

City of Whitehorse Priorities for the 2012 Federal Budget

Executive Summary

1. Gas Tax 'format' funding

- Funding that flows directly to municipalities provides predictable, up-front funding that provides certainty on what project funding and fits well with municipal budgeting timelines
- 100% non-matching funding increases the long-term capacity of municipalities

2. Attainable Housing

- A national housing strategy could be funded by redirecting the Canadian Firearms Registry plus other similar federal programs net annual operating costs. Canadian Housing and Mortgage assistance and a coordinated national, provincial / territorial, and municipal matching program could facilitate implementation

3. Broadband Connectivity

- Capital funding provided to private company providers, could leverage Broadband investments in the north and could create positive competitiveness which may in turn stabilize and even reduce end-user costs in the north

Other:

- Climate Change Action

'Gas Tax Format' Funding

From 2007-08 to 2013-14, Canadian municipalities will receive a total of \$11.8 billion in gas tax funding. This funding provides predictable and long-term funding in support of:

- Public transit
- Drinking water
- Wastewater infrastructure
- Community energy systems
- Solid waste management
- Local roads and bridges

Every municipality in Canada directly receives a portion of the Gas Tax Fund (GTF). Their GTF allocation is determined at the provincial/territorial level based on a per capita formula.

There are two key features/benefits to the Gas Tax Funding format as opposed to other funding formats that make the Gas Tax Funding format superior from a municipality's perspective:

1. The Gas Tax funding flows more or less directly to the municipality in a reasonably timely manner and is not adjudicated or otherwise intercepted by a superior governing body, aside from ensuring eligibility

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2. There is no 'matching' provision, i.e., for example the municipality does not have to provide/ match with 25% in its own funding for a 75/25 split as in the case with other funding model

Benefits to Municipalities

1. Funding that flows directly to municipalities provides predictable, up-front funding in support of municipal infrastructure. This is in contrast to the Build Canada model where the municipality can apply to a fund held (in this case) by a Territorial government. It is then up to the Territorial Government to adjudicate applications as well as fund their own programs – thus, the Build Canada model does not provide certainty on what projects will be funded and certainly does not fit well with municipal budgeting timelines where projects cannot be funded until they are decided on by a third party after a lengthy process.
2. 100% non-matching funding provides funding for capacity building to support communities in planning for long-term sustainability. Not having the requirement to match 'own funds' increases the capacity of municipalities to undertake long-term financial commitments needed to address local needs such as public transit, water and sewers, solid waste, community energy systems, and local roads and bridges.

Attainable Housing

The lack of attainable housing is deemed to have negative effects on a community's overall health, particularly - the lack of attainable housing can be directly correlated to creating quality sustainable jobs. Nationally, the Federation of Canadian Municipalities (FCM) has long pointed out why Canada needs a national housing strategy. North of 60, there is a northern housing crisis. In the Yukon, Whitehorse in particular, there is a lack of inexpensive housing, affordable rentals, transitional housing, supportive housing, and social housing units - all contributing to a housing crisis. A 24-page housing action plan report, A Home for Everyone, released in February 2011 by the Yukon Anti-Poverty Coalition indicates the extent of Whitehorse's housing crisis. In its report the Coalition cites the need for immediate action.

Aside from zoning changes, the City of Whitehorse's mandate in this area is quite limited; however, that does not provide the City or the community immunity from the many effects of unattainable housing. It is proposed that the federal government, in its budget deliberations, also seriously consider Bill C-304, the Secure, Adequate, Accessible and Affordable Housing Act. Canada is the only major country in the world without a national housing strategy. The bill calls for a national housing strategy to ensure that the cost of housing in Canada does not prevent individuals and families from meeting other basic needs, including food, clothing and access to education.

It is difficult to know the ramifications of making federal budget proposals without intimate knowledge; however, in terms funding such a strategy the Canadian Firearms Registry's net annual operating cost is reported to be \$66.4 million for the 2010-2011 fiscal year. There are undoubtedly other similar federal programs that could have funding re-directed. This funding, assuming dissolution of the program, plus Canadian

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Housing and Mortgage assistance, and a coordinated national, provincial/ territorial, and municipal matching program could ensure a positive start to a national housing strategy implementation.

Broadband Connectivity

One of the great challenges of broadband is to provide Internet service to areas of low population density where it is more difficult for a service provider to recover equipment costs. However, the City of Whitehorse suggests it is very important that that high-speed service is provided to the Yukon in general, and Whitehorse in particular, so businesses have the same types of business opportunities that are in larger urban centres, thus creating quality sustainable jobs.

In the Yukon, deficiencies in broadband connectivity are directly attributable to cost, speed, and amount of throughput (the size of the 'pipe'). This proposal is for capital funding and this is proposed to be provided to private company providers, as has been done in other jurisdictions, to help leverage the required investments. Note that this broadband proposal is specifically for connectivity from the Yukon to points south. Broadband within the Territory is largely already quite acceptable. This proposal is for additional fibre optic connection(s) to networks in B.C. and Alberta (Alaska may be another possibility) for the all of Territory's Internet traffic. This would supplement the current provider's (Northwestel) existing fibre connection to Telus.

An added positive development may see; if set-up in such a fashion, the attraction of new private companies to invest in the north – thus, creating positive competitiveness which may in turn stabilize and even reduce end-user costs.

Other:

Climate Change Action

There is a considerable amount of scientific evidence that demonstrates that climate is changing in the Yukon. Weather data dating back 70 years shows rising temperatures, changes in freeze up and break up, frost free days, and increasing precipitation. Even modest changes in temperature and precipitation will have complex side effects for our environment, economy, social structure and community.

Evidence suggests the Yukon is one of the fastest warming places on the planet, and climate change is increasingly evident all across the North. Whitehorse faces serious risks to infrastructure, increasing and fluctuating O&M costs, rising fuel prices, and greater risk of fire and flood, all due to a changing climate.

Due to their proximity to citizens, municipalities are ideally positioned to confront the impacts of a changing climate, and make the necessary changes and adaptations to slow and reduce greenhouse gas emissions, as well as prepare for changes that are inevitable. The City of Whitehorse has taken a number of steps to confront climate change, including developing a Climate Change Action Plan and a Climate Change Adaptation Plan. These Plans identify a number of innovative, creative and comprehensive strategies to demonstrate leadership and reduce our GHGs while addressing the City's vulnerabilities and risks.

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However municipalities are already strained for resources and do not have the legislative, regulatory and political tools to address as complex and intricate an issue as climate change. We need support from the Federal Government in the form of funding for programs and a regulatory framework that adequately addresses climate change.

Without a strong, healthy and vibrant environment and climate to support our communities, a strong, healthy and vibrant economy is not possible.