

**2005-2008 METROPOLIS ACTION PLAN  
COMMISSION 2 : INFRASTRUCTURES AND URBAN SERVICES  
FINANCING**

**PRESIDENT:**                      **MONTREAL:**  
**Mr. GERALD TREMBLAY**  
**Mayor of Montreal**

**VICE~PRESIDENT :** (to be established)

**CONTEXT**

The main mission of local and regional authorities is to provide services of quality to the citizens at reasonable cost. Dependently of competences and fields of activities' of each authority, these services relate to culture, sport, leisure, urban waste, transportation, water, public safety, environment or parks to mention only these.

Moreover, in order to fully assume their responsibilities and to ensure the leading role of their city in the national and international economy, the local and metropolitan authorities must equip their city with adequate infrastructures; essential to the development. These infrastructures and the dynamism of the various economic agents, combined with favourable conditions, ensure the competitiveness of the city. These infrastructures relate to the sectors of transport, water, environment, telecommunications, culture but also that of dwelling.

Consequently, the local and regional authorities need adequate financial resources of a true financial and taxation autonomy. They must have the financial tools specific to large cities, decrease the tax burden of the individual and corporative taxpayers and make their city attractive for citizens and investors.

To this extent, they must cleanse their finances by acquiring approaches and modern management tools, by increasing their internal performance but also by establishing a true partnership with the government so that it endows them with taxation instruments adapted to their context and to the international economic situation.

## OBJECTIVES

- To determine the financial problems of the cities well, while distinguishing the national and regional characteristics
- To examine the various taxation policies in force and the reforms planned in order to enhance tendencies and good practices
- To examine the cities' ways of making for in preparing their financial framework and especially in ensuring services of quality and establishing manoeuvring limits.
- To examine the taxation and no taxation sources of income
- To analyse the ways in which cities plan their investments and finance their projects of infrastructures
- To bring closer the cities the international sponsors
- To contribute to the development and, if necessary, to the realization of the project Bank of the cities.

## MAIN STEPS

- Approval of the proposal by the board of directors of METROPOLIS.
- Development of the terms of reference
- Request of the cities and the international organizations to take part in the Commission
- Development of a questionnaire of diagnosis for purpose of data collection.
- Analyses and synthesis of the answers for a better comprehension of the situation
- First meeting of the Commission to share information, to exchange on the characteristics and to validate comprehensions
- Preparation of a synthesis report of the Commission
- Requests for case studies
- Second meeting of the Commission on the presentation of the case studies
- Preparation of a synthesis report on good practices and tendencies
- Preparation of the first version of the final report
- Contacting the members for comments and suggestions
- Preparation of the final version
- Presentation of the conclusions and the recommendations of the Commission to the next congress

## APPROACH

The questions related to finances and taxation are concrete dimensions with which local and regional authorities have to deal daily. Within this framework, the Commission proposes a very pragmatic approach directed towards comprehension, good practices, experience sharing and transmission of the knowledge useful for the resolution of problems. It is thus proposed the following elements:

**Work of the Commission:** Presentation of case studies and exchange on good practices. As the field of this Commission is horizontal and that the majority of the other Commissions are concerned with financial and taxation dimensions, it is proposed to work in close cooperation with the other Commissions by holding joint meetings.

**Formation:** The Commission will organize seminars of formation adapted to the needs for the member cities. This training will relate to the tools and techniques of financial planning, budgeting, financing, public-private partnership, recourse to the markets, debt management and principles of good financial management.

**Technical assistance:** The Commission will take action on requests for technical assistance emanating from the member cities by mobilizing experienced experts.

**Connection with international organizations:** The Commission will develop bonds with international organizations such the World Bank and the regional banks for better understanding their mechanisms of financing and eventually allowing to the member cities to profit from the available financing.

The Commission will take an active part in the elaboration and possibly in the development of the project of the Bank of the Cities proposed by the Paris - Ile-de-France Regional Council.

## RESOURCES

For its works, the Commission will have a specific budget which will be allocated by the Board of Directors of Metropolis. The activities connected to the formation and the technical assistance will be financed with the same budgets provided for in these fields. Conscious that the resources are limited, the Commission will try to find necessary complementary financing.

## DEADLINES

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| - Proposition of the Commission:   | April 2005     |
| - Approbation of the proposition by the Metropolis Board of Directors:                         | May 2005       |
| - Elaboration of the terms of reference:   | September 2005 |
| - Requests from cities to participate to the Commission:                                       | September 2005 |
| - Elaboration of a questionnaire:  | October 2005   |
| - First Commission assembly:   | June 2006      |
| - Second Commission assembly:  | June 2007      |
| - Final report:  | December 2007  |
| - Presentation of the Commission's conclusions and recommendations to the Metropolis Congress: | 2008           |