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January 2, 2018

Chair and Members  
Corporate Services Committee

**RE: Report of the Federation of Canadian Municipalities Board of Directors Meeting – Ottawa, ON, November 20 – 24, 2017**

### SUMMARY

FCM's Board of Directors held a full meeting in Ottawa November 20-24, 2017. As part of this gathering, Board members continued our work addressing municipal issues in meetings of FCM's Rural Forum, our five Regional Caucuses, and our working groups on Rail Safety, Governance, Election Readiness and Urban Aboriginal issues.

We also conducted pressing business through meetings of several committees: Finance & Audit, Governance, Member Relations and Conference Planning. For this November session, meetings of most or our policy-focused Standing Committees were deferred. That decision enabled Board Members to focus our full energies on bringing urgent policy priorities to Parliament Hill—through FCM's Advocacy Days 2017.

And this year's Advocacy Days event was our largest yet. With nearly 100 FCM Board and Committee members fully briefed by FCM staff, we held 201 meetings with Parliamentarians from all Federal Parties and all Regions. Those included meetings with 14 Cabinet Ministers, and 25 more with Parliamentary Secretaries and Opposition Leaders.

That means around half of all Parliamentarians heard one consistent Municipal message from us on how to best move forward on Key National Challenges, including:

- How to design the **National Housing Strategy** to tackle the affordability crisis that's straining our cities and communities across Canada.
- How to ensure local governments have the tools they need to implement the federal commitment to **legalize non-medical cannabis**—safely and effectively.
- How to design the **Investing in Canada infrastructure plan** to generate rural growth, launch a new era of urban transit and tackle shared environmental challenges.

We effectively demonstrated that our local solutions tackle national challenges. And for a full week, one question reverberated through the halls of Parliament: *"How can we unlock the tremendous potential of local governments to build tomorrow's Canada?"*

Much appreciation to Adam Thompson of Government and External Relations, for his support during these Advocacy Days.

Respectfully submitted by:

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Harold Usher  
Councillor, Ward 12  
Member FCM Board of Directors

## **BREAKTHROUGH ON AFFORDABLE HOUSING**

Throughout the week, we reminded Parliamentarians that municipalities are on the front lines of Canada's housing crisis. FCM's comprehensive solutions were a major focus of Advocacy Days 2016 and the months that followed. And together in Ottawa, we saw that work pay off in the middle of this year's event.

On the Wednesday (November 22<sup>nd</sup>, 2017), the Federal Government released their National Housing Strategy that directly reflects FCM's recommendations. After taking a moment to celebrate this historic breakthrough, Board Members were back at it—reinforcing the need to move fast to repair social housing, replace expiring rent subsidies, and start building new affordable housing.

This truly is a breakthrough for 1.7 million families who almost find a decent home they can afford. And it's a breakthrough for Municipal Leaders working to build more livable, inclusive, competitive communities across Canada.

## **SAFE AND EFFECTIVE CANNABIS LEGALIZATION**

We also reminded Parliamentarians that municipalities are on the front lines of implementing the federal commitment to legalize cannabis nationwide. Our communities are where cannabis will be sold and consumed. We'll bear much of the responsibility for keeping people safe and well-served—and that will impose significant costs on Local Governments.

We reiterated that municipalities need two things to succeed: more engagement, and new financial tools to manage operational and enforcement costs. The response we got back was: "show us your numbers." So we did—with recommendations on how to make those local costs sustainable. And on December 11, Ottawa announced that it will release more Cannabis Excise Tax revenues to Provinces specifically for Municipal needs.

This gets us closer to FCM's objective of securing one-third of those revenues as a permanent financial tool for municipalities. And it gets us closer to a full assurance that all local implementation, enforcement and administrative costs will be covered.

## **MAKING INVESTING IN CANADA WORK**

FCM's advocacy significantly drove the 11-year, \$81 billion *Investing in Canada* Infrastructure Plan that was confirmed in Budget 2017. With the right program design, this plan can empower local governments to transform our cities and communities nationwide.

That program design is critical, and we told Parliamentarians how this government can get it right through 'Integrated Bilateral Agreement' negotiations with provinces and territories. Our advice ranged from project administration to the scope of eligible project costs. Crucially, we emphasized that to move projects forward, municipalities are counting on full and fair cost-sharing: 40% federal, 40% provincial, 20% municipal.

One of our clearest *Investing in Canada* achievements is the \$20 billion fund for public transit expansions. This is a win for communities of all sizes because its allocation-based model sets a new standard for infrastructure investment that puts municipalities in the driver's seat. But even here, without full provincial cost-sharing, projects will stall in their tracks. And we know that message has been heard loud and clear.

## **SUPPORTING RURAL & NORTHERN GROWTH**

Another key FCM achievement in shaping Investing in Canada was securing a \$2 billion fund dedicated to the infrastructure needs of Rural, Remote and Northern communities. This fund can support better roads and bridges, more reliable wastewater treatment, and progress on a full range of transportation needs.

But to turn dollars into real outcomes, the program design needs to recognize the unique needs of smaller and remote communities. Given their fiscal realities, fair provincial cost-sharing is a bottom line. And given their administrative realities, project selection and reporting will need to be streamlined significantly. We drove both points home as priorities for negotiations with Provinces and Territories.

We also advised Parliamentarians on how the wider *Investing in Canada* plan must be adapted to work for Rural and Northern Canada. Our message was clear: this is a nation-building plan, and nation-building needs to include communities of all sizes.

FCM Rural Forum members also held a special meeting with the Liberal Party's National Rural Caucus. Together, they explored new mechanisms to bring a rural lens to all federal policies and programs. Stay tuned: this promising work will continue in the coming months.

### **SCALING UP LOCAL GREEN SOLUTIONS**

Some tough conversations focused on *Investing in Canada's* green infrastructure funding. These funds can and should support municipal projects to reduce Greenhouse Gas Emissions, strengthen Local Climate Resilience, and tackle Environmental Priorities, like water and wastewater treatment.

With the right design, national green programs like the Disaster Mitigation and Adaptation Fund can enable important local infrastructure projects to confront natural disasters, extreme weather events, and effects of a changing climate. And while Ottawa has signalled that the provincially-managed portion of green funds should support a “balance” of provincial and municipal projects, what that means will be decided in bilateral negotiations.

Throughout the week, we made a strong case for significant municipal funding. We influence half of Canada's GHG emissions. We're on the front lines, as new weather extremes cause property damage and economic disruption. We're also leading the way on green innovation. With new funding, local governments can scale up this work nationwide.

Climate Change is a priority for the Federal Government. And our message to Parliamentarians was clear: Canada can't reach its Climate Change goals without us.

### **ADDITIONAL PRIORITIES**

- **FCM's National Municipal Rail Safety Working Group** met with members of the Railway Safety Act (RSA) review panel to explore outstanding municipal issues. Since the launch of the review, FCM's leadership and Working Group members have participated in six roundtables with RSA review panelists to advance local priorities.
- Board members found opportunities to promote **FCM's programs**, including:
  - how the **Green Municipal Fund** is supporting the kind of local innovation that could be scaled up to achieve national climate and environmental goals;
  - how the **Municipal Asset Management Program** offering local governments new tools for evidence-based infrastructure decision-making;
  - how the **Municipalities for Climate Innovation Program** is boosting local efforts to integrate GHG-reduction and resilience goals into long-term planning
  - how **FCM's International Programs** are bringing Canadian expertise to Municipal Governments around the world — and new ideas back to Canada.