

PUBLIC POLICY PRIORITIES 2020

Direct Funding to Municipalities

BACKGROUND AND RATIONALE

CPWA Priorities:

- Continue funding local communities through an increase to the federal Gas Tax Fund

Local governments rely on the federal [Gas Tax Fund \(GTF\)](#) to deliver public works and infrastructure projects across 18 different categories, including roads and transit, drinking water and wastewater infrastructure, solid waste management, disaster mitigation and broadband. Though GTF funding flows through provinces and territories, this permanent source of funding provided up front, twice-a-year enables municipalities to better plan capital infrastructure investments and more quickly and effectively deliver necessary projects and services than application-based funding programs.

CPWA members have pointed to challenges with application-based funding programs, particularly when projects require multiple approvals, including:

- Not enough advance notice of program requirements and timelines
- Limited time to apply
- Complicated and time-consuming application process
- Unclear or changing program requirements
- Delays in project approval
- Inability to modify applications
- Onerous reporting requirements

CPWA welcomed the Government of Canada's one-time doubling of the Gas Tax Fund announced in Budget 2019. Such direct funding recognizes the needs of local governments across Canada, particularly as they meet the challenges of managing aging public infrastructure in an era of increased and severe weather events. **We recommend continued funding of local communities through an increase to the federal Gas Tax Fund.**

Direct funding can be devoted to initiatives promoting the transition to a low carbon economy. Such initiatives might include investments in:

- clean energy for rural and remote communities, including Indigenous communities
- alternative fuel vehicles and alternative fuel vehicle infrastructure
- audits of energy use in buildings for the purpose of retrofits
- the construction of energy efficient buildings

There are numerous examples of municipalities doing just that.

Raymond, Alberta powers nine municipal buildings and all of its street lights with 729 kW of solar panels installed with help from a grant obtained through the [Municipal Climate Change Action Centre](#). The panels are currently leased from Calgary power utility Enmax, but when the 15-year lease expires, the town will own its own power utility.

Eden Mills, Ontario is working toward becoming Canada's first carbon-neutral community. A five-year \$500,000 retrofit of the village's 100-year-old community hall included a 10-kW rooftop solar-panel array and received funding from the Canada 150 Community Infrastructure Program.

Fisher River Cree Nation in Manitoba's utility-scale solar farm is not only providing a revenue generation opportunity for the community – it has helped people in the community develop specialized skills. The project was designed and managed by an Indigenous-owned firm that specializes in solar, wind and renewable energy systems and construction included members of Fisher River Cree Nation. An agreement with Manitoba Hydro enables Fisher River to sell the energy generated by the array to the energy utility. Fisher River Cree Nation received a \$1 million grant from [Western Economic Diversification Canada](#) for the \$2.4 million project.