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Ottawa, ON

24, rue Clarence Street,  
Ottawa, Ontario K1N 5P3

T. 613-241-5221  
F. 613-241-7440

[www.fcm.ca](http://www.fcm.ca)

August 6, 2014

Members of the Standing Committee on Finance  
c/o Ms. Christine Lafrance, Clerk  
131 Queen Street, 6th Floor  
House of Commons  
Ottawa, Ontario  
K1A 0A6

Dear Finance Committee Members:

On behalf of the Federation of Canadian Municipalities' (FCM) 2000 members, representing over 90% of Canada's population, I am pleased to share the priorities I believe all Canadians would like to see reflected in the next federal budget. FCM will also be delivering a more comprehensive submission to the Committee during its pre-budget hearings this fall.

Canadians expect all levels of government to work together to foster economic growth and create jobs, improve the quality of life of Canadians young and old, and keep our hometowns safe. Budget 2015 provides a unique opportunity for us to strengthen our collaboration in these areas.

Our cities and municipalities drive Canada's economy. They are hubs for environmental and social innovation. Time and again we have shown that when a stable, consistent, and long-term framework is in place, investing in our hometowns creates jobs and improves the quality of life of Canadians. This was most recently demonstrated with our collaboration on Canada's Economic Action Plan 2013.

The 2015 Federal Budget represents a real opportunity to move beyond one-off agreements and provide a sustainable framework for strengthening Canada's hometowns and moving Canada forward.

### **Creating jobs and strengthening our economy starts in our hometowns**

Investing in local infrastructure provides a clear and measurable return on investment, while addressing the biggest gaps hindering our economic competitiveness.

According to the Conference Board of Canada, improving our roads, bridges, and water systems generates up to \$1.20 in real GDP growth for each dollar invested and an average of 16,000 person-years of employment for every \$1 billion spent.



- Predictable investments in core municipal infrastructure are vital to keeping goods moving and businesses operating.
- Partnering on important wastewater system upgrades will allow communities to meet new federal standards.
- Reducing crippling gridlock through improved public transit will return tens of billions in lost productivity as well as improve our environment.

Canada's municipalities have consistently demonstrated that we get shovels in the ground quickly. We are ready to work with the Government of Canada immediately to deliver results.

### **Making Canada a great, welcoming and affordable place to live starts in our hometowns**

Together we can create vibrant and welcoming communities where people want to live and work, start businesses, build connections, and contribute. Housing that is affordable for newcomers, young families, the middle class and seniors lays the groundwork for a healthy community.

With renting and construction included, housing makes up 20% of Canada's GDP. For both new construction and renovations, an expenditure of \$1 million on housing generates roughly three full-time-equivalent jobs, and a further ten indirect and ancillary jobs.

- Protecting federal investments in social housing and creating incentives to increase rental housing will help keep vulnerable seniors in their homes and out of the health care system, make housing more affordable for the one-third of Canadians who rent, and take the pressure off the housing market and household debt.

We are ready to work together to create a healthy and sustainable housing system.

### **Keeping Canadians safe starts in our hometowns**

The tragedy in Lac-Mégantic and the recent destruction caused by multiple severe weather events serve as an important reminder of one of the most fundamental responsibilities of all orders governments: to keep Canadians safe. This work begins at the ground-level.

The TD Bank Group estimates that extreme weather events alone will cost Canadians \$5 billion annually by 2020.

- Working with municipalities to establish critical disaster mitigation strategies is essential to keeping Canadians safe.
- Continuing to strengthen federal rules and regulations on rail transportation and the movement of dangerous goods will improve community safety in every region of the country.
- Addressing the rising local costs of policing, and the way we pay for policing, will better enable our cities and communities to protect our citizens.

Public Safety, including increasing our long-term resiliency to extreme weather events and large-scale disasters, must be a shared priority.

**A strong Canada starts with strong hometowns**

Budget 2015 provides a unique opportunity for the Government of Canada to become champions of Canada's hometowns. We look forward to working together to seize this opportunity and manage the risks before us.

Sincerely,



Brad Woodside  
Mayor, City of Fredericton  
FCM President

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