



CORPORATION OF THE TOWNSHIP OF ESQUIMALT

MAYOR'S AND COUNCILLORS' REPORT

From: Councillor Ken Armour

Council Meeting: April 12, 2021

Subject: Federation of Canadian Municipalities (FCM) Update

RECOMMENDATION:

This is an update for information only.

BACKGROUND:

About FCM

FCM unites 2,000 municipalities of all sizes at the national level, representing more than 90 percent of all Canadians.

March 9-12 Board of Directors Meeting

The meeting was originally set for Prince George, BC, but we instead met online.

FCM's committees and forums recommended action on a wide range of priorities—from rural & northern issues through community safety, environmental issues, women's participation, international relations, infrastructure, municipal finance and social-economic development.

The upcoming federal budget was a major theme of the meeting. FCM has put forward recommendations to empower municipalities of all sizes to continue protecting Canadians through the pandemic—while gearing up to drive a strong post-COVID recovery. FCM's budget recommendations build on proven municipal funding tools. Those include doubling the Gas Tax Fund transfer for three years as a Municipal Economic Recovery Fund; and scaling up the federal-community Rapid Housing Initiative to deliver permanent housing to more Canadians who are experiencing chronic homelessness.

Pandemic Response

The focus of FCM and its Board of Directors over the last year has been responding the pandemic by organizing regular conference calls with its Rural Forum, Big City Mayors' Caucus, provincial and territorial associations and others to share information and

coordinate frontline efforts. FCM has also led engagement with senior federal decision-makers, shaping key investments for cities and communities throughout the pandemic.

FCM was instrumental in securing \$8.6 billion in funding for municipalities under the Safe Restart Agreement (SRA). As you know, Esquimalt received \$3.5 million under this program. In addition, the federal government recently responded to another FCM recommendation by doubling the federal Gas Tax Fund transfer to municipalities for one year—growing it by \$2.2 billion—and renaming it the Canada Community Building Fund.

FCM is now tackling ongoing needs by pursuing SRA+:

- Many regions still under strict public safety restrictions and varying levels of lockdown.
- In some regions, pandemic impacts continue to erode municipal revenues, leaving operating and transit shortfalls that may stretch beyond the initial period of funding covered by the SRA.
- Mitigation measures available during the first wave—new efficiencies, expenditure deferrals, reserve funds—will be increasingly hard to come by in 2021 and beyond.

Planning for Resilience

FCM is also exploring long term planning for resilience:

- How will COVID-19 change the fiscal framework for municipalities over the long term?
- Will an accelerated shift to digitization and remote work have an outsized impact on tax base and/or user fees?
- Will new ways of working require different municipal services or infrastructure?

Payments in Lieu of Taxes (PILT)

There were no discussions on PILT at the March Board of Directors meeting. Following is the current FCM policy position on PILT:

- The federal government should work with FCM to improve the laws, regulations, policies and best practices governing payments in lieu of taxes and advance the concerns and special circumstances of municipal governments regarding these payments.
- The federal government and Crown corporations should provide full access to relevant policies, financial data, leases, contracts and other documents needed by municipal governments to properly assess payments in lieu of taxes.

Respectfully submitted,

Ken Armour