

This would provide much more nearly equal ward voting strength than under the present system. In 1938, the possible voting strength per ward was as follows:

<u>Ward</u>	<u>Possible Voters</u>
1	1,436
2	1,901
3	1,254
4	1,324
5	1,127
6	<u>1,781</u>
Total	8,823

It will be observed that the present wards are very unequal in voting strength, which means that some wards are over-represented and some under: that, therefore, the quality of representation being equal a voter in one ward might have much less effective influence than in another. In ward 5, for example, three voters have about equal voting influence to five in ward 2.

In addition to the usual provisions as to the qualifications of Mayor and aldermen, the Charter provides that they must be "at the time of the last general assessment prior to ... nomination, assessed for real property tax, business tax, household tax, or other occupancy tax, in such an amount as would make him liable to pay a sum of not less than fifty dollars (\$50.00) to the City for taxes in respect of such assessment."

Ministers or teachers of religious congregations, persons variously interested financially in civic operations, etc., are disqualified for membership in the City Council (Sec. 17).

Elections are held on the last Wednesday in April and nominations some time before. Ten ratepayers at least must sign the nomination papers of a candidate for Mayor, and two those of a candidate for alderman. (Sec. 25 (1) (2))

As the estimates are passed and forwarded to the Assessor on or before March 1st of each year, and as the elections are not held until later, the new aldermen or a new mayor does not have an opportunity to act on the civic estimates for about nine or ten months. Possibly after ten months a new member of Council would be better able to pass on estimates, but the discussion of proposed expenditures during civic elections would seem to provide a healthy check on civic expenditure and should have an effect in stimulating interest during election time in bringing out candidates and in increasing the number of actual votes. It would seem that civic financial issues might be topics of election discussion rather than personalities or considerations not logically connected with civic administration. The preparation of draft estimates in November, election early in December, the holding of the first meeting of the new council early in January, the passing of revised estimates by January 31st and the first tax collection as soon thereafter as possible, should not only secure a more intensive study of the annual estimates, but would bring closer together the calendar year, the election year and the revenue year. The Institute recommends the careful consideration of the routine above outlined and that if it meets with approval the necessary amendments to the City Charter be sought. If it is decided that the advantages of this

procedure are outweighed by the advantage of having the estimates considered only by those who have had experience in Council, which is an important feature of the present procedure, possibly the end of making the civic financial policy the important feature of every election could be partially attained by the publication preceeding the election of financial statements, estimated and otherwise, covering the City's operation and standing as of the date of issue. In cities, however, when two-thirds of the membership of Council are experienced in budget making at budget making time the possibility of all the new members being new to Council should not be alarming and might exercise a salutary influence. Besides, new members would begin earlier their practical training in control of expenditures.

In addition to the suggestions above, the Institute recommends that

- (1) Either wards be abolished and six or nine aldermen be elected at large, two or three each year for three year terms, or that
- (2) wards be cut from six to three in number, with nine aldermen elected by wards, three each year for three-year terms, and nine elected-at-large, three each year for three-year terms, and that
- (3) the Mayor be elected at large annually. If the Mayor were elected for a three-year term, the vote in years when there was no election of Mayor would be apt to be light.

If the Mayor were appointed annually by Council from members of Council elected at large, with the right of indefinite reappointment as long as re-elected to Council, the chief results of continuity of policy would probably be retained. As it is however, the Canadian public seems to demand someone whom it may regard as leader, even if he is not given the powers necessary for effective leadership. As a result, in a year when there is not a mayoralty election, unless there is some counterbalancing influence, there is apt to be a light vote. If in Halifax it is the experience and belief that this result does not follow, or if the advantages of a three-year term for Mayor are held to outweigh the effects of a light vote in two years out of three, the three-year term of mayor with right of indefinite re-election should be favourably considered.

2. The Committee System.

The committee system of Halifax is very extensive and complicated. There are fifteen committees and three boards and commissions the entire memberships of which are appointed by the City Council. The members of one Commission are appointed by the Mayor. In addition there is a joint committee with the County of Halifax and the Town of Dartmouth, and in addition, ~~three~~ ^{four} commissions and boards to which the Council makes appointments.

The following is the list:

Committees of Council

<u>Name</u>	<u>Frequency of Meeting</u>	<u>Membership</u>	<u>Secretary</u>
1. Cabs	Occasionally	3	City Clerk
2. Camp Hill Cemetery	Monthly	6	City Clerk
3. Charities	Monthly	6	Own Secretary
4. Direct Relief	Fortnightly	6	Own Secretary
5. Finance Committee	Monthly	6	City Clerk
6. Firewards	Monthly	6	Own Secretary
7. Gardens, Parks & Commons	Monthly	6	City Clerk
8. Harbour Championship	Occasionally	3	City Clerk
9. Laws and Privileges	Monthly	6	City Clerk
10. Library	Monthly	6	Librarian
11. Police	Monthly	7	Own Secretary
12. Prison Committee	Monthly	6	City Clerk.
13. Tax Property Sale	Occasionally	7	City Collector
14. Tenders Committee (1)	Occasionally	6	City Clerk
15. Works Committee	Weekly or less	7	Own Secretary (Clerk of Works)

(1) For Stationery, office supplies and advertising only.

Appointed by Mayor

<u>Name</u>	<u>Frequency of Meeting</u>	<u>Membership</u>	<u>Secretary</u>
16. Boxing Commission	Occasionally	3	Own Secretary

Boards and Commissions entirely appointed by Council.

<u>Name</u>	<u>Frequency of Meeting</u>	<u>Membership</u>	<u>Secretary</u>
17. Health Board (Chairman not an Alderman)	Monthly	7 #	Own Secretary
18. Town Planning Board	Occasionally	7 #	City Engineer
19. Jury Lists Revisors	Occasionally	3 (inc. City Clerk)	City Clerk

Boards, Commissions and Committee on which City makes appointment

20. Arbitration between City, County and Town of Dartmouth	Occasionally	5 out of 14	Own Secretary (County Clerk)
21. Court House Commission	Occasionally	4 out of 9	Own Secretary (County Clerk)
22. Exhibition Commission	No set time	5 out of 12	Own Secretary (Superintendent of Exhibition)
23. Board of School Commissioners of Public Schools	Monthly	6 out of 12	Own Secretary
24. Point Pleasant Park Directors		7 out of 11	City Clerk

Of the fifteen committees of Council, three have seven members each, the Mayor being the chairman of two of these ~~##~~, ten have six members each (Not necessarily but in practice at least usually or often one from each ward), and of these, the Mayor is not, except ex-officio, a member even of the finance committee. Two committees meet only occasionally have three members each.

Chairman a Physician, the remainder Aldermen.

Including City Engineer.

The Police and Works Committees consist of the Mayor and one alderman from each ward. (Amendment to Charter, Ch. 65, 1937)

Of the Boards and Commissions appointed entirely by Council, two have seven members each and two three members each. Twenty-seven positions on "outside Boards and Commissions" out of 58 are appointed by Council.

The Housing Commission set up by the Nova Scotia Housing Act of 1919 has five members appointed by Council.^x

It is to be noted that the City Clerk is secretary of only 11 out of 19 committees, wards and commission appointed by the City Council. We are informed that in cases where the City Clerk is not secretary, the minutes are not forwarded to his office for filing, so that there is no one place where a person may find the records of the business of City committees, boards and commissions.

x. Except in case of the Five Wards. xx But not from Council.

Recommendations

The Institute recommends that the number of committees, boards and commissions appointed by Council be greatly reduced and that the membership of committees be reduced. The following committee set-up in our judgment would be sufficient.

<u>Name</u>	<u>No. of Members</u>	<u>Functions</u>
1. Finance, Budget and Executive Committee or simply, Finance-Executive Committee.	4 with the Mayor as Chairman	Pass on all financial matters; prepare the budgets, current and capital, for council; report to council on all appointments. Discharge all functions not otherwise assigned. Act for Council during recess and in emergency
2. Works Committee	5 including the Mayor	Discharge all the functions of the present Works Committee and in addition those of the Town Planning Committee and that on Gardens, Parks and Commons.

<u>Name</u>	<u>No. of Members</u>	<u>Functions</u>
3. Health and Welfare Committee	5 including the Mayor	All the functions of the present Health, Charities, Direct Relief and Prison Committees.
4. Safety Committee	5 including the Mayor	All the functions of the present Firewards and Police Committees.
5. Town Planning Committee	5 including Mayor, City Engineer, non-voting member	To advise on zoning, City plan, etc.

If the policy deciding and policy carrying out functions were clearly separated and executive details left entirely to executive officials, one meeting a month should be adequate.

The City Clerk or some member of his department should be secretary of all these committees. Copies of minutes of all "outside" boards and commissions, save possibly those of the Commissioners of Public Schools, should be filed in the City Clerk's office for ready reference.

It is readily seen that the operation of such a set-up would be greatly facilitated by the abolition of wards or their reduction in number.

The charts on pages 182 & 183 will give a general outline of the present and suggested organization.

(b) Executive Organization

The executive organization at least in theory is much more compact than the legislative organization. There are some anomalies and there is some duplication, due partly to the

inadequate facilities of the City Hall and partly to the opportunistic policy of fitting the organization to the executive personnel available or on the ground instead of fitting the personnel into the most effective administrative organization possible. There is evidence that the distribution of functions between executive departments is not, in many instances, based upon logic or sound practice, but has been determined on the basis of the personnel limitations of those appointed to important executive positions without the necessary prerequisite equipment and training, experience and ability. Some of the existing lack of coordination is due to custom and tradition, such as the division of what would naturally be a department of finance into the Auditor's, Collector's and Treasurer's department. It is quite evident that the present organization is fortuitous rather than planned. Any efficient private corporation depending on the earning of profits for its very existence would plan carefully its internal executive organization so as to bring about the desired results at least cost. Simply because the profits of a civic corporation appear as improved services at least cost and are not distributed in the form of cash dividends is no good reason why great care should not be exercised in deciding upon the most logical and efficient^{organization} of its executive functions. In fact, it is obviously even more important than in private corporations which are organized to produce cash dividends.

The functions of a civic corporation may roughly be divided into overhead, protective and service departments. The chief overhead departments found in Halifax are:

1. The City Auditor's Department
2. The City Collector's Department
3. The City Treasurer's Department
4. The City Solicitor's Department
5. The Assessment Department
6. The City Clerk's Department.

As will be seen later, the Institute is of the opinion that the auditing functions of the Audit Department should be separated from its accounting, controlling and internal auditing functions and that a finance department be set up under a finance commissioner with three main divisions:

1. Accounting
2. Treasury, including collecting
3. Internal auditing.

In Halifax, the function of the Treasury Department seems to have shrunk with the years until now it occupies a comparatively subordinate position. The union of the Auditor's Department retaining its functions of internal auditing, with the Collector's and Treasury Department would not only simplify the overhead organization but would coordinate related departments, simplify the work of financial control and make one department responsible for all receipts and payments and all revenue collections and expenditure capital and current.

Among the other overhead departments, that of the City Clerk seems to have declined in importance and some of the functions it now performs, i.e. its accounting functions. In Britain the position of City Clerk is probably the most important in the service of the city corporation. There, the City Clerk is

commonly City Solicitor and chief law officer. Students are often articulated to him just as if he were in private practice. One Canadian city requires its city clerk to be a solicitor, and in another the same official occupies both positions. One thing is clear that a knowledge of law, particularly municipal law, is a great asset to a city clerk, even in the conduct of the routine work of his office, such as the preparation of resolutions and by-laws. It is true that the law department may be called in to advise in the preparation of these documents, but the combination of the clerk's and solicitor's functions in one department would facilitate coordination.

The work of the assessment department is also closely allied in some of its phases with that of the city clerk's department. If the City Council wished to coordinate in one department the city solicitor's department, the city clerk's department and the assessment department, the six overhead departments would be reduced to two. In Canada this combination does not exist. If it is not held advisable to go this far, at least these three departments should be much more closely coordinated than at present, and the importance and influence of the city clerk's department should be increased. This is further discussed in part II of this report.

An outline chart of the present ^{City} organization, A, and an outline chart of the proposed organization, B, are given at the end of this report, in the Appendix.

II. DEPARTMENTAL ORGANIZATION

It would be difficult, if not impossible, to give a true picture of the overhead financial set-up of the City by reporting entirely separately on the recognized overhead financial departments, i.e. that of the City Auditor, City Treasurer and City Collector, inasmuch as not all the accounting is in the accounting section of the City Auditor's Department, not all the collection of revenues is in the City Collector's Department, and not all the usual treasury functions in the City Treasurer's Department. Neither is it possible without repetition to treat entirely as separate topics (a) treasury organization, (b) control accounting, (c) budget accounting, and (d) revenue collection. It is therefore desirable to report on the financial organization of the City as a whole with detailed references to detailed functions whether performed or not by the recognized financial departments.

Financial Administration

(covering heads (a), (b), (c), and (d) of the
letter of transmittal)

1. Treasury functions connected with the present Department of the City Treasurer

The City Treasurer receives all revenues of the City from each department making collections and deposits all money received daily.

There is duplication in the method of recording the cash receipts, viz:

- (1) The City Collector receives a major part of the collections of the City. He writes up a Cash Sheet in duplicate, recording individual receipts in numerical order and showing a preliminary distribution to the accounts affected. A copy of these sheets together with the cash and a duplicate deposit slip are turned over to the Treasurer daily.
- (2) The Treasurer enters the daily totals into his Cash Book which contains columns identical with the Collector's Cash Sheet.
- (3) The City Auditor further prepares a General Cash Receipts Book which agrees in total with the Treasurer's Cash Book, but shows a more detailed distribution of the monies collected. The Auditor enters a monthly summary of his cash book into the Treasurer's Cash Book which in turn is posted to the General Ledger.

The office of the City Treasurer, in its present state, is physically inadequate for the proper handling of the funds of the City. The inner office is separated from the outer office only by a low counter without any further protection.

The voucher filing cabinet is located at the far end of the Treasurer's Office and employees going to and from this cabinet pass the Treasurer's desk, whereon the daily cash collections are accumulated in the first instance.

The City Treasurer accompanied by a police constable, on each payroll day, goes out to various points in the City to pay employees their wages in cash wherever they may be working.

The cancelled cheques and bank statements are despatched by the bank directly to the City Treasurer who prepares the bank reconciliation.

Recommendations re Treasury

1. The City Treasurer maintain the General Cash Receipts Book. All information necessary for the posting of receipts to the General Ledger should be compiled by the City Treasurer.
2. The Treasurer's office be completely blocked off from the public and the City staff by a permanent partition with a cash wicket and that the door to the inner office be kept locked at all times.
3. The voucher filing cabinet be removed from the Treasurer's office to the Accounting Division under the supervision of the Commissioner of Finance and Accounts.
4. Arrangements be made to have the wages of employees working at outside points paid at the City Hall, preferably by cheque.#
5. The bank despatch the cancelled cheques and bank statements directly to the Chief Accountant, who should be responsible for the examination of the cancelled cheques and bank statements together with the preparation of the monthly bank reconciliation in duplicate. On completion of this work the Chief Accountant should despatch to the City Treasurer the cancelled cheques, bank statements and the copy of the bank reconciliation.

If paid by cheque, the cheques could be distributed to and by foremen when necessary.

2. Revenue collecting functions performed by the City Collector's and other departments.

The method of recording taxes, both current and arrears, in our opinion, is not adequate to meet present day needs.

Some millions of dollars are collected and controlled by this department annually. In recent years taxes have been steadily increasing and the problem of controlling tax arrears is becoming more involved.

The City Assessor prepares the Assessment Roll and records the current taxes thereon. On completion the Roll is sworn to and turned over to the City Collector who prepares from it an alphabetical "Name" Tax Roll. The "Name" Tax Roll is divided into wards and in each ward the individual taxpayers' assessments are grouped.

In all, these Assessment Rolls and "Name" Tax Rolls now constitute five large books each year and no roll may be closed off until such time as all the taxes have been either collected or cancelled. We are advised, however, that it has not been the policy of the Council to write off old taxes, presumably uncollectible. The result is there are over seventy-five Assessment Rolls and "Name" Tax Rolls still open dating back to the fiscal year 1908-9 and all are occupying space in the City Collector's Office.

There is a tremendous amount of work necessary to keep the cash receipts posted to the rolls of the individual years and to keep the rolls balanced with the corresponding General Ledger Controlling Accounts.

The City Auditor has foreseen the growing need for the improved recording of Taxes and Tax Collections and during the

the past two years has given considerable study to the "pros and cons" of a mechanised accounting system, capable of consolidating any number of tax rolls and at the same time capable of giving the taxpayer all the information that might be required.

There is considerable time spent by clerks in various departments writing by hand or by typewriter the names and addresses of taxpayers into different books, e.g.

- (1) Assessor's Field Books
- (2) Assessment Rolls
- (3) Assessment Notices
- (4) Tax Bills
- (5) Water Rate Bills, etc.

The following departments in the City Hall make collections and turn the funds so collected over to the City Treasurer daily:

- (1) Clerk of Works
- (2) City Clerk
- (3) City Collector
- (4) Health Board
- (5) Victoria General Hospital
Collection Department
- (6) City Electrician
- (7) Police Court
- (8) Library

It has not been the procedure to calculate interest accruing on each tax assessment in arrears at the end of each year but rather to calculate interest at the date of payment.

The staff of the Tax Collector records all entries of cash receipts and discounts on the Tax Rolls.

Recommendations

We recommend that:

1. The present method of handling Taxes, both current and arrears, be altered to a card system which should embrace use of the following:
 - (a) A ledger card for each taxpayer showing the total General Taxes now owing from the fiscal year 1925-6 to date. The cumulative total would show the entire amount of taxes unpaid, both current and arrears, on each assessment. Should a taxpayer have more than one assessment there would be a corresponding number of ledger cards. The Assessment Rolls from the fiscal year 1908-9 to 1924-5, in our opinion, are not of sufficient value to warrant the expense of having ledger cards prepared for these years.
 - (b) A ledger card for each taxpayer now owing Local Improvement Taxes, recording all such taxes from the fiscal year 1926-7 to date.
 - (c) A ledger card for each taxpayer now owing Local Improvement Taxes prior to the fiscal year 1926-7.
 - (d) A ledger card for each taxpayer now owing Poll Taxes from the fiscal year 1925-6 to date.
2. The City purchase two electric self balancing bookkeeping machines for the recording of both Current and Arrears Taxes. By the purchase of these machines the work may be so divided as to keep all records entered daily.

Some of the advantages from the use of these machines may be set out as follows:

- (a) The present cumbersome system of handling Tax Arrears would be replaced by a neat, compact cabinet of ledger cards.
- (b) There would not be the necessity of continually referring to past years' Assessment Rolls.
- (c) Every taxpayer would receive, at regular billing dates, a statement of taxes, both current and arrears. Under the present system a number of records have to be examined causing undue delay and dissatisfaction.
- (d) It would be a comparatively simple matter to take off a monthly Trial Balance of the ledger cards and to agree such Trial Balance with the General Ledger Controlling Accounts for Taxes Receivable.
- (e) Greater office space would be available in the Collector's Department.
- (f) The taxpayer's ledger card would last for several years.
- (g) While the purchase of accounting machinery necessitates an initial cash outlay, many cities have installed mechanical bookkeeping machines with the object of reducing future expenses.
- (h) There would be an increased degree of protection to the City against improprieties in the handling of its funds.

3. The City Council temporarily employ sufficient staff to reconcile the present tax rolls from the fiscal year 1925-6 to date and that as each year is reconciled with the corresponding General Ledger Controlling Account, the individual amounts be transferred to the new ledger cards.
4. The Council consider the advisability of purchasing a metal addressing machine for use in the preparation of
 - (a) Assessor's Field Books
 - (b) Assessment Rolls
 - (c) Assessment Notices
 - (d) Tax Bills
 - (e) Water Rate Bills, etc.

Several representative cities have adopted addressing machines with a view to minimizing clerical expenses and to speed up the above mentioned records.

5. With the exception of Police Court and Library cash receipts all collections now made in the City Hall be centralized in one office under the supervision of the City Collector.
6. Under the new ledger card system the practice of computing interest at the time of payment be continued and that such interest be recorded on the taxpayer's card as a memorandum showing the date and the amount received. In this connection we suggest that the internal auditor make special tests from time to time of the ledger cards to determine

that interest payments are fully recorded as cash receipts of the municipality. These special tests are most desirable because of the impracticability, in view of present conditions, of establishing control accounts for interest accruals on tax arrears.

7. The posting of cash receipts and discounts to the tax ledger cards be done by the accounting division. It is not considered good practice to have the collector receive cash and also control the cash entries on the tax ledger cards. While the cards may properly remain in the Collector's office for purpose of reference, the staff in charge should not be under his control.

3. Accounting function of the Works Department, Clerk of Works Division.

The City Field, located some distance from the City Hall, is primarily for the storage of gasoline, oil, machinery, equipment, materials and everything used in the maintenance and construction of City Works. The Cost Department is stationed at the City Field, and the Cost Clerk's records show the cost in detail of all expenditures pertaining to streets, pavements, sewers, internal health, city property, etc. These records are agreed in total with the City Auditor's controlling accounts. The information compiled by the Cost Clerk is for the joint use of the City Auditor and the City Engineer. There is no protection for these valuable records against destruction by fire.

Many of the accounts contained in the Cost Ledger are kept in pencil.

Recommendations

We recommend that:

1. The Cost Clerk's books and the Water and Fire Rate Ledgers be under the supervision of the Accounting Division of the proposed Finance and Accounting Department.
2. Space be provided in the City Hall for the Cost Clerk and that the books be kept in a fire proof vault.
3. The Cost Clerk's ledger be written up in ink.

4. Relation of Assessment Department

While the Assessment Department is, and for obvious reasons, an independent department,⁽¹⁾ it has certain important relations to the proposed department of finance and accounts, particularly to the proposed division of internal audit.

The City Map was originally constructed in 1919 showing the City divided into eighty-eight sections; a plan was made out for each section setting forth streets and lots. Since the time of its preparation many lots have been divided and sub-divided. These changes in lots, for the greater part, have not been recorded on the various Plans, but on small blue prints or sketches which are kept by the Assessor recording the break-ups.

The City Solicitor together with two other persons constitute the Court of Appeals as set out by Section 398 (1) of the City Charter, viz:

(1) Of the finance department.

"The Court of tax appeals shall consist of the solicitor and two persons to be appointed, one by the Governor-in-Council and the other by the Chief Justice of Nova Scotia."

The computation of the current tax is prepared by the Assessor's Department.

Recommendations

We recommend that:

1. The City Maps be brought up to date by the Engineering Department and that a check be made, under supervision of the Auditor, of the Revised Map to the Assessor's Field Books, to ascertain if all properties have been included therein.
2. The desirability of an amendment to the Act be considered so that a property lawyer shall act on the Court of Appeal instead of the City Solicitor. It is possible that the present arrangement might in some instances place the City Auditor in an invidious position. There are certain advantages in the present arrangement and possibly the difficulty is more theoretical than real.
3. The calculation of Current Taxes be made by the Accounting Division who should enter the Current Taxes on the Tax Assessment Roll. If necessary, use should be made of the clerical employees of the Assessment Department by the Accounting Division during rush periods.

5. Accounting and Financial recording function of the City Clerk's Department.

Section 96 (1) of the City Charter sets out that,

"The clerk shall be the clerk of the Council, and with the exception of the bonds or securities of officials, shall have the custody of all records, documents and papers of the City Council, and shall perform such other duties, and have such other powers, as are now or hereafter may be set out in the Charter, and as are now or hereafter may be from time to time assigned to him by ordinance of the City, and including, but not so as to limit or restrict the generality of the foregoing, the following duties: etc."

Notwithstanding the statutory provision above quoted, the City Clerk keeps the Bonds of Officials and the record thereof.

The City Clerk also maintains:

1. Record of Licenses
2. Record of Dependent and Delinquent Children.

Recommendations

We recommend that:

1. The Bonds of Officials and Record thereof be kept and maintained by the Accounting Division of the proposed Finance and Accounting Department.
2. The Record of Licenses and the Record of Dependent and Delinquent Children be kept in the Accounting Division.

6. The function of the Department of the City Auditor

The duties of the City Auditor as defined in sections 291 to 301 of the City Charter are as follows:

291. "It shall be the duty of the auditor to supervise all the financial business of the City as hereinafter set out, and to perform such other duties pertaining to his office as the Council from time to time by ordinance or otherwise directs."

292. (1) "He shall maintain a continuous audit and inspection of all books, accounts, receipts and expenditures relating to the City, including those of the committee on works, the water department, the board of school commissioners, the school teachers' superannuation fund, the committee on charities, including the city home and the tuberculosis hospital, the board of health, including the infectious disease hospital, the police department, all the city sinking funds and superannuation funds, the exhibition commission, the treasurer, the collector, the clerk, and every other committee, board and person entrusted under the law or by the Council with the receipt or expenditure of moneys."

(2) "It shall be the duty of the Auditor to attend all meetings of the Council unless excused by the Mayor or his Deputy."

293. "He shall maintain a general controlling ledger, from which may be ascertained at all times the general financial position of the City, and in which shall be shewn, in appropriate controlling accounts, the city's investments in properties and improvements, its bonded indebtedness, the receipts and expenditures of all its departments, its revenues according to their various sources, and the appropriations made from time to time for its departments."

294. "He shall, not less frequently than once a month, audit the moneys received by the collector for rates and taxes, and all other moneys received by him, checking the same with the vouchers therefor; shall ascertain if the moneys so received have been paid to the treasurer, and whether the same, together with any other moneys received by the treasurer, have been deposited by the treasurer in the bank selected by the City and credited to the City in the pass-book of the bank."

295. "He shall, before the first meeting of the Council in each month, prepare statements showing:

(a) the amount of rates and taxes collected during the preceding month and the amount of rates and taxes remaining uncollected, and

(b) the amount standing to the credit of each of the respective appropriations, and shall, at or before such meeting, furnish the mayor and each alderman with a copy of the first-named of such statements."

296. "He shall examine into and make certain that every item of proposed expenditure is duly authorized by law, and if he finds that any proposed expenditure is not so authorized, shall hold up such expenditure and report thereon to the mayor and Council."
297. "He shall annually, within three months after the close of the City's financial year, prepare and submit to the mayor and Council a full and accurate report of the finances of the City, including a consolidated general balance sheet."
298. "Every officer of the City who receives moneys or incurs any expenditure shall deliver to the auditor, at such times as the auditor requests, a detailed statement of such moneys received or expenditure incurred, and it shall be the duty of the auditor to have such reports delivered to him."
299. "(1) The clerk shall furnish the auditor with a certified statement of the annual appropriations when passed by the Council, and the auditor shall open in a ledger to be kept by him for that purpose an account for each of such appropriations."
- "(2) All warrants drawn for the payment of money shall be certified by the auditor before being paid, and shall be charged in deduction from the proper appropriation, and no warrant shall be certified unless the payment is authorized by law and there are funds available for the payment thereof, and every warrant shall have the account for which it is drawn attached thereto before being certified."
300. "The auditor shall, on discovering any shortage in the accounts of any officer of the City charged with the receipt or expenditure of money at once report the same to the mayor."
301. "He shall, whenever required so to do, furnish the mayor, the Council or any committee, or the treasurer, with abstracts of any book, accounts or vouchers in his office, or any information in relation to anything pertaining to his office or to the revenue of the City, and shall at all times permit the mayor, the committee on finance or any member of the Council, or any other officer of the City who is interested, to examine any books, papers or documents appertaining to his office."

In addition to these duties the City Auditor maintains the following records:

- (1) Supplementary Cash Receipts Book
- (2) Coupon Registers
- (3) Cancelled Coupon Files
- (4) Tax Roll Reconciliation
- (5) Tax Sale Reconciliation.

These books of account are not audited in the ordinary sense by an independent auditor outside the department appointed therefor by the City Council.

From the foregoing it will be seen that the duties imposed upon the City Auditor have embraced a combination of both auditing and originating accounting. As a matter of principle and form of civic organization, we are of the opinion, that auditing and originating accounting duties should not be assigned to the same official.

7. Budget Control - The Current Budget

The most important administrative document issued by the City is that containing the annual budget estimates of the City. This is thoroughly tied in with the City's accounting system, and monthly reports of the unspent balances of appropriations are sent to the Finance Committee and Council.

Recommendations

1. That the monthly report of the state of appropriations show not only the unspent, but the unencumbered balances in each department or under each appropriation. This can readily be done as copies of each order are sent to

the Auditor's department for recording. This may not be regarded as important; but if all encumbrances are not immediately recorded and reported as charges against the appropriations, and there is postponement of payments, the true current balance at the end of the year may not be shown. Even if encumbrances are normally small, the principle is important and one can never tell when continuous knowledge by the Finance Committee and Council of unencumbered as well as of unspent balances may be necessary for administrative purposes.

2. The document containing the annual current estimates should show in comparative columns for each department and function
 - (a) the estimates of the previous year
 - (b) the approximate expenditures of the preceding year
 - (c) the actual expenditures of each of the two years before the preceding year.

A revenue-expenditure statement of the previous year estimated as to the last three months if necessary should also be shown.

3. Not only should the annual estimates be prepared by and under the direction of the Finance-Executive Committee, but all the estimated revenues should be set up by them, with the cooperation of the Commissioner of Accounts and Finance and the Assessor, and the tax-rate struck before submission to Council for its action. (See pp. 49 to 51 of the section of this report on Assessment.)

4. The estimates of revenues other than taxation should not be set higher by the Finance-Executive Committee or by Council than the figures submitted by the officials above referred to.

8. The Capital Budget

Modern cities require so many services involving capital expenditure that a long time capital budget is at least as necessary as a budget of current expenditures. Capital expenditures crystallized into debt lead to annual debt charges which appear in the current budget. In some cities capital expenditures have been so uncontrolled that the annual debt charges have become such a burden on the current budget as to cripple current services. Control of the current budget cannot be effected apart from control of the capital budget. Improvements which take two to five years to complete may take from fifteen to forty years to pay for. The way proposed improvements calling for increased debt will be reflected in the budgets of current expenditures of future years should be known and can readily be known in advance. Few cities can afford to have all the expenditures which may be proposed in various quarters. Most cities can have all necessary improvements if these are planned in advance so that the burden is evenly distributed and so that essential and desirable services are carried out in the order of their community importance. If a long time budget of capital expenditures based on a long time plan of capital improvements is not provided,

a city may find itself, after having financed relatively unimportant improvements, in such a position that, when faced by absolutely necessary capital expenditures, it is not in a position to do additional capital financing without undue burdens on property, business and industry.

Recommendations

We recommend that:

1. That the ~~Plan~~ ^{Works Committee} ~~Planning Board~~, the Finance Committee and the heads of the Finance and Accounts, and Works Departments cooperate in drawing up a capital budget for at least five years in advance, which shall be currently revisable each year by Council according to changing conditions.
2. That such a budget shall set forth clearly the effect on the budget of current expenditure of every proposal in the capital budget.
3. That the head of the Finance and Accounts Department prepare the capital budget on instruction of the Finance Committee for presentation to Council and make such adjustments from year to year as Council directs.

9. Financial Administration in General

We attach hereto (p. 36) a "Chart of Proposed Financial and Accounting Organization", in connection with which we offer the following comments and suggestions:

1. In our opinion the title of "City Auditor" should be changed to that of "Commissioner of Finance and Accounts", reporting

to the Finance and Executive Committee of the City Council, and responsible for the departmental administration of finance, accounts and internal audit.

The duties of the Commissioner would embody broadly, the compilation of departmental estimates, the control of appropriations as approved by Council, the final approval of vouchers for payment and the counter-signing of cheques, the supervision of the Accounting, Treasury and Internal Audit Divisions, the preparation of the Annual and other Financial Statements of the Municipality, together with such other duties as from time to time may be prescribed by the City Council.

2. The Internal Auditor or any member of his staff should not at any time originate entries in the Accounting, Treasury or other departmental records.
3. In connection with the Annual Financial Statements to be submitted by the Commissioner we recommend that there be incorporated a Departmental Revenue and Expenditure Statement including comparisons with the annual appropriations.

The principle of a Revenue and Expenditure Statement has been generally adopted by representative cities throughout Canada. Such a statement, in our opinion, would give the City Council and taxpayers a more comprehensive view of the departmental activities each year.

4. Section 354 of the City Charter provides that:

"The City may at any time when the Council so resolves employ an accountant or accountants to make an independent audit of the books and finances of the City. The money required to pay for such service may be borrowed from any bank or fund available and with interest included in the estimates for the next ensuing civic year."

5. We recommend that a firm of outside accountants be employed by the City for the purpose of (1) determining, annually, whether or not all possible departmental safeguards have been established and maintained and whether or not the detailed examination by the internal auditor of the City has been properly carried out. The work of the outside accountants should, in the ordinary course, be restricted to general principles without any great amount of detailed checking, and (2), most important, outside certification of the Annual Balance Sheet of the City. As a matter of information we would point out that a considerable number of representative cities in Canada employ outside accountants for the purposes herein suggested.

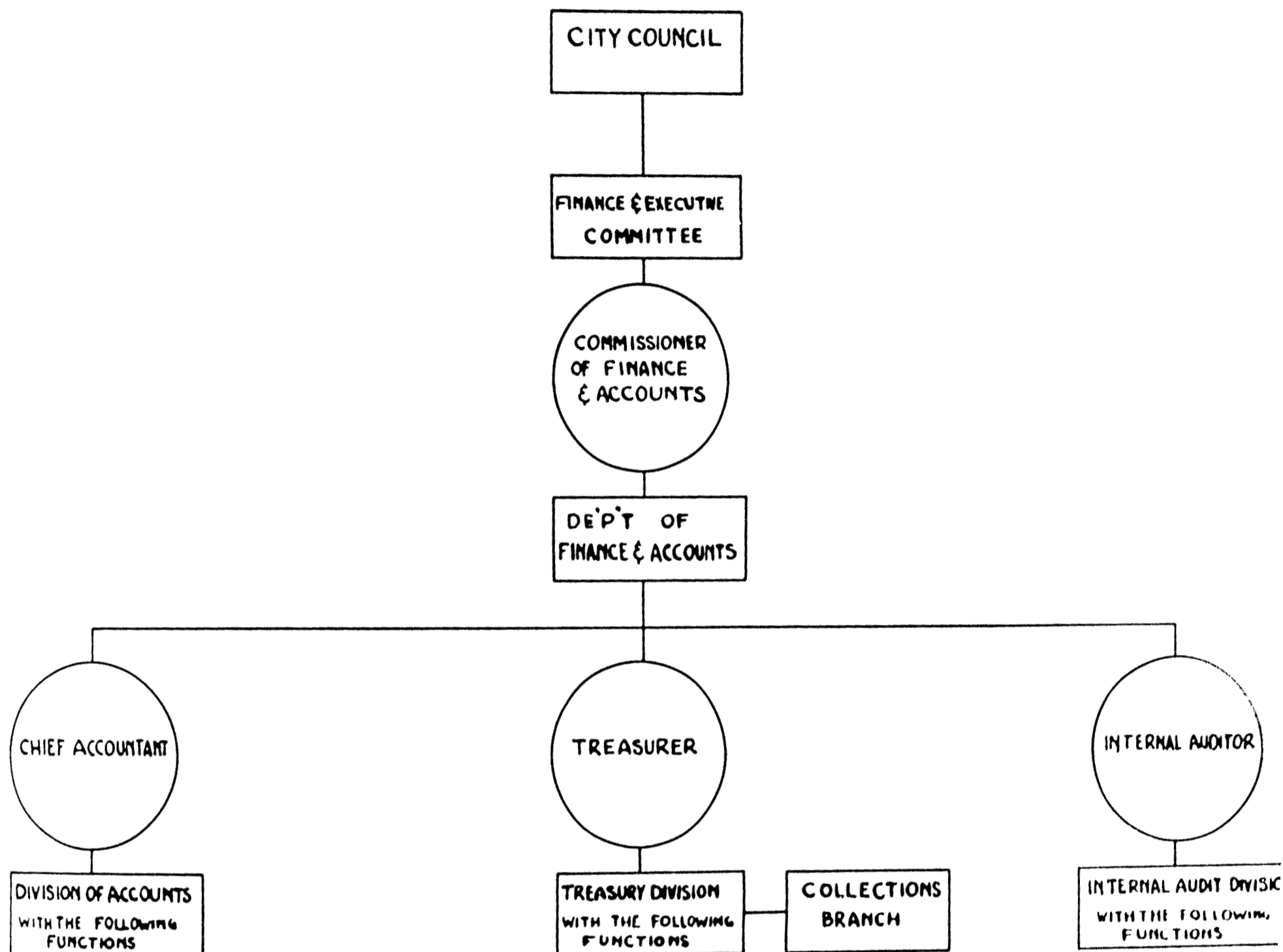
As to the question of initial expense resulting from the adoption of the accounting and finance recommendations as a whole contained in this report, it is our opinion that in due course of time an ultimate saving to the municipality would be realised.

We would point out that such recommendations as are adopted by the City Council may necessitate amendments to the Charter. This, however, can only be fully determined upon after the decision of Council is made known.

CHART No 2

SHOWING THE PROPOSED ORGANIZATION OF A DEPARTMENT OF FINANCE AND ACCOUNTS

Citizens' Research Institute
of Canada



1. General Ledger
2. Appropriation Ledger
3. Estimate Record
4. General Tax Roll and Bills
5. Roll Tax Roll and Bills
6. Local Improvement Ledger and Bills
7. Water Rate Ledger and Bills
8. Tax Sale Reconciliation
9. Tax Roll Reconciliation
10. Voucher Record
11. Bank Reconciliation
12. Payroll Records
13. Record of Licenses
14. Record of Dependent and Delinquent Children
15. Bonds of Officials Record
16. Accounting and Cost Report of the Clerk of Works, Hospital, Hospitals, City Home and other Organization Units.

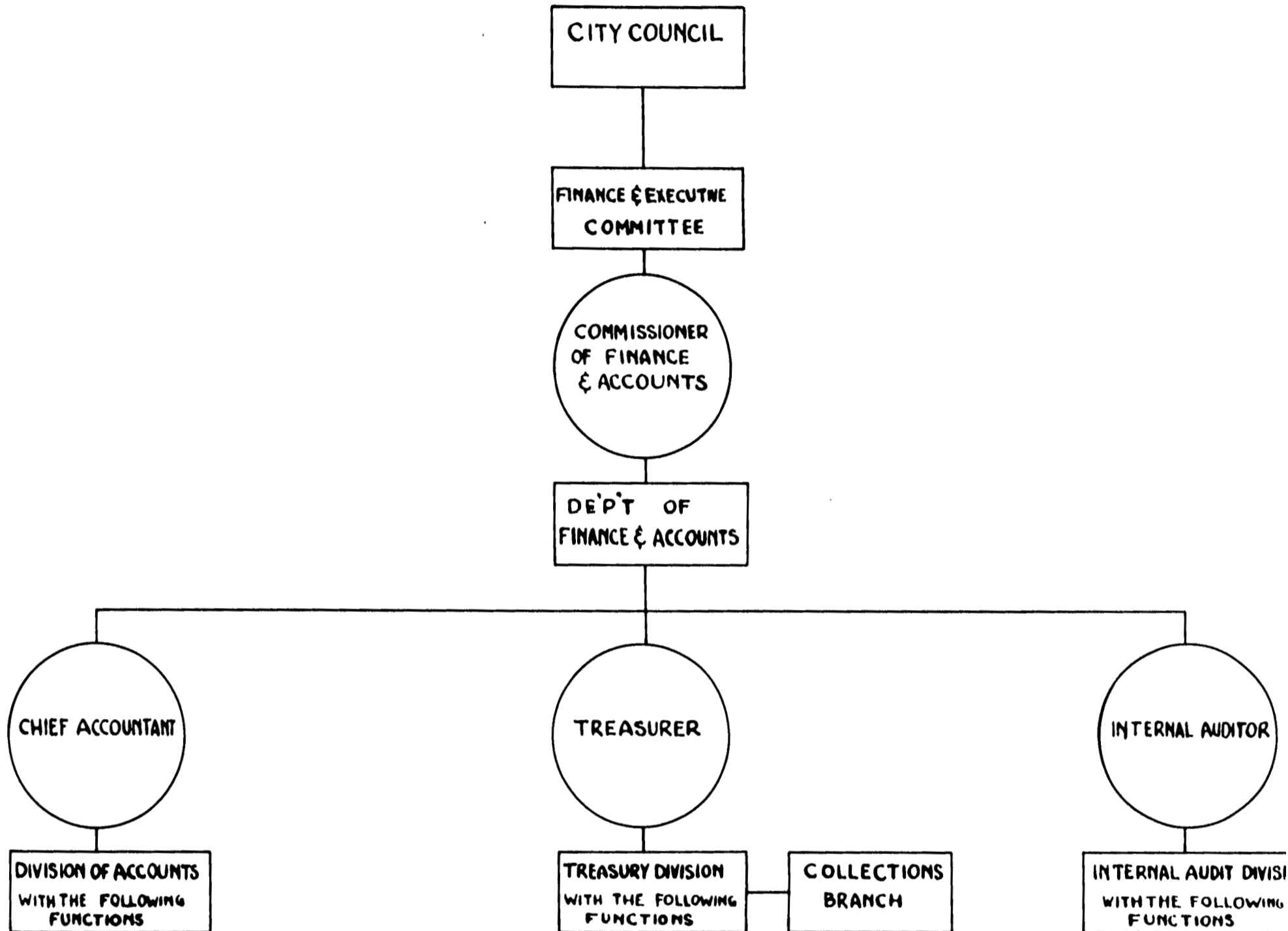
1. General Cash Receipts Book
2. Bank Deposits
3. Cheque Register
4. Sinking Fund Records
5. Venture Registers
6. Superannuation Records
7. Supervision of all Revenue Collections through the Collector and Collector's Branch of the Treasury Division as follows:
 - a. General Taxes
 - b. Roll Taxes
 - c. Fire and Water Rates
 - d. Licenses
 - e. Sale of City Tax Property
 - f. Housing
 - g. Hospitals
 - h. City Home
 - i. Other sundry Collections
 and
 detailed cash receipts book regarding receipts under 7a. to 7i.

Detailed Internal Audit of records of Department of Finance and Accounts including periodic attendance on payment of salaries and wages.

CHART No 2

SHOWING THE PROPOSED ORGANIZATION OF A DEPARTMENT OF FINANCE AND ACCOUNTS

Citizens' Research Institute
of Canada



1. General Ledger
2. Appropriation Ledger
3. Estimate record
4. General Tax roll and Bills
5. Roll Tax roll and Bills
6. Local improvement Ledger and Bills
7. Water rate Ledger and Bills
8. Tax Sale reconciliation
9. Tax roll reconciliation
10. Voucher record
11. Bank reconciliation
12. Payroll records
13. record of Licenses
14. record of Dependent and Delinquent Children
15. Bonds of Officials record
16. Accounting and Cost record of the Clerk of Works, Housing, Hospitals, City Home and other Organization Units.

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 - h. City Home
 - i. Other Sundry Collections

and

 Detailed Cash receipts book recording receipts under 7a. to 7i.

Detailed internal audit of records of Department of Finance and Accounts including periodical attendance on payment of salaries and wages.

(e) Methods of Assessment and Taxation

1. Organization of Department

The Assessor is the executive head of the department. He is a permanent official appointed by the Council and holds office until at least two-thirds of the members of Council at a regular or special meeting vote in favor of his dismissal or superannuation. His staff at present consists of two Assistant Assessors, one of whom discharges the duties of his chief during vacation or when his chief is not in attendance, a chief clerk and three assessor's clerks. The staff members, including the Assistant Assessors, are appointed annually by Council at the first regular monthly meeting in May of each year, or any subsequent meeting, and hold office during pleasure of Council. With two exceptions# the staff are comparatively recent appointments. There are no specified qualifications necessary for the positions. The Assessor, however, insists that clerks must be proficient in the use of the typewriter. The Assessor is usually consulted in regard to appointments, but not as a matter of right.

2. Duties and Methods

(a) General

It is the duty of the Assessor and his staff to carry out the provisions of the City Charter relating to assessment. In the matter of valuation all real property must be valued by the

One Assistant Assessor has 22 years service and the Chief Clerk about 6 years, the others have service of two years or less.

Assessor at its actual value at the time of assessment. The expression "value" as used in the Charter means the value of property as determined by the Assessor or by the Court of Tax Appeals on appeal from the Assessor. Land and buildings are required to be valued separately.

(b) System of Valuation

(1) Collection and Tabulation of Facts - Information has been collected regarding the frontage, depth and area of each parcel of land within the city limits. Much of this has been obtained from the City Assessment Plan, a copy of which is in the Assessor's office. However, in cases where land shown on the original plan has been re-subdivided, the plan has not been revised and brought up to date. The Assessor has had to obtain by the best means possible a copy of the subdivision plan and revise his records accordingly.

The main facts in connection with each building in the City have also been collected, such as its width, depth and height, material of construction; whether or not it has a cellar, number of rooms, type of heating plant, type of inside finish, whether softwood or hardwood, whether or not an attic exists and if finished, the amount of plumbing, other services provided such as sewer, water, electric light, sidewalk, and whether street is paved; whether there is a garage or barn, etc. The condition of the improvements is also noted, whether good, fair or poor.

All this information has been tabulated on cards, one card for each property and if the land is vacant a card of a

different color without space for the details relating to buildings is used. The card also shows the street on which the property is situate, the house number, if any, the ward, and the owner's name and address. The unit value applied to calculate the assessed value of the land is also set out on the card and in suitable columns, a space is provided for the assessed value of the land and buildings along with the roll number and year, so that a record covering the assessment from the time the system was begun in 1919 for at least a thirty year period may be shown on the card. Cards are filed by wards and streets and kept in a fireproof safe-cabinet.

By arrangement with the registry office and payment for the service information regarding transfers, etc. of property is obtained weekly so that any necessary change may be made in the assessment records. While the registry office records give a complete description of the property in each case and the names of the persons involved, the Statutes do not require the actual amount of the consideration to be stated, so that from a valuation standpoint this material is not as useful as it might otherwise be.

When new buildings are erected in the City, the Assessor receives from the Inspector of Buildings a card showing the following items taken from the application for the building permit (i.e.) the date, the owner's name, the location of the property, and the estimated cost. No details as to the character of the construction, the size or purpose of the building, etc. are given although such details are shown on the application for the permit. The Assessor is not given any information

regarding additions or improvements to existing buildings although applications must be filed in these cases also.

Detailed information regarding rentals is collected and tabulated. This shows the name of each tenant, the gross annual rent and the services, such as janitor, heat, light and elevator, if any, included in such rent. Owners of real property are now required at the request of the Assessor to furnish him, under declaration and within ten days of the request, with this material although of course where there are only one or two tenants, rental information may often be obtained at the time of the annual call.

(2) Method of Valuing Land - Land is valued on the square foot basis, that is, the area of a parcel in square feet is multiplied by the unit of value per square foot applied in that particular case. Such units of value have been set by the Assessor# for all properties in the City and the same unit may apply to all the property facing on a street front in one block or the unit may vary within the block, depending on the circumstances affecting value. Certain variation is made in the unit value applied, based on the depth of the property. For instance, in downtown business sections where the average depth of properties is 60 feet, the unit value per square foot applies to areas up to and including 60 feet in depth. If a specific property had a depth of 100 feet, however, the rear area of 40 feet by the frontage would be valued by applying fifty per cent of the unit value used for the front 60 foot

The term "Assessor" as used here means the head of the department and covers the previous as well as the present incumbent.

portion. In some instances in the downtown business section where a building may occupy the whole lot or nearly so, the unit value is applied without variation, even if the property is over 60 feet in depth. Similarly in residential districts, a portion of the unit value (25 per cent or less) is applied to rear areas when the depth of the property exceeds 100 feet, this being taken as an average depth for residential areas. The unit value applied to each property is noted on the card relating to that property but no land value map has been prepared showing the unit value applied on the street frontage in each block or portion of a block as the case may be throughout the City.

Irregular Lots - An allowance is made in the case of an irregularly shaped lot where the street frontage is considerably less than the width at the rear of the lot.

Corner Influence - In main business areas, where property is situate on a corner of a block and has the advantages of access, advertising display, light and air due to this location, an additional amount is added to the value of the land ordinarily arrived at on the square foot basis. The amount of this addition depends on the unit of value applicable to the side or lower valued street which bounds the property and also varies according to the centralness of the location. Corner influence is applied for a maximum distance of sixty feet from the corner and then only if the property for sixty feet is under one ownership. For instance, if the frontage of the corner lot were but 20 feet, no corner influence would be considered to attach to the adjoining lot although it

would come within the maximum distance of 60 feet mentioned. The full amount of the corner influence applied is 50 per cent of the value obtained by multiplying the unit value of the side street by the area within the 60 foot or one ownership area outlined above. In other than first class locations the percentage used is less. No corner influence is applied in residential districts.

(3) Method of Valuing Buildings - Buildings are valued by the cubic foot method. The number of cubic feet in the building is obtained by multiplying the width by the depth by the height, including the depth of the cellar, if any. Outside measurements are used. Variation in the unit of value applied to buildings of a like class is made according to structural characteristics and conditions affecting the value of the building under consideration. For instance, variation is made for the kind of inside finish, the type of heating, the amount of plumbing installed, the structural condition of the building after a comparison with other buildings of like class and condition, and in some instances for the size where this may vary greatly from like buildings of its class. No formal or written schedules have been prepared giving a description of each class of building within the City with general specifications for a typical building in that class and the unit of value per cubic foot which would be applied if that building were new and located in a suitable area. Where variation in the unit value applied to a building in a particular class has been made, the specific reason therefor and the amount of the variation has not been recorded.

Amounts are added for garages, barns, outbuildings, etc. according to their type and condition. No addition is made for open verandahs, porches, etc.

(4) Business Assessment; Occupant's Assessment - Every occupant of real property for the purpose of any business, trade, profession or calling, carried on for the purpose of gain, unless specifically exempted, and whether such occupier is owner or tenant, is liable for a business assessment based on fifty per cent of the value of the space occupied, except where the assessed value is less than \$2,000 and occupied solely for retail purposes, in which case the occupier is liable for business assessment based on 25 per cent of the value of the space so occupied. The percentage is not graded according to the type of business carried on, except insofar as special taxes hereinafter described might be considered as an attempt at grading. Occupants of any real property for any purpose other than trade, profession or calling, carried on for the purpose of gain, and not for residential purposes, are assessed on 25 per cent of the value of the space so occupied.

Where the property occupied for the purpose of the business, etc. is entirely owned by the occupant, the Assessor of course bases his percentage for business purposes on the assessed value of the property as determined in the foregoing description. This would also be the case where the property under one ownership is occupied by one tenant. Where there are a number of tenants, however, the valuation of the space occupied by each is based on the rental charged, variation being

made in the calculation according to whether heat, light, janitor, elevator service, etc. is provided by the owner. Business assessments numbered 2,352 in 1938-39.

(5) Household Assessment - Every occupier of any real property for residential purposes when the premises occupied has an assessed value of \$1,500 or over is assessed against the occupant at 10 per cent of its value. The tax is payable by the occupant and if the owner is also the occupant the tax is additional to the real property tax. The percentage is not otherwise graded on the basis of the assessed value of the residence occupied. The Assessor makes his valuation for this purpose in a manner similar to that described under "Business Assessment". If one property is occupied by a number of tenants, the assessed value of each space occupied for residential purposes is based on the rent charged, with variation in the calculation according to whether heat, janitor service, etc. is provided by the owner. Household assessments numbered 10,531 in 1938.

(6) Time of Assessment - The assessment period begins in the month of May in each year for the next ensuing civic year and the valuations must be completed by December 31st. The properties are viewed each year by the Assessor and/or the Assistant Assessors. The general practice is for a pair to work together, either the Assessor and one of his assistants, or the two assistants. Looseleaf forms containing descriptions of the properties and other essential facts as shown on the cards, assessment roll and other records relating thereto are prepared each year by the clerks. These are taken on the

annual rounds along with the corresponding sheets for the previous year and if there are any changes such as additions, inside or outside the building, in structural condition, etc., these are noted in order that the required change may be made in the valuation. Enquiry is also made in regard to occupancy, rent, etc. and changes noted. If there is no one on the premises from whom information can be obtained at the time of visit, a prepared form of notice is left requesting this information. If this is not returned within a reasonable time, a follow-up form letter is sent after the assessment has been made. Notices of assessment must be sent out to all persons assessed whether for real property, business or household, showing among other things the name of the person assessed, the value of the real property stating the value of the land and buildings or other improvements thereon separately and the value of the premises occupied for business or residential purposes. A printed form is used for this purpose, the information as to owner's name, street and assessed value being typed in by the clerks. The notices are numbered consecutively and are made in duplicate, the duplicate being kept on file in the Assessor's office. The notice is dated and the person assessed has fourteen days from the date of service of the notice in which to file an objection to the assessment if he so desires. The objection must be in the prescribed form under oath. This form is provided on the reverse side of the notice of assessment and includes an opinion of the appellant as to the actual value of the property appealed. The person assessed may have any error in name, address, etc. corrected by notifying the Assessor's office. It is also the practice for the

Assessor during this fourteen day period to alter valuations made and shown in the notices if he feels that the facts presented to him by the applicant justifies his doing so. After this fourteen day period any changes must be made by the Court of Tax Appeals.

(7) Appeals - Appeals against assessment are made to a Court of Tax Appeals composed of three members, one of whom is the City Solicitor, and of the two others one is appointed by the Governor-in-Council and the other by the Chief Justice of Nova Scotia. The City Solicitor is Chairman of the Court. Members are remunerated on a per diem basis with a maximum of \$100 each in a year. The Assessor places on suitable forms all the pertinent information on file or available regarding each property in appeal and presents a copy thereof to each member of the Court. The appellant is notified of the dates upon which the Court sits but no definite date upon which he must appear is assigned. The Court is an informal one and the appellant may appear and present the facts on which he bases his appeal. The Court may view the property if it so desires. The decision of the Court is noted by the Assessor on his copy of the form containing the material relating to the appeal. If an alteration is made in the assessed value by the Court the required change is made in the records by the Assessor and carried to the Assessment Roll. There were 56 appeals to the Court from the assessments on which the 1938-39 taxes were levied. These involved real property with an assessed value of \$535,600. The reduction asked by the appellants was

\$166,700 and the amount granted by the Court \$46,500. The total number of real estate assessments in the year was 10,638.

(8) Companies Tax - Certain companies such as Fire, Life, Marine and Casualty Insurance Companies, Insurance Brokers, Finance Companies, Express, Telegraph, Telephone and Tramway Companies, Credit Reporting Agencies, Real Estate Agencies and Steamship Lines pay special taxes at various fixed sums. These taxes are additional to the usual business and other taxes imposed. For the purpose of obtaining information in this connection, a form has been prepared on which each insurance agent and any agent of guarantee companies must file a return prior to December 15th listing the companies for which he does business and the class of insurance done.

(9) Poll Tax - A poll tax is levied upon every person, male, or female, married or unmarried, between the ages of twenty-one and sixty-five who has been resident of the City continuously for any period of not less than two months between the first day of January and the first day of August in any year and has been in receipt of a salary, remuneration or income during such period of two months at a rate of not less than \$600 yearly and who has not been otherwise assessed or rated for the civic year then current. Payment of poll tax in other places in the province does not relieve any person from payment of this tax but upon proof of payment, the amount thereof is credited against the tax payable.

The tax payable is graded according to the rate of the annual salary, remuneration, etc. of the person taxed as follows:

If \$ 600 but less than \$ 800, the poll tax is \$5.00
If \$ 800 but less than \$1500, the poll tax is \$10.00
If \$1500 but less than \$2000, the poll tax is \$15.00
If \$2000 or more the poll tax is \$30.00.

It is possible, therefore, for a person who was paid at the rate of say \$2200 per annum but was employed for only two months of the year to be charged with the same poll tax as a person who was paid at the same rate but had continuous employment throughout the year. It is possible also that if a person were in receipt of a salary of \$2000 his net income after tax would be \$14 less than a person in receipt of a salary of \$1999. There were 4288 poll tax assessments in 1938-39 of which 1685 were for \$5, 2272 for \$10, 240 for \$15, and 91 for \$30, the estimated gross amount being \$37,475. The amount estimated to be collected in the year from this source was \$26,000. At the beginning of each year under authority of the Charter, the Assessor makes a formal demand on employers for information regarding the names, addresses, age, salary and remuneration of employees who have been continuously in his employ for at least two months and each employer is required to supply such information under declaration on or before the 15th of March. The Assessor also possesses the right to demand information from boarding houses, hotels, etc. as to residents, etc. which information must be supplied within ten days after demand.

Every person resident in the City continuously for two months between January 1st and August 1st who is of the age of twenty-one years and who is not rated for any tax other than a poll tax must in each year on or before February 1st file with the Assessor a statement showing the amount of his income for year ending December 31st previous. The names of prospective poll tax payers are checked against the assessment roll to determine if they are already taxed and those who are liable for poll tax are listed alphabetically in a separate roll with the amount of the tax payable. A poll tax bill is sent to each person taxable and is payable immediately upon receipt of the bill.

(10) Non-Resident Tax - Any person not a resident of Nova Scotia coming into the City must upon entering any employment in the City pay a tax of \$10.00 which entitles the person paying to engage in employment at any time during the civic year.

(11) Preparation of Assessment Roll - Preparation of the Assessment Roll is commenced after the fourteen day period allowed for appeal has elapsed. Assessments are listed by wards and streets, the names of those assessed appearing in the same order as they appear in the cards and field sheets so that continuity is maintained throughout the process. This is good practice. The Rolls are typed by the Assessor's Clerks.

(12) Striking the Rate, Preparation of Tax Roll and Bills - The Board of School Commissioners, yearly, not later than January 15th, are required to submit to City Council for

approval a detailed estimate of their requirements for the year. Boards and Committees of Council and other Boards and Committees which are required to submit estimates must deliver such estimates to the Committee on Finance not later than February 20th in each year. This Committee on Finance before March 1st must prepare an estimate of all sums required for the ensuing civic year after crediting to general revenue receipts from sources other than taxation, unexpended balances, etc. The Committee also estimates the allowances (not to exceed 5 per cent of the total) to cover losses, abatements or non-collection of rates. The Committee also estimates with the assistance of the Assessor, the Collector and the Auditor the amount which will be yielded by the poll tax and the tax on non-residents for the ensuing year. Estimates so prepared are submitted to Council for consideration. The Council then authorizes the sums, as determined by Council, to be raised by taxation and the estimate so authorized must be submitted by the Clerk to the Assessor on or before March 1st. The Assessor is then required to estimate as correctly as may be possible the amount to be yielded by

- (a) licenses, company taxes and all other special or specific taxes, and
- (b) the poll tax and non-resident tax (the amount being that already determined as above),

and after deducting these amounts from the total sum required as submitted by Council and having the assessed values for the year as ascertained in the manner hereinbefore described,

the Assessor fixes the tax rate for the civic year. The Assessor then prepares a rate book in which there is shown the amount rated upon each person, firm, estate or company and the amount of any specific or special tax. As taxes are payable in two equal instalments, amounts are set out in two columns. The Assessor must also before May 1st in each year serve every person liable to pay any rate or tax with a notice requiring him to pay same to the Collector. These notices are on printed forms, the name of the person taxed, the address and the amounts being typed in by the Assessor's Clerks. When the Rate Books are complete and the tax notices delivered, the Assessor is required to deliver the Rate Books to the Collector.

(13) Special Assessment - If a person, after the rate for the ensuing year has been struck, begins to occupy any premises in respect to any occupation other than business or residential, he may be assessed and rated in respect to such occupation, such tax to be proportionate to the period of the civic year then unexpired. The Assessor sends out a Special Assessment notice to persons so liable stating the amount payable thereunder and this tax is payable forthwith. Persons taxable hereunder are listed on a special roll. Persons who commence business ^{after the rate is struck} ~~not before on the assessment roll~~ are required to notify the Assessor. If a person is discontinuing business and vacates premises not later than May 1st next succeeding, notice must be sent to the Assessor on or before February 25th in order to escape liability for the tax.

(14) Exemption of Widows and Unmarried Women - Every unmarried woman or widow without children under 15 years of age, who is an owner or occupier of real property in the City and has a net annual income of less than \$500 may upon sworn application be granted exemption from taxation for school purposes upon real property to the extent of \$500 of assessed value, provided only one such exemption shall be allowed in respect to any property owned in joint tenancy, tenancy in common, coparcenary.

3. Amount of Taxable Property

The amount of the assessment upon which taxes are levied in the City has not varied greatly in the last two decades as the following table shows. The rate, however, has increased somewhat.

<u>Civic Year</u>	<u>Popula- tion</u>	<u>Amount of Taxable Assessment</u>				<u>Total</u>	<u>Rate of Taxation per \$1</u>
		<u>Real Property</u>	<u>Business</u>	<u>Household</u>			
1923-4	58,372	\$48,268,650	\$8,540,275	\$2,830,810	\$59,639,735	\$3.2	
1930-1		48,897,200	8,053,960	2,819,650	59,770,810	3.4	
1938-9	65,499	48,853,200	7,547,645	3,166,555	59,567,400	3.7	
<u>% increase</u>							
1938-9							
over							
1923-4	12.2%	1.2%	11.6% Dec.	11.8%	.1% Dec.	14.1%	

It is seen that since 1923 the increase in the real property assessment has not kept pace with the increase in population; that the business assessment has decreased in amount in the period

and that household assessment has increased 11.8%. The net result however is an amount of assessment slightly less in 1938-39 than in 1923-24. Increased expenditures have thus resulted in an increased tax rate. In 1938 the taxable real property was made up of \$11,438,800 for land and \$37,414,400 for buildings and improvements. No figures were available to show what variation if any had taken place in this relationship since 1923.

4. Exempted Properties

The amount of property exempted from taxation is exceedingly large in Halifax in comparison with taxable property, the total in 1938-39 being \$40,782,140 inclusive of fixed assessments, granted industries, etc. Only in Saint John as is shown by the table following, does the percentage of exempt property in relation to taxable property in any way approach the Halifax percentage.

	Assessed Value of		Percent Exempt Property is of Taxable
	Property Taxable	Property Exempt	
Halifax	\$ 59,567,400	\$ 40,782,140	68.5
Saint John	44,638,100	27,723,150	62.1
Quebec	117,219,012	48,029,243	41.0
Montreal	919,928,481	313,085,654	34.0
Toronto	969,686,055	160,857,756	16.6
Ottawa ⁽¹⁾	152,711,369	84,051,521 ⁽¹⁾	55.0
Hamilton	164,165,520	32,654,260	19.9
London	82,433,271	12,190,635	14.8
Windsor	93,172,343	24,580,870	26.4
Winnipeg ⁽²⁾	202,933,208	51,965,260	25.6
Regina ⁽²⁾	42,241,360	15,053,910	35.6
Saskatoon ⁽²⁾	33,107,821	10,011,666	30.2
Calgary ⁽²⁾	56,773,081	19,405,593	34.2
Edmonton ⁽²⁾	53,948,165	14,581,160	27.0
Vancouver ⁽²⁾	216,966,863	59,624,725	27.5
Victoria ⁽²⁾	37,532,369	20,657,910	43.0

(1) Ottawa receives an annual grant of \$100,000 from the Dominion Government.

(2) In these cities, buildings and improvements are taxed on a percentage of their actual value but so far as the Institute is aware the amount of improvements so exempt has not been included above under exempted property.