories changing slightly². In the past decade, the proportional allocation of spending based on the categories in Figure 1 remains relatively stable. While the percent portion of each category has little fluctuation, spending is increasing as a whole, and is driving up the total dollar amount of each category. In other words, spending has increased in each category across the board.

Figure 1

Municipal Operating Spending, 2015



Source: Ministry of Community, Sport, & Cultural Development. 2015. *Local Gov't Stats, Expenditure. Sch402_2015*.

Exactly what the money is being spent on a different question. Within each category in Figure 1 are expenses, such as public sector wages and benefits, which account for a substantial portion of operating spending (e.g. 57 per cent in Vancouver³ and 61 per cent in Victoria⁴). Because these jobs are financially supported by residents and small businesses, it is appropriate to question the nature of public sector salaries in relation to private sector norms. Unfortunately, the reality is that public sector salaries are more generous than the equivalent private sector positions.

² Truscott, Richard and Aerts, Aaron. 2016. *BC Municipal Spending Watch 2014*

³ City of Vancouver, 2017. *Budget and Fire-Year Financial Plan*

⁴ CFIB calculations (salaries and wages / total expenses) City of Victoria, 2016 Annual Report, pg 74



“Total slap in the face when you have to compete with government wages and benefits for good employees since we are the ones paying for both.”

CFIB member, Prince George, BC

The CFIB Wage Watch Report found that in BC, there was an average wage premium of 6.8 per cent for municipal sector workers, which balloons to 16.7 per cent when employee benefits are included⁵. Disproportionately high public sector wages put small businesses at a disadvantage. Relative to private sector jobs, public sector positions have more generous pay and benefits. This makes it difficult for small business to compete for employees, as they struggle to offer the same level of tax supported compensation.

3. Collective Bargaining and Arbitration

High public sector wages can be primarily explained by the inability of municipal governments to effectively negotiate more reasonable contract provisions with labour unions in order to control wage increases. Unfortunately, unions are able to pressure municipalities into meeting their demands. Major cities, such as Vancouver and Victoria, allocate roughly 60 per cent of their budget into paying labour costs. Unlike businesses, municipalities are not constrained by their bottom line, and are always able to raise new revenues by passing the financial burden onto taxpayers.

It is important to note that public sector wage increases are a cost that municipalities have somewhat limited control over. Once one municipality agrees to a large public sector wage increase through a collective agreement or arbitration, they become the benchmark used in negotiations within other municipalities. This constrains mayors' ability to negotiate, creating a chain reaction across the province.

Both the collective bargaining and arbitration system are structured in a way that hamstrings municipal governments. The province needs to review the system with an aim to assist municipalities to effectively negotiate during collective bargaining. For instance, they could provide support by centralizing negotiations at the provincial level, or provide municipalities with the necessary resources to negotiate effectively. The arbitration system also needs reform, as it often fails to consider a municipality's ability to pay, and furthermore the taxpayers' ability to pay.

⁵ Canadian Federation of Independent Business, *Municipal Wage Watch*, 2015

A Note on the Arbitration System

Striking is not allowed for Police, the Royal Canadian Mounted Police, and Fire services in British Columbia, as they are deemed essential services. Failure to reach a collective bargaining agreement between the union and the municipality results in referral to an arbitrator to resolve the dispute. The arbitrator is required to consider several factors under the *Fire and Police Services Collective Bargaining Act* before reaching a settlement, which includes determining what is fair and reasonable with regards to qualifications, responsibility, and the nature of services provided⁶. However, a definition of fair or reasonable is not provided, and keeps the scope broad and rather ambiguous. The vague standards that are currently in place have led to compensation escalation.

Arbitrators often look at large cities such as Vancouver, or even at other large municipalities across the country, and use recent settlements as a starting benchmark when bargaining for wage increases. However, occupational hazard of some government sector jobs and local economic conditions varies greatly between different municipalities. Under current legislation, the BC Government has the right to further specify these terms, which would narrow the range of outcomes⁷. As of writing this report, no such effort by the BC Government has been made. CFIB recommends a detailed review of the current model be put forward. A new arbitration model should consider structuring wage compensation to reflect a municipality's ability to pay, with consideration to their respective economic conditions.

Unlike provinces such as Alberta and Quebec, where the provincial government collects, aggregates, and publishes data on municipal salaries and benefits, as well as the number of employees by municipality, the BC government does not require such information be gathered. A lack of publicly available information can make it challenging to examine a detailed breakdown of where and how money is being spent. To increase accountability and transparency, the provincial government should begin requiring such information be submitted by municipal governments.

It is, however, still possible to paint a picture using data that is currently available. To examine the discrepancy between private and public sector wages, the following section reviews the collective agreements between municipal governments and CUPE, the International Association of Fire Fighters, Police Boards, and the RCMP.

Public services such as police, RCMP, and fire personnel are essential to maintain the well-being of communities. While they play an undoubtedly crucial role in society, protective services alone account for over 30 per cent of total local budgets⁸. No doubt, protective service employees deserve a reasonable salary with appropriate benefits. However, when wages grow substantially faster than inflation, it is simply unsustainable and puts pressure on municipal finances.

It is of utmost importance that local protective services receive fair compensation. Incremental wage increases have, however, been increasing at an unsustainable rate and are a driver of increased municipal spending. Figure 2 shows the ten-year wage growth of CUPE and protective services (i.e. fire and police) compensation compared to their respective municipality's inflation rate. The municipalities for this measure have been picked to represent various regions across British Columbia.

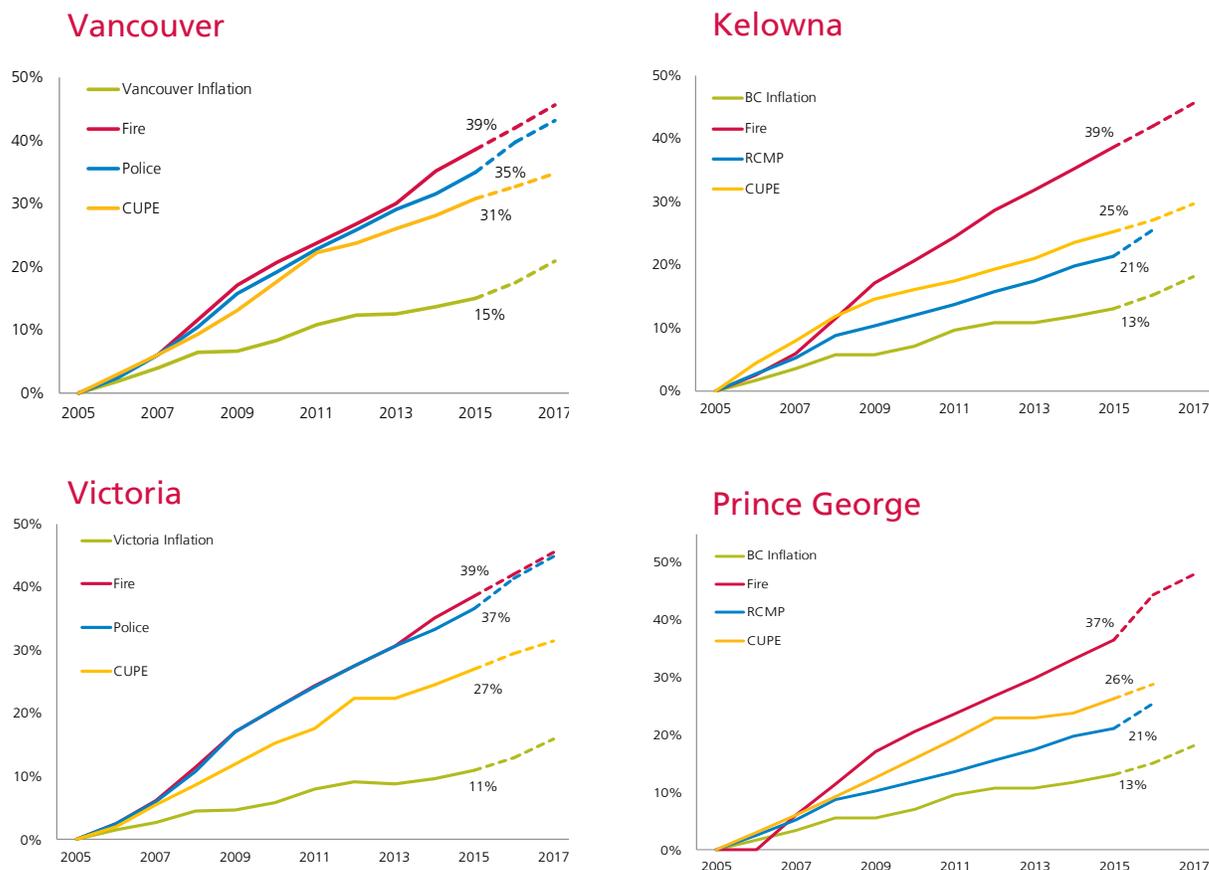
⁶ BC Laws, 2017, *Fire and Police Services Collective Bargaining Act*

⁷ Ersnt & Young, 2014, *BC Public Sector Compensation Review*

⁸ 2017 UBCM Provincial Election Platform

Figure 2

Cumulative Municipal Wage Growth for Public Sectors vs Inflation 2005 – 2017



Source: See Appendix 7 for individual collective agreement sources

* Inflation calculated using CPI from July 2017 for BC, Victoria, and Vancouver

* Rates based on CUPE: Pay Grade 2; Fire: Battalion Chief (Victoria and Vancouver); Fire: Captain (Kelowna and Prince George); Police: First Class Constable; RCMP: 1st Class Constable

* 2017 CUPE Collective Agreement not settled as of writing this report for Prince George

* 2017 RCMP Collective Agreement not settled as of writing this report

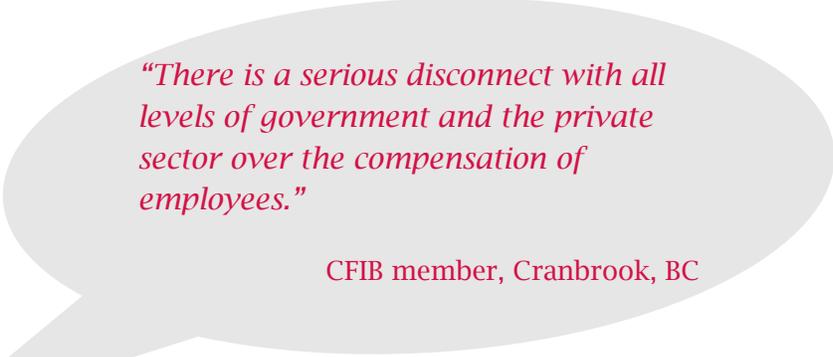
* Prince George: no wage increase during 2006 for Fire: Captain

* Victoria: no collective agreement covering 2013

Figure 2 includes years 2005 to 2017 to show historical and current wage increases already settled by a collective agreement or by arbitration. Years beyond 2015 are denoted by a dotted line. This has been done in order to allow uniformity throughout the report, and to highlight the increase for 2005 through 2015 (for exact data points during years beyond 2015, refer to Appendix 6). Wage increases past 2015 have been included to emphasize their escalating nature. Unsustainable wage increases have already made their mark, and their implications cannot continue to be ignored.

For the above municipalities, CUPE wages are growing at least two times faster than inflation levels. Wages for police and fire services have been increasing even faster, with a growth rate of roughly three times faster. The BC municipalities examined in this report have seen a relatively uniform trend, with large divergence between the rate of inflation and public sector wage growth. In some cases, it may be reasonable to argue in favour of wage growth levels exceeding inflation; however, current rates suggest that public sector wages have been growing much faster than what is reasonable, and has been putting strong pressure on municipal budgets.

There is an interesting case to be made for the RCMP's wage trend. RCMP wage growth was relatively stable since 2005, with no jarring increases. That is until 2015, when the RCMP were granted the right to collective bargaining. The following year, wages increased nearly 4 per cent. While that may seem insignificant, it is equivalent to a \$3000 increase in annual pay for a 1st Class Constable (see Appendix 6 for all wages). Such significant wage increases put pressure on municipal budgets, and drive up operating spending⁹. If this recent wage settlement is any indication of future outcomes, there is clear evidence to the errors of collective bargaining.



“There is a serious disconnect with all levels of government and the private sector over the compensation of employees.”

CFIB member, Cranbrook, BC

To fund wage increases, municipal governments often just look for new revenues. Subsequently, the financial burden is passed on to taxpayers. These outcomes are highlighted in the City of Vancouver 2016 - 2020 budget outlook, where they note that each 1 per cent wage increase city-wide requires property taxes to increase by 1.1 per cent to fund increased expenditures¹⁰. Municipal governments need to work together, along with the province, to find ways to increase their negotiating leverage when creating new collective bargaining agreements that better control public sector wages. In addition, the province needs to address the issues of the arbitration system, which does not consider a municipality's ability-to-pay, nor the differences in job responsibility and risk among municipalities.

While wages and benefits do account for roughly 60 per cent of municipal operating spending, it is important to note that it is not the only major driver of spending. The other 40 per cent of operating spending factors have grown in largely at the same rate, which cannot be ignored.

4. Municipal Revenues and Property Taxation

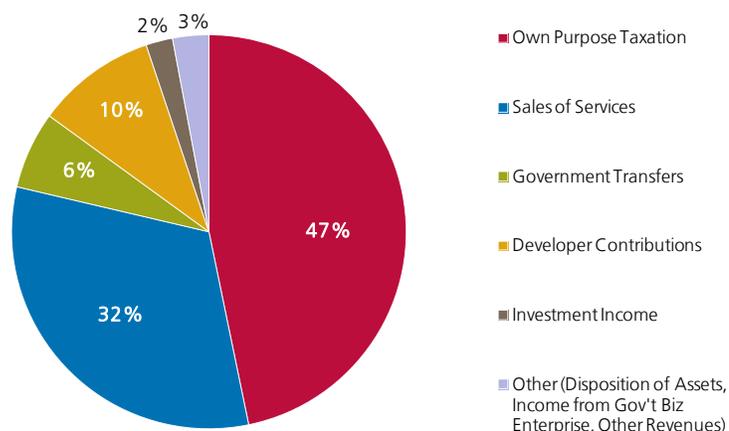
An important aspect of monitoring municipal spending requires examining where government revenues are coming from. With reference to Figure 3, the majority of municipal revenues stem from own purpose taxation (47 per cent), which is known as property taxes. Other revenues come from the sale of services (32 per cent), developer contributions (10 per cent), and government transfers (6 per cent).

⁹ Note: municipalities that have contracted RCMP before 1991 and have populations greater than 15,000 have a 90% municipal and 10% federal government cost-share ratio. Municipalities policed by RCMP since 1991 must pay 100% of contract policing costs.

¹⁰ 2016-2020 Vancouver Budget Outlook, 2015

Figure 3:

Sources of Municipal Revenue, 2015



Source: Ministry of Community, Sport, & Cultural Development. 2015. Local Gov't Stats. Revenue. Sch401_2015; BC Stats, CPI.

Unfortunately, data on median small business tax bills by municipality is not easily accessible due to a lack of information available from the provincial government and BC Assessment. However, an examination of property tax growth on all British Columbians (e.g. residents, businesses etc), shows how the tax burden has grown. In 2005, total property taxes per capita were \$572, which increased to \$743 by 2015, a 30 per cent jump (after adjusting for inflation).

"I think I know now what it must have been like for the peasants in Medieval times as far as having to pay taxes for what amounted to a lot of nothing in return. And for what? If you do the math it equates to paying \$29.77 per hour. It's like paying an employee... but this one never shows up to work!"

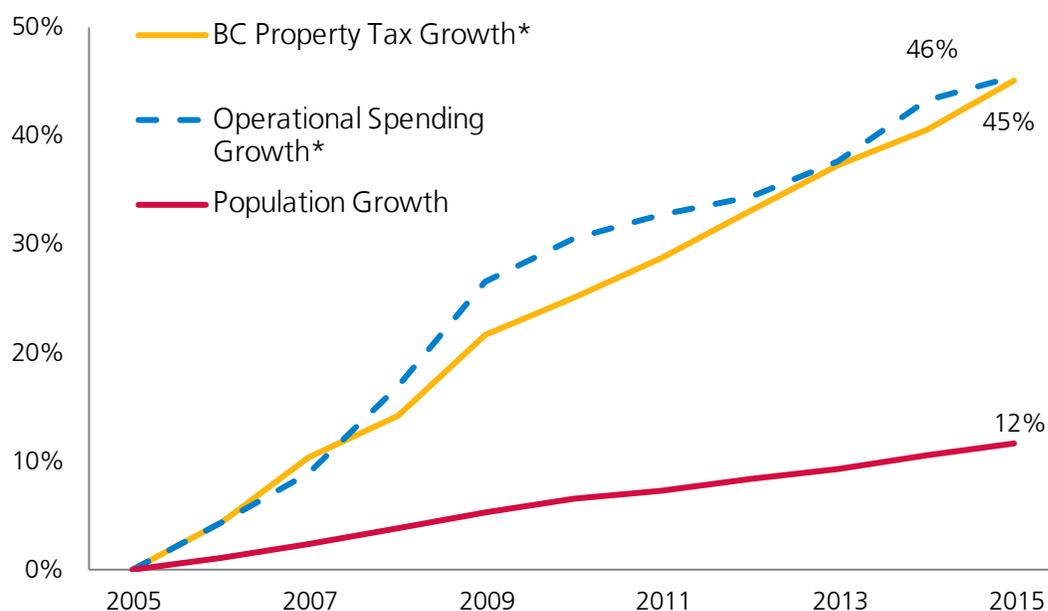
CFIB member, Esquimalt

Municipal government revenues must grow to support increased spending. Municipalities have relied on raising property taxes as the main source of creating new revenues. As seen in Figure 4, there is a clear correlation between increased municipal spending and property tax hikes. Both figures grew at similar rates between 2005 and 2015, providing evidence that unsustainable spending is supported by increasing property taxes.

It is troubling that both factors outpaced population growth by nearly four times. In other words, municipal spending is growing faster than the city's tax base. If this trend is to continue, real estate will become increasingly unaffordable in BC. It is also discouraging for small business entrepreneurs, who already often struggle to find qualified labour.

Figure 4:

Property Tax and Operational Spending Growth in BC, Inflation Adjusted (2005 - 2015)



*Adjusted for inflation

Source: Ministry of Community, Sport, & Cultural Development. 2015. Local Gov't Stats. Tax Rates & Tax Burden. Total Taxes & Charges. Sch703_2005-2015; BC Stats, CPI.

Businesses carry a larger burden than residents when it comes to property taxes. The City of Vancouver recently released their 2017 budget highlights, revealing this disparity by examining the estimated tax bills for a median single family and median business (see Figure 5). While a median residential unit saw an \$83 increase in their bill between 2016 and 2017, a median business saw an increase of \$152. These increases are based on a 3.9 per cent increase in property taxes¹¹.

¹¹ City of Vancouver, Five-year financial plan, 2017 Budget highlights

Figure 5:

City of Vancouver Property Tax Impact, 2017

	Median Single-Family \$1,386,000		Median Business Property \$618,000	
	ESTIMATED 2017 TAX BILL (CoV Portion)	CHANGE OVER 2016	ESTIMATED 2017 TAX BILL (CoV Portion)	CHANGE OVER 2016
Property Taxes (3.9% increase)	\$2,207	\$83	\$4,049	\$152

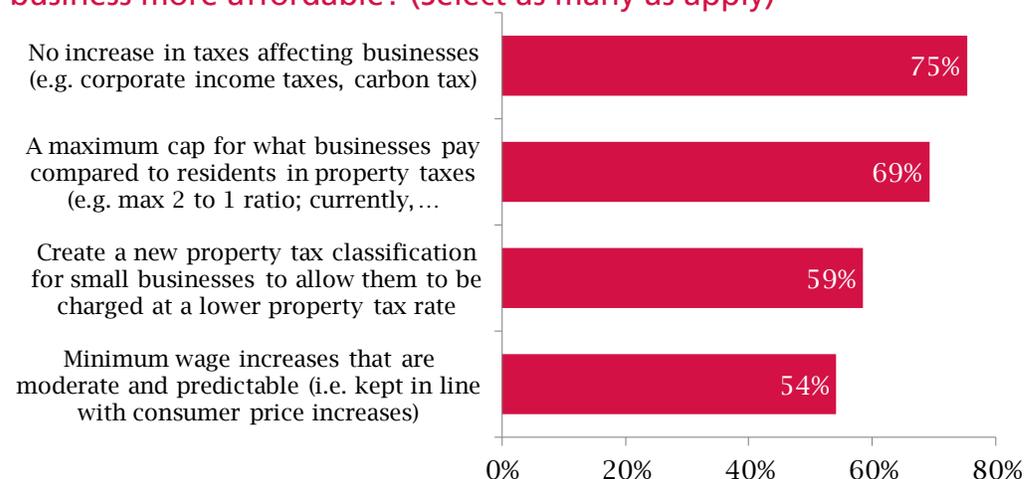
Source: City of Vancouver, Five-year financial plan, 2017 Budget highlights

Affordability is a key issue for small business owners. Property taxes are structured in a way that places a disproportionate burden on small businesses. While the province has recognized some differences between industries, small and large businesses are still treated as equal when it comes to property tax classification.

The majority of small businesses fall into Class 6: “business, other”, a broad category of property taxation which does not differentiate small businesses from large corporations. Many small businesses, particularly ones just starting out, struggle with profitability. The creation of a new classification for small businesses is a logical solution to encourage entrepreneurs. Small business owners strongly support creating a new small business property tax classification (see Figure 6). There is also strong support for mandating a maximum gap between what residents and businesses pay in property tax. Property taxes place a large financial burden on small businesses, and addressing this issue can only be done with well targeted policy.

Figure 6:

Which of the following policy options do you think the political parties should adopt in their election platforms to help make running your business more affordable? (Select as many as apply)



Source: CFIB BC Election Survey No 2, n=876.

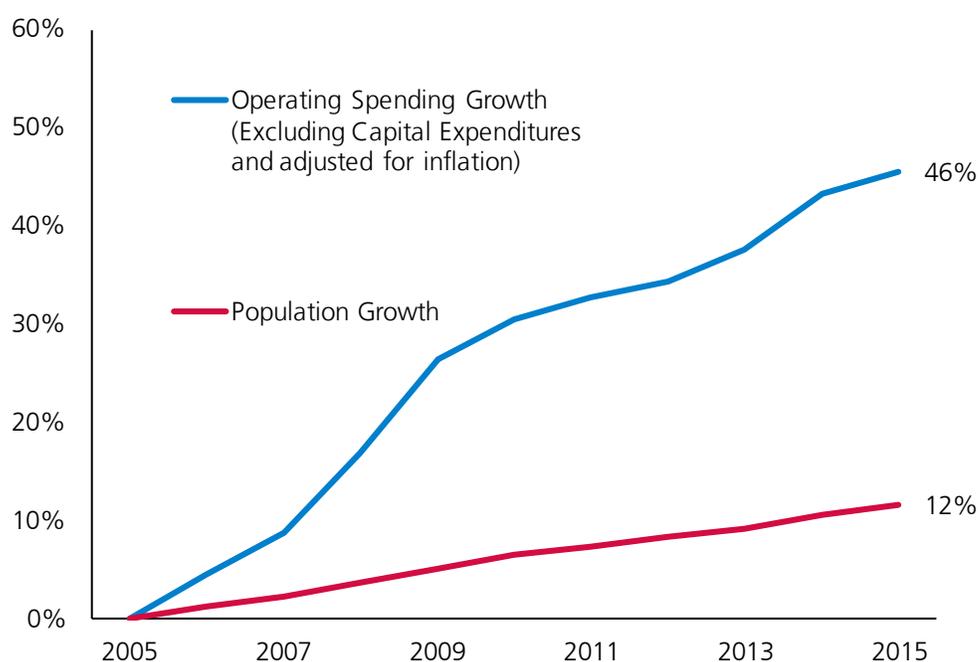
5. Municipal Spending Snapshot

The BC Municipal Spending Watch aims to analyze the sustainability of municipal government expenditures. It does so by ranking municipal governments based on their real operating costs per person, and the rate of real operating spending growth over a ten year period. This edition of the report examines operating spending data between 2005 to 2015 (the latest year for which data is available) to establish rankings for all BC municipalities. Over these years, BC's population grew by 12 per cent while inflation-adjusted municipal operating spending increased by 46 per cent – nearly four times faster (see Figure 7).

Municipal governments are unable to run a budget deficit, which means operational spending that is beyond population and inflation must be funded by new or already existing revenues. New revenues include, but are not limited to, raising taxes and/or fees on residents and businesses. Past research done by CFIB has shown increases in taxes and fees are often charged disproportionately on small businesses¹².

Figure 7

BC Municipal Operating Spending Growth (Adjusted for Inflation) and Population Growth, 2005–2015



Source: Ministry of Community, Sport and Cultural Development; BC Stats, Population Estimates; BC Stats, CPI. 2005-2015.

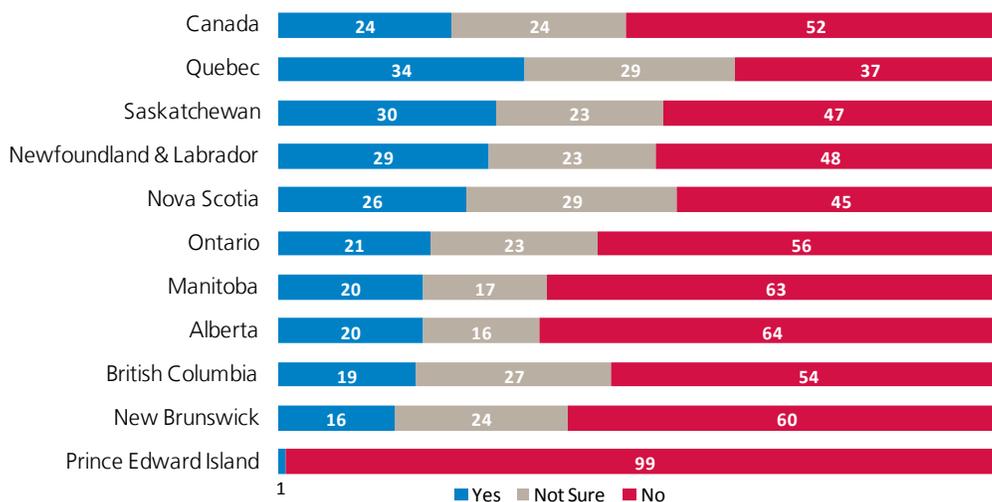
Increasing taxes and fees on small businesses has negative consequences for the entire province. According to government statistics, small businesses account for more than half of BC's private sector employment and roughly a third of its economic output¹³. Increased taxes are particularly difficult for small businesses to absorb, and can threaten their very existence since many operate in highly competitive markets on thin profit margins. When small business takes a hit, so does the economy.

¹² Truscott, Richard and Aerts, Aaron. 2016. *British Columbia Big Municipalities Have Major Property Tax Imbalance*.

¹³ Government of BC, 2016, *Small Business Profile*.

Figure 8

Small business owners: does your local government do a good job controlling its spending?



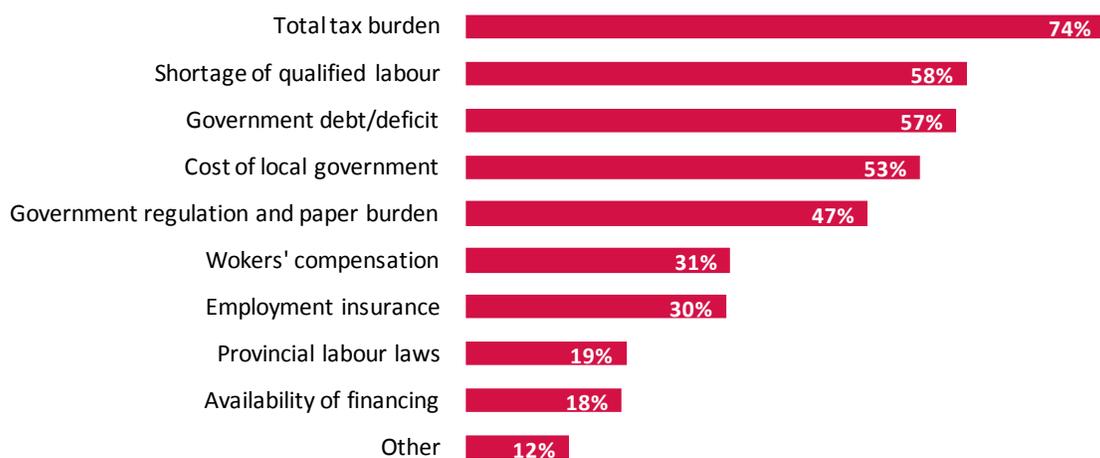
Source: CFIB Our Members' Opinions No.80, Jan-June 2017.

According to a recent CFIB survey, the majority of BC small business owners agree that local governments are not doing a good job at controlling operating spending. Only 19 per cent believe their local government is effective - one of the worst results across the country (see Figure 8).

When CFIB members were asked to select three issues that were of most concern to them, cost of local government placed fourth (see Figure 9). Additionally, government debt and deficits ranked third overall. Both of these issues involve government spending, which highlights that small businesses are feeling the pressure from revenue demands created by increased spending from all government.

Figure 9:

Which of the following issues are the most important to your business?



Source: CFIB Our Members' Opinions No.80, Jan-June 2017, n=1,594.

The message from small business is strong and clear: excess municipal spending is hurting them, and subsequently the economy. This is why CFIB is advocating for sustainable spending practices from BC municipal governments. Small business owners have repeatedly expressed through CFIB surveys that increases in municipal spending should be kept to the rate of inflation and population growth¹⁴. Most recently, 73 per cent of members indicated that making this a

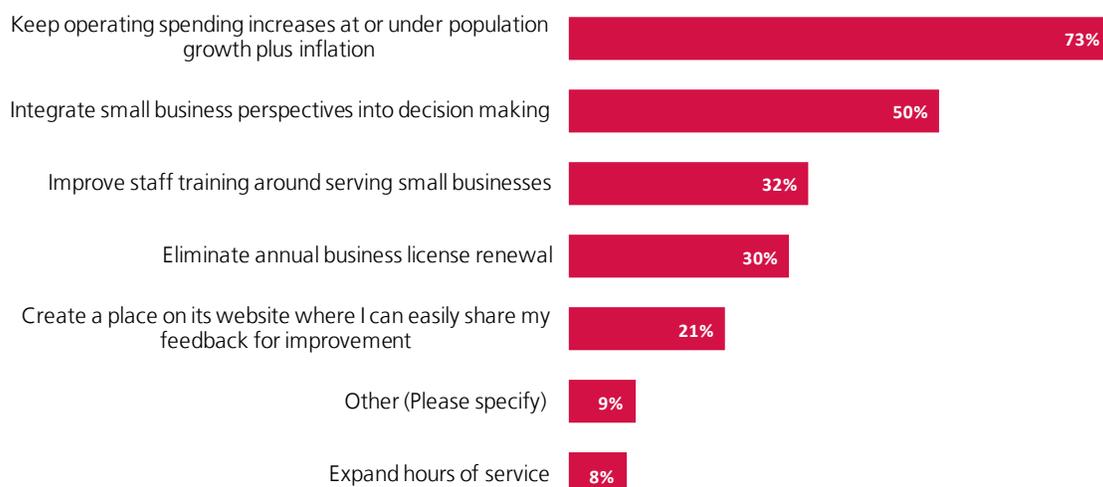
“Our City is not business friendly. They make it very difficult to run or start a business in this area.”

CFIB member, Nanaimo, BC

top priority is the best way for local governments to help their local businesses (see Figure 10).

Figure 10:

Which of the following actions would you like to see your local government take to help your business?



Source: CFIB Municipal Issues Survey, July 2017, n=1,594.

While excess spending habits impact municipalities across BC, this iteration of the report places an emphasis on the 20 largest municipalities in terms of population¹⁵. This allows for a more uniform comparison, as larger municipal governments have similar spending habits and corresponding taxation practices. Further, larger municipal governments tend to place a disproportionate amount of property taxes on business owners, so scrutiny on spending patterns is particularly warranted¹⁶. Finally, these municipalities are still widely representative of BC as they encompass over three-quarters of BC's population and are regionally and economically diverse¹⁷.

¹⁴ CFIB Municipal Issues Survey, July 2017

¹⁵ Municipalities examined are: Abbotsford, Burnaby, Chilliwack, City of North Vancouver, Coquitlam, Delta, District of North Vancouver, Kamloops, Kelowna, Maple Ridge, Nanaimo, New Westminster, Port Coquitlam, Prince George, Richmond, Saanich, Surrey, Township of Langley, Vancouver, Victoria

¹⁶ See *British Columbia Big Municipalities Have Major Property Tax Imbalance* for further details on this trend

¹⁷ See *BC Stats 2016*

Cost Sharing

Some municipalities have used innovative solutions to help reduce costs. For example, the City of Nelson shares the same Chief Financial Officer with Salmo, Silverton, and Slocan. By doing so, they are able to benefit from a valuable resource while only absorbing a portion of the total cost. Resource sharing is an innovative way smaller municipalities can control or even reduce spending. CFIB recommends other municipalities look into the benefits of resource and cost sharing.

6. Twenty Largest Municipalities – Summary

Per person spending trends have been on the rise for BC's largest municipalities. Only one major municipal government, Port Coquitlam, was in the top 20 best overall ranking across the province. Across provincial rankings, it is encouraging to see that Port Coquitlam places 19 from the top. However, their rank has dropped from last year's place of 13 overall, indicating a recent dip in their relative performance.

Table 1:

BC Twenty Largest Municipalities' Operating Expenditures - by Rank

Municipality	Rank 20 Largest	Overall Provincial Rank (1=Best, 152=Worst)	2005-2015 Real Operating Spending per Capita Growth (%)	2015 Operating Spending per Capita (\$)	Last Year Overall Provincial Rank	2014-2015 Operating Spending Per Capita Growth	Population Growth 2014-15	Real Spending Growth 2014-15
Port Coquitlam	1	19	16.6%	1222	13	2.6%	0.3%	2.9%
Chilliwack	2	22	25.6%	1044	76	-8.5%	4.8%	-4.1%
Coquitlam	3	27	24.1%	1263	24	3.3%	2.1%	5.5%
City of North Vancouver	4	31	12.9%	1586	46	-4.6%	3.2%	-1.6%
Kelowna	5	32	15.0%	1530	18	-0.6%	2.3%	1.7%
Surrey	6	36	37.8%	1036	53	-0.4%	2.0%	1.6%
Nanaimo	7	38	26.6%	1375	28	2.9%	2.4%	5.4%
Maple Ridge	8	46	33.8%	1224	12	2.3%	0.5%	2.9%
Burnaby	9	51	29.7%	1407	32	3.0%	1.5%	4.5%
Abbotsford	10	61	40.6%	1222	107	-7.9%	1.3%	-6.6%
Richmond	11	63	31.3%	1538	60	1.5%	0.8%	2.3%
Vancouver	12	64	20.3%	1841	57	-0.2%	0.8%	0.6%
Saanich	13	74	43.3%	1341	80	0.1%	-0.2%	-0.1%
Delta	14	77	29.8%	1758	81	-0.2%	-0.8%	-1.0%
Kamloops	15	83	35.5%	1673	77	2.1%	0.6%	2.8%
Prince George	16	84	31.6%	1794	78	5.4%	-2.7%	2.6%
Victoria	17	87	24.4%	2013	69	1.6%	1.6%	3.2%
District of North Vancouver	18	89	39.1%	1702	68	4.4%	-1.1%	3.3%
New Westminster	19	91	25.7%	2102	71	3.5%	2.1%	5.7%
Township of Langley	20	96	56.7%	1359	112	-2.8%	1.5%	-1.4%
Average	~	59	30.0%	1501	58	0.4%	1.2%	1.5%

Green = best; Red = worst. 20 = worst rank.

Source: CFIB Analysis of BC Gov data published municipal spending, inflation and population data 2005-2015

The "overall rank" assigned to each municipality is an equally-weighted combination of two indicators:

(1) 2005 - 2015 real operating spending per capita growth, or percentage growth in operating spending over the past 10 years, adjusted for inflation and population growth; and (2) 2015 operating spending per capita

* Last year's ranking is not directly comparable to the rank in this year's report owing to a different base year being used. See Appendix 1 for details.

Long-Term Trends (2005 - 2015)

The worst performing major municipal government was the Township of Langley, where real operating spending per capita growth grew 56.7 per cent between 2005 and 2015. However, the municipality's rank has improved from 112 in 2014, to 96 in 2015. This is for two reasons. The first is that its per person spending in 2015 (\$1,359) is below average (\$1,501). Secondly, real spending growth fell between 2014 and 2015 (1.4 per cent), suggesting there have been recent efforts to control operating spending by the municipal government.

In 2015, Surrey had the lowest operational spending of the largest municipal governments, with expenses of \$1,036 per capita. However, examination of the municipality's ten-year trend reveals a higher than average real operating spending growth per capita (37.8 per cent). In contrast, New Westminster had the highest operational spending of \$2,102 per capita.

For a detailed breakdown of operating spending patterns annually between 2005 to 2015 for each municipality, please see Appendix 3 and 4.

Short-Term Trends (2014 - 2015)

Table 2 shows the major municipal governments with the largest year-over-year progress, or regression, in controlling operating expenditures. The ranks are given based on operational spending growth per capita between 2014 and 2015. While an examination of the ten-year trend allowed an assessment of long-term municipal spending trends, a short-term investigation reveals recent habits.

Table 2:

BC Major Municipal Operating Spending Rankings – by one-year change

Municipality	2014-2015 Operating Spending Per Capita Growth	Rank (by 2014-2015 operating spending per capita growth)	Population Growth 2014-15	Real Spending Growth 2014-15
Chilliwack	-8.5%	1	4.8%	-4.1%
Abbotsford	-7.9%	2	1.3%	-6.6%
City of North Vancouver	-4.6%	3	3.2%	-1.6%
Township of Langley	-2.8%	4	1.5%	-1.4%
Kelowna	-0.6%	5	2.3%	1.7%
~~~~~	~~~	~~~~	~~~	~~~
Burnaby	3.0%	6	1.5%	4.5%
Coquitlam	3.3%	7	2.1%	5.5%
New Westminster	3.5%	8	2.1%	5.7%
District of North Vancouver	4.4%	9	-1.1%	3.3%
Prince George	5.4%	10	-2.7%	2.6%
<b>Average</b>	<b>-0.5%</b>	<b>~</b>	<b>1.5%</b>	<b>1.0%</b>

*Green = best; Red = worst.*

*Source: CFIB Analysis of BC Gov data published municipal spending, inflation and population data 2005-2015*

*Notes: See Table 1 for ten-year rankings for all major municipalities.*

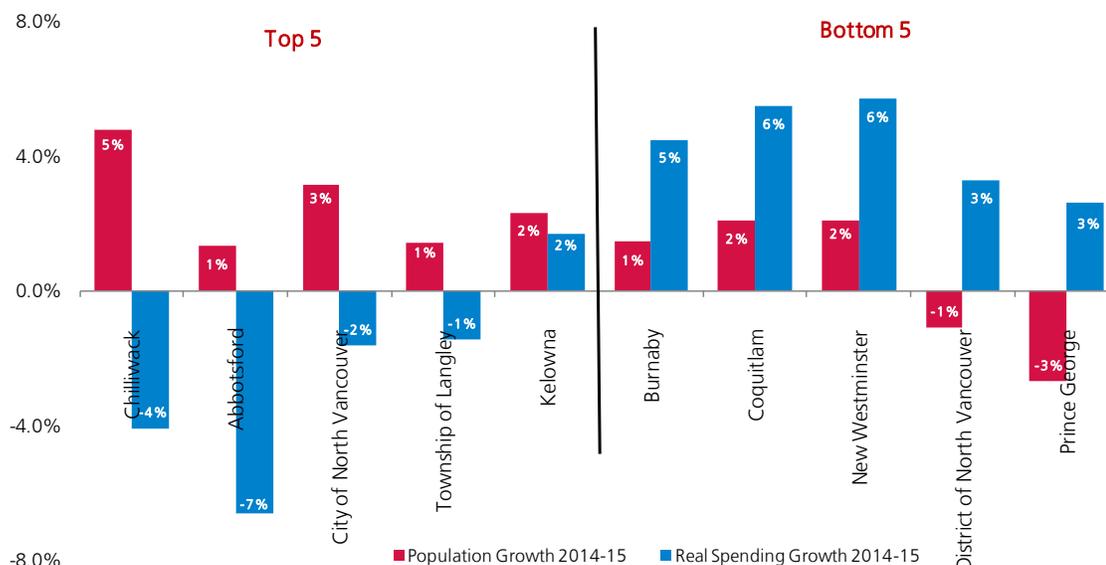
Chilliwack has seen considerable improvement between 2014 and 2015. Operating spending per capita growth decreased by 8.5 per cent, indicating that fewer dollars are being spent relative to each resident. While these recent positive trends are encouraging, Chilliwack's ten-year real operating spending growth still exceeds population growth. Chilliwack should use this year's spending habits as motivation to continue a more sustainable trend. On the contrary, Prince George ranked last out of the major municipalities in terms of 2014-2015 operational spending per capita growth. Recent spending has grown 5.4 per cent per capita, while population levels have actually decreased. Additionally, Prince

George's long-term real operating spending growth per capita is 31.6 per cent, which is above average for the top 20 municipalities.

Overall, 12 of the 20 major municipal governments increased their spending between 2014 and 2015, after adjusting for inflation and population growth (see Table 1). Despite that the majority of municipalities increased operating spending, it is encouraging to see that eight decreased their real operating expenditures per person between 2014 and 2015.

Figure 11:

### Municipal Real Operating Spending and Population Growth: 2014 to 2015, Five Best and Five Worst Performing Major Municipalities



Source: CFIB Analysis of BC Government data published municipal spending, inflation and population data 2005-2015.

Figure 11 records the best and worst performers between 2014 and 2015 in a different format, which shows a staggering disparity. The best five all experienced population growth, yet managed to keep their inflation-adjusted operating expenditure growth at or below 2 per cent. While it may be encouraging to see spending growth for these municipalities is relatively low in comparison, no municipality met the sustainable benchmark when comparing local spending to population growth. Meanwhile, the worst performing municipal governments budgeted significant year-over-year spending increases which significantly outpaced population growth. Burnaby, Coquitlam, New Westminster, District of North Vancouver, and Prince George need to effectively control operating spending, as increases upwards of 6 per cent annually are unsustainable over long or even medium-term horizons.

## 7. Province Wide - Summary

Table 3:

### BC Municipal Governments: Top 5 Best and Worst Performers by Rank

Municipality	Overall Provincial Rank (152=Worst)	2014 Real Operating Spending	2015 Operating Spending per Capita (\$)	Last Year Overall Rank	2014-2015 Operating Expenditure Per Capita Growth
Parksville	1	-0.8%	1094	2	-0.7%
Highlands	2	8.6%	848	3	-0.8%
Cumberland	3	9.5%	902	70	-12.9%
Port Alice	4	-40.8%	2253	4	8.4%
Metchosin	5	20.3%	645	20	-6.6%
~	~	~	~	~	~
Hazelton	148	94.0%	3841	145	28.1%
Silverton	149	114.4%	3939	124	42.0%
Whistler	150	26.8%	6566	150	1.0%
Northern Rockies	151	130.4%	4919	151	13.8%
Stewart	152	180.1%	6237	152	26.7%

Green = best; Red = worst. 20 = worst rank.

Source: CFIB Analysis of BC Gov data published municipal spending, inflation and population data 2005-2015

Notes: See Appendix 3 and 4 for the rankings of all BC municipalities.

Parksville is the top ranked municipality in BC, up from second place in the 2014 data (see Table 3). The municipality performed well on both metrics, with a 2015 per capita operating spending of \$1,094 and a reduction in real operating spending per capita by one per cent between 2005 to 2015. Stewart is once again BC's worst overall performer. The municipality had one of the highest 2015 per capita spending level at \$6,237 per person. Unfortunately, despite recent efforts to reduce spending, Stewart increased its per capita expenditure growth by 27 per cent between 2014 and 2015.

Northern Rockies and Whistler ranked second and third worst respectively, with no rank change from the previous year. Whistler had the highest operating spending per capita in the province at \$6,566. However, Whistler is somewhat unique in comparison to the other BC municipalities. A significant portion of homeowners in Whistler maintain their official residence elsewhere, and thus are not counted in the number of permanent residents (population). Furthermore, owing to the fact that Whistler has a sizeable tourist industry (over 2.5 million visitors annually), it provides a large amount of services to non-residents. These two factors distort the per capita operating expenditures¹⁸.

¹⁸ 2015. Whistler Stats & Facts

## 8. Conclusions and Recommendations

Municipal operational spending is considered sustainable when it is at or below the rate of inflation and population growth¹⁹. However, over a ten-year term between 2005 and 2015, the majority of municipal governments in BC have spent well in excess of sustainable levels. A major driver of unsustainable spending practices can be attributed to a broken collective bargaining system that drives up the cost of public sector wages and benefits. As this expense continues to rise, so do property taxes to support the rising costs. Ignoring the issue will only continue to add to the financial squeeze on British Columbian's. Furthermore, as a disproportionate amount of taxes are passed onto small businesses, many are finding it difficult to absorb the increases.

Only a small portion of BC municipal governments have demonstrated meaningful fiscal restraint. Excessive growth in operating spending by local governments leads to higher taxes which, in turn puts pressure on local commerce and stifles job growth. For local governments, the choice is clear: address their growth in operational spending now or leave a greater burden for future governments to deal with.

CFIB believes there is still an opportunity for municipal governments to adopt more sustainable spending practices. Ultimately, it will require strong political leadership.

CFIB recommendations:

	MUNICIPAL	PROVINCIAL	FEDERAL
<i>Operating spending control (general)</i>			
1. <b>Limit increases in operating spending to no more than inflation and population growth.</b>	✓		
2. <b>Introduce annual zero-based budgeting, conduct regular service reviews, identify core and non-core services and consider contracting out to the private sector.</b>	✓		
3. <b>Have suitable contingency funds for special circumstances that require an increase in operating spending (e.g. natural disasters, special events).</b>	✓		
<i>Wage and hiring control</i>			
4. <b>Limit compensation increases until public and private sector compensation levels are aligned. Any new employees should be hired at compensation levels in line with private sector norms for similar occupations.</b>	✓		
5. <b>Increase pension sustainability by: reducing unfunded pension liabilities (without solely relying on taxpayer bailouts), eliminating early retirement provisions (e.g. bridge benefit) and enrolling new hires in defined contribution instead of defined benefit pension plans.</b>	✓	✓	
6. <b>Eliminate the banking of sick days and replace with affordable short-term disability plans.</b>	✓		
7. <b>Consider reducing the size of the civil service (primarily through attrition).</b>	✓		
8. <b>Share municipal staff between municipalities to find cost efficiencies and to allow small municipalities access to high quality employees.</b>	✓		
9. <b>Reform negotiation/arbitration laws and practices to strengthen the municipal governments' negotiation position.</b>			✓

¹⁹ CFIB Municipal Issues Survey, July 2017

*Financial information and accountability*

- |                                                                                                                                                                                                                                                                                                       |   |   |   |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---|---|
| 10. <b>Improve access to financial information (e.g. publish at least the five most recent Audited Financial Statements on the city's website and update according to legislated deadlines for reporting, centralize standardized data on website of ministry responsible for municipal affairs).</b> | ✓ | ✓ |   |
| 11. <b>Improve comparability of financial information. Collect and publish in a consistent manner over time and provide templates that municipal governments should use for financial reporting (i.e., budgets, financial statements and/or municipal financial information returns).</b>             | ✓ | ✓ | ✓ |
| 12. <b>Improve the level of detail of financial information (e.g. number of employees, total amount spent on wages, salaries and benefits broken down by function, amortization of tangible capital assets, etc.).</b>                                                                                | ✓ | ✓ |   |
| 13. <b>Disclose the salaries and benefits of public sector employees making more than \$75,000, and make this information easily available on municipal and provincial websites, and in municipal financial statements.</b>                                                                           | ✓ | ✓ |   |
| 14. <b>Track and monitor municipal financial performance (e.g. annual indicators, benchmark by which to measure operating spending performance).</b>                                                                                                                                                  | ✓ | ✓ |   |
| 15. <b>Support the Auditor General for Local Government and expand its mandate to include analysis of value-for-money.</b>                                                                                                                                                                            |   |   | ✓ |

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*For sources on collective agreements, see Appendix 7.

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## Appendix 1

### Methodology

The Municipal Spending Watch rankings are based on an equal weighting of growth in inflation-adjusted operating spending per capita (2005 to 2015) and 2015 operating spending per capita²⁰. In order for the ranking system to be more intuitive, this year's report's ranking system works so that the best performing municipality is given a rank of one. In previous editions, the worst ranked municipality was given a rank of one.

Capital expenditures, such as infrastructure building, are excluded from the report. This report only looks at local government *operating* spending. Starting in 2014, policing costs are included in this report (see Appendix 2). An implication of this inclusion is that this year's report is not comparable to previous editions (pre-2015) of the BC Municipal Spending Watch, since policing costs were excluded in previous editions.

In total, 152 municipalities are covered in this report. Barriere, Canal Flats, Clearwater, Sun Peaks, West Kelowna and Queen Charlotte were not included in this report since many of these municipalities are newly incorporated and do not have data stretching back to 2005. Zeballos has been excluded from this year's report as the municipality has a very small population that has decreased substantially since 2000. Pemberton has also been excluded since, at the time this report was written, the municipality had not yet submitted their 2014 financial records to the BC Ministry of Community, Sport and Cultural Development for verification.

Municipalities are divided into the following geographic regions:

- Vancouver, Coast & Mountains
- Vancouver Island
- Thompson-Okanagan
- Kootenay-Rockies & Cariboo-Chilcotin Coast
- Northern British Columbia

This report analyzes BC municipal spending statistics from 2005 to 2015, the most recent year available. Unless otherwise stated, data on municipal revenues and expenditures have been obtained from the Ministry of Community, Sport and Cultural Development. Figures and tables on municipal spending represent CFIB calculations based on this data.

The year 2005 is used as the base year for comparing operating spending. This inevitably includes spending patterns during both economic upturns and economic downturns over the past 10 years. Municipal operating spending is calculated using total municipal expenditures, excluding capital spending. It is important to note that the rankings between this iteration of the report and previous versions are not directly comparable to editions prior to 2015. This is a result of CFIB's methodology being altered to look at a rolling ten year period (i.e. 2004-2014, 2005-2015, etc) rather than in previous reports which used 2000 as the base year. Going forward, the comparison of rankings will be

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²⁰A standardized index is created for each indicator (between 1 and 100). A municipality with the highest real operating spending per capita growth is given a score of 1 while the municipality with the lowest 2004 – 2014 real operating spending per capita growth is given a score of 100. All other municipalities are given a proportionate score within that range. The same exercise is applied to the indicator for the 2014 operating spending per capita.

more meaningful. While the 2013 reports' rankings are indicative of how the municipalities compared in 2012 relative to spending in 2000, the length of the time period shifting results in differences in the percentage change (which is a key part of how rankings are formed).

Municipal population growth rates and provincial inflation growth rates are calculated based on BC Stats data from 2005 to 2015. The population figures have been updated from previous reports to obtain more recent estimates. All municipalities have been allocated the provincial inflation rate with the exception of those municipalities within the Greater Vancouver Region and the Capital Region, as separate inflation values exist for these two regions. To evaluate the degree of sustainable spending growth, CFIB considers population growth and inflation to be a reasonable benchmark for optimal spending increases based on survey responses from small business owners in BC²¹.

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²¹ Based on CFIB survey data. Armstrong, Matthew and Jones, Laura. *British Columbia Municipal Spending Watch*

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## Appendix 2

### A Note on Policing Costs

Although excluded from past reports, policing costs started to be included in the 2014 report. The reason for the previous exclusion is that most BC municipalities do not have an independent police force but rather contract out to the RCMP. Due to this, municipalities have argued that they have little control over their policing costs since the federal government, not the municipality, negotiates policing wages. However, although municipalities that contract out to the RCMP may not have much control over their contracts, they do have control over the number of police officers they hire²². CFIB sees this as a credible reason to include policing costs in these calculations.

According to the BC Ministry of Justice, a municipality is responsible for its own police services once it reaches a population of 5,000²³. Before reaching a population of 5,000, municipalities are policed by the provincial RCMP. The province pays for 70 per cent of the associated costs while the federal government pays for the remaining 30 per cent. A portion (50 per cent) of the provincial component is recovered through a municipal Police Tax.

Once a municipality has reached a population of 5,000, it has the choice of forming an independent department, contracting with an existing department or contracting with the provincial government for RCMP services. As of 2014, there are 75 BC municipalities that were given responsibility for providing their own police services, 12 which have chosen to be policed by an independent force (Vancouver, Victoria, Saanich, Central Saanich, Oak Bay, Delta, Abbotsford, New Westminster, West Vancouver, Nelson and Port Moody; Esquimalt shares services with Victoria). These 12 municipalities are responsible for 100 per cent of their policing costs and are governed by their own policing board. Of the remaining 63 municipalities that are policed by the RCMP, those with a population of 5,000-14,999 are responsible for 70 per cent of their policing costs. Municipalities with a population over 14,999 are responsible for 90 per cent. The federal government pays for the remaining portions.

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²² Government of British Columbia. 2012. *British Columbia Municipal Police Unit Agreement*

²³ Government of British Columbia, Ministry of Justice. 2015. *Police Resources in British Columbia, 2014*

## Appendix 3

### Overall Provincial Rank (1=Best, 152=Worst)

Municipality	Overall Provincial Rank (1=Best, 152=Worst)	Last Year Rank	2005-2015 Real Operating Spending per Capita Growth (%)	2015 Operating Spending per Capita (\$)	Change in Municipal Spending per Capita from 2014-2015 (%)	2005-2015 Real Operating Spending Growth (%)	2005-2015 Population Growth (%)
Parksville	1	2	-1	1094	-1	15	16
Highlands	2	3	9	848	-1	22	12
Cumberland	3	70	10	902	-13	42	30
Port Alice	4	4	-41	2253	8	-47	-11
Metchosin	5	20	20	645	-7	19	-1
Langford	6	11	12	897	-5	84	64
Lake Country	7	16	7	1101	-11	56	46
Chase	8	59	16	892	-18	13	-3
Armstrong	9	19	21	807	-2	36	13
Burns Lake	10	44	-19	1896	6	-29	-13
Taylor	11	121	-36	2383	-38	-28	12
Kaslo	12	61	8	1244	-14	2	-5
Coldstream	13	7	31	637	2	49	14
Fruitvale	14	8	25	824	0	28	3
Lake Cowichan	15	6	17	1067	3	27	8
Campbell River	16	14	12	1279	-2	27	13
Qualicum Beach	17	35	20	1080	-13	27	6
Fort St. James	18	5	-8	1870	2	11	20
Port Coquitlam	19	13	17	1222	3	28	10
Anmore	20	75	24	1033	-3	53	24
Salmon Arm	21	15	19	1222	2	29	8
Chilliwack	22	76	26	1044	-8	57	25
City of Langley	23	48	19	1229	-5	32	11
Houston	24	74	15	1400	-15	12	-2
Gibsons	25	43	16	1431	-2	27	9
Port Hardy	26	22	16	1444	-1	11	-4
Coquitlam	27	24	24	1263	3	50	21
View Royal	28	1	35	978	8	65	22
Lumby	29	136	31	1077	-25	40	6
Oliver	30	50	29	1159	2	37	6
City of North Vancouver	31	46	13	1586	-5	33	18
Kelowna	32	18	15	1530	-1	33	16
Slocan	33	128	-8	2196	-8	-15	-7
Keremeos	34	36	35	1079	3	56	16
Port McNeill	35	21	36	1051	10	24	-9
Surrey	36	53	38	1036	0	79	30
Salmo	37	51	34	1149	4	55	15
Nanaimo	38	28	27	1375	3	45	14
Prince Rupert	39	9	-24	2745	5	-34	-13
Telkwa	40	132	31	1256	-29	33	1
Cranbrook	41	66	19	1606	-5	29	9
North Cowichan	42	56	36	1148	-2	46	8
Courtenay	43	34	26	1402	-4	47	17
Comox	44	58	38	1077	-2	58	14
Bowen Island	45	39	22	1527	2	28	5

Maple Ridge	46	12	34	1224	2	55	16
Squamish	47	105	12	1806	-10	37	22
Central Saanich	48	40	30	1323	0	29	-1
Colwood	49	42	42	1031	5	60	13
Port Moody	50	23	25	1482	4	57	25
Burnaby	51	32	30	1407	3	48	14
Lantzville	52	83	55	729	15	41	-9
Sidney	53	27	29	1444	3	23	-4
Ladysmith	54	26	35	1294	4	50	11
Midway	55	30	17	1768	3	25	6
Castlegar	56	38	23	1618	3	33	8
North Saanich	57	41	39	1247	1	40	1
Princeton	58	79	32	1440	9	35	3
Port Alberni	59	37	20	1768	2	10	-8
Mission	60	31	37	1312	7	51	10
Abbotsford	61	107	41	1222	-8	54	10
100 Mile House	62	49	13	2018	-5	15	2
Richmond	63	60	31	1538	1	51	15
Vancouver	64	57	20	1841	0	32	10
Hope	65	92	36	1436	-9	26	-8
White Rock	66	65	35	1492	3	37	1
Chetwynd	67	10	13	2096	1	15	1
Sooke	68	103	63	764	-1	102	24
Powell River	69	47	22	1882	4	22	0
Sechelt	70	17	41	1369	12	67	18
Greenwood	71	97	27	1764	-5	38	9
Ashcroft	72	89	36	1534	-4	25	-8
Fernie	73	67	12	2176	-1	10	-2
Saanich	74	80	43	1341	0	43	0
Pitt Meadows	75	108	49	1198	-8	85	24
Esquimalt	76	99	33	1672	2	28	-3
Delta	77	81	30	1758	0	31	1
Kent	78	72	44	1367	1	68	16
Peachland	79	84	44	1441	-2	48	3
Rossland	80	25	39	1569	4	47	6
Enderby	81	87	54	1173	5	55	1
Warfield	82	109	54	1183	-1	48	-4
Kamloops	83	77	35	1673	2	49	10
Prince George	84	78	32	1794	5	28	-3
Sparwood	85	104	22	2053	-6	25	2
Quesnel	86	63	20	2130	3	15	-4
Victoria	87	69	24	2013	2	32	6
Montrose	88	115	65	983	-10	63	-1
District of North Vancouver	89	68	39	1702	4	40	1
Duncan	90	45	52	1388	9	46	-4
New Westminster	91	71	26	2102	4	51	20
Vernon	92	110	51	1419	1	69	12
Williams Lake	93	111	33	1904	-7	34	1
Merritt	94	102	47	1531	-1	53	4
Valemount	95	131	6	2709	8	8	1
Township of Langley	96	112	57	1359	-3	93	23
Spallumcheen	97	55	73	934	15	77	3
Osoyoos	98	85	52	1486	3	58	4
Clinton	99	33	34	2009	17	62	21
Alert Bay	100	91	9	2676	-4	-6	-14
Mackenzie	101	29	26	2260	9	-8	-27
Trail	102	88	30	2169	2	30	0

Kimberley	103	82	30	2190	-2	41	9
Smithers	104	86	34	2085	6	27	-5
Oak Bay	105	90	42	1905	8	36	-4
Lillooet	106	144	54	1575	-18	55	1
Nakusp	107	93	35	2123	3	34	-1
Elkford	108	101	31	2240	4	36	4
Terrace	109	62	51	1703	-1	43	-6
Port Clements	110	64	57	1606	5	21	-23
Golden	111	120	57	1721	0	55	-1
Cache Creek	112	54	45	2066	20	33	-8
Masset	113	138	-11	3605	-8	-16	-6
Invermere	114	143	49	2027	-9	57	5
Summerland	115	106	48	2090	2	54	4
Creston	116	73	64	1663	12	64	0
New Hazelton	117	95	43	2228	1	36	-5
Nelson	118	96	12	3090	1	31	17
Gold River	119	113	45	2307	6	36	-6
Wells	120	127	2	3459	-5	1	-2
Penticton	121	100	36	2555	7	49	9
Dawson Creek	122	98	30	2839	6	43	10
Vanderhoof	123	52	78	1536	20	92	8
Fraser Lake	124	142	58	2091	-10	56	-1
Fort St. John	125	114	61	2030	3	92	19
Kitimat	126	123	41	2684	-1	17	-17
McBride	127	133	47	2551	1	25	-15
Revelstoke	128	129	59	2337	1	58	-1
Logan Lake	129	117	75	1908	4	66	-5
Tofino	130	135	55	2473	-6	85	19
Grand Forks	131	139	55	2519	-10	50	-4
Ucluelet	132	94	48	2855	13	47	0
West Vancouver	133	118	44	2960	5	40	-2
Sicamous	134	125	89	1776	5	78	-5
New Denver	135	134	90	1783	4	95	3
Tahsis	136	137	6	4164	1	-32	-36
Sayward	137	126	46	3127	1	29	-12
Radium Hot Springs	138	119	59	2890	7	81	14
Belcarra	139	141	101	1970	4	81	-10
Harrison Hot Springs	140	122	102	2160	8	79	-11
Hudson's Hope	141	146	44	3865	2	45	0
Tumbler Ridge	142	116	72	3432	23	94	13
Lions Bay	143	140	129	1962	21	116	-6
Lytton	144	148	47	4342	-1	39	-6
Port Edward	145	130	34	4752	5	10	-18
Granisle	146	147	77	3962	3	51	-15
Pouce Coupe	147	149	124	3006	11	115	-4
Hazelton	148	145	94	3841	28	76	-9
Silverton	149	124	114	3939	42	116	1
Whistler	150	150	27	6566	1	38	9
Northern Rockies	151	151	130	4919	14	170	17
Stewart	152	152	180	6237	27	109	-25

Source: Ministry of Community, Sport, & Cultural Development. 2005-2015. Local Gov't Stats, Expenditure. Sch402_2005-2015; BC Stats, Population Estimates 2005-2015; BC Stats, CPI.

## Appendix 4

### Overall Provincial Rank, in Alphabetical Order (1=Best, 152=Worst)

Municipality	Overall Provincial Rank (1=Best, 152=Worst)	Last Year Rank	2005-2015 Real Operating Spending per Capita Growth (%)	2015 Operating Spending per Capita (\$)	Change in Municipal Spending per Capita from 2014-2015 (%)	2005-2015 Real Operating Spending Growth (%)	2005-2015 Population Growth (%)
100 Mile House	62	49	13	2018	-5	15	2
Abbotsford	61	107	41	1222	-8	54	10
Alert Bay	100	91	9	2676	-4	-6	-14
Anmore	20	75	24	1033	-3	53	24
Armstrong	9	19	21	807	-2	36	13
Ashcroft	72	89	36	1534	-4	25	-8
Belcarra	139	141	101	1970	4	81	-10
Bowen Island	45	39	22	1527	2	28	5
Burnaby	51	32	30	1407	3	48	14
Burns Lake	10	44	-19	1896	6	-29	-13
Cache Creek	112	54	45	2066	20	33	-8
Campbell River	16	14	12	1279	-2	27	13
Castlegar	56	38	23	1618	3	33	8
Central Saanich	48	40	30	1323	0	29	-1
Chase	8	59	16	892	-18	13	-3
Chetwynd	67	10	13	2096	1	15	1
Chilliwack	22	76	26	1044	-8	57	25
Clinton	99	33	34	2009	17	62	21
Coldstream	13	7	31	637	2	49	14
Colwood	49	42	42	1031	5	60	13
Comox	44	58	38	1077	-2	58	14
Coquitlam	27	24	24	1263	3	50	21
Courtenay	43	34	26	1402	-4	47	17
Cranbrook	41	66	19	1606	-5	29	9
Creston	116	73	64	1663	12	64	0
Cumberland	3	70	10	902	-13	42	30
Dawson Creek	122	98	30	2839	6	43	10
Delta	77	81	30	1758	0	31	1
Duncan	90	45	52	1388	9	46	-4
Elkford	108	101	31	2240	4	36	4
Enderby	81	87	54	1173	5	55	1
Esquimalt	76	99	33	1672	2	28	-3
Fernie	73	67	12	2176	-1	10	-2
Northern Rockies	151	151	130	4919	14	170	17
Fort St. James	18	5	-8	1870	2	11	20
Fort St. John	125	114	61	2030	3	92	19
Fraser Lake	124	142	58	2091	-10	56	-1
Fruitvale	14	8	25	824	0	28	3
Gibsons	25	43	16	1431	-2	27	9
Gold River	119	113	45	2307	6	36	-6
Golden	111	120	57	1721	0	55	-1
Grand Forks	131	139	55	2519	-10	50	-4
Granisle	146	147	77	3962	3	51	-15
Greenwood	71	97	27	1764	-5	38	9
Harrison Hot Springs	140	122	102	2160	8	79	-11

Hazelton	148	145	94	3841	28	76	-9
Highlands	2	3	9	848	-1	22	12
Hope	65	92	36	1436	-9	26	-8
Houston	24	74	15	1400	-15	12	-2
Hudson's Hope	141	146	44	3865	2	45	0
Invermere	114	143	49	2027	-9	57	5
Kamloops	83	77	35	1673	2	49	10
Kaslo	12	61	8	1244	-14	2	-5
Kelowna	32	18	15	1530	-1	33	16
Kent	78	72	44	1367	1	68	16
Keremeos	34	36	35	1079	3	56	16
Kimberley	103	82	30	2190	-2	41	9
Kitimat	126	123	41	2684	-1	17	-17
Ladysmith	54	26	35	1294	4	50	11
Lake Country	7	16	7	1101	-11	56	46
Lake Cowichan	15	6	17	1067	3	27	8
Langford	6	11	12	897	-5	84	64
City of Langley	23	48	19	1229	-5	32	11
Township of Langley	96	112	57	1359	-3	93	23
Lantzville	52	83	55	729	15	41	-9
Lillooet	106	144	54	1575	-18	55	1
Lions Bay	143	140	129	1962	21	116	-6
Logan Lake	129	117	75	1908	4	66	-5
Lumby	29	136	31	1077	-25	40	6
Lytton	144	148	47	4342	-1	39	-6
Mackenzie	101	29	26	2260	9	-8	-27
Maple Ridge	46	12	34	1224	2	55	16
Masset	113	138	-11	3605	-8	-16	-6
McBride	127	133	47	2551	1	25	-15
Merritt	94	102	47	1531	-1	53	4
Metchosin	5	20	20	645	-7	19	-1
Midway	55	30	17	1768	3	25	6
Mission	60	31	37	1312	7	51	10
Montrose	88	115	65	983	-10	63	-1
Nakusp	107	93	35	2123	3	34	-1
Nanaimo	38	28	27	1375	3	45	14
Nelson	118	96	12	3090	1	31	17
New Denver	135	134	90	1783	4	95	3
New Hazelton	117	95	43	2228	1	36	-5
New Westminster	91	71	26	2102	4	51	20
North Cowichan	42	56	36	1148	-2	46	8
North Saanich	57	41	39	1247	1	40	1
City of North Vancouver	31	46	13	1586	-5	33	18
District of North Vancouver	89	68	39	1702	4	40	1
Oak Bay	105	90	42	1905	8	36	-4
Oliver	30	50	29	1159	2	37	6
Osoyoos	98	85	52	1486	3	58	4
Parksville	1	2	-1	1094	-1	15	16
Peachland	79	84	44	1441	-2	48	3
Penticton	121	100	36	2555	7	49	9
Pitt Meadows	75	108	49	1198	-8	85	24
Port Alberni	59	37	20	1768	2	10	-8
Port Alice	4	4	-41	2253	8	-47	-11
Port Clements	110	64	57	1606	5	21	-23
Port Coquitlam	19	13	17	1222	3	28	10
Port Edward	145	130	34	4752	5	10	-18

Port Hardy	26	22	16	1444	-1	11	-4
Port McNeill	35	21	36	1051	10	24	-9
Port Moody	50	23	25	1482	4	57	25
Pouce Coupe	147	149	124	3006	11	115	-4
Powell River	69	47	22	1882	4	22	0
Prince George	84	78	32	1794	5	28	-3
Prince Rupert	39	9	-24	2745	5	-34	-13
Princeton	58	79	32	1440	9	35	3
Qualicum Beach	17	35	20	1080	-13	27	6
Quesnel	86	63	20	2130	3	15	-4
Radium Hot Springs	138	119	59	2890	7	81	14
Revelstoke	128	129	59	2337	1	58	-1
Richmond	63	60	31	1538	1	51	15
Rossland	80	25	39	1569	4	47	6
Saanich	74	80	43	1341	0	43	0
Salmo	37	51	34	1149	4	55	15
Salmon Arm	21	15	19	1222	2	29	8
Sayward	137	126	46	3127	1	29	-12
Sechelt	70	17	41	1369	12	67	18
Sicamous	134	125	89	1776	5	78	-5
Sidney	53	27	29	1444	3	23	-4
Silverton	149	124	114	3939	42	116	1
Slocan	33	128	-8	2196	-8	-15	-7
Smithers	104	86	34	2085	6	27	-5
Sooke	68	103	63	764	-1	102	24
Spallumcheen	97	55	73	934	15	77	3
Sparwood	85	104	22	2053	-6	25	2
Squamish	47	105	12	1806	-10	37	22
Stewart	152	152	180	6237	27	109	-25
Summerland	115	106	48	2090	2	54	4
Surrey	36	53	38	1036	0	79	30
Tahsis	136	137	6	4164	1	-32	-36
Taylor	11	121	-36	2383	-38	-28	12
Telkwa	40	132	31	1256	-29	33	1
Terrace	109	62	51	1703	-1	43	-6
Tofino	130	135	55	2473	-6	85	19
Trail	102	88	30	2169	2	30	0
Tumbler Ridge	142	116	72	3432	23	94	13
Ucluelet	132	94	48	2855	13	47	0
Valemount	95	131	6	2709	8	8	1
Vancouver	64	57	20	1841	0	32	10
Vanderhoof	123	52	78	1536	20	92	8
Vernon	92	110	51	1419	1	69	12
Victoria	87	69	24	2013	2	32	6
View Royal	28	1	35	978	8	65	22
Warfield	82	109	54	1183	-1	48	-4
Wells	120	127	2	3459	-5	1	-2
West Vancouver	133	118	44	2960	5	40	-2
Whistler	150	150	27	6566	1	38	9
White Rock	66	65	35	1492	3	37	1
Williams Lake	93	111	33	1904	-7	34	1

Source: Ministry of Community, Sport, & Cultural Development. 2005-2015. Local Gov't Stats, Expenditure. Sch402_2005-2015; BC Stats, Population Estimates 2005-2015; BC Stats, CPI.

## Appendix 5

### Municipal Spending Trends by Region

#### Municipal Governments, Vancouver, Coast & Mountains Listed from Best to Worst (by Overall Provincial Rank)

	Municipality	Overall Provincial Rank (1=Best, 152=Worst)	Last Year Rank (152 = worst)	2005-2015 Real Operating Spending per Capita Growth (%)	2015 Operating Spending per Capita (\$)	2014-2015 Real Operating Spending per Capita Growth (%)
1	Port Coquitlam	19	13	17	1,222	3
2	Anmore	20	75	24	1,033	-3
3	Chilliwack	22	76	26	1,044	-8
4	City of Langley	23	48	19	1,229	-5
5	Gibsons	25	43	16	1,431	-2
6	Coquitlam	27	24	24	1,263	3
7	City of North Vancouver	31	46	13	1,586	-5
8	Surrey	36	53	38	1,036	0
9	Bowen Island	45	39	22	1,527	2
10	Maple Ridge	46	12	34	1,224	2
11	Squamish	47	105	12	1,806	-10
12	Port Moody	50	23	25	1,482	4
13	Burnaby	51	32	30	1,407	3
14	Mission	60	31	37	1,312	7
15	Abbotsford	61	107	41	1,222	-8
16	Richmond	63	60	31	1,538	1
17	Vancouver	64	57	20	1,841	0
18	Hope	65	92	36	1,436	-9
19	White Rock	66	65	35	1,492	3
20	Powell River	69	47	22	1,882	4
21	Sechelt	70	17	41	1,369	12
22	Pitt Meadows	75	108	49	1,198	-8
23	Delta	77	81	30	1,758	0
24	Kent	78	72	44	1,367	1
25	District of North Vancouver	89	68	39	1,702	4
26	New Westminister	91	71	26	2,102	4
27	Township of Langley	96	112	57	1,359	-3
28	West Vancouver	133	118	44	2,960	5
29	Belcarra	139	141	101	1,970	4
30	Harrison Hot Springs	140	122	102	2,160	8
31	Lions Bay	143	140	129	1,962	21
32	Lytton	144	148	47	4,342	-1
33	Whistler	150	150	27	6,566	1
~	<b>Regional Average</b>	<b>72</b>	<b>74</b>	<b>39</b>	<b>1,800</b>	<b>1</b>

Source: CFIB Analysis of BC Gov data published municipal spending, inflation and population data 2005-2015

## Municipal Governments, Vancouver Island

Listed from Best to Worst (by Overall Provincial Rank)

	Municipality	Overall Provincial Rank (1=Best, 152=Worst)	Last Year Rank (152 = worst)	2005-2015 Real Operating Spending per Capita Growth (%)	2015 Operating Spending per Capita (\$)	2014-2015 Real Operating Spending per Capita Growth (%)
1	Parksville	1	2	-1	1,094	-1
2	Highlands	2	3	9	848	-1
3	Cumberland	3	70	10	902	-13
4	Port Alice	4	4	-41	2,253	8
5	Metchosin	5	20	20	645	-7
6	Langford	6	11	12	897	-5
7	Lake Cowichan	15	6	17	1,067	3
8	Campbell River	16	14	12	1,279	-2
9	Qualicum Beach	17	35	20	1,080	-13
10	Port Hardy	26	22	16	1,444	-1
11	View Royal	28	1	35	978	8
12	Port McNeill	35	21	36	1,051	10
13	Nanaimo	38	28	27	1,375	3
14	North Cowichan	42	56	36	1,148	-2
15	Courtenay	43	34	26	1,402	-4
16	Comox	44	58	38	1,077	-2
17	Central Saanich	48	40	30	1,323	0
18	Colwood	49	42	42	1,031	5
19	Lantzville	52	83	55	729	15
20	Sidney	53	27	29	1,444	3
21	Ladysmith	54	26	35	1,294	4
22	North Saanich	57	41	39	1,247	1
23	Port Alberni	59	37	20	1,768	2
24	Sooke	68	103	63	764	-1
25	Saanich	74	80	43	1,341	0
26	Esquimalt	76	99	33	1,672	2
27	Victoria	87	69	24	2,013	2
28	Duncan	90	45	52	1,388	9
29	Alert Bay	100	91	9	2,676	-4
30	Oak Bay	105	90	42	1,905	8
31	Gold River	119	113	45	2,307	6
32	Tofino	130	135	55	2,473	-6
33	Ucluelet	132	94	48	2,855	13
34	Tahsis	136	137	6	4,164	1
~	<b>Regional Average</b>	<b>53</b>	<b>51</b>	<b>28</b>	<b>1,498</b>	<b>1</b>

Source: CFIB Analysis of BC Gov data published municipal spending, inflation and population data 2005-2015

*Langford 2013 data had a significant uptick in spending, making the 2013-2014 change significantly negative. The City of Langford did not provide an explanation for why there was a temporary spike in 2013 spending when asked.

## Municipal Governments, Thompson Okanagan

Listed from Best to Worst (by Overall Provincial Rank)

	Municipality	Overall Provincial Rank (1=Best, 152=Worst)	Last Year Rank (152 = worst)	2005-2015 Real Operating Spending per Capita Growth (%)	2015 Operating Spending per Capita (\$)	2014-2015 Real Operating Spending per Capita Growth (%)
1	Lake Country	7	16	7	1,101	-11
2	Chase	8	59	16	892	-18
3	Armstrong	9	19	21	807	-2
4	Coldstream	13	7	31	637	2
5	Salmon Arm	21	15	19	1,222	2
6	Lumby	29	136	31	1,077	-25
7	Oliver	30	50	29	1,159	2
8	Kelowna	32	18	15	1,530	-1
9	Keremeos	34	36	35	1,079	3
10	Midway	55	30	17	1,768	3
11	Princeton	58	79	32	1,440	9
12	Greenwood	71	97	27	1,764	-5
13	Ashcroft	72	89	36	1,534	-4
14	Peachland	79	84	44	1,441	-2
15	Enderby	81	87	54	1,173	5
16	Kamloops	83	77	35	1,673	2
17	Vernon	92	110	51	1,419	1
18	Merritt	94	102	47	1,531	-1
19	Valemount	95	131	6	2,709	8
20	Spallumcheen	97	55	73	934	15
21	Osoyoos	98	85	52	1,486	3
22	Cache Creek	112	54	45	2,066	20
23	Summerland	115	106	48	2,090	2
24	Penticton	121	100	36	2,555	7
25	Logan Lake	129	117	75	1,908	4
26	Grand Forks	131	139	55	2,519	-10
27	Sicamous	134	125	89	1,776	5
~	<b>Regional Average</b>	<b>73</b>	<b>77</b>	<b>39</b>	<b>1,546</b>	<b>1</b>

Source: CFIB Analysis of BC Gov data published municipal spending, inflation and population data 2005-2015

## Municipal Governments, Kootenay Rockies & Cariboo Chilcotin Coast

Listed from Best to Worst (by Overall Provincial Rank)

	Municipality	Overall Provincial Rank (1=Best, 152=Worst)	Last Year Rank (152 = worst)	2004-2014 Real Operating Spending per Capita Growth (%)	2014 Operating Spending per Capita (\$)	2013-2014 Real Operating Spending per Capita Growth (%)
1	Kaslo	12	61	8	1,244	-14
2	Fruitvale	14	8	25	824	0
3	Slocan	33	128	-8	2,196	-8
4	Salmo	37	51	34	1,149	4
5	Cranbrook	41	66	19	1,606	-5
6	Castlegar	56	38	23	1,618	3
7	100 Mile House	62	49	13	2,018	-5
8	Fernie	73	67	12	2,176	-1
9	Rossland	80	25	39	1,569	4
10	Warfield	82	109	54	1,183	-1
11	Sparwood	85	104	22	2,053	-6
12	Quesnel	86	63	20	2,130	3
13	Montrose	88	115	65	983	-10
14	Williams Lake	93	111	33	1,904	-7
15	Clinton	99	33	34	2,009	17
16	Trail	102	88	30	2,169	2
17	Kimberley	103	82	30	2,190	-2
18	Lillooet	106	144	54	1,575	-18
19	Nakusp	107	93	35	2,123	3
20	Elkford	108	101	31	2,240	4
21	Golden	111	120	57	1,721	0
22	Invermere	114	143	49	2,027	-9
23	Creston	116	73	64	1,663	12
24	Nelson	118	96	12	3,090	1
25	Wells	120	127	2	3,459	-5
26	Revelstoke	128	129	59	2,337	1
27	New Denver	135	134	90	1,783	4
28	Radium Hot Springs	138	119	59	2,890	7
29	Silverton	149	124	114	3,939	42
~	<b>Regional Average</b>	<b>90</b>	<b>90</b>	<b>37</b>	<b>1995</b>	<b>1</b>

Source: CFIB Analysis of BC Gov data published municipal spending, inflation and population data 2005-2015

## Municipal Governments, Northern British Columbia

Listed from Best to Worst (by Overall Provincial Rank)

	Municipality	Overall Provincial Rank (1=Best, 152=Worst)	Last Year Rank (152 = worst)	2004-2014 Real Operating Spending per Capita Growth (%)	2014 Operating Spending per Capita (\$)	2013-2014 Real Operating Spending per Capita Growth (%)
1	Burns Lake	10	44	-19	1,896	6
2	Taylor	11	121	-36	2,383	-38
3	Fort St. James	18	5	-8	1,870	2
4	Houston	24	74	15	1,400	-15
5	Prince Rupert	39	9	-24	2,745	5
6	Telkwa	40	132	31	1,256	-29
7	Chetwynd	67	10	13	2,096	1
8	Prince George	84	78	32	1,794	5
9	Mackenzie	101	29	26	2,260	9
10	Smithers	104	86	34	2,085	6
11	Terrace	109	62	51	1,703	-1
12	Port Clements	110	64	57	1,606	5
13	Masset	113	138	-11	3,605	-8
14	New Hazelton	117	95	43	2,228	1
15	Dawson Creek	122	98	30	2,839	6
16	Vanderhoof	123	52	78	1,536	20
17	Fraser Lake	124	142	58	2,091	-10
18	Fort St. John	125	114	61	2,030	3
19	Kitimat	126	123	41	2,684	-1
20	McBride	127	133	47	2,551	1
21	Sayward	137	126	46	3,127	1
22	Hudson's Hope	141	146	44	3,865	2
23	Tumbler Ridge	142	116	72	3,432	23
24	Port Edward	145	130	34	4,752	5
25	Granisle	146	147	77	3,962	3
26	Pouce Coupe	147	149	124	3,006	11
27	Hazelton	148	145	94	3,841	28
28	Northern Rockies	151	151	130	4,919	14
29	Stewart	152	152	180	6,237	27
	<b>Regional Average</b>	<b>104</b>	<b>99</b>	<b>46</b>	<b>2,752</b>	<b>3</b>

Source: CFIB Analysis of BC Gov data published municipal spending, inflation and population data 2005-2015

*Telkwa protective services include provincial funds provided to fund Telkwa's Community Wildfire Protection Plan.

## Appendix 6

### Regional Public Sector Wage Increases in BC

#### City of Vancouver (Vancouver, Coast, and Mountains Region)

Year	CUPE Local 15			Vancouver Firefighters' Union Local 18			Vancouver Police Union				
	Vancouver CPI	Inflation	Wage for Pay Grade 33 (\$/Hourly)	Cumulative Wage Increase	Wage Growth	Wage for Battalion Chief (\$/Monthly)	Cumulative wage increase	Wage Growth	Wage for First Class Constable (\$/Monthly)	Cumulative Wage Increase	Wage Growth
2005	106	0%	37.82	1.00	0%	7778.00	1.00	0%	5691.00	1.00	0%
2006	108	2%	38.95	1.03	3%	7973.00	1.03	3%	5833.00	1.02	2%
2007	110.2	4%	40.12	1.06	6%	8254.45	1.03	3%	6037.16	1.06	6%
2008	112.8	6%	41.32	1.09	9%	8672.33	1.11	11%	6280.45	1.10	10%
2009	112.9	7%	42.77	1.13	13%	9111.36	1.17	17%	6590.72	1.16	16%
2010	114.9	8%	44.48	1.18	18%	9386.00	1.21	21%	6783.24	1.19	19%
2011	117.5	11%	46.26	1.22	22%	9623.00	1.24	24%	6984.82	1.23	23%
2012	119	12%	46.84	1.24	24%	9863.00	1.27	27%	7164.07	1.26	26%
2013	119.2	12%	47.66	1.26	26%	10108.00	1.30	30%	7346.17	1.29	29%
2014	120.5	14%	48.49	1.28	28%	10515.00	1.35	35%	7493.08	1.32	32%
2015	121.9	15%	49.46	1.31	31%	10779.00	1.39	39%	7680.42	1.35	35%
2016	124.6	18%	50.20	1.33	33%	11048.48	1.42	42%	7949.25	1.40	40%
2017	128.1	21%	50.95	1.35	35%	11324.69	1.46	46%	8148.00	1.43	43%

* Wages listed vary between hourly, bi-weekly, and monthly due to lack of uniformity within public records of collective agreements

* CUPE: wages for 2016 - 2017 calculated using percent wage increases stated in collective agreement between City of Vancouver and CUPE Local, 12016 - 2019 (see sources)

* Firefighters: 2007 - 2009 wages calculated by based on percent wage increases stated in collective agreement between City of Vancouver and CUPE Local 15, 2007 - 2009 (see Appendix 7 for sources)

* Firefighters: 2016 - 2017 wages calculated based on percent wage increases stated in collective agreement between City of Vancouver and CUPE Local 15, 2016 - 2019 (see Appendix 7 for sources)

* Inflation calculated using CPI. Inflation for 2017 calculated using CPI from July 2017

#### City of Victoria (Vancouver Island Region)

Year	CUPE Local 50			International Association of Firefighters Local 730			Victoria City Police Union				
	Victoria CPI	Victoria Inflation	Wage for Pay Grade 2 (\$/Hourly)	Cumulative Wage Increase	Wage Growth	Wage for Battalion Chief (\$/Monthly)	Cumulative wage increase	Wage Growth	Wage for First Class Constable (\$/Hourly)	Cumulative Wage Increase	Wage Growth
2005	106.9	0%	19.44	1.00	0%	7767	1.00	0%	32.33	1.00	0%
2006	108.5	1%	19.83	1.02	2%	7962	1.03	3%	33.14	1.03	2%
2007	109.8	3%	20.51	1.06	6%	8242	1.06	6%	34.30	1.06	6%
2008	111.8	5%	21.13	1.09	9%	8659	1.11	11%	35.86	1.11	11%
2009	111.9	5%	21.76	1.12	12%	9097	1.17	17%	37.87	1.17	17%
2010	113.1	6%	22.41	1.15	15%	9373	1.21	21%	39.02	1.21	21%
2011	115.5	8%	22.86	1.18	18%	9657	1.24	24%	40.18	1.24	24%
2012	116.7	9%	23.78	1.22	22%	9899	1.27	27%	41.21	1.27	27%
2013	116.3	9%	23.78	1.22	22%	10146	1.31	31%	42.24	1.31	31%
2014	117.3	10%	24.2	1.24	24%	10501	1.35	35%	43.08	1.33	33%
2015	118.6	11%	24.68	1.27	27%	10765	1.39	39%	44.16	1.37	37%
2016	120.7	13%	25.17	1.29	29%	11035	1.42	42%	45.71	1.41	41%
2017	123.9	16%	N/A	N/A	N/A	11309	1.46	46%	46.85	1.45	45%

* Wages listed vary between hourly, bi-weekly, and monthly due to lack of uniformity within public records of collective agreements

* CUPE: no collective agreement in 2013, and no collective agreement as of writing this report for 2017

* CUPE: Collective agreement between City of Victoria and CUPE Local 50, 2006 - 2009 lists wages as bi-weekly. For comprehensiveness, bi-weekly wages have been calculated to equal monthly wages using a basis of 40 hours per week

* Police: 2016 - 2017 wages calculated based on percent wage increases stated in collective agreement between City of Victoria and CUPE Local 50, 2016 - 2018 (see Appendix 7 for sources)

* Inflation calculated using CPI. Inflation for 2017 calculated using CPI from July 2017

## City of Kelowna (Thompson-Okanagan Region)

			CUPE Local 338			International Association of Firefighters Local 953			Royal Canadian Mounted Police		
Year	BC CPI	BC Inflation	Wage for Pay Grade 2 (\$/Bi-Weekly)	Cumulative Wage Increase	Wage Growth	Wage for Captain (\$/Monthly)	Cumulative increase	Wage Growth	Wage for First Class Constable (Annual)	Cumulative Wage Increase	Wage Growth
2005	106.3	0%	1173.91	1.00	0%	6767.58	1.00	0%	68561.00	1.00	0%
2006	108.1	2%	1224.44	1.04	4%	6936.77	1.03	3%	70366.00	1.03	3%
2007	110	3%	1267.67	1.08	8%	7163.23	1.06	6%	72125.00	1.05	5%
2008	112.3	6%	1312.42	1.12	12%	7545.21	1.11	11%	74539.00	1.09	9%
2009	112.3	6%	1345.23	1.15	15%	7927.19	1.17	17%	75657.00	1.10	10%
2010	113.8	7%	1362.05	1.16	16%	8166.79	1.21	21%	76792.00	1.12	12%
2011	116.5	10%	1379.07	1.17	17%	8414.10	1.24	24%	77944.00	1.14	14%
2012	117.8	11%	1399.76	1.19	19%	8709.00	1.29	29%	79308.00	1.16	16%
2013	117.7	11%	1420.75	1.21	21%	8840.06	1.31	31%	80498.00	1.17	17%
2014	118.9	12%	1449.17	1.23	23%	9061.06	1.34	34%	82108.00	1.20	20%
2015	120.2	13%	1470.91	1.25	25%	9287.59	1.37	37%	83134.00	1.21	21%
2016	122.4	15%	1492.97	1.27	27%	9613.11	1.42	42%	86110.00	1.26	26%
2017	125.6	18%	1522.83	1.30	30%	9853.44	1.46	46%	N/A	N/A	N/A

* Wages listed vary between hourly, bi-weekly, and monthly due to lack of uniformity within public records of collective agreements

* City of Kelowna does not have its own Police Union. RCMP is contracted as a police force

* CUPE: Collective agreement(s) covering 2005 are not publically available

* CUPE: wages for 2010 – 2017 are calculated based on percent wage increases stated in the collective agreements between City of Kelowna and CUPE 338 for 2010 – 2013 and 2014 – 2018 (see Appendix 7 for sources)

* Inflation calculated using CPI. Inflation for 2017 calculated using CPI from July 2017

## City of Prince George (Northern BC Region)

			CUPE Local 1048			Prince George Firefighters' Union Local 1372			Royal Canadian Mounted Police		
Year	BC CPI	BC Inflation	Wage for Pay Grade 2 (\$/Monthly)	Cumulative Wage Increase	Wage Growth	Wage for Captain (\$/Monthly)	Cumulative increase	Wage Growth	Wage for First Class Constable (Annual)	Cumulative Wage Increase	Wage Growth
2005	106.3	0%	3191	1.00	0%	6658.00	1.00	0%	68561.00	1.00	0%
2006	108.1	2%	3288.84	1.03	3%	6658.00	1.00	0%	70366.00	1.03	3%
2007	110	3%	3386.68	1.06	6%	7064.00	1.06	6%	72125.00	1.05	5%
2008	112.3	6%	3487.77	1.09	9%	7422.00	1.11	11%	74539.00	1.09	9%
2009	112.3	6%	3592.13	1.13	13%	7798.00	1.17	17%	75657.00	1.10	10%
2010	113.8	7%	3699.75	1.16	16%	8033.69	1.21	21%	76792.00	1.12	12%
2011	116.5	10%	3810.62	1.19	19%	8235.79	1.24	24%	77944.00	1.14	14%
2012	117.8	11%	3924.76	1.23	23%	8441.69	1.27	27%	79308.00	1.16	16%
2013	117.7	11%	3924.76	1.23	23%	8652.73	1.30	30%	80498.00	1.17	17%
2014	118.9	12%	3954.11	1.24	24%	8869.05	1.33	33%	82108.00	1.20	20%
2015	120.2	13%	4034.01	1.26	26%	9090.77	1.37	37%	83134.00	1.21	21%
2016	122.4	15%	4113.91	1.29	29%	9615.00	1.44	44%	86110.00	1.26	26%
2017	125.6	18%	N/A	N/A	N/A	9854.00	1.48	48%	N/A	N/A	N/A

* Wages listed vary between hourly, bi-weekly, and monthly due to lack of uniformity within public records of collective agreements

* City of Prince George does not have its own Police Union. RCMP is contracted as a police force

* Fire: No wage increase for Captain for 2006 for the collective agreement between the City of Prince George and Local 1372, 2003 – 2006 (see Appendix 7 for sources)

* Fire: wages for 2010 – 2015 are calculated based on wage increases stated in the collective agreement between the City of Prince George and Local 1372, 2005 – 2010

* Inflation calculated using CPI. Inflation for 2017 calculated using CPI from July 2017

## Appendix 7

### Cumulative Wage Sources

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