

UBCM PROVINCIAL ELECTION PLATFORM

2017

OUR COMMUNITIES: BUILDING BC'S FOUNDATION



THE VOICE OF BC LOCAL GOVERNMENT



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BUILDING BC'S FOUNDATION

UBCM 2017 Provincial Election Platform

CONTENTS

Introduction	02
Infrastructure: Responsive Infrastructure Investments	06
Finance: Re-Tooling Local Government Finance	08
Protective Services: Reducing Cost Pressures	10
Climate Action: Reducing Emissions and Readying Communities	12
Housing: Responding to Housing Challenges	14
Endnotes	16

INTRODUCTION



Local governments are a key order of government that provide the pillars of vibrant, sustainable and prosperous communities.

From roads and bridges, to sewers and water lines, local governments provide the critical infrastructure and core services that businesses and citizens have come to depend upon. Through supportive housing programs, efficient public transit, and strong protective services, they help create safe and connected communities that draw young families and workers. And through innovative policies and effective planning, they help attract new investments so vital to growing the provincial economy.

British Columbians recognize that their best interests are served when there is co-operation and mutual respect amongst governments.

As frontline service providers, local governments are uniquely positioned to understand the evolving demands of citizens. They channel that knowledge into action. Home to innovative approaches and solutions, they are responsive to the shared challenges facing communities – a mounting infrastructure deficit; skyrocketing shelter costs; shifting economic bases and cycles; and more frequent extreme weather events. In this sense, local governments build the very communities where people want to live and where companies want to locate.

To support future growth and livable communities, we must provide local governments with a diversified financial base. Now, more than ever, we must empower them with the resources, tools, and flexibility necessary to plan for the long-term sustainability of the services and infrastructure so vital to our communities.

When BC's communities flourish, so to does the province as a whole. And when BC's communities struggle, our ability to create a strong, secure, and thriving British Columbia is threatened.

British Columbians recognize that their best interests are served when there is co-operation and mutual respect amongst governments. They expect partnerships at all levels to achieve their shared desire for economically viable, environmentally responsible, and socially rich communities.

No one order of government can address the myriad of challenges facing our residents alone. We must work together – through collaborative, consultative, and integrated approaches – to improve the quality of life for all.

As the cornerstone of communities, British Columbia's local governments are committed to building the foundations of a better BC.



INFRASTRUCTURE RESPONSIVE INFRASTRUCTURE INVESTMENTS

Local infrastructure has, and continues to be, the foundation on which British Columbia's economy rests. Reliable infrastructure and modern transportation networks are critical to the efficient flow of goods and people. State of the art recreation and cultural facilities help businesses attract skilled labour and young families. Upgraded water and sewage plants support healthy populations, protect the environment, and preserve our natural resources.

Public investment in local infrastructure is a proven tool for improving productivity and stimulating economic growth – key components of BC's economic competitiveness. Building and renewing infrastructure stimulates the local multiplier effect, generates new business spin-offs, and creates well paying jobs across numerous sectors.

IN BC ALONE, THERE IS AN ESTIMATED \$19.9 BILLION INFRASTRUCTURE GAP OF IMMEDIATE RENEWAL AND REPLACEMENT INFRASTRUCTURE FOR LOCAL GOVERNMENTS.

Every dollar spent on infrastructure results in \$1.14 dollars in gross domestic product (GDP) growth.¹ When workers and businesses have access to a comprehensive and connected infrastructure base, we unlock the potential of communities to compete globally.

The demands for sustained and strategic investments in local infrastructure have never been so great as they are today. Local governments are now called upon to fund and deliver an expanding array of services; meet regulatory requirements imposed on them by the provincial and federal government; and maintain existing infrastructure while addressing infrastructure deficits. In BC alone, there is an estimated \$19.9 billion infrastructure gap of immediate renewal and replacement infrastructure for local governments.² And the demands for new infrastructure investments will be even greater in the future.





While local governments are committed to making the investments the public needs, they cannot do it alone. They need to work in partnership with our senior governments to give the communities the certainty to plan, build and repair infrastructure.

In recent years, intergovernmental co-operation on infrastructure investment has made great strides. The federal Gas Tax program, the joint federal-provincial New Building Canada Fund, and the provincial only Towns for Tomorrow and BC Community Recreation programs, have meant significant new provincial and federal investments.

To build upon the momentum of past years, we need sustained, predictable, and long-term funding commitments made by the federal and provincial governments. We need to build upon the historic contributions made to date in local infrastructure and create the foundations for long-term sustainability and growth.

The federal government has committed to a renewed partnership with local governments through the 10 year Long Term Infrastructure Plan. A new cost sharing funding formula under the first phase of the Plan recognizes the importance of, and challenges in, funding local infrastructure. To take full advantage of the new federal investment, we need a secure provincial commitment to maintain, at minimum, a 33% contribution to cost shared programs and projects. In doing so, communities of all sizes can leverage both federal and scarce local dollars to meet their ever increasing service demands and infrastructure needs.

In addition, infrastructure programs should maximize local choice for projects. They should ensure eligibility for the full range of local government infrastructure in light of differing requirements and capabilities amongst communities. And to be truly effective, they must embed a local voice into their design, delivery, and oversight.

When infrastructure investments are responsive to the needs of every community, we pave the way for a prosperous and vibrant British Columbia.

RECOMMENDATIONS FOR PROVINCIAL ACTION

TO SUPPORT SOUND INFRASTRUCTURE INVESTMENTS AND LEVERAGE FEDERAL COMMITMENTS, ALL PROVINCIAL PARTIES MUST COMMIT TO:

- Maintaining, at minimum, 33% provincial funding for all federal cost-shared local government infrastructure programs and projects;
- The creation of long-term, predictable and dedicated infrastructure funding for local governments;
- Recognizing the need to meet senior government regulatory requirements and reduce the infrastructure deficit in funding programming;
- Maximizing eligible infrastructure categories in funding programs; and
- Ensuring active local government involvement in the design, implementation and governance of infrastructure programs.



FINANCE

RE-TOOLING LOCAL GOVERNMENT FINANCE

A sound finance system is key to good governance in British Columbia. With access to the right financial tools and revenue sources, local governments can plan for the long-term sustainability of their communities.

Under the current local-provincial fiscal framework, local governments must rely heavily on property tax to fund their core services and infrastructure investments. Having property tax as the cornerstone of local government financial capacity stems from an era of long ago - where local governments provided a narrower range of services, and citizen demands were more modest.

To compete globally, local governments must work harder to attract the human and financial capital critical to growth and innovation in communities. Businesses expect modern transportation hubs and networks to support their enterprises; young families require parks, recreational facilities and strong protective services to feel connected and safe.

Now, more than ever, local governments are called upon to fund an expansive range of services – often arising from the fiscal decisions of the senior governments to downsize or withdraw services. Significant new and emerging capital needs are now requiring them to partner in large-scale infrastructure investments. They must now comply with the provincial and federal regulatory requirements imposed upon them in areas such as environmental protection. In Kelowna alone, the cost of meeting new provincial water regulation is estimated at \$380 million, while \$40 million is required for the small community of Kimberley's wastewater upgrade.

While local governments are delivering on all of these fronts, the costs are unprecedented and the expenditure pressures significant. There is now 'widespread agreement that municipalities do not have sufficient revenue raising tools to meet their expenditure responsibilities' amidst the broadening of their service commitments.³

Without increased fiscal flexibility and access to revenue sources that grow with the economy, local governments will be challenged in providing the very services and infrastructure new businesses and citizens depend upon – now and in the future.

One option, the Community Development Bank, holds the richest potential for diversifying local revenue streams while cementing a local-provincial partnership for growing the economy.

Rather than seek private investment dollars to leverage domestic seed capital like the proposed federal infrastructure bank, the Community Development Bank is a revenue sharing concept – which provides local governments with a guaranteed share in improved economic growth. The Province would share revenues in those years where growth surpassed a set GDP benchmark. Incorporating a performance pay incentive, the amount allocated to communities would increase as BC's economy expands and flourishes through local-provincial efforts.

With a benchmark determined through intergovernmental dialogue, the Bank would help smooth out BC's economic cycles by stimulating job creation during periods of slow growth. It would permit a scaling up of community infrastructure investment when shovels in the ground are most needed, and when labour and construction costs are lower.

Such investments are invaluable to the fiscal health of communities and the province as a whole - for every \$1 billion spent on infrastructure, 16,700 jobs are supported annually across multiple sectors.⁴ And governments recover between 30% – 35% of every dollar spent on public infrastructure through higher personal, corporate, and indirect taxes.⁵

Through its creation, the Bank would assist local governments in addressing their mounting infrastructure renewal and replacement needs; attracting and retaining well paying skilled jobs; and easing their reliance on property taxation as a revenue source.

Re-tooling and modernizing our outdated local government finance system is critical to maintaining the very building blocks of communities. If we are to meet current demands and future priorities, we must look to reforming the current local-provincial fiscal arrangement.

RECOMMENDATIONS FOR PROVINCIAL ACTION

To improve the long-term financial capacity of local governments, all provincial political parties must commit to working with local governments to provide the revenue tools needed to meet current and emerging service and infrastructure needs. This includes revenue sources that recognize growth in the economy such as the Community Development Bank.

PROTECTIVE SERVICES

REDUCING COST PRESSURES



**COMBATTING CRIME AND CREATING SAFER COMMUNITIES
MEANS PROTECTIVE SERVICES NOW APPROACH OVER 30% OF
MOST URBAN LOCAL GOVERNMENT BUDGETS.**

Our communities depend on protective services for their health and safety. As front line operators, they tackle a range of ever changing public safety challenges – from fentanyl overdoses, to the mental health crisis, to transnational crime threats. Above all, local police and fire personnel are valued employees crucial to the protection of our homes, streets, and work places.

While essential to the well-being of our communities, the services they perform weigh heavily on local budgets. Combatting crime and creating safer communities means protective services now approach over 30% of most urban local government budgets. Recent senior government decisions in policing have compounded the fiscal pressure of these services by adding new and emerging costs. And these costs are projected to rise through equipment renewal and replacement, new training programs, and arbitrated settlements.



Under the current legislative framework, failure to reach an agreement through collective bargaining results in an arbitrator being appointed to determine compensation. For many local governments, the pattern of arbitrated settlements is one of disproportionate wage increases disconnected from local conditions or a community's ability to pay. Nelson, for example, saw its fire services secure a 24.5% increase in wages and benefits from a recent arbitrated award – in line with Vancouver's wages and nearly double the increases Nelson's other unionized staff received.

Communities throughout BC now face wage parity in fire services and a de facto provincial wage standard.⁶ The history of settlements raises fundamental questions for local governments about: equity with internal employees; the value of collective bargaining with a largely predetermined outcome; and the financial welfare of the community to sustain awards.

While committed to fiscal discipline, communities are constrained in their ability to control the costs of these essential services. As a result of arbitrated awards, protective service costs are increasingly outstripping a community's ability to pay – as they rise faster than the cost of inflation and the cost of other local services. Faced with limited revenue tools, local governments must make tough choices – accommodate settlement costs through property tax increases or service reductions. Either choice impacts the sustainability of government services and operations.

Now is the time for intergovernmental dialogue on ways to support the vital services fire and police perform, while reducing cost pressures that ensure the financial well being of our communities.

RECOMMENDATIONS FOR PROVINCIAL ACTION

TO ASSIST LOCAL GOVERNMENTS IN CONTROLLING A KEY COST DRIVER WHILE STILL RESPONDING TO A FULL RANGE OF PUBLIC SAFETY CHALLENGES, ALL POLITICAL PARTIES MUST COMMIT TO:

- Reviewing the arbitration process within essential services labour relations agreements, with a specific focus on a local government's ability to pay;
- Collaborating in proposing changes that would mitigate the cost pressures of arbitrated settlements, including having the Province exercise its statutory authority to specify that arbitrators are to give consideration to local conditions; and
- Enhancing communication and consultation on all policing issues to create an integrated, collaborative, and respectful decision making framework on new and emerging costs.

CLIMATE ACTION REDUCING EMISSIONS AND READYING COMMUNITIES

Over the past decade, British Columbians have increasingly come to recognize the need for, and value of, action on climate change. They realize that strong climate leadership can generate new economic opportunities, support a shift to a green and clean economy, and promote the health and well-being of their communities.

Local governments have been at the forefront of climate action. Incorporating climate action into their core operations and services, they have invested significant financial and human capital into building energy efficient and weather resilient communities. Today, 98% have voluntarily signed the Climate Action Charter; 54% are carbon neutral; and 509,780 tonnes of corporate greenhouse gas emissions have been balanced or offset by communities.⁷



VOLUNTARY FRAMEWORKS OF ACTION, RATHER THAN LEGISLATIVE OR REGULATORY REQUIREMENTS, WILL PROPEL GREEN INNOVATION AND TAKE CLIMATE ACTION TO THE NEXT LEVEL.

For some, mitigation is the primary focus – creating connected transportation networks, developing renewable energy sources and systems, and densifying neighbourhoods with green buildings. For others, action means increasing their preparedness to deal with drought, wildfires, and floods as weather related emergencies rise in frequency and scope. Each approach is as unique as the community.





Apart from protecting vital infrastructure and improving community health, climate action at the local level creates tangible economic benefits. Creating a low carbon culture and clean economy stimulates job creation and economic growth, enhancing BC's competitiveness. The clean economy alone contributed \$6.3 billion to BC's GDP growth and employs over 68,000 people in the province. ⁸

Satisfying the public interest in, and need for, compact, energy efficient, and weather resilient communities can be challenging for many local governments. Faced with limited technical abilities and financial resources, communities often need greater assistance to support their work on climate change. Many smaller communities, in particular, struggle to achieve the next level of progress without a solid capacity in risk assessment, planning, and decision-making.

Effective climate action requires the right balance of consultation, collaboration, and resource provision. To design sound approaches that meet provincial targets, we need to include local input and context – that includes respecting the varying ability to make strategic investments in GHG reductions and adaptation. To sustain local government leadership, we must provide the tools and flexibility for tailor made solutions to local climate challenges.

Voluntary frameworks of action, rather than legislative or regulatory requirements, will propel green innovation and take climate action to the next level – both locally and provincially, one community at a time.

RECOMMENDATIONS FOR PROVINCIAL ACTION

TO HELP BUILD ENVIRONMENTALLY SUSTAINABLE AND RESILIENT COMMUNITIES, ALL PROVINCIAL POLITICAL PARTIES MUST COMMIT TO:

- Providing appropriate funding and decision making tools to build the capacity of local governments to adapt to, and mitigate the effects of, climate change;
- Respecting local government autonomy in pursuing climate action solutions that meet the needs of their communities;
- Creating an enabling environment for climate action that gives flexibility and scalability of projects in light of differing community capabilities; and
- Developing climate action approaches in consultation with local governments.



HOUSING

RESPONDING TO HOUSING CHALLENGES

Amidst ever rising shelter costs, the affordability of BC's housing system has been at the forefront of civic agendas. The desirability of BC, and its resultant growth, has placed unprecedented demands on our housing infrastructure. Faced with aging rental stock, insufficient supportive housing options, and the commodification of market housing, communities are now struggling to maintain their liveability.

Rising housing costs threaten the foundations of local economies and community connections.

Our residents have record debt burdens from soaring housing prices, reducing disposable income for local purchases. High ownership costs are pushing families out of urban centres, hindering the ability of businesses to attract and retain skilled labour critical to economic growth. And with the flow of global capital and people, homes have increasingly become commodities for speculative investment. All of these pressures exacerbate the precarious shelter situation of our most at risk citizens – adding to the growing mental health and homelessness challenges we face.

When housing prices and rents are too high relative to incomes, a ripple effect is felt throughout the housing system. Homeowners, renters, and the most vulnerable are impacted along with the social fabric and economic viability of our communities.

Building strong communities means building safe, secure, and affordable housing options for all residents of British Columbia. Access to affordable housing fosters civic engagement, stimulates new investment, and lays a foundation for current and future generations to thrive.

Recognizing this, all levels of government are taking action – on both the demand and supply side of the housing equation. A multi-billion dollar federal investment in social housing, along with the \$500 million provincial affordable housing plan, mark significant new investments in housing support.



Equally, local governments have been on the front lines of the affordability crisis, working hard to plan, co-ordinate and deliver strategies that will improve housing affordability at all levels. They push their mandates by managing social housing units and programs. Leading through innovative tools and approaches, they create a supportive environment for promoting growth, incentivizing development, and sustaining local livelihoods.

Communities like Kelowna grant a 10 year property tax exemption for purpose built rentals to expand rental options; rezoning in Gibsons requires a percentage of affordable units in new developments; and Vancouver's Empty Homes Tax and \$250 million land donation for cost-shared affordable housing will bring much needed new rental and supportive housing units online. And jointly, local efforts are paying off.

While steps are being taken to meet the housing demands of British Columbians, we need to collectively expand and accelerate our efforts. We must work together to address the drivers of unaffordability to keep BC a desirable place for those that want to live, work, and contribute to its success.

RECOMMENDATIONS FOR PROVINCIAL ACTION

TO IMPROVE HOUSING AFFORDABILITY AND SUPPORT THE MOST VULNERABLE IN OUR COMMUNITIES, ALL POLITICAL PARTIES MUST COMMIT TO:

- Incentivizing and supporting the retention and expansion of purpose built rental units;
- Preserving and increasing the supply of supportive housing units – for low income, seniors, the homeless, and those with mental health and addiction issues;
- Recognizing and respecting the role of local governments in providing housing programs and facilitating an increase in the supply of housing units;
- Implementing measures to reduce speculation within the housing market throughout the province;
- Reviewing the existing development finance model to ensure it: recognizes that development should pay its fair share of the infrastructure and amenities supporting growth; and provides flexible tools which reflect the real and current challenges in building liveable, sustainable and complete communities; and
- Partnering to deliver elements of the new national housing strategy to address BC's housing challenges.

ENDNOTES

1. Conference Board of Canada, 2013.
2. Data analysis from the 2012 LGDE (502 – Statement of Non-Financial Assets, MCSCD) indicates that local governments, collectively, own approx. \$200 B of infrastructure assets (Current Replacement Costs, excluding land values). Further extrapolation from the 2016 Canadian Infrastructure Report Card, which estimates local government assets in poor and/or very poor condition (needing immediate renewal) at 12%, but using a more conservative estimate of 10%, the estimate for BC local government infrastructure needing immediate renewal/replacement is \$19.9 Billion.
3. Casey Vander Ploeg and Michael Holden, “At the Intersection: The Case for Sustained and Strategic Public Infrastructure Investment” (Calgary: Canada West Foundation, 2013).
4. Conference Board of Canada, 2013.
5. Conference Board of Canada, 2013.
6. Arbitrator David McPhillips, In the Matter of the Fire and Police Services Collective Bargaining Act R.S.B.C 1996, Chapter 142, City of Burnaby and Burnaby Firefighter’s Union.
7. Data provided by the Climate Action Secretariat, Ministry of Environment and Ministry of Community Sport and Cultural Development, which accounts for corporate emission since the creation of the carbon neutral framework in 2012.
8. Clean Energy & The Pembina Institute, Evaluating Climate Leadership in British Columbia, 2016.

IMAGE SOURCES

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