

January 30, 2017

To: His Worship the Mayor
And Members of City Council

Re: Federation of Canadian Municipalities (FCM) Big City Mayors' Caucus (BCMC)
Meeting – January 20, 2017

RECOMMENDATION

That this report be received and filed.

CONCLUSION

The Federation of Canadian Municipalities' (FCM) hosted a Big City Mayors' Caucus (BCMC) meeting on January 20, 2017 in Ottawa, Ontario. The meeting was arranged at a critical time, as the federal government finalizes key design elements of Phase II of the infrastructure funding. With this unprecedented federal funding investment of \$81 billion over 11 years, cities play a critical role in determining and aligning the needs of municipalities with the criteria and funding streams to ensure these investments deliver transformative outcomes across the country.

BCMC Mayors were encouraged by the attendance of The Right Honourable Justin Trudeau, Prime Minister of Canada, who spoke to the importance of the strengthened, direct partnership between cities and the federal government. In addition, Prime Minister Trudeau heard and acknowledged the need for significant investments in affordable housing and homelessness, in particular the National Housing Strategy.

Also in attendance was Adam Vaughn, Parliamentary Secretary to the Prime Minister (Intergovernmental Affairs). Mr. Vaughn's prior work across the country to re-establish a national housing policy as part of a new urban agenda for Canada, signaled his understanding of the need for affordable housing to be considered a priority investment across the country. In addition, Mr. John Brodhead, Chief of Staff to Minister Sohi, Ms. Yazmine Laroche, Associate Deputy Minister, Infrastructure & Communities and Mathieu Belanger, Director of Policy to Minister Sohi, were available to answer questions, to the best of their ability, without breaching budget confidentiality, regarding Phase II funding.

With speculation that the 2017 federal budget may be coming forward within the next coming weeks, BCMC Mayors considered this meeting the last remaining opportunity, prior to the budget address, to re-iterate the national priorities of affordable housing and homelessness, investments in green infrastructure and public transit. Equally important and integral to the success of these investments is the need for the following: (1) substantial investment in affordable housing and the National Housing Strategy as the top priorities for the Social Infrastructure Fund; (2) long-term, predictable funding through an allocation formula; and (3) a

cost sharing formula consisting of 50 per cent federal dollars, 33 per cent provincial, and 17 per cent of the contribution coming from municipalities.

BACKGROUND

Municipalities continue to experience the benefits of a more direct and strengthened relationship with the federal government. Working and collaborating with cities as partners will ensure significant infrastructure projects are delivered and growth in our economy continues to increase. With innovation also being front and centre, the partnership between municipalities and the federal government will assist in attracting further investment, improving the quality of life and building the national economy.

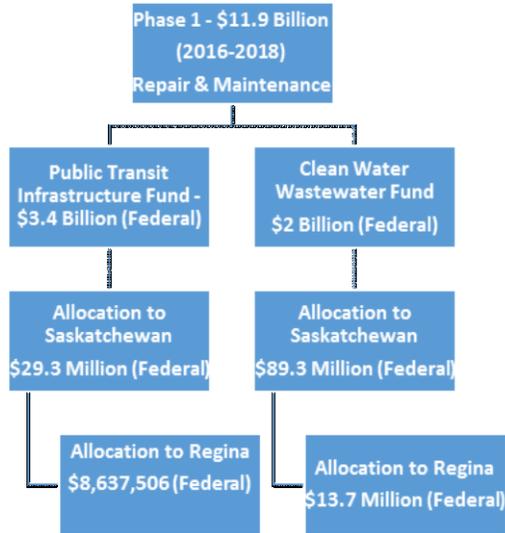
With the unprecedented federal government commitment to investment \$81 billion over the next 11 years, Phase II infrastructure funding will better equip front-line cities to meet the challenge of climate change implications, reduce greenhouse gas (GHG) emissions, increase productivity, attract talent and provide for safe and more affordable shelter for Canadians.

In 2014, through the 10-year Building Canada Fund (BCF) Provincial Territorial Infrastructure Component (PTIC), the City is expecting to receive \$30.5 million, cost-shared equally at 33.3% federally, provincially and municipally for a total of \$91.5 million.

The \$91.5 million has been allocated to the following projects:

Transit Maintenance Facility	\$29.15 million
Winnipeg Street Overpass	\$28.8 million
Regina Revitalization Initiative (RRI) -	\$33.55 million

Further to the BCF PTIC funding, through its 2016 budget, the Government of Canada introduced the Public Transit Infrastructure Fund (PTIF) and the Clean Water Wastewater Fund (CWWF) as part of the Phase I Infrastructure Plan.



The PTIF is a \$3.4 billion fund that will primarily support investments that meet immediate public priorities including: projects that improve the state of good repair of public transit; that support system optimization and efficiency; increase asset management capacity; and, design and plan for future expansion of public transit systems. Effective use of innovative new technologies that can unlock improved environmental benefits and projects that advance improvements in safety and accessibility are also eligible.

Funding Source	Percentage of Contribution	Dollar Value
Government of Canada	50%	\$8,637,506
Government of Saskatchewan	0%	\$0
City of Regina	50%	\$8,637,506
TOTAL:	100%	\$17,275,012

In September 2016, the following City projects were approved for funding under PTIF:

PTIF:

- Arcola Express Bus Route (3 buses) - \$1.725 million;
- Paratransit Bus Addition Spare Ratio Increase (1 paratransit bus) - \$130,000;
- Transit Customer Service and Safety - \$1.548 million;
- Transit Technology and Software Improvements - \$1.2 million;
- Fleet Addition (3 buses) - \$1.725 million;
- Transit Fleet Replacement (17 buses and 9 paratransit buses) \$10.945 million.

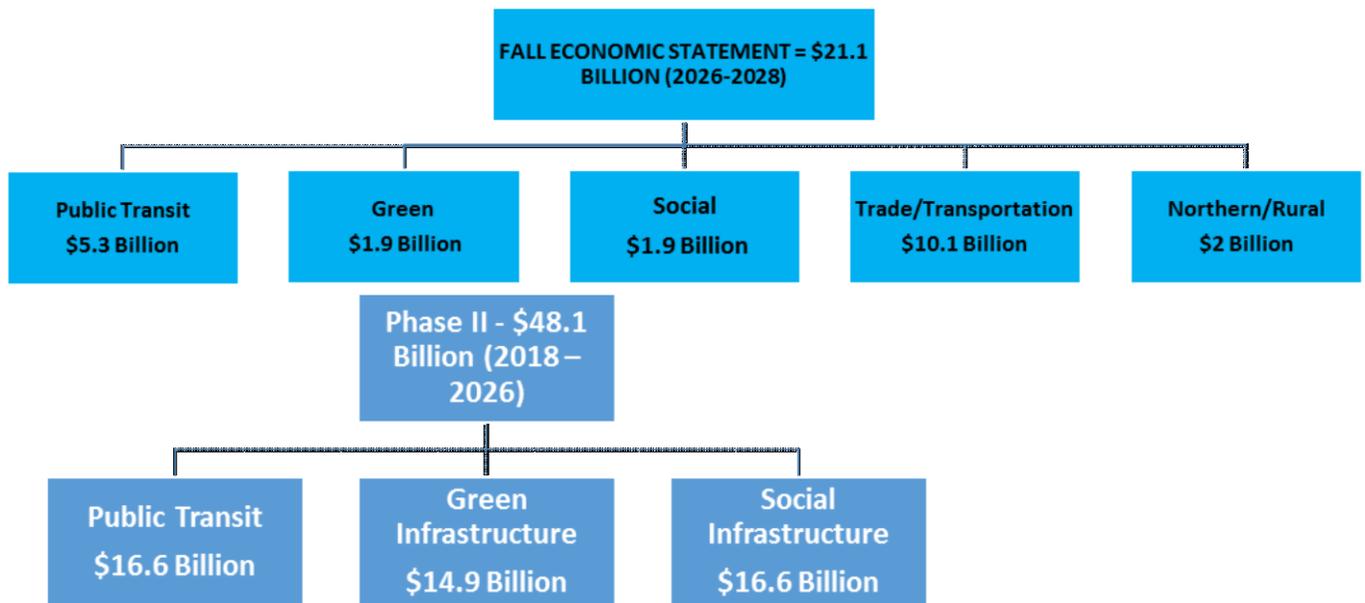
The CWWF is a \$2 billion fund designed to encourage economic growth and support sustainable, livable communities. The fund will primarily focus investments on meeting immediate priorities for clean water and wastewater to support a cleaner and healthier environment for communities.

Funding Source	Percentage of Contribution	Dollar Value
Government of Canada	50%	\$13,700,000
Government of Saskatchewan	25%	\$6,850,000
City of Regina	25%	\$6,850,000
TOTAL:	100%	\$27,400,000

In September 2016, the following City projects were approved for funding under CWWF:

CWWF:

- Upgrades to McCarthy Boulevard Pump Station (MBPS) - third force main approximately \$15 million;
- Wastewater and storm water collection system rehabilitation - approximately \$5 million;
- Wastewater collection and drainage system upgrades - \$7.4 million.



Through the Government of Canada’s 2016 Budget, Phase II of the infrastructure plan was announced with total funding of \$48.1 billion. In addition, the November 1st federal government fall fiscal update expanded Phase II of the federal infrastructure investment to \$81 billion over

11 years, as above, with further details expected to be announced in the Government of Canada's 2017 Budget.

DISCUSSION

Fundamental to Phase II funding are the principles of predictability, stability, allocation-based method of distribution, and a cost-sharing contribution of 50 per cent federal, 33 per cent provincial and 17 per cent municipal dollars. In addition, a National Housing Strategy that allows for collaboration by all orders of government is also a significant priority.

Social Infrastructure Fund (SIF):

The Government of Canada's November 1st Fall Economic Statement allocated \$21.9 billion over 11 years through the SIF. This funding is over and above the \$3.4 billion announced in Budget 2016 as Phase I of the SIF and replaces the \$16.6 billion originally allocated for Phase II (an increase of \$5.3 billion). Although priorities and criteria are yet to be defined, cities are calling on the federal government to ensure that Budget 2017 commits to setting aside a \$12.66 billion carve-out of SIF funding over eight years for housing in Phase II. This carve-out of funds is in addition to sustaining existing housing and homelessness initiatives.

In addition, to the request of \$12.66 billion dedicated to housing, BCMC is pushing for the following housing components as part of the National Housing Strategy:

- (1) Ensure that Phase II and the National Housing Strategy includes a long-term commitment to protecting the quality and affordability of social housing units adversely affected by expiring operating agreements, as well as building more social and affordable housing and supporting households.
- (2) Alignment between Phase II Social and Green components to reinforce and expand the level of funding available for complimentary projects (e.g. energy efficiency retrofits to social housing and other buildings).

Public Transit Fund (PTF):

The Government of Canada's November 1st Fall Economic Statement proposes to invest \$25.3 billion over the next 11 years in public transit systems. This funding is over and above the \$3.4 billion announced in Budget 2016 as Phase I, and replaces the \$16.6 billion originally allocated to public transit in Phase II over the next eight years (an increase of \$8.7 billion). This funding is intended to support new urban transit networks and service extensions. It will also continue to provide flexibility so that transit systems can improve the quality and condition of existing assets and support the state of good repair.

Specific to PTF funding, BCMC is advocating for the following:

- (1) Application of funding toward a project's full capital cost, including land acquisition, P3-specific design and legal costs and long-term capital related financial costs.
- (2) Alignment between Phase II Transit and Green components to reinforce and expand the level of funding available for complementary projects (e.g. network extensions and expansions, "greening" of transit fleets).

Green Infrastructure Fund (GIF):

The Government of Canada's November 1st Fall Economic Statement proposes to invest \$21.9 billion over 11 years for green infrastructure investments. This is over and above the \$5 billion announced in Budget 2016 as Phase I of the Clean Water and Wastewater Fund, and replaces the \$14.9 billion originally allocated to green infrastructure in Phase II over the next eight years (an increase of \$7 billion). This funding targets investments that support GHG emission reductions, enable greater climate change adaptation and resilience, and ensure that more communities can provide clean air and safe drinking water for their citizens.

Specific to GIF funding, BCMC is calling for the following:

- (1) Reiterate that cities are on the front lines of climate change as new weather extremes cause property damage and economic disruption.
- (2) Remind the federal government that some important local environmental priorities do not have a climate change dimension, but are nonetheless critical investment areas which will build greener communities.
- (3) Alignment between Phase II Social, Transit and Green components to reinforce and expand the level of funding available for complementary projects (e.g. energy efficiency retrofits to social housing and other buildings, or "greening" of municipal fleets and transit systems).

Trade and Transportation Fund (TTF):

Over the next 11 years, the federal government will invest \$10.1 billion in trade and transportation projects. Priority investments will include those that address congestion and bottlenecks along vital corridors and around transportation hubs and ports providing access to world markets. Marine safety and transportation needs in Canada's north will also be a priority. To date, very few details of the TTF are known.

Next Steps:

In the next coming weeks, the Administration will present and seek Council approval for a new list of City of Regina priority infrastructure projects eligible under Phase II infrastructure funding.

The Opioid Overdose Crisis:

In addition to dialogue regarding Phase II infrastructure funding, Mayor Robertson (Vancouver) and Mayor Tory (Toronto) presented an overview of the opioid crisis affecting major cities. The City of Vancouver is facing a disturbing trend of opioid use and overdose, with 914 overdose deaths in British Columbia (B.C.) in 2017, and 142 overdose deaths in December 2016 alone.

Other statistics include:

- Vancouver Fire & Rescue Services responded to 2,914 overdoses in 2016, which is a 131 per cent increase from 2015.
- Fire & Rescue Services have responded to 260 overdose calls in January 2017 (as of January 20th).
- 6,797 of people who overdosed arrived at emergency departments in the Vancouver Coastal Health area in 2016.
- Non-profit housing staff have revived tenants multiple times a day, dealing with trauma of repeated deaths of friends and family.
- 73 per cent of the overdose emergency admissions occur at a downtown hospital in Vancouver.

In response to this issue, the City of Vancouver has taken the following initiatives:

- Supporting a federal application for two new injection sites;
- Provided Naloxone training to approximately 300 residents;
- City Council approval of a property tax increase of 0.5 per cent to create a \$3.5 million Urban Health Fund to support front-line workers.

The BCMC Mayors expressed the critical urgency of the fentanyl opioid crisis and the need for strong leadership from the federal government to ensure the resources, data and international best practices are coordinated across Canada.

RECOMMENDATION IMPLICATIONS

Financial Implications

The federal funding contributions through Phase II of the infrastructure plan will allow the City of Regina to leverage funding for major infrastructure priorities. It has not yet been determined as to the level of funding contribution required by municipalities. In the past, various funding streams have come with different expectations in terms of funding contributions.

There is uncertainty as to the federal government's level of contribution for Phase II of the infrastructure funding. At the time of writing, there has been no confirmation of contributions required by any order of government.

Environmental Implications

None with respect to this report. However, projects must adhere to federal and provincial guidelines regarding Environmental Assessments and the Duty to Consult process and guidelines.

Policy and/or Strategic Implications

It is important strategically to align with municipalities across Canada to ensure a unified, strong and consistent message to other orders of government regarding municipal priorities. It is equally important to collaborate with the provincial and federal governments to create an awareness and understanding of the importance of the role of municipalities and the partnership opportunities created by working together.

Other Implications

None with respect to this report.

Accessibility Implications

None with respect to this report.

COMMUNICATIONS

None with respect to this report.

DELEGATED AUTHORITY

There is no delegated authority associated with this report as it is for informational purposes only.

Respectfully submitted,



Sheila Harmatiuk
Intergovernmental & Indigenous
Relations

Respectfully submitted,



Michael Fougere
Mayor