



ELECTION 2019

Federal Election Municipal Issues Backgrounder



WELCOME TO THE FEDERAL ELECTION MUNICIPAL ISSUES BACKGROUNDER

During the 2019 federal election, the Saskatchewan Urban Municipalities Association (SUMA) is calling on all federal parties to present platforms that:

- a) Create a new federal-municipal relationship where municipalities can manage their assets and make meaningful investments through Gas Tax and Cannabis Excise Tax revenues;
- b) Give municipalities the tools to build climate-resilient infrastructure, manage and plan for natural disasters, and reduce and recycle plastic waste; and
- c) Provide a seat at the table for municipalities to meaningfully engage in infrastructure planning and prioritization of projects and develop infrastructure funding structures that offer consistent funding.

The following package provides key messages and background information on three major issues facing municipalities and relating to their relationship with the federal government:

1. **A New Federal-Municipal Relationship**
2. **Tools to Building Sustainable Communities**
3. **A Say in Infrastructure Funding**

Under each section you will find items marked as **Needs** and **Fixes**.

Needs - We would like to see these changes as they would have a positive impact on our communities.

Fixes - We believe the federal government must revisit or reverse these decisions because of a negative impact on municipalities.

We have also included **wins** from the 2015 federal election - areas where we have seen progress.

This information will ensure you are prepared to discuss and debate these issues with local candidates.

SUMA will provide additional tools for members during the election campaign. We have provided text for letters to the editor and candidates. We will also be providing regular updates on issues through email and our website, plus shareable social media content through Facebook and Twitter.

We are also working with our federal counterparts, the Federation of Canadian Municipalities (FCM). Visit their [federal advocacy website](#) and sign up for regular updates from them.



WINS FROM THE 2015 FEDERAL ELECTION

REINSTATEMENT OF THE MANDATORY LONG FORM	FUNDING TO IMPROVE RAIL SAFETY	NATIONAL DISASTER MITIGATION PROGRAM	SOCIAL AND ACCESSIBLE HOUSING	FUNDING FOR WASTEWATER REGULATION CHANGES
		THE ASK:		
Reinstate the long form component of the census.	Allocate targeted funding for municipalities to make improvements required by new federal regulations to improve rail safety.	Expand the National Disaster Mitigation Program to include all natural disasters, to allow direct application from municipalities, and to fund larger mitigation and infrastructure resiliency projects.	Establish and fund a permanent and predictable affordable Housing Plan.	Fund changes required under new municipal wastewater regulations.
		THE WIN:		
The 2016 Census revived the long form component to replace the voluntary National Household Survey. The return of the long form component improved the accessibility, accuracy, and coherence of statistical information.	In the 2016 budget, the federal government proposed \$143 million over three years to sustain existing measures and support new and expanded activities to strengthen oversight and enforcement, and to enhance prevention and response capabilities related to rail safety and the transportation of dangerous goods.	In early 2017, the federal government introduced an additional program known as the Disaster Mitigation and Adaptation Fund to support national, provincial, and municipal infrastructure required to deal with the effects of a changing climate. Under this fund, municipalities are eligible for up to 40 per cent cost sharing.	Budget 2017 proposed an investment of more than \$11.2 billion over 11 years in a variety of initiatives designed to build, renew, and repair Canada's stock of affordable housing and help ensure that Canadians have affordable housing that meets their needs.	Budget 2016 proposed to invest \$2 billion over four years, starting in 2016–17, for immediate improvements to water distribution and treatment infrastructure. The budget also proposed to provide \$1.8 billion over five years to address health and safety needs, to ensure proper facility operation and maintenance, and to end long-term boil water advisories on First Nations reserves within five years.

A NEW FEDERAL-MUNICIPAL RELATIONSHIP

NEED: FEDERAL DISTRIBUTION OF CANNABIS EXCISE TAX REVENUES TO MUNICIPALITIES

KEY MESSAGES:

SUMA is calling upon the federal government to **revisit the cannabis excise taxation agreement** with the provincial government to explicitly direct 33 per cent of cannabis excise tax revenues to municipalities.

BACKGROUND:

The Federal-Provincial-Territorial Agreement on Cannabis Taxation recognized the need for sustained cooperation between federal, provincial, and municipal governments. The agreement also obligated provinces to work with municipalities according to shared responsibilities toward legalization. The provinces of Ontario, Alberta, and Quebec have acknowledged that municipalities need help with the transition to legal recreational cannabis and are providing funding.

At Convention 2019, Saskatchewan's hometowns called on the provincial government to [develop and implement a cannabis excise tax sharing agreement](#).

In the summer of 2019, 102 letters were sent by municipalities to Saskatchewan's Minister of Finance requesting their fair share of the cannabis excise tax. The province has refused to pass on a share of the revenues.

Federal Minister of Finance Bill Morneau stated in a letter to SUMA on May 21, "the Government of Canada was willing to accept a smaller share of cannabis duty revenues to ensure that provinces and territories would have additional funds to provide to municipalities and local communities".

More information on cannabis and the cost to municipalities is available on [SUMA's website](#).



A NEW FEDERAL-MUNICIPAL RELATIONSHIP

NEED: PERMANENT DOUBLING OF THE GAS-TAX FUND

KEY MESSAGES:

SUMA is calling upon the federal government to **commit to permanently doubling the Gas Tax Fund (GTF)** with a predictable annual growth rate that better reflects economic growth and construction costs. The GTF is a core funding tool that empowers municipalities of all sizes to build better lives for all Canadians.

BACKGROUND:

Municipalities collect just 10 cents of each Canadian tax dollar, yet are responsible for nearly 60 per cent of the public infrastructure, everything from transit and roads to water and waste. Each year, the GTF supports the renewal of this infrastructure by providing predictable funding to municipalities of all sizes.

Currently, however, the GTF accounts for only two per cent of municipal revenues while the list of

unfunded infrastructure projects grows. The federal budget in 2019 included a one-time doubling of GTF transfers. The one-time top-up of \$2.2 billion translated to \$61.9 million for Saskatchewan municipalities and is estimated to provide Saskatchewan with \$324.2 million for the last half of the agreement from 2019-20 to 2023-24.

SUMA, in partnership with the Federation of Canadian Municipalities, is calling for a permanent doubling of the GTF transfer. And to maintain its effectiveness into the future, the GTF's annual growth index needs a boost—from 2 to 3.5 per cent—to better reflect economic growth and rising construction costs.

During the first five years of the renewed GTF, more than 1,100 Infrastructure Investment Plans have been approved, with an estimated total project cost of \$504 million.



BUILDING SUSTAINABLE COMMUNITIES

NEED: EMERGENCY MANAGEMENT COLLEGE

KEY MESSAGES:

SUMA is calling on the federal government to **re-open the Canadian Emergency Management College** to provide comprehensive, collaborative, and inter-jurisdictional training for municipal and provincial emergency responders.

BACKGROUND:

The consistent and dramatic increase in costs related to natural disasters indicates a broader trend in Canada and globally.

In 2013, a leaked briefing package from Public Safety Canada indicated that the rising cost of natural disasters and the financial burden on Ottawa is the country's biggest public safety risk.

For 58 years, provincial and municipal officials, and first responders could access collaborative emergency management training through the

Canadian Emergency Management College. The federal government closed the college in 2012, for annual savings of \$1 million per year (or three cents per Canadian).

Maintaining an operable emergency response system is critical to maximizing the effectiveness of our mutual aid agreements and facilitate large-scale deployment of public and private resources.

The loss of the Emergency Management College removed central leadership. We now have a splintered approach through provincial, territorial, and municipal governments, and through community colleges, universities and private sector organizations. Expertise is being lost, training levels are falling, and interoperability is being sacrificed for short-term savings.



BUILDING SUSTAINABLE COMMUNITIES

NEED: FUNDING FOR EMERGENCY RESPONSE EQUIPMENT

KEY MESSAGES:

SUMA is calling on the federal government to **reinvest in the Joint Emergency Preparedness Program (JEPP)** to ensure municipal fire departments and other emergency responders have access to the equipment required to respond to emergencies as safely and effectively as possible.

BACKGROUND:

JEPP once enabled the federal government, the provinces and territories, and municipalities to cost-share equipment that increased emergency preparedness and response capacity.

In 2012-13, the federal government ended the program arguing its goals had been met. The costs for this program have been downloaded onto municipalities who have had to bear the entire cost for emergency response and rescue equipment.

At Convention 2019, SUMA members passed a [resolution advocating for the federal and provincial governments to reinstate JEPP.](#)



BUILDING SUSTAINABLE COMMUNITIES

FIX: BETTER RISK ASSESSMENT TOOLS AND CLIMATE RESILIENCY

KEY MESSAGES:

Recent years have demonstrated that large-scale natural disasters are occurring with more frequency with a significant financial impact on all orders of government.

To ensure municipalities are as prepared as possible for future disasters and can make informed decisions about future infrastructure projects, SUMA is calling on the federal government to **provide communities with access to national climate research and risk assessment tools** in addition to the various funds available.

For municipal infrastructure to withstand future climate change, the federal government must continue to update infrastructure standards and assist with funding for municipalities to increase long-term resiliency to extreme weather events and large-scale disasters.

BACKGROUND:

In 2016, the federal government announced \$75 million in new funding for local governments to address climate change, to be delivered by the Federation of Canadian Municipalities (FCM). This investment supports municipal-led projects identifying and implementing greenhouse gas reduction opportunities. It also supports the assessment of local climate risks, and the integration of these impacts into asset management plans. Since 2000, the FCM Green Municipal Fund has financed more than 1,250 municipal sustainability initiatives to a total of \$862 million.

Infrastructure investments increased in 2019 with a one-time transfer of \$2.2 billion through the federal Gas Tax Fund to address short-term priorities in municipalities and First Nation communities.



BUILDING SUSTAINABLE COMMUNITIES

NEED: REDUCE PLASTIC WASTE

KEY MESSAGES:

SUMA is calling on the federal government to **follow through plans to reduce plastic waste.**

BACKGROUND:

Plastic pollution is a global challenge that requires immediate action. Plastic waste ends up in our landfills, litters our parks and beaches, and pollutes our rivers, lakes, and oceans.

Canada consumed 4.6 million metric tonnes of plastic in 2016 and recycled only nine per cent of plastic waste.

Recycling markets have been significantly impacted by China prohibiting import of 24 categories of recyclable materials, including eight types of plastic.

Municipalities deliver waste disposal services to residents, including collecting recyclable materials and developing local waste reduction strategies. SUMA and its members have been leaders in advocating for the launch of the Multi-Material Recycling Program and other stewardship and extended producer responsibility.

Reducing plastic waste reduces the amount of waste going to municipal landfills, adding years of useable life without having to expand its footprint. A nation-wide strategy, created in consultation with municipalities, is needed to have a comprehensive response to reducing waste and strengthening recycling programs.

At Convention 2019, SUMA members passed a [resolution on the reduction of plastic waste and pollution.](#)



A SAY IN INFRASTRUCTURE FUNDING

NEED: A SAY IN SETTING INFRASTRUCTURE PRIORITIES

KEY MESSAGES:

SUMA is calling on the federal government to **give municipalities a seat at the table when making infrastructure-based budgetary decisions.**

BACKGROUND:

Currently, municipalities are unable to give meaningful input into what types of infrastructure projects their residents are asking them to provide.

The Investing in Canada Infrastructure Program provides Saskatchewan with \$896 million through four funding streams, such as public transit, green infrastructure, community, culture, and recreation, and rural and northern communities. However, the

funding is open to many different organizations, with no money dedicated to municipally owned infrastructure. FCM estimates that local governments own approximately 60 per cent of the public infrastructure in Canada. Residents count on municipalities to provide roads, public transit, water and waste systems, and municipalities need to have access to the funding.

By having a seat at the table, Saskatchewan municipalities can raise their priorities rather than having to compete for an uncertain amount of funds or risking leaving money on the table.



A SAY IN INFRASTRUCTURE FUNDING

FIX: LONG-TERM, SUSTAINABLE, INFRASTRUCTURE PROGRAM

KEY MESSAGES:

SUMA is calling on the federal government to **make the Investing in Canada Infrastructure Program and other infrastructure funds permanent.**

BACKGROUND:

After decades of underinvestment, Canada's municipalities are facing a significant infrastructure deficit, including crumbling roads, rusting bridges and sewer systems, outdated water treatment facilities, and overcrowded public transportation systems.

The federal government introduced the Investing in Canada Infrastructure Program which is slated to provide funding until 2028, but this funding needs to be permanent to address the infrastructure needs and ongoing maintenance needs of aging infrastructure.

While municipalities own more than 60 per cent of Canada's public infrastructure, they collect only 10 cents from every tax dollar paid in Canada, with the balance going to federal and provincial and territorial governments.

On their own, municipalities don't have the revenue tools to rebuild infrastructure, especially while they are expected to meet growing needs for policing, housing, the environment, and settlement of newcomers, including many responsibilities downloaded from other orders of government.

There has been no indication that any of these funds will be continued past 2028 and these funds could be withdrawn in any budget. This leaves municipalities to rely solely on the Gas Tax and Green Municipal Funds. Municipalities need a guarantee that the funds committed in future years will be available regardless of party in power or government priorities.





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