



# Smart Villages— Financing Services and Infrastructure

Presentation to the  
“Smart Villages” Conference

Enid Slack  
Institute on Municipal Finance and Governance  
University of Toronto

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# IMFG | Institute on Municipal Finance and Governance

IMFG (est. 2004) is the only institute of its kind in North America, which focuses exclusively on the municipal finance and governance challenges facing cities and large city regions.

## Focus

As the size and scope of responsibilities for cities expands, do local governments have the appropriate financial and governance arrangements to effectively and efficiently deliver services to residents?

## Mandate

- Conduct independent research
- Spark and inform public debate
- Engage the academic and policy communities

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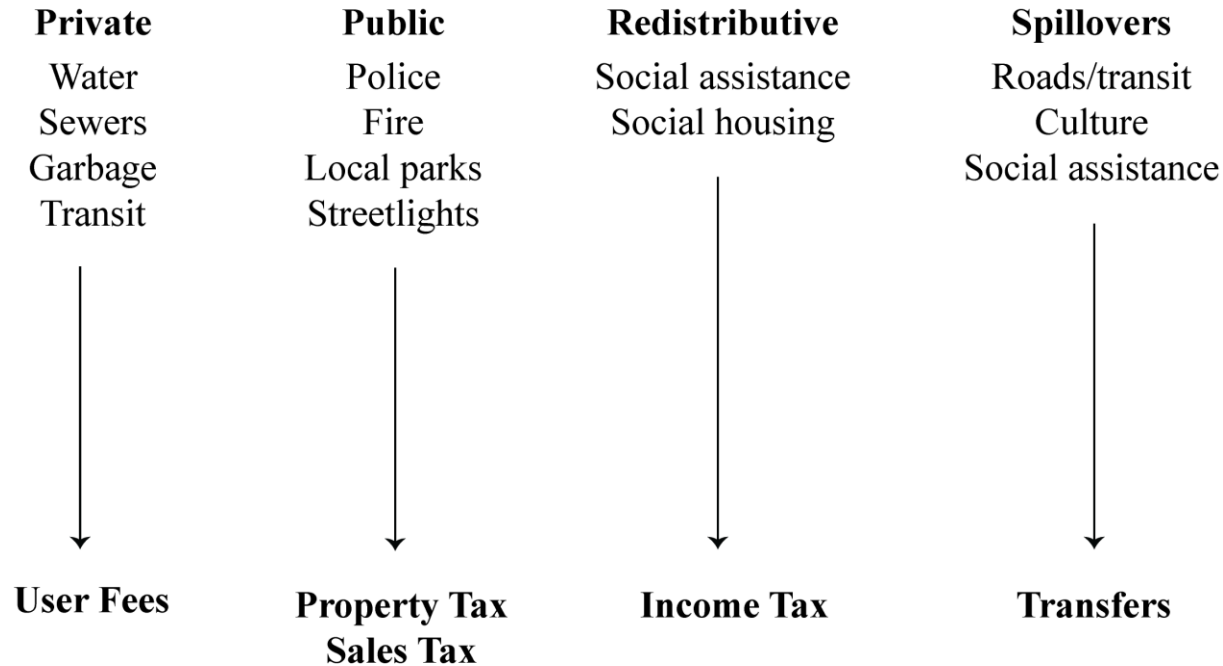
# Outline of Presentation

- Matching revenues to expenditures – a theory for cities?
- Why are villages different?
- Why are smart villages different?

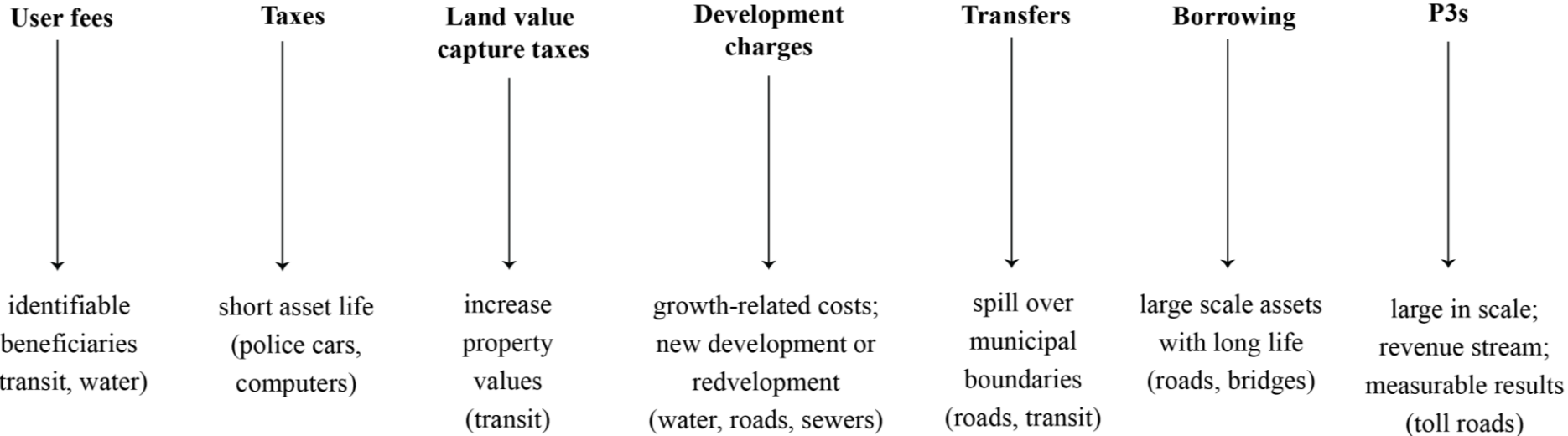
# Major services funded by local governments

<p>General government administration</p>	<p>Health</p> <ul style="list-style-type: none"> <li>• Public health</li> <li>• Ambulance service</li> </ul>
<p>Protection:</p> <ul style="list-style-type: none"> <li>• Fire</li> <li>• Police</li> <li>• Emergency planning</li> </ul>	<p>Social services</p> <ul style="list-style-type: none"> <li>• Welfare assistance</li> <li>• Day care services and children's assistance</li> <li>• Homes for the aged</li> <li>• Social housing</li> </ul>
<p>Roads</p> <ul style="list-style-type: none"> <li>• Local roads</li> <li>• Sidewalks</li> <li>• Streetlights</li> <li>• Parking</li> </ul>	<p>Recreation and culture</p> <ul style="list-style-type: none"> <li>• Community parks and recreation programs</li> <li>• Local libraries</li> <li>• Community centres, theatres, auditoriums</li> <li>• Convention facilities</li> </ul>
<p>Public transit</p>	
<p>Environment</p> <ul style="list-style-type: none"> <li>• Water supply and distribution</li> <li>• Sewage collection and treatment</li> <li>• Solid waste management</li> </ul>	<p>Planning and development</p> <ul style="list-style-type: none"> <li>• Local planning, zoning, severances, approvals</li> <li>• Local economic development</li> </ul>

# Different Services – Different Revenue Sources



# Different Infrastructure – Different Fiscal Tools



# Villages

- Located near each other or remote?
- Located in a metropolitan area or not?
- Rural or urban?
- What services do they provide (e.g. water, sanitation, street lighting, roads)?
- What sources of revenue can they use (e.g. taxes and fees versus transfers)?

# Public Finance in Villages

- Challenge: to provide adequate services at a reasonable tax rate
- Services costly to provide – difficult to achieve economies of scale
- Difficult to charge user fees that cover costs
- Inadequate local tax base
- Inability to borrow
- Reliance on intergovernmental transfers



# Smart Villages

- Use technology to:
  - deliver services e.g. health care
  - share jobs with other villages e.g. treasurer, planners
  - collect user fees, taxes e.g. online bill payment
  - civic engagement e.g. online surveys