

2020 Federal Budget Priorities

Priorities for Western Canadian Municipalities

November 2019

Executive Summary

The Western Canadian Municipal Association (WCMA) is made up of representatives of the Alberta Urban Municipalities Association (AUMA), the Rural Municipalities of Alberta (RMA) the Association of Manitoba Municipalities (AMM), the Saskatchewan Urban Municipalities Association (SUMA), and the Saskatchewan Association of Rural Municipalities (SARM). All member associations are the principle advocates representing local municipalities before government in their respective provinces and at the federal level.

Municipalities are the level of government closest to ratepayers and businesses, as such the infrastructure and services that they provide have an immediate impact on the economic growth and competitiveness of both Canadians and businesses alike. The recommendations put forward by the WCMA are intended to improve quality of life for rural residents and create a competitive business environment for industry.

Connecting Canadians – Broadband and Cellular Service

The Canadian Radio-television and Telecommunications Commission (CRTC) has declared broadband internet to be a basic telecommunications service. Broadband has become part of the basket of public goods and services that municipalities need for their residents and businesses to conduct day to day activities and participate in the economy. Reliable broadband is necessary to maintain the health, safety and well-being of those living, working and travelling in urban and rural communities.

Budget 2019 announced the creation of a national “access to high-speed internet” target of 95 per cent of Canadian homes and businesses have access to internet speeds of 50/10 Mbps by 2026 and 100 per cent by 2030, regardless of their location. To achieve this commitment, the Government of Canada is proposing a new plan to deliver \$5 billion to \$6 billion in new investments in broadband over the next 10 years. While we appreciate the funding promised this year’s budget, we do not believe it is enough to bridge the wide gaps in service.

Additionally, in many locations across the western provinces there is service available that would meet the minimum download speeds, but these internet connections are not reliable. Following this is a concern with the reliability of the data used to determine where need exists for investments in broadband.

We believe that cellular service is increasingly important to truly connected Canadians. Currently, 14 per cent of major roads and highways do not have access to LTE so one does not have to travel very far to lose cellular service which becomes safety issue for our residents and those travelling through and between our communities. We hope that the federal government will focus more attention on cellular connectivity in the coming years since both adequate broadband and cellular service are essential in boosting the economic and social well-being of our communities

RECOMMENDATION 1:

The WCMA urge the federal government to:

- Follow through on the commitments made in the 2019 Budget and increase investments in broadband and cellular for improved connectivity for all Canadians wherever they may be.
- Collaborate with each province on a plan for broadband and cellular service that takes each province’s population, geography, and service providers into account. Collaboration will ensure that the benefits of investments in broadband and cellular services are maximized.
- Use service reliability as a performance measurement in addition to using service availability as a measurement for both broadband and cellular connectivity.

- Facilitate discussions with cell carriers and other stakeholders to explore options to expand cellular coverage and broadband Internet access.
- Work with municipalities to develop solutions to ensure public safety and protect local communities through reliable communications technology.

Infrastructure Funding

Industries and people living and working in municipalities depend on access to reliable and well-designed infrastructure. The responsibility for local infrastructure that supports larger investments in the provincial and federal economy is falling primarily on municipalities and their ratepayers. Landfills and water wastewater systems are reaching capacity in some areas and these, in their traditional form, have huge price tags attached to expand or build new. The growing road and bridge infrastructure deficit is also a concern for all municipalities and translates into a heightened need for continued infrastructure investments from senior levels of governments.

The members of the WCMA have identified a number of challenges with current federal infrastructure funding programs and believe that we need to build on existing infrastructure related programs to build a stronger network of municipal infrastructure. We believe that municipalities are in the best position to determine local infrastructure priorities and should be empowered to meet those priorities and so funding through programs like the Gas Tax Program are welcomed.

RECOMMENDATION 2:

The WCMA urge the federal government to:

- Include municipal associations early in the discussions between the federal and provincial governments on infrastructure funding opportunities.
- Streamline project application and reporting requirements for smaller communities, recognizing their financial, administrative and demographic realities.
- Allow for the reallocation of monies from existing funding baskets to be used by communities of all sizes to address priority infrastructure needs including clean water and waste water, road and bridge infrastructure.
- Allocate funding for programs and projects that capitalize on investment from multiple parties and technologies to reduce the costs of delivering services.
- Continue to offer predictable and increased funding to municipalities through the Gas Tax Program.
- Allocate the majority of Phase 2 funding available under the *Investing in Canada* plan to municipal infrastructure priorities;
- Simplify application and approval processes as well as streamline reporting requirements for all *Investing in Canada* funding streams.
- Ensure fairness and flexibility through the Public Transit Infrastructure Fund for smaller communities pursuing handi-van and active transportation projects.

Local Crime and Policing

For some time, rural residents have been ringing the alarm on increasing crime rates in their communities. In July 2018, Statistics Canada released the police-reported crime statistics for 2017. The report found that at a national level, rural areas have higher crime rates than urban areas. Despite only serving 17 per cent of Canada's population, 25 per cent of violent crime, 18 per cent of property crime and 24 per cent of other Criminal Code offences were reported by police serving rural areas. The crime rate in rural areas was a staggering 30 per cent higher than in urban areas. All of this is to say, that Statistics Canada has been able to support what rural residents already know: crime in rural areas is rising rapidly.

The WCMA believes there is a need for increased police presence and enforcement options in rural areas. Visibility – which acts as an important deterrence – is severely lacking in many rural areas. We understand the difficulty of policing a large geographic area with a sparsely spread population. That is why we have called for a rural policing strategy to identify what enforcement options exist and identify areas of overlap and where there are gaps.

Though there has been small improvement, we remain concerned about vacancy rates in the RCMP throughout. While we appreciate that Depot Division is putting through a record number of troops, we understand these recruits mainly cover attrition. We also know that Depot relies on funding from the federal government to determine how many troops it can hire and train during the year. We would like to see the budget for new recruits increased and more officers placed in the western provinces and that more can be done to fill temporary vacancies through the RCMP Reserve Program. Given the nature of the reserve program, we understand the reservists have the ability to choose where and when they fill-in. However, more could be done to incentivize reservists to fill temporary vacancies in rural areas of the province. Incentives could include accommodations and a rural compensation supplement.

RECOMMENDATION 3:

To address rising rural crime, the WCMA recommends that the federal government:

- Increase funding to the RCMP Depot to recruit, hire and train more cadets.
- Increase funding to allow for more RCMP officers across the western provinces.
- Provide incentives through the RCMP Reserve Program to encourage reservists to fill temporary vacancies in rural communities.
- Assist municipalities with rapidly increasing, unsustainable policing costs.
- Ensure municipalities are not negatively impacted by the right of RCMP officers to collective bargaining.

Cannabis Taxation and Revenue-Sharing

As local governments are on the front lines of cannabis legalization, municipal concerns must be seriously considered so that municipalities can effectively manage, educate, and enforce new regulations.

According to FCM cost projections, municipal administration and local policing costs will total \$3-4.75 million per 500,000 residents, representing a range of approximately \$210-335 million per year in costs incurred by municipalities across Canada. These costs must not be downloaded onto municipalities, and therefore municipalities must be meaningful participants in revenue-sharing conversations while a revenue-sharing model must be co-developed that respects municipal authority. Tools and resources must also be provided to municipalities to help local communities respond to the challenges posed by cannabis legalization.

RECOMMENDATION 4:

To address the challenges of cannabis legalization for municipalities, WCMA recommends that the federal government:

- Ensure municipalities receive a fair-share of federal cannabis excise tax revenues.
- Proactively provide tools and resources to municipalities to help local communities respond to legalization challenges and increased costs.

Disaster Financial Assistance and Flood Mitigation

Extreme weather events are expected to cost Canadians on average \$5 billion annually by 2020 and upwards of \$43 billion annually by 2050. The Office of the Parliamentary Budget Officer also estimates the Disaster Financial Assistance Arrangements (DFAA) program should expect claims totaling more than \$900 million, including nearly \$675 million for floods, over the next five years.

Every dollar invested in adaptation and climate-resilient infrastructure will yield anywhere from \$9 to \$38 in avoided damages in the future. Therefore, increased investment in flood protection and mitigation infrastructure could prevent millions, possibly billions, of dollars in damages.

The previous federal government enacted changes to the DFAA program's cost-sharing formula, which significantly increased the federal funding thresholds for small and medium disasters or extreme weather events. These changes came into effect in February 2015 and have resulted in the downloading of federal responsibilities to provincial governments, which results in additional pressures on municipalities.

The WCMA strongly urges the Government of Canada to immediately reverse these changes in order to not jeopardize the safety of all Canadians in the event of a disaster or extreme weather event. Helping municipalities better prepare their communities would not only save money, but improve the lives of Canadians and avoid the downloading of disaster costs to municipalities.

Additionally, the WCMA supports the Federation of Canadian Municipalities (FCM) call to increase funding for the National Disaster Mitigation Program (NDMP) to ensure local adaptation projects continue to move forward without interruption, particularly in rural, remote and northern communities that are particularly vulnerable to extreme weather.

RECOMMENDATION 5:

To prepare for and mitigate the damage caused by disaster and extreme weather events, the WCMA recommends that the federal government:

- Reverse changes to the Disaster Financial Assistance Arrangements cost-sharing formula that came into effect in February 2015.
- Engage local communities on expanding federal national disaster mitigation strategies.
- Increase investment in flood prevention and mitigation infrastructure.