



FEDERATION  
OF CANADIAN  
MUNICIPALITIES

FÉDÉRATION  
CANADIENNE DES  
MUNICIPALITÉS



CITIES AND COMMUNITIES:  
**RISING TO THE MOMENT**

FCM FEDERAL BUDGET SUBMISSION 2016

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# RISING TO THE MOMENT

Last fall, Canadians made a statement more vivid than the colours of their votes. In numbers greater than we've seen in decades, they called for change in how our country works. They called for the kind of change that will make our world-class cities more livable and competitive while ensuring our rural and northern communities can thrive.

**Change means investing boldly in Canada's future.** People want to spend less time commuting and more time with their families. They want good housing that's affordable, for themselves and for their neighbours. They want reliably cleaner air and water, and they want climate change taken seriously. More than ever, they understand that by tackling these priorities together, we can create jobs and set Canada on a path to sustained growth.

**Change means a collaborative approach to governance.** We welcome this government's commitment to full partnership — to lead all orders of government beyond constitutional silos and get measurable results grounded in local realities. In turn, we have taken our lead from the people we serve. We invited Canadians to share their ideas for strengthening their hometowns, and we turned those ideas into policy options. This is what municipal governments do best: engage Canadians, find solutions grounded in local realities and deliver meaningful action.

**Change is unfolding now as a national conversation.** That conversation deepened last fall, when infrastructure spread through the widest public vernacular and Canadians endorsed a vision to invest boldly in our future. Budget 2016 is the next and best opportunity to move that dialogue forward. This is our time to show Canadians their leaders are listening and transforming bold ideas into real jobs, growth and more livable communities.

**Canada's municipal leaders are rising to this moment.** We support this government's two-phase approach to investing in our communities. We envision a future of sustainably livable communities, with exceptional transit and housing choices, and innovative responses to climate change. We are ready to extend our partnership with you to expedite job-creating projects right now—and in doing that, lay the foundation we need to build tomorrow's Canada.



**Raymond Louie**  
FCM PRESIDENT



# PRIORITIZING JOBS AND GROWTH

Canada's future depends on healthy job growth and sustained economic development—built on a foundation of strong local infrastructure.

Businesses need good roads and safe bridges to deliver goods and services. Commuters need fast, efficient transportation networks to get to work. Growing companies count on vibrant community services to attract skilled employees.

But today, fully one-third of this core public infrastructure needs repairs and upgrades to keep economic and social life running smoothly. Notably, capital expenditures required to upgrade 106 high-risk municipal wastewater systems to new federal standards will reach \$3.5 billion by 2020.

Canadians are looking to all orders of government to work together to strengthen their communities. Infrastructure renewal provides a clear return on investment: 18,000 local jobs and up to \$1.64 billion in real GDP growth for every billion dollars invested. And our municipalities have consistently demonstrated their ability to get shovels in the ground quickly.

The federal government's two-phased investment approach is well-timed. Getting worthy projects moving is an opportunity to create jobs in a period of slower growth.

Tackling needed repairs and maintenance now helps build the foundation we need for longer-term planning — which will also require investments to build capacity for better asset management and performance measurement.

With job-creating projects ready to go across the country, new programs should include renewal and repair as priorities in the short term, while being flexible enough to enable new projects that are ready. Existing programs can also be retooled to ease bottlenecks — recognizing municipalities' limited fiscal flexibility but also their proven expertise in assessing local needs and procurement models. There are also opportunities to create more jobs by redeploying uncommitted funds from application-based infrastructure programs and by making long-term commitments in major projects like transit expansions.

Significantly, partnering to create tangible results in our communities today will also continue to engage Canadians in a maturing conversation about our country's future.

ECONOMIC GROWTH GENERATED PER DOLLAR  
INVESTED IN PUBLIC INFRASTRUCTURE:

**UP TO \$1.64**

EMPLOYMENT CREATED PER  
\$1 BILLION INVESTED:

**18,000 JOBS**

LOCAL GOVERNMENTS' OWNERSHIP STAKE  
IN CANADA'S CORE PUBLIC INFRASTRUCTURE:

APPROXIMATELY **60%**

**UP TO HALF**

OF CANADA'S PRODUCTIVITY GROWTH  
(1962-2006) TRACES TO INVESTMENTS  
IN PUBLIC INFRASTRUCTURE.



# RIISING TO THE MOMENT: BUDGET 2016 RECOMMENDATIONS

As a design principle for new programs deployed via the Social, Green and Transit Infrastructure Funds, recognize the need to **invest in both repair and renewal and strategic infrastructure projects** as foundations for long-term success.

Ease barriers to progress by streamlining eligibility requirements for all existing application-based infrastructure programs:

- **Cost sharing:** increase the federal contribution for projects to a minimum of 50 per cent of total project costs, and apply the same rules to traditionally procured and P3-based projects.
- **Cost eligibility:** apply federal contributions toward a project's full capital cost, including design, legal, land acquisition, and long-term capital-related financing costs included in availability payments to P3 partners.
- **Stacking:** empower municipalities to boost their fiscal flexibility by stacking multiple federal funding sources for large capital projects.
- **P3 screen:** retire this cumbersome process, permitting municipalities to determine the best procurement model for local realities.

Optimize **New Building Canada Fund (NBFC)** priorities to get worthy projects moving:

- Prioritize upgrades to **local wastewater treatment facilities** deemed high risk and requiring action by 2020 under new federal regulations.
- Fund municipal priorities with a **national impact** through the National Infrastructure Component, including municipal transit and transportation projects needed to enhance trade corridors and large-scale disaster mitigation projects.
- Expand the list of eligible projects to include **sport, recreation and culture**.

Retool the **NBCF's Provincial-Territorial Infrastructure Component** to get more worthy projects moving in more communities:

- For **National-Regional Projects**, require that provinces and territories include commitments to local priorities reflecting municipalities' nearly 60 per cent ownership share of Canada's infrastructure, with transparent intake processes to identify municipal priorities.
- Double investment in the **Small Communities Fund**, and empower provinces/territories to lower the 100,000 population threshold to reflect the size of small communities in their regions, determined in consultation with their municipal associations.

For all application-based federal infrastructure programs, transfer uncommitted funds to municipalities through **temporary top-ups of the Gas Tax Fund**, retaining funds within the applicable province/territory, working with FCM to determine timelines for transfers.



“Investing in infrastructure should be a top spending priority, to build a foundation under the Canadian economy and ensure that we remain globally competitive as an exporter and creator of wealth.”

**Conference Board of Canada**

# ENSURING QUALITY, AFFORDABLE HOUSING

**Strong and flexible social infrastructure makes our neighbourhoods welcoming places where people want to live, work, start businesses and build connections.**

In particular, livable communities feature housing that's affordable for young people, newcomers, the middle class and seniors alike. Canadians also want to know that vulnerable neighbours aren't being left out in the cold.

Many of us can share stories about the transformative power of supportive housing — for single moms grappling with low incomes, or seniors vying to keep their independence. And Canada's response to the Syrian refugee crisis has brightened the spotlight on the need for affordable housing to set people up for lifelong success.

But today, one in five renters spends more than half their income on housing. Flat investment and condo conversions are driving net losses of affordable rentals. As operating agreements expire for Canada's 600,000 social housing units, federal spending will decline from \$1.7 billion to \$1 billion by 2020 — to zero by 2040. With the

seniors' population set to double over this span, the housing crisis will only deepen.

Municipalities are investing in social infrastructure like housing and leading initiatives to boost the supply of affordable rental units, from tax exemptions to intensification initiatives. But they are looking to the federal level for renewed leadership, including protecting federal rent-geared-to-income subsidies and investing in the repair, maintenance and recapitalization of Canada's affordable housing stock.

Investing now makes economic as well as human sense. The housing sector represents 20 per cent of Canada's GDP. Every billion dollars invested will grow the economy by \$1.4 billion and generate up to 13,000 direct and indirect jobs. This will also help cement a renewed partnership among all orders of government toward a long-term housing strategy — to provide a spectrum of housing options for families, keep seniors in their homes, and make our communities more livable for all.

**ECONOMIC GROWTH GENERATED PER  
DOLLAR INVESTED IN HOUSING:**

**\$1.40**

**EMPLOYMENT GENERATED PER  
\$1-BILLION INVESTED IN HOUSING:**

**UP TO 13,000 JOBS**

**RENTERS SPENDING MORE THAN HALF  
THEIR INCOME ON RENT:**

**ONE IN FIVE**

**CANADIANS WHO WILL EXPERIENCE  
HOMELESSNESS THIS YEAR:**

**200,000**





“Housing affordability is essential to help our communities grow and thrive. We need quality, affordable social housing to retain and attract young families and to provide for our seniors. We can do this together.”

**Cecil Clarke**, President,  
Union of Nova Scotia Municipalities

## RIISING TO THE MOMENT: BUDGET 2016 RECOMMENDATIONS

Immediately begin reinvesting expiring federal funding into **new long-term rent subsidies** for rent-gearred-to-income units affected by expiring operating agreements.

Create a **\$1.3 billion housing carve-out in the Social Infrastructure Fund**, prioritizing housing affordability and social housing over the next two fiscal years through accelerated investments in capital repair and renewal:

- **Focus investments on capital repair**, rejuvenation and eco-energy retrofits.
- Allow **flexibility for funds to be directed to new construction** that has been prioritized locally and can be completed quickly.
- Provide provincial, territorial and municipal governments with **flexibility to cost-share** with the federal government, recognizing their respective fiscal capacities and the rapid decline in federal housing spending as operating agreements expire.
- Adopt a **funding delivery mechanism** for capital repair that builds on the CMHC Investments in Affordable Housing program, encouraging consultation with municipal governments as priority projects are determined.

Partner with FCM and other stakeholders to develop a **national housing strategy** with a long-term funding plan that includes:

- predictable and long-term **subsidies for rent-gearred-to-income units** affected by expiring operating agreements to protect vulnerable households;

- predictable capital investment in repair/renewal and new construction of **social housing**;
- expanded investments in the expiring **Homelessness Partnering Strategy** with flexibility to fund a range of programs based on local needs;
- new investments in **shelters**;
- a long-term expansion of the federal **Investments in Affordable Housing** program and other expiring CMHC programs;
- a partnership with municipalities to address the inventory of **available federal lands** for repurposing as affordable housing;
- an expanded role for CMHC and the proposed Canada Infrastructure Bank in providing **low-cost financing** for affordable housing construction;
- a long-term **Northern Affordable Housing Strategy** that recognizes the geographic and cultural needs of our territories;
- a review and implementation of **tax measures and rental incentives** to increase the affordable housing supply: including increasing the GST rebate on new residential rental property to 100 per cent;
- a commitment to **strong partnership** with stakeholders and municipal, provincial and Aboriginal governments to implement proven, innovative solutions to housing affordability and homelessness.

# RENEWING AND EXPANDING TRANSIT

It's no coincidence that the world's most economically dynamic and livable cities have some of the very best rapid transit systems.

Canadians want to spend less time commuting and more time with their families. Many base their decisions on where to live on factors such as how easy it is to move from modern neighbourhoods to their workplaces. And when people and workers can move around quickly, creative ideas tend to move quickly as well.

Canada's cities own, operate and maintain most of our public transit systems, and they partner with provinces to build effective regional systems. Historically, they have also provided the largest share of public funding for the capital costs of expanding and renewing transit, while subsidizing operating costs not covered by fare box revenue.

Today, as cities grapple with rapid population growth, traffic congestion erodes air quality and costs our economy \$10 billion in lost productivity each year. But with a strong federal partner and predictable funding, cities that operate transit systems are ready to make major investments both to renew transit networks and to build new energy-efficient transit connections.

We welcome this government's commitment to dedicated investment through a new Transit Infrastructure Fund. And once again, the proposed two-phased approach is well matched to local needs in our communities.

There is an urgent need for investment to renew and repair existing transit infrastructure — with flexibility to direct funds to new builds, expansions and long-term planning when projects are ready to go. There is also a need for preliminary contribution agreements to be signed for major expansion projects so that these nation-building projects can proceed without delay. Getting the job done promises a clear return on investment: \$3 billion returned to the economy for every billion invested.

Ultimately, federal investment in transit will generate genuine triple wins for Canadians: not just economic growth but more livable communities and reductions in greenhouse gas emissions as well.

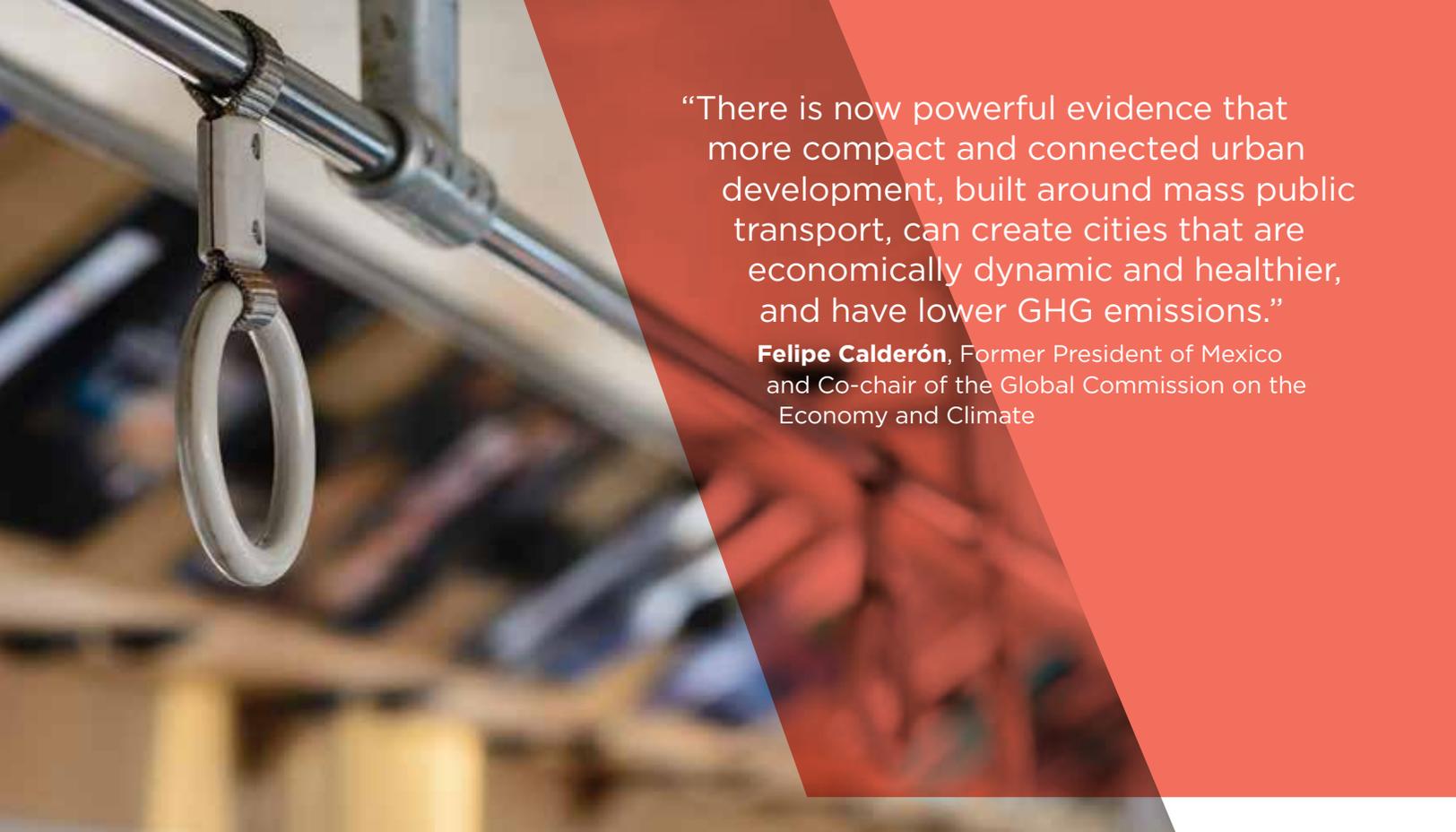
**ECONOMIC GROWTH GENERATED PER  
\$1 BILLION INVESTED IN TRANSIT:  
\$3 BILLION**

**GROWTH IN TRANSIT RIDERSHIP  
FROM 2006 TO 2012:  
21%**

**ANNUAL COST OF PRODUCTIVITY  
LOST TO TRAFFIC CONGESTION:  
\$10 BILLION**

**GHG EMISSIONS REDUCED  
ANNUALLY BY TRANSIT USE:  
2.4 MILLION TONNES**





“There is now powerful evidence that more compact and connected urban development, built around mass public transport, can create cities that are economically dynamic and healthier, and have lower GHG emissions.”

**Felipe Calderón**, Former President of Mexico and Co-chair of the Global Commission on the Economy and Climate

## RISING TO THE MOMENT: BUDGET 2016 RECOMMENDATIONS

Establish the proposed **Transit Infrastructure Fund** as a dedicated, predictable funding source for transit investment, within these parameters:

- Define its **funding scope** to include capital investment in short- and long-term strategic projects requiring immediate funding for design and planning to proceed, as well as strategic investments in repair and renewal of existing municipal assets where that is deemed most appropriate locally.
- Work with FCM to develop an optimal **allocation formula** to direct the full value of the fund to municipalities with transit systems.
- Empower municipalities to direct funds to **local priorities** based on local data and expertise, supporting evidence-based asset management and capital planning practices.
- Build **maximum flexibility** into stacking rules, allowing municipalities local discretion to pool these funds with other federal funding sources.
- Allow municipalities to use funds to **defray increased operating costs** resulting from major transit service expansions.

Ensure planning stability by retaining previously announced dedicated transit funding with the objective of providing capital contributions to major transit expansions, enabling new investments to also extend towards operating and maintenance costs and state of good repair:

- **Retain previously announced transit funding** — \$250 million in 2017-2018, \$500 million in 2018-2019, leading to \$1 billion in permanent annual funding — to complement new investments committed through the new Transit Infrastructure Fund.
- Kickstart transit investment by signing **preliminary contribution agreements** on an expedited basis to allow major long-term expansion projects to go ahead on schedule for any funding delivered through an existing merit-based application process.
- Streamline **program requirements** as described under “Prioritizing jobs and growth” — for cost sharing, fund stacking, cost eligibility and the P3 screen.

# BUILDING A SUSTAINABLE FUTURE

Canada's municipalities are already leading the way with green innovation that creates jobs and growth while confronting the generational challenge of climate change.

Last December's COP21 summit in Paris was a milestone in the world's sharpening resolve to reduce greenhouse gas (GHG) emissions. Global change starts with bold leadership from national governments, but concrete results require local action. And we stand ready to help Canada meet its international obligations — by investing in solutions in communities across the country.

Municipalities influence around half of Canada's GHG emissions. They are also driving some of our most systemic low-carbon practices — from high-efficiency buildings to district heating, from public transit to near-zero-GHG waste plans. As well, FCM's Green Municipal Fund is helping local sustainability leaders move from vision to reality. With predictable federal funding, building on these initiatives will help Canada achieve its emission targets.

Local governments are also on the front lines as new weather extremes increasingly cause property damage and economic disruption. Canada's major cities and many smaller communities are

developing plans to harden public infrastructure to a world of increasing climate change. They need a strong federal partnership as adaptation requires unique expertise and resources.

It's time to recognize that climate change's existential threat also presents enormous opportunities. In the short run, investing in mitigation and adaptation will create jobs and growth, and our municipalities are ideally placed to prioritize worthy projects. Longer-term, investing in green infrastructure lays a foundation for the stronger, greener economy Canadians want.

With the world's eyes on Canada, local governments are ready to partner with you to build a better country and planet — one resilient, low-carbon, livable community at a time.



**GHG REDUCTIONS MUNICIPALITIES  
CAN ACHIEVE THROUGH  
SMART INVESTMENT:**

**20-55 MEGATONNES**

**PROJECTED ANNUAL COST OF EXTREME  
WEATHER EVENTS BY 2020:**

**\$5 BILLION**

**SAVINGS PER DOLLAR INVESTED TODAY  
IN CLIMATE CHANGE ADAPTATIONS:**

**\$9-38**



“Canadians are looking to all orders of government to take collective action on climate change.

Municipalities have been innovating to reduce greenhouse gas emissions for over two decades and we are ready to do more to address climate change and make our communities more resilient.”

**Pauline Quinlan**, Chair, FCM’s Standing Committee on Environmental Issues and Sustainable Development

## RISING TO THE MOMENT: BUDGET 2016 RECOMMENDATIONS

Through the **Green Infrastructure Fund**, provide a predictable source of funding for municipalities investing in infrastructure projects designed to mitigate and adapt to climate change and support other green priorities, with these parameters:

- Adopt an **allocation model** based on the federal Gas Tax Fund for the full value of the fund — i.e. base plus per capita allocations to provinces/territories, and predictable funding to all municipalities determined through bilateral agreements developed in consultation with FCM and provincial/territorial municipal associations.
- Empower municipalities to direct funds to **local priorities**, based on local data and expertise, supporting evidence-based asset management and capital planning practices.
- Build **maximum flexibility** into stacking rules, allowing municipalities local discretion to pool these funds with other federal funding sources.

Empower municipalities to direct green infrastructure funding to worthy projects that tackle **local challenges and priorities**, including but not limited to:

- **Clean energy infrastructure** — including renewable energy systems; district energy systems; clean energy storage; energy efficiency retrofits (e.g. housing, municipal buildings, community and recreational infrastructure); vehicle efficiency (e.g. electric charging stations, green municipal and transit fleets); active transportation (e.g. bike lanes, pedestrian bridges).

- **Community resilience** — including extreme weather adaptations (e.g. dams, dykes, barriers, seawalls, snow/wind load enhancements, surface water storage capacity); melting permafrost adaptations (e.g. thermosyphons and other solutions to foundation loss).
- **Core public infrastructure** — including drinking water, wastewater treatment and rural septic system upgrades; stormwater management (e.g. storm sewer and culvert replacement); waste management improvements (e.g. solid waste diversion, recycling, organics); information systems (e.g. for transport, water quality and energy systems).
- **Environmental protection** — including contaminated site clean-up; water conservation enhancements (e.g. greywater systems, rainwater collection, fixture replacement); natural asset management (e.g. wetlands and riparian areas, tree canopy).

Build on the work of **FCM’s Green Municipal Fund** through an investment targeted at supporting transformative municipal projects in climate change mitigation and adaptation.

Work with FCM on a long-term investment plan to ensure the sustainability and protect the future value of FCM’s Green Municipal Fund.

# FOSTERING SAFE, VIBRANT COMMUNITIES

Truly livable communities feature neighbourhoods where we can feel safe and secure, and where people from all circumstances can find positive ways to participate in social and cultural life.

On public safety, however, municipalities are facing a financial crunch. Local police are increasingly expected to respond to complex threats such as terrorism, cybercrime, organized crime and border security. Municipal first responders are also on the frontlines when disaster strikes — as we saw in the 2013 Lac-Mégantic derailment, the 2013 Alberta floods and the 2015 British Columbia wildfires.

These increasingly complex responsibilities are fuelling unsustainable growth in municipalities' public safety costs, leaving many unable to invest in proven early intervention and crime prevention programs. A more comprehensive approach to policing and emergency management involving all orders of government will offer Canadians quality service while easing pressures on municipal budgets.

Canadians also increasingly recognize that **safe** communities are **livable** communities — and

vice versa. We have highlighted how affordable housing helps empower people to build better lives, and this applies to social infrastructure broadly. Investing in sport, recreation and cultural facilities strengthened local strategies to divert vulnerable youth from crime. With predictable federal funding, local governments are ready to get to work renewing parks, arenas, community centres and other local hubs.

Of course, these facilities are also highly valued by wider populations, from seniors to families with children. These are the community pillars that bring people together and help form the identities of our neighbourhoods. By strengthening our partnership to enrich this social infrastructure, we'll be creating jobs, fostering public safety and building more vibrant communities — another genuine triple win.

**88%**

**OF CANADIANS CONSIDER A SAFE AND SECURE ENVIRONMENT TO BE ONE OF THE MOST IMPORTANT ASPECTS OF THEIR LIVES.**

**THE MUNICIPAL SHARE OF POLICING COSTS INCREASED IN REAL TERMS BY**

**\$2.5 BILLION**

**FROM 2003 TO 2013.**

**FROM 1980 TO 2013, NOW-DISCONTINUED EMERGENCY PREPAREDNESS AND URBAN SEARCH AND RESCUE PROGRAMS CONTRIBUTED UP TO**

**50% OF THE COST OF LOCAL PREPAREDNESS PROJECTS IN OUR CITIES.**





“Canada’s cities and communities are at the forefront of planning for, and responding to, natural and man-made disasters. Renewed cooperation and collaboration between Canada’s three orders of government will help strengthen emergency management capacity at the local level and improve public safety.”

**Randy Goulden**, Chair,  
FCM’s Standing Committee  
on Community Safety and  
Crime Prevention

## RISING TO THE MOMENT: BUDGET 2016 RECOMMENDATIONS

- Begin developing a plan to adequately invest in **local policing** to reflect the changing and complex nature of crime, while engaging local governments in implementing new **public safety programs**, including funding for guns-and-gangs police task forces.
- Increase cooperation among all orders of government on proven **crime prevention and early intervention policing models and mental health services**, including a plan to implement proven approaches like Housing First to assist vulnerable populations.
- Consider the perspective and needs of municipalities in the design, governance and implementation of Canada’s new **Public Safety Broadband Network**.
- Reinvest in **local emergency preparedness**, starting with heavy urban search-and-rescue teams and enhanced search-and-rescue capacity, to ensure municipalities have access to highly trained and well-equipped emergency responders.
- Engage local governments on expanding **national disaster mitigation strategies** to cover the full spectrum of disaster risks, including drought and forest fires.
- Launch a review of changes to the **Disaster Financial Assistance Arrangements** to prevent an unfair burden being placed on municipal resources during recovery from disasters.
- Work with FCM to develop a merit-based program through the Social Infrastructure Fund focused on renewal of **sport, recreation and cultural infrastructure**, with flexible funding guidelines as described under “Prioritizing jobs and growth” (for cost sharing, stacking, eligible costs and P3 screen).
- Develop a plan to work with FCM to **ensure continued investments in broadband infrastructure** while the CRTC completes its review of the basic telecommunications services that should be available to all Canadians.
- Take action to address the high cost of living in the North by implementing the proposed **increase to the residency component of the Northern Residents Tax Deduction**, including indexing the deduction to retain its value in the future.
- Address food insecurity by developing a plan to work directly with northern and remote communities to implement **proposed reforms to the Nutrition North program**.

# MODERNIZING THE INVESTMENT TOOLBOX

Infrastructure projects are generally planned, developed and financed over decades and municipalities have historically funded the largest share of their capital costs. Streamlining existing program requirements also begins to modernize the investment toolbox for this durable community building — but there's much more to do.

Municipalities own close to 60 per cent of Canada's core public infrastructure — roads, bridges, transit, water, wastewater, culture, and sports and recreation — while the federal government owns less than two per cent. What Ottawa brings to the table is both fiscal capacity and wide potential for the nation-building leadership Canadians are seeking.

We see leadership in this government's commitments to dedicated Transit, Social and Green Infrastructure funding streams. We see it in the commitment to lower local governments' financing costs by creating a Canada Infrastructure Bank. And we are ready to work in partnership to optimize these elements to the needs and realities of communities nationwide.

For tomorrow's investment toolbox, nothing can replace long-term, predictable and dedicated federal infrastructure funding. Proven mechanisms like the permanent and indexed federal gas tax transfer are essential to renewing and expanding core municipal infrastructure to support the competitiveness and prosperity of our communities.

At the same time, our experience reveals a fundamental gap in Canada's approach to infrastructure management. We lack a right-sized approach to evaluating the impact of investments on our economic renewal, quality of life and low-carbon goals. There is a clear opportunity here for a capacity-building and infrastructure innovation resource—to manage performance objectives and coordinate the range of local actors. Getting this right is key to maximizing the transformational potential of the government's investment in our communities.

## RISING TO THE MOMENT: BUDGET 2016 RECOMMENDATIONS

- Work with FCM over the next year to develop a **sustainable long-term plan to build our communities** — based on predictable funding and smart planning, building on proven approaches like the permanent and indexed Gas Tax Fund.
- Enable smarter investment by funding a **Municipal Infrastructure Innovation Program**, delivered by FCM in coordination with partners and stakeholders, with a mandate to manage municipal infrastructure data nationally and deliver asset management capacity-building services for local governments.
- Work with FCM on the design of the **Canada Infrastructure Bank** with the objective of reducing infrastructure financing costs through streamlined administrative burdens, and the ability to apply to both renewal and new construction, allow for maturities exceeding 30 years, and extend eligibility to municipally controlled entities such as housing providers.
- **Realign P3 Canada** to focus on capacity-building support for municipalities with a local interest in pursuing public-private partnerships — transferring any remaining uncommitted funds to municipalities through a temporary top-up of the Gas Tax Fund.
- **Build maximum flexibility into stacking rules** for new programs, allowing municipalities local discretion to pool funds from multiple federal funding sources.
- Enable the efficient and timely use of new federal investments by allowing municipalities the **flexibility to accelerate planned projects** that have local funding in place for future years, allowing this funding to be reallocated to other strategic projects currently in the planning phase.

# PARTNERS IN NATION BUILDING

Canada is a country of dynamic and diverse regions — with world-class cities and resourceful towns rising out of spectacular natural wealth. Canadians enjoy a unique quality of life, and we are known widely as economic innovators and compassionate world citizens.

Ours is a country of nations, including this land's original peoples, forged at times through happenstance and conflict, but also through equal parts hard work, smart planning and raw inspiration. And in this modern era, Canada's cities and communities have emerged as genuine nation builders.

Municipalities are responsible for approximately 60 per cent of the transportation networks, water systems and other core public infrastructure that underpins our economy. Municipalities shape our neighbourhoods — the diversity and balance of housing, enterprise, recreation and cultural facilities.

Municipalities deliver vital community services and help keep people safe from crime and natural emergencies. And they are already leading the way with innovative local responses to global climate change.

In short, municipalities are indispensable guardians of everyday life and commerce in this country. With no formal role in Confederation and access to just 8-10 cents of each tax dollar, local governments have learned to be creative, efficient and collaborative. So it's no accident that municipalities are widely seen as the most accessible and trusted order of government.

Municipalities are your ready partners in building tomorrow's Canada. They understand local realities best, with unmatched insight on what works and what doesn't. They look forward to working with your government to strengthen their role in this remarkable project called Canada.

# ABOUT US

**The Federation of Canadian Municipalities is the national voice of local government.**

Mayors and municipal leaders work with FCM to voice their vision for Canada and collaborate on solutions to grow the economy, create local jobs and improve people's quality of life.

With nearly 2,000 members representing 90 per cent of Canada's population, FCM speaks on behalf of a strong and united municipal sector. That gives us unparalleled reach and capacity to convene Canada's local order of government — from municipal leaders to stakeholders and policy experts. As a result, FCM is well placed to help design and implement responsive municipal-federal initiatives.

In partnership with federal departments and agencies, FCM delivers programs empowering municipalities to share know-how and resources. Our largest program, the Green Municipal Fund, is a \$550-million endowment fund supporting municipal efforts to improve air, water and soil quality. Other programs raise municipalities' capacity to address climate change, develop

economic development partnerships with First Nations communities and support women's involvement in local government.

Internationally, FCM helps local governments develop their capacity to deliver basic services, promote economic growth and encourage citizen participation in planning and decision-making. In partnership with Global Affairs Canada and other donors and partners, FCM mobilizes Canadian municipal expertise to build more sustainable communities. FCM's international portfolio currently includes more than \$100 million in large-scale partnership-based projects in Africa, Asia, Latin America, the Caribbean and Eastern Europe.

FCM's approach to capacity building is practitioner-based, peer-to-peer learning that draws from its networks of local government elected officials and technical staff that have years of practical experience in all areas of municipal responsibility.

## A THRIVING RURAL CANADA

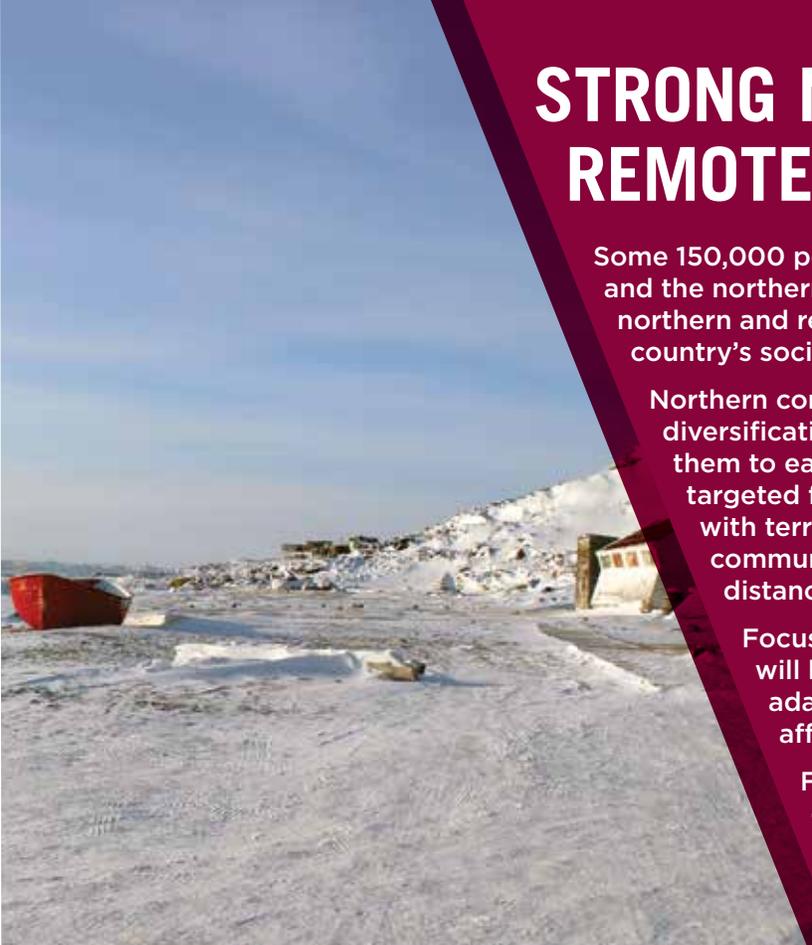
Rural communities are essential to Canada's economic, social and environmental well-being — generating 30 per cent of national GDP in sectors like agriculture, manufacturing, transport and tourism.

But with limited fiscal capacity, rural governments can face formidable challenges sustaining core infrastructure such as roads, bridges, drinking water and community facilities. Youth out-migration is a continuing threat.

A thriving Canada needs a thriving rural Canada, and for that we need federal leadership. That means predictable and expanded funding for rural infrastructure and the flexibility to recognize rural communities' unique needs and opportunities. For many, that starts with attracting skilled young people and newcomers through investments in housing, broadband networks and newcomer services.

In FCM's *Action Plan for a Strong Rural Canada*, rural municipalities from across Canada identified a roadmap for building vibrant and sustainable communities to move our country forward. It's time to turn that vision into action.





# STRONG NORTHERN AND REMOTE COMMUNITIES

Some 150,000 people live in Canada's three territories and the northern regions of half a dozen provinces. These northern and remote communities are integral to our country's social, cultural and economic fabric.

Northern communities need strategies to support economic diversification. They also need infrastructure that connects them to each other and the rest of Canada. Smart, targeted federal assistance, developed in partnership with territorial and local governments, will help communities tackle the unique challenges arising from distance, climate, isolation and rugged terrain.

Focused support through the new Green Infrastructure Fund will help northern communities with costly permafrost adaptations while new housing investments will improve affordability and the availability of social housing.

Federal-municipal partnership is crucial to the issues of infrastructure and economic development, housing and cost of living, clean water, disaster mitigation, climate change resiliency and community safety.

## Local governments are the front line of essential services and programs.

Canadians who live and work in urban, rural or remote communities benefit every day from the many services managed by local governments. These are services that drive economic prosperity, promote citizenship engagement, and make our communities livable. They include:

- the approximately 60 per cent of Canada's public infrastructure that local governments are responsible for;
- protective services to ensure the safety of communities and their residents;
- local transportation, including road maintenance and public transit;
- public health, including school outreach programs and community vaccinations;
- parks, recreation, libraries and culture;
- local social services and housing;
- water and wastewater services;
- waste collection and management, and recycling programs;
- sustainability programs and initiatives.

Shared municipal-federal priorities include:

- job creation;
- economic development;
- infrastructure renewal;
- immigrant and refugee settlement;
- housing affordability;
- environmental stewardship, including climate change;
- improving relations with Aboriginal peoples;
- emergency management;
- community safety;
- crime prevention;
- disaster mitigation.

Municipalities are central to this country's economic success. Whether they are large urban areas that serve as hubs for business, innovation and tourism, or smaller communities that serve our resource, agricultural and manufacturing sectors, vibrant and sustainable municipalities help drive Canada's long-term prosperity.

Strong municipalities are the foundation of a healthy economy and a better quality of life for Canadians. Overcoming Canada's biggest challenges requires close collaboration between all three orders of government.



# FCM MEMBERS:

- 2,000 MUNICIPALITIES
- REPRESENTING 90% OF CANADIANS
- BUILDING BETTER COMMUNITIES TOGETHER

# BIG CITIES, STRONGER TOGETHER

**FCM's Big City Mayors' Caucus is the voice of Canada's biggest cities.**

Canada's cities are engines that propel our country forward, creating local jobs and growth. They are also hubs for innovation, where solutions are found, tested and shared to meet national challenges playing out in communities across the country.

The Big City Mayors' Caucus (BCMC) brings together 21 of Canada's biggest cities, offering a forum for policy development on a range of issues affecting our largest centres. Together, they represent 86 per cent of Canada's big city population and the largest share of GDP.

Through FCM, the BCMC partners with the federal government in nation building through city building. Its members are pioneers in tackling the challenges of our times. Canada's big cities have shown strong leadership in welcoming Syrian refugees to our country. They were also some of the first governments in the world to acknowledge and respond to human-caused climate change.

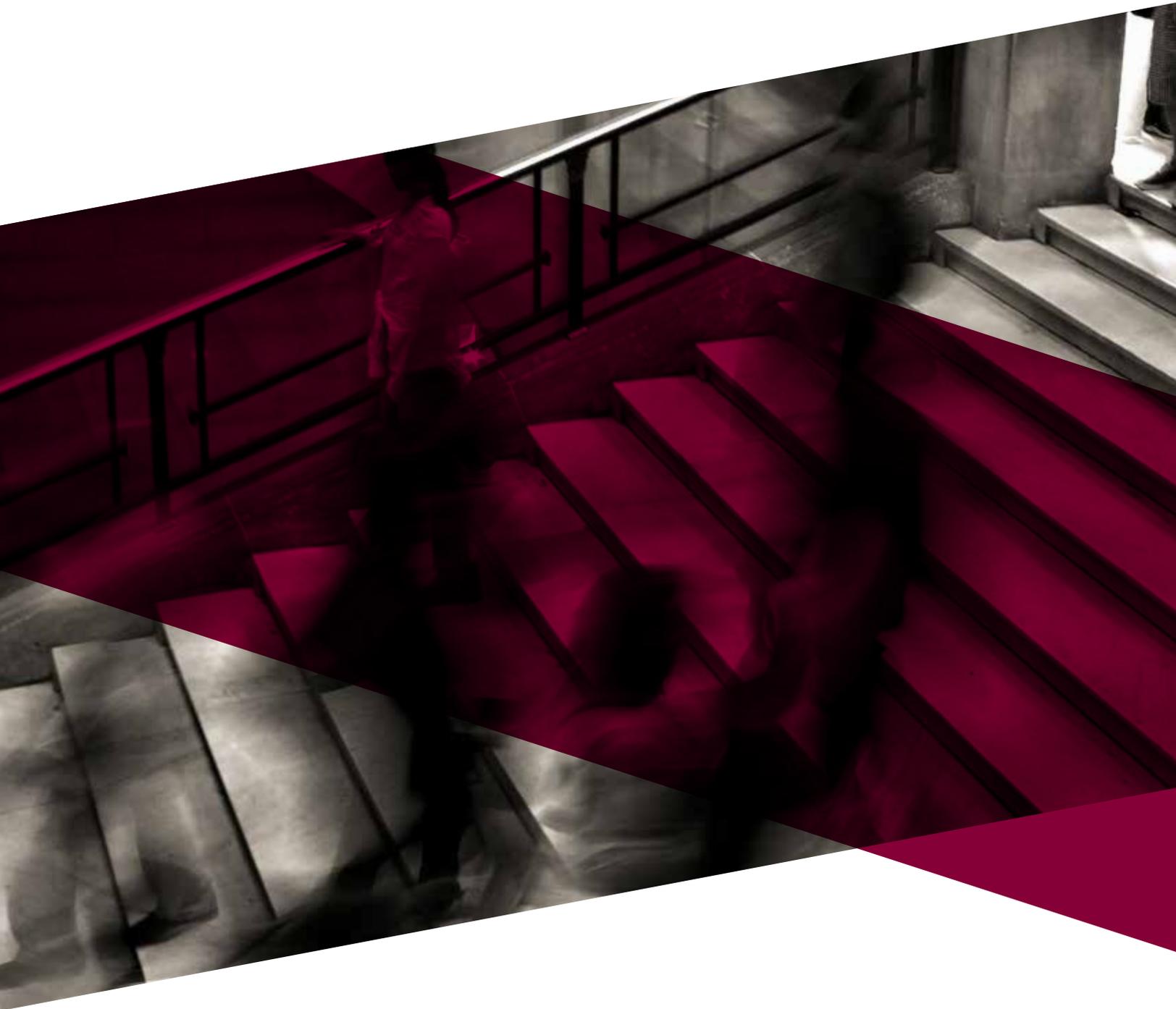
Throughout last fall's election campaign, Canada's big city mayors undertook a series of coordinated actions to champion Canadians' well-being. They emphasized the importance of public infrastructure, efficient transit and affordable housing as foundations for our economy and quality of life — for seniors, youth and families alike.

At the BCMC's February 2016 conference in Ottawa, in dialogue with the Prime Minister and his cabinet, our big city mayors made new strides in articulating a constructive way forward. They look forward to deepening their partnership with this government to realize the vision that Canadians endorsed so strongly on election day.



“Though Canada's big cities are tremendously diverse, we're at our best when we join forces and speak in one voice. We're learning to embrace this paradox — that building dynamic and livable cities is both a deeply local process and the heart of contemporary nation building.”

**Don Iveson**, Mayor of Edmonton and Chair of FCM's Big City Mayors' Caucus.



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