

June 23, 2014

To: His Worship and
Members of City Council

Re: Federation of Canadian Municipalities (FCM) Big City Mayors' Caucus (BCMC)
Meeting, May 29, 2014 and FCM's Annual Conference and Trade Show May 29 – June 2,
2014

RECOMMENDATION

That this report be received and filed.

CONCLUSION

The Federation of Canadian Municipalities (FCM) Big City Mayors' Caucus (BCMC) meeting was held May 29, 2014, immediately preceding the FCM Annual Conference and Trade Show which occurred May 29 until June 2, 2014 in Niagara, Ontario.

The BCMC meeting focused on its continuing priorities, those being infrastructure and housing; in particular, how these priorities have, and continue to be addressed since the 2014 federal budget, as well as next steps in making progress in these areas. With the next federal election occurring in the spring or fall of 2015, it is important to appropriately position the needs and gaps still existing in program and policy details as well as within the federal funding envelope.

BACKGROUND

Infrastructure:

Earlier this year, the Government of Canada announced the framework for the \$47 billion, ten-year (2014 – 2024), new Building Canada Plan (NBCP). The NBCP replaces the Building Canada Fund (BCF), a \$33 billion, seven-year plan, which began in 2007 and expired March 31, 2014.

Cities applauded the announcement of a framework for the new ten-year Building Canada Plan and anticipated consultations would immediately occur. Since that time, however, details slowly emerged, resulting in further questions and gaps observed within the details of the Plan. With these delays and questions still existing, the likely outcome is that the 2014 construction season will be lost in terms of starting construction of any projects.

In addition, with \$210 million in total being available in year one across Canada, many vital infrastructure projects will not be funded due to the volume and costs of projects within Canada that are applicable for funding. With the federal government providing total funding of one-third towards approved projects, the Gas Tax Fund or any other federal government dollars cannot be used or stacked as project contributions, putting further pressure on municipalities to fund infrastructure projects.

Housing:

Much to the disappointment of municipalities and communities across the country, no new funding or renewed commitments towards housing were announced in the 2014 federal budget. The BCMC are not pressing for new funding, just to continue the re-investment of the \$1.7 billion in expiring operating agreements across Canada. Of this \$1.7 billion, approximately \$120 million was allocated for Saskatchewan. In total, these federal government investments account for 80% of the funding for housing.

Although municipalities will continue to work with the provincial, territorial and federal governments, as well as the non-profit and private sector to complement, partner and support policies and programs, there is no willingness on the part of municipalities' to accept primary responsibility for the housing file.

The City of Regina has and will continue to demonstrate leadership on the housing file with the Comprehensive Housing Strategy in 2012, the Mayor's Housing Summit in May 2013 and the Mayor's Housing Commission, implemented late in 2013. To continue the momentum, the City of Regina will host a second Mayor's Housing Summit late in 2014.

DISCUSSION

Infrastructure:

The chart below summarizes the main components of the new Building Canada Plan:

New Building Canada Plan (NBCP)
Ten year plan; five year review
\$2 billion per year plus a 2% index beginning in 2014-15, Gas Tax Fund, permanent
\$900 million – 100% Municipal GST Rebate, permanent
\$14 billion over ten years – new Building Canada Fund (2014 – 2024)
\$1.25 billion over five years – P3 Canada Fund

Eligible projects under the New Building Canada Fund (National Infrastructure Component and Provincial-Territorial Infrastructure Component) will be for the construction, renewal, rehabilitation or material enhancement of infrastructure for public use or benefit. Below is a chart that summarizes the categories:

National Infrastructure Component (\$4 billion over 10 years)	Provincial-Territorial Infrastructure Component (\$9 billion over 10 years)
Highways and Major Roads	Highways and Major Roads
Public Transit	Public Transit
Rail Infrastructure	Disaster Mitigation Infrastructure
Local and Regional Airports	Connectivity and broadband
Port Infrastructure	Innovation (infrastructure at post-secondary institutions that supports advanced research and teaching)
Intelligent Transportation Systems	Wastewater
Disaster Mitigation Infrastructure	Green Energy
	Drinking Water
	Solid Waste Management
	Brownfield Redevelopment
	Local and Regional Airports
	Short-line Rail
	Short-sea Shipping
	Northern Infrastructure (territories only)

New Building Canada Fund (NBCF):

The Fund includes three primary components, as outlined below:

National Infrastructure Component	\$4 billion / 10 years
Provincial / Territorial Infrastructure Component	\$9 billion / 10 years
Small Communities Fund (population under 100,000)	\$1 billion / 10 years

National Infrastructure Component:

The \$4 billion National Infrastructure Component will support infrastructure projects of “national significance” that contribute to Canada’s long-term economic growth and prosperity. Project funding will be determined on its merits (competition based) by the Government of Canada alone, and must meet criteria aimed at promoting program objectives, as well as projects that contribute to Canada’s long-term economic growth and prosperity.

Given the details known to date, eligible projects in the following areas will be considered for approval:

Highways and Major Roads	Marine Port Infrastructure
Public Transit	Intelligent Transportation Systems
Rail Infrastructure	Disaster Mitigation Infrastructure
Local and regional airports	

Federal funding will be capped at one-third of total eligible project costs for traditionally-procured projects, with the exception of traditionally procured projects that involve provincially-owned highways and major roads as well as public transit, which will be cost-shared at up to 50 per cent.

Provincial / Territorial (P/T) Infrastructure Component:

The P/T component will form the core funding for municipal infrastructure projects, with \$9 billion in funding over ten years to support infrastructure projects of national, regional and local significance that contribute to objectives related to economic growth, a clean environment and stronger communities.

Each province and territory will receive a base amount of \$250 million plus a per capita allocation. For Saskatchewan, with \$250 million for base funding, plus an additional \$186,658,080 in per capita funding, this represents a total of \$436,658,080 over the ten year period.

Significant changes have been made to the eligible categories, with the removal of local roads, sport and recreation infrastructure, culture and tourism. These categories have been moved to the Gas Tax Fund. Now included in the P/T category is innovation, which adds post-secondary institutions to the parties eligible for funding.

Eligible projects will be for the construction, renewal, rehabilitation or material enhancement of infrastructure for public use or benefit and must fall under one of the following categories:

Highways and major roads	Connectivity and broadband
Public transit	Brownfield redevelopment
Drinking water	Disaster mitigation infrastructure
Wastewater	Local and regional airports
Solid waste management	Short-line rail
Green energy	Short-sea shipping
Innovation	Northern infrastructure

The NBCF now includes universities and colleges as also competing for federal infrastructure investments. The category of innovation could be a specific category of interest for this group. It is yet unclear how projects in this category will be evaluated and, more importantly, how they will be evaluated alongside provincial / territorial and municipal projects.

Housing:

As noted above, the City of Regina is cognizant of the fact that the primary responsibility for housing resides within the federal and provincial governments; however, there is much the City can do by supporting, partnering and complementing housing initiatives. To this end, in February of 2012, the City of Regina undertook a Comprehensive Housing Strategy (CHS) that formed the basis and platform for the Mayor's Housing Summit that occurred in May of 2013.

Based on Council's recognition of the need to alleviate housing pressures, and using the CHS as the basis and background document, the City's first Housing Summit was held in May of 2013. As a result of a demonstrated need for continued dialogue, the Mayor's Housing Commission was formed and held its first meeting in October of 2013. Since that time, the Commission has provided a strong voice to Council regarding several City of Regina initiatives and pilot programs. As noted above, to continue this momentum, the City will host a second Mayor's Housing Summit later in 2014.

RECOMMENDATION IMPLICATIONS

Financial Implications

None with respect to this report.

Environmental Implications

None with respect to this report.

Policy and/or Strategic Implications

With the City of Regina's infrastructure deficit at approximately \$2 billion and limited means of collecting revenue, federal government funding is of significant importance.

Due to the above pressures and many unknowns in terms of federal funding, it is important that the City take these factors into account when creating and supporting policies and programs led by the provincial and federal governments.

Other Implications

None with respect to this report.

Accessibility Implications

None with respect to this report.

COMMUNICATIONS

Mayor Fougere, as a member of the Federation of Canadian Municipalities Big City Mayors' Caucus is involved in collectively raising the profile of housing and infrastructure with national colleagues by way of meetings, news releases and media interviews on these issues and other issues of significance, as necessary.

DELEGATED AUTHORITY

None necessary, as this report is to be received and filed.

Respectfully submitted,



Sheila Harmatiuk,
Manager of Government Relations
Governance and Strategy

Respectfully submitted,



Michael Fougere,
Mayor