



London
CANADA

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March 29, 2018

Chair and Members
Corporate Services Committee

RE: Report of the Federation of Canadian Municipalities Board of Directors Meeting – Laval, QC, March 5 – 9, 2018

SUMMARY

FCM's Board of Directors and committee members — together making up more than 100 municipal leaders from across Canada — met in Laval, Quebec, March 5-9, 2018. Coming on the heels of a federal budget that earned mixed reviews from FCM, Board and committee members resolved to remain focused on turning nation-building opportunities into outcomes for Canadians.

The Board meeting reinforced our federal-municipal partnership, with Minister of International Development and La Francophonie Marie-Claude Bibeau attending mid-week to discuss shared objectives toward women's empowerment. Board members welcomed the opportunity to explore how FCM programs and member municipalities are promoting the rights of women and girls in Canada, and globally in support of Canada's international assistance policy.

The gathering also provided opportunities to discuss the future of Canadian municipalities, and what FCM must do to face the challenges and leverage the opportunities ahead. Board members also conducted pressing business through meetings of standing committees, regional caucuses, and provincial and territorial association representatives.

FCM, led by its Board of Directors, has worked in partnership with Ottawa to drive unprecedented nation-building opportunities, from the National Housing Strategy to the federal infrastructure plan. Now, as the order of government closest to peoples' lives, we are best placed to turn those opportunities into outcomes. That will continue to be our focus. When municipalities work together through FCM, we can build more livable and competitive communities from coast to coast to coast.

Respectfully submitted by:

Harold Usher
Councillor, Ward 12
Member FCM Board of Directors

Councillor Tanya Park
FCM Committee Member

OPPORTUNITIES INTO OUTCOMES

With the release of the 2018 federal budget in late February, FCM's Board was eager to discuss the outcomes for municipalities. At a high level, the federal budget strengthens the federal-municipal partnership by responding to municipalities' calls to urgently fund opioid treatment and to take steps towards ensuring local governments have financial tools to safely implement cannabis legalization in their communities.

However, the budget also missed a key opportunity. FCM had called on the government to use Budget 2018 to kick-start the National Housing Strategy by expediting already earmarked funds for social housing repairs. After decades of chronic underfunding for repairs, this move would have enabled housing providers to keep at-risk homes safe and open for vulnerable families. But instead of protecting this vital part of Canada's social housing supply, this budget delays funding for critical repairs that are ready to go ahead.

HOUSING AND HOMELESSNESS

Municipalities are proud of the National Housing Strategy we helped shape, working alongside housing stakeholders nationwide. FCM's Standing Committee on Social-Economic Development had an opportunity to discuss housing and homelessness issues in detail. On the Homelessness Partnering Strategy (HPS), committee members learned that FCM has received positive signals from federal officials regarding the inclusion of FCM's key recommendations in the renewed iteration of HPS. FCM staff emphasized they will continue to urge federal officials to communicate the details of the renewed program well in advance of April 2019, in order to give communities time to prepare for program changes.

CANNBIS LEGALIZATION

Cannabis legalization was a top of mind issue for many Board and committee members in March. FCM was pleased that the federal budget reiterated the governments' commitment to revenue sharing of the cannabis excise tax with municipalities. The budget also included \$62.5 million for community-based public education and awareness on cannabis.

In addition, the government is rolling out the previously announced \$81 million in funding for police training and equipment. FCM is expecting details in the coming weeks about how this funding will flow to provinces/territories and municipalities.

FCM will continue discussions with the ministries of finance and public safety about the anticipated municipal costs and will push for federal/provincial/territorial agreements that outline a municipal share. FCM's position remains that all costs incurred by municipalities stemming from the legalization of cannabis need to be recovered through some means. The excise tax is one way to fund these costs, and FCM has called for a 33 per cent carve-out for municipalities, based on available data of estimated costs. However, if the excise tax alone does not meet municipal needs, we will continue to push for costs to be covered in other ways.

FCM's *Municipal Guide to Cannabis Legalization: A Roadmap for Canadian Local Governments* will be available in early April. Our technical and legal team adhered to a plan for six chapters: federal framework, land use planning, business licensing, personal cultivation, cannabis in the workplace, and enforcement issues within direct municipal jurisdiction (not including policing). FCM thanks the provincial and territorial associations and member municipalities who provided crucial input and support for the guide.

INFRASTRUCTURE

FCM significantly drove the federal government's game-changing, 12-year, \$180 *Investing in Canada* infrastructure plan, and we continue to work to shape the rollout towards the following goals:

- Ensuring full and fair contributions from federal, provincial/territorial and municipal governments, ideally a cost-share of 40-40-20 per cent, and no less than the 33 percent floor set by the federal government; and maintaining the up to 75 per cent federal cost-share for the territories.
- Ensuring that a fair balance of municipal projects receive funding, particularly under the Green Infrastructure Stream.
- Ensuring that outcomes reporting, horizontal requirements, planning, eligible costs and incrementally (now called combined investments) are designed in a way that reflect local realities.

On March 8, the Government of Canada and Northwest Territories announced the first signed Integrated Bilateral Agreement to implement the Investing in Canada infrastructure plan. The NWT agreement demonstrates positive progress directly resulting from FCM's advocacy.

For example, the agreement commits that the Government of NWT will ensure projects submitted for Canada's approval represent, to Canada's satisfaction, a fair balance of municipal and territorial projects. The agreement also streamlines reporting for rural communities. Communities with a population of less than 5,000 people will be required to provide progress reports on an annual basis, with larger communities reporting progress twice a year.

This agreement is the first of the 13 anticipated Integrated Bilateral Agreements. FCM remains confident that the successes seen here: cost-share, fair balance of projects, and horizontal requirements will continue throughout these agreements.

MUNICIPALITIES AND WOMEN'S EMPOWERMENT

FCM's Board was pleased to meet with Minister of International Development and La Francophonie Marie-Claude Bibeau about shared objectives towards women's empowerment. Minister Bibeau addressed the Standing Committee on Increasing Women's Participation in Municipal Government (SWG) and members of the Standing Committee on International Relations to speak about the gender lens in Budget 2018, as well as Canada's new Feminist International Assistance Policy (FIAP). FCM will continue to explore opportunities to build the capacity of committee members, Canadian municipal partners, and FCM employees on the application of the FIAP within FCM's programming. Later, the Minister met with a small group of Board members to further ongoing discussions on the strategic partnership between FCM and Global Affairs Canada.

SWG also discussed the success of FCM's scholarships and programs aimed at promoting women's participation in municipal government. FCM's Diverse Voices for Change Program will be wrapping up this August, having involved over 250 women, as well as elected officials, municipal staff and community organizations in the project. FCM is continuing to work with Status of Women Canada on new initiatives to get more women elected to municipal office in Canada.

THE ROAD TO ELECTION 2019

Through a year-long advocacy campaign leading up to the 2015 election, FCM supplied a winning narrative, offered up for any party to adopt. With a united Board, a strong reputation as a partner that delivers, as well as coordinated strategic policy, advocacy and media work, we set the frame for historic gains — including unprecedented infrastructure investments and the launch of a new National Housing Strategy. Election 2019 is a crucial opportunity to consolidate these gains, solidify our place at a four-cornered table (along with federal, provincial/territorial and Indigenous governments), and increase access to legislative, fiscal and other tools we need for our nation-building work.

FCM's Board and committees — particularly the Election Readiness Working Group (ERWG) — devoted considerable time and attention to discussing how to make sure we are ready to seize the opportunity that Election 2019 presents, advance the priorities of the municipal sector and ensure that municipalities continue to play a central role in driving national solutions, no matter which party wins the next federal election. In addition to discussions on budgets and strategies, there was recognition that Board members can play a key role in advocating federal-municipal priorities to MPs and candidates, and engaging fellow councillors in that work.

RURAL AND NORTHERN PRIORITIES

Budget 2018 contained some key items of interest to FCM's rural and northern members, perhaps most notably investments in next generation broadband research. Although the investments are positive, FCM recognizes the need to continue to advocate for the allocation of resources needed to connect all Canadian communities to the Internet and ensure comparable levels of broadband for rural and remote communities.

On the issue of infrastructure and the *Investing in Canada Plan*, FCM has been clear that any nation-building plan must include communities of all sizes. FCM has urged the federal government to empower smaller communities to directly fund pressing local needs, avoiding a one-size-fits-all approach, and recognize rural communities' unique challenges and opportunities. In February we welcomed the federal government's announcement that they would increase their part of the cost-share under the Rural and Northern Communities Fund. The federal government will now fund up to 60 per cent of eligible costs in communities under 5,000. Larger rural communities will continue to receive funding for up to 50 per cent of eligible costs, or up to 75 per cent in the territories.

The first infrastructure bilateral agreement was signed during the week of our Board meeting between the federal government and the Northwest Territories.

As infrastructure negotiations between the federal, provincial and territorial governments continue, FCM is working to ensure the federal government applies a rural lens to eligibility criteria for all infrastructure programs. We were pleased to see the first Integrated Bilateral Agreement reflect our recommendations by streamlining the reporting process for smaller communities.

During the Rural Forum meeting, members also discussed the government's recent decision on the future of Canada Post and FCM's ongoing advocacy in this area. While the renewed vision for Canada Post does not explicitly address the moratorium on rural post office closures, the federal government has stressed that expectations laid out in the Service Charter, which commits to continuing the moratorium, stand. The government has also asked Canada Post to better promote existing financial services that Canadians may not be aware of, though no new postal banking services are planned.

The Northern and Remote Forum also discussed the federal government's new Arctic Policy Framework consultation process. FCM provided a submission outlining key NRF priorities, and FCM staff and some NRF members have also participated in policy roundtables as part of the process. FCM also updated NRF on the Arctic Energy Fund and the Clean Energy for Remote Communities programs — two energy programs relevant for northern and remote communities. NRF was informed about key design elements and timelines, as FCM continues to seek more details.