



HOUSE OF COMMONS  
CHAMBRE DES COMMUNES  
CANADA

44th PARLIAMENT, 1st SESSION

---

# Standing Committee on Transport, Infrastructure and Communities

EVIDENCE

**NUMBER 066**

Thursday, May 4, 2023

---

Chair: Mr. Peter Schiefke





# Standing Committee on Transport, Infrastructure and Communities

Thursday, May 4, 2023

• (1105)

[Translation]

**The Chair (Mr. Peter Schiefke (Vaudreuil—Soulanges, Lib.)):** I call this meeting to order.

Welcome to meeting number 66 of the House of Commons Standing Committee on Transport, Infrastructure and Communities.

Pursuant to Standing Order 108(2) and the motion adopted by the committee on Tuesday, March 7, 2023, the committee is meeting to study adapting infrastructure to face climate change.

Today's meeting is taking place in a hybrid format, pursuant to the House order of Thursday, June 23, 2022. Members are attending in person in the room and remotely using the Zoom application.

[English]

I would now like to welcome our witnesses.

Appearing before us today, colleagues, from the City of Merritt, is Michael Goetz, mayor, appearing by video conference. From the Ecology Action Centre is Will Balsler, coastal adaptation coordinator, appearing by video conference. We have, from the Federation of Canadian Municipalities, Matt Gemmel, director, policy and research. Finally, from the Town of Princeton, Spencer Coyne, mayor, is joining us, once again by video conference.

I would like to inform our witnesses before we begin that we do have some work that we need to do as a committee prior to turning the floor over to you for your testimony. I ask for your patience in advance for that.

I will begin today by turning the floor over to Ms. O'Connell.

**Ms. Jennifer O'Connell (Pickering—Uxbridge, Lib.):** Thank you, Mr. Chair.

I think we may have a path forward, so I'm going to move an amendment. Then I'll speak to it.

I move to amend the motion by deleting everything after the first paragraph and replacing it with the following:

a) summonses be served on Dominic Barton, past Global Managing Director of McKinsey & Co.; Andrew Pickersgill, past Managing Partner of the Canadian Practice of McKinsey & Co.; Janice Fukakusa, Inaugural Board Chair of the CIB; Bruno Guilmette, past Interim Chief Investment Officer and Board Director of the CIB; Steven Robins, Head of Strategy; Bill Momeau, former minister of Finance; Patrick Brown, mayor of Brampton; and Lisa Raitt, Vice-Chair of Global Investment Banking at CIBC, requiring each of them to appear at dates and times to be fixed by the Chair, but no later than Thursday, May 11, 2023; and

b) the Committee strongly urges Annie Ropar, past Chief Financial Officer of the CIB; the Honourable Dominic LeBlanc, Minister of Infrastructure; and Aneil Jaswal, Director, Sector Strategies, to appear no later than Thursday, May 11, 2023; and

c) That the study comprise a total of four meetings in addition to the Tuesday, May 2, 2023, meeting, with a maximum of six witnesses per meeting.

I will send the clerk a copy of that wording, but now that it's on the record, I'd just like to speak to it very quickly, Mr. Chair.

**The Chair:** Please, go ahead.

**Ms. Jennifer O'Connell:** Thank you.

What we debated at the last meeting on Tuesday was the fact that the motion that was moved by the Conservatives really didn't encompass the ability for all parties to have their witnesses. In this amendment I've incorporated the Bloc's—Mr. Barsalou-Duval's—amendment, with the three names that were proposed. I incorporated Mr. Bachrach's amendment in part c), which stipulates the number of meetings. I left all of the Conservative witnesses, with the exception of the witnesses who have already agreed. It think it is heavy-handed to send a summons to a witness who has already agreed. We discussed all of that and we have just simply removed those names. I've incorporated all of the amendments by my colleagues, cleaned up the summons in the original Conservative motion to remove those who have already agreed to appear and left the timing exactly as the original motion proposed.

In addition to that, which was always what we were arguing for and why our colleagues here argued to send this to the subcommittee, all we wanted was to ensure that we had our witnesses as well. We've added the witnesses that the Liberals would like to be summoned, as well as strongly urging these additional witnesses, whom we had previously proposed. I think this is a very fair and reasonable path forward. It has encompassed everyone's requests. Instead of what I think happened at the last meeting, where we were just supposed to accept without having the ability on our side, or on all sides frankly, to contribute to what we felt was the functioning in how we were going to structure these meetings.

Again, this is a unanimous vote in terms of having the study. We had no issues with the witnesses who were coming, but what we wanted was clarity on the number of meetings and to ensure that our witnesses were also included so that there was proportionality—which is a standard practice on committees—and then that we incorporated the other parties' recommendations and amendments as well.

I hope this moves us forward so that we can get to the important study that we are here to study today.

**The Chair:** Thank you very much, Ms. O'Connell.

Mr. Strahl.

**Mr. Mark Strahl (Chilliwack—Hope, CPC):** Thank you very much, Mr. Chair.

I just have a couple of things. I noted that everyone on the past list was included, which is good. We would welcome Mr. Brown and Ms. Raitt to provide their testimony to this committee as well, and part c) remains unchanged from Mr. Bachrach's amendment at the last meeting.

I believe I heard Ms. O'Connell's motion say May 11, and we don't have four meetings between now and May 11 so I'm unsure how that would work. Maybe I misheard that.

I am also told that there is a motion at finance that would see several sections of the BIA moved to this committee, which would take precedence over any other business. We had a motion that's been circulated as well that just gives some more flexibility. I note that Mr. Sabia indicated that he could not meet on May 9 or 11 in his response, so it seems to remove him from the study altogether if that May 11 date is fixed.

We would propose to actually give more flexibility to the witnesses, several of whom, after initially saying they would not come, said that they could not come on those dates. I would just simply propose that we go to a much broader date range to give the clerk and the chair the opportunity to schedule these witnesses. We would suggest that these meetings occur prior to June 8. However, in terms of May 11, at this time, having come to where we are now, that's one week from now and I think we would say that we've seen some movement in the witnesses and this motion will get us to where we want to go, but I think the May 11 date is much too soon.

In that same spirit of collegiality and co-operation, I hope we can come to a date that's more reasonable to schedule everyone who we have now in this motion.

• (1110)

**The Chair:** Thank you, Mr. Strahl.

Before I turn over to you, Mr. Bachrach, is it okay if I turn it over to Ms. O'Connell to address the date? Thank you.

**Ms. Jennifer O'Connell:** Thank you, Mr. Chair.

In that motion, it was the Conservatives' date of May 11 that was proposed on Tuesday. Yes, the main motion presented by Dr. Lewis had May 11. I did not change the timing. That was your proposed timing, and that was just two days ago. I'm sorry to interject. I just think it's not our date. It's the Conservatives' proposed date.

**The Chair:** Thank you, Ms. O'Connell.

Mr. Bachrach.

**Mr. Taylor Bachrach (Skeena—Bulkley Valley, NDP):** Thanks, Mr. Chair.

It seems like we're close. I'd love to wrap this up so that we can hear from today's witnesses. I'm a little bit confused because we have a notice of motion that includes the amendment from last meeting. We have an amendment, but my understanding is that the motion from the last meeting is no longer on the floor. I'm just

wondering maybe if the clerk could clarify where we are procedurally, because my understanding is that the motion would have to be brought back in some form. We adjourned our last meeting without passing the motion. It feels like it's dead and needs to be revived.

At the same time, I don't want to obstruct this new tone of collegiality we hear from our Liberal and Conservative colleagues. If you want to fast-track things by somehow getting us there in the next 10 minutes, I'm open to your wisdom on that.

**The Chair:** It will be a pleasure to do so, Mr. Bachrach. You are right. There are certain procedural steps we have to follow to ensure that this motion is revised and is agreed upon by all parties as adopted.

I'll turn it over to the clerk perhaps to speak more to what steps have to be followed to get that done as expediently as possible.

**Ms. Leslyn Lewis (Haldimand—Norfolk, CPC):** I'm sorry. Can you repeat that?

**The Chair:** If we were to move forward with this revised motion, given the fact that we have your motion on the floor and we have Mr. Bachrach's amendment on the floor, how would we go about doing that? What is the procedure that is appropriate?

**The Clerk of the Committee (Ms. Carine Grand-Jean):** It sounds like the debate adjourned but the committee can choose to resume the debate, so in that case we would have to put a motion to say I want to resume the debate on this motion and get the confirmation that this is a new motion. Usually the procedural steps are that, when we have a motion on the floor and there are amendments, we just need to seek the unanimous consent to withdraw the amendment or motion and then to vote on the new motion. If you have unanimous consent in every case, it's just the will of the committee. In that situation, then we can go and move forward.

• (1115)

**The Chair:** Correct me if I'm wrong, Madam Clerk, but what we would have to do is officially have Ms. O'Connell withdraw her amendment and have a UC vote on that, have Mr. Bachrach withdraw his amendment and have a UC vote on that, have Dr. Lewis withdraw her main motion and have UC vote on that, and then have the new motion presented, which is the one agreed upon by everyone. Is that...?

**A voice:** Mr. Albas wants to speak.

**The Chair:** I'll go over to you, Mr. Albas.

**Mr. Dan Albas (Central Okanagan—Similkameen—Nicola, CPC):** Mr. Chair, as a guest here, I recognize that I may be speaking out of turn, because we do have witnesses who are patiently waiting, but it's my understanding that if the committee just agrees—let's go ahead with Ms. O'Connell's plan minus the date—and no one has an issue with any other date or anything else, then we're done. Everything else is moot.

**The Chair:** Go ahead, Madam O'Connell.

**Ms. Jennifer O'Connell:** Procedurally, the current amendment is the one that you vote on first.

**The Chair:** Go ahead, Madam Clerk.

**The Clerk:** I can confirm what you're saying. We can do this as a procedural thing, as the debate was adjourned at the last meeting, and that will actually be the way to keep going on the topic.

**The Chair:** The only change would be that we would change the date. Is that correct?

**Ms. Leslyn Lewis:** We did not have 48 hours' notice of her motion—

**A voice:** [*Inaudible—Editor*]

**Ms. Leslyn Lewis:** Please—I have the floor.

**The Chair:** Dr. Lewis does have the floor.

**Ms. Leslyn Lewis:** Please do not interrupt me when I have the floor. Thank you.

We did not have notice. I would like to confer with my colleagues for a few minutes to speak about the procedural path forward before we decide what to do.

**The Chair:** Would five minutes suffice, Dr. Lewis?

**Ms. Leslyn Lewis:** Absolutely. Thank you.

**The Chair:** I will suspend the meeting for five minutes to allow members to discuss the matter further.

• (1115) \_\_\_\_\_ (Pause) \_\_\_\_\_

• (1120)

**The Chair:** I call this meeting back to order.

We will resume discussion on the topic we left off with.

I'll turn the floor over to Mr. Strahl, followed by Mr. Bachrach

[*Translation*]

They will be followed by Mr. Barsalou-Duval.

[*English*]

Mr. Strahl, the floor is yours.

**Mr. Mark Strahl:** Thank you very much.

Having conferred, we agree with the Liberal additions of Patrick Brown and Lisa Raitt. We would like Michael Sabia to remain in the motion. He's agreed to come, but there's no timing. If the timing changes.... You know, if he's already agreed to come, the summons will be redundant, but it will be there to ensure that he does appear.

Again, we talked about amending the date, which did not happen, because we ran out of time at the last meeting. We are trying to give the chair and the clerk maximum flexibility, recognizing that this is the study that we are prioritizing right now. If it helps to remove the date and just give the clerk and the chair discretion, we can talk about that, but it certainly can't be May 11. There's no time for that many meetings. While that date was part of an original motion that was tabled in April, we're now several days past that, so we need to be flexible. As I said, we also need to recognize the business that is coming down the road for this committee.

We think it's reasonable to keep Mr. Sabia in, add Mr. Brown, add Ms. Raitt and adjust the date. That's what we'd be prepared to support. I think we'll all get where we want to be if we do that.

Thank you.

**The Chair:** Thank you very much, Mr. Strahl. Do you have a date in mind that you would like to propose, perhaps?

**Mr. Mark Strahl:** The date we have in mind is by June 8.

I don't want that to become a stumbling point, but we can't propose four meetings in (c) and still keep a May 11 date.

**The Chair:** Thank you, Mr. Strahl.

Mr. Bachrach.

**Mr. Taylor Bachrach:** Thank you, Mr. Chair.

I would like to move that the committee resume debate on Ms. Lewis's motion of May 2, as amended.

[*Translation*]

**The Chair:** Mr. Barsalou-Duval, you have the floor.

**Mr. Xavier Barsalou-Duval (Pierre-Boucher—Les Patriotes—Verchères, BQ):** Mr. Chair, is the amended motion the one that I have in hand or the one that was read out?

I am having some difficulty following along, especially because the motion I have in my hands does not say the same thing in French as in English. There are differences between the two—so, if we have to vote, I'd like to make sure I know what we will be voting on.

**The Chair:** Thank you, Mr. Barsalou-Duval.

[*English*]

Mr. Bachrach.

**Mr. Taylor Bachrach:** To clarify, my motion is to resume debate on Dr. Lewis's motion, which was discussed at the May 2 meeting. It's not the paper we have in front of us. This is something different. It's the motion as amended that we finished discussion on when we adjourned the meeting the other day.

I think that's where we need to pick up, since the motion in front of us on paper does not have 48-hours' notice, nor does Ms. O'Connell's motion, which she described as an amendment.

There's nothing to amend because there's no motion currently on the floor at this meeting. I think that's where we start.

• (1125)

**The Chair:** There's a procedural move that we need to make.

Are all in favour of resuming debate on Dr. Lewis's motion as amended?

**Some hon. members:** Agreed.

**The Chair:** Now we're officially able to do it.

Ms. O'Connell.

**Ms. Jennifer O'Connell:** Thank you.

With that being said, I would like to move the following amendment. Here's a spoiler: It's going to be the same one. Thank you, Mr. Bachrach.

I move:

That, pursuant to Standing Orders 108(1) and (2), in relation to the committee's study examining the role of McKinsey & Company in the creation and beginnings of the Canada Infrastructure Bank (CIB):

a) summonses be served on Dominic Barton, past Global Managing Director of McKinsey & Co.; Andrew Pickersgill, past Managing Partner of the Canadian Practice of McKinsey & Co.; Janice Fukakusa, Inaugural Board Chair of the CIB; Bruno Guilmette, past Interim Chief Investment Officer and Board Director of the CIB; Steven Robins, Head of Strategy; Bill Morneau, former minister of Finance; Patrick Brown, Mayor of Brampton; and Lisa Raitt, Vice-Chair of Global Investment Banking at CIBC, requiring each of them to appear at dates and times to be fixed by the Chair;

b) the Committee strongly urges Annie Ropar, past Chief Financial Officer of the CIB, and the Honourable Dominic LeBlanc, Minister of Infrastructure; and Aneil Jaswal, Director, Sector Strategies, to appear; and

c) That the study comprise a total of four meetings in addition to the Tuesday, May 2 meeting, with a maximum of six witnesses per meeting.

If that is in order, I would like to speak to it very briefly.

**The Chair:** Looking around, I don't see any objections.

Go ahead, Ms. O'Connell.

**Ms. Jennifer O'Connell:** Thank you.

The two changes I made were that I left the dates out because with Mr. Bachrach's previous amendment, which is also built in. It's a maximum of four meetings.

I recognize that, if the Conservatives or the movers had timing in their previous motion, once they moved it on the floor, it was untenable. That's fine, but now we have a structure and a format of a maximum of four meetings.

I did not include Mr. Sabia. Again, if that's a hill the Conservatives want to die on for a witness that has actually already agreed to appear and does not require a summons.... If they want to take that heavy-handed route, I think it's really unnecessary.

I'm not prepared to add Mr. Sabia. My colleagues think that, if we're going to go down this route, we should respect witnesses who have agreed to appear here. There shouldn't be any sort of shaming or embarrassment of a witness who has already agreed.

We've incorporated the timing flexibility and everybody's motions. I hope this will bring it to a close, so we can get to the important study before us.

**The Chair:** Thank you, Ms. O'Connell.

I think there's some general agreement for this. The one thing I was asking Mr. Strahl off-line was.... I think there's a certain level of agreement that we want to do right by witnesses who have agreed to appear. However, there is a strong argument that's being put forward that, if they change their minds, we don't want to leave the clerk in a situation where she's unable to have them appear.

Is there some form of wording we can use that says, perhaps, that if those who have agreed to appear and are on the priority list later decide not to, they then can? Can we do this, so we would achieve what we would like to achieve as a committee, which is having

them appear before the committee, but also do right by them because they have agreed to appear without a summons?

Does that make sense to everybody?

**Ms. Jennifer O'Connell:** Mr. Chair, can I just comment?

**The Chair:** Yes, Ms. O'Connell.

**Ms. Jennifer O'Connell:** Chair, with that, I think the earlier conversation was that some witnesses were not available in a certain timeline. We've now replaced that with some flexibility.

As a committee, I don't think you need a subamendment. The clerk can just report back. We do this all the time at committee. The clerk can report back in terms of how meetings are shaping up and what witnesses have confirmed or not confirmed. Then the committee could decide to move forward at that time. I don't think you need a formal motion for the clerk to report back in terms of scheduling and regular committee scheduling of business.

• (1130)

**The Chair:** Thank you, Ms. O'Connell.

We all have the revised version here. I'll turn it over to Mr. Strahl.

**Mr. Mark Strahl:** Thank you.

I do think that date gives flexibility, and I think this debate signals to witnesses that this committee takes this seriously and wouldn't hesitate to use this power again.

I would note that Mr. Sabia and Ms. Fukakusa gave the same response, as far as I know. Both have indicated they would speak, but certain dates next week do not work. If my understanding is correct and both have said, "Yes, we will appear, but, no, those dates don't work", I would simply say that probably we should also remove Ms. Fukakusa. Could the clerk confirm, perhaps? I have a list here that says she did indicate she was willing to come but not on the dates that were proposed.

I just want to be consistent. If Mr. Sabia has said, "Yes, but not then" and Ms. Fukakusa has said, "Yes, but not then", we left the dates open to the discretion of the table. I think we can certainly work with that.

**The Chair:** It looks like we have general agreement here, so we'll move forward with a vote on the revised motion.

Does everybody have a copy? Does everybody fully understand? Is everybody in favour?

(Motion as amended agreed to [*See Minutes of Proceedings*])

**The Chair:** Thank you, everybody. We got to where we needed to get to.

Now we'll turn our attention over to the witnesses, who have been kind enough to give us their time today. We appreciate that, and we appreciate, once again, your patience.

We'll begin with opening remarks. For that, I will turn the floor over to Mayor Goetz.

Mayor Goetz, the floor is yours. You have five minutes.

**Mr. Michael Goetz (Mayor, City of Merritt):** Thank you very much.

Thank you for the invitation to appear before the Standing Committee on Transport, Infrastructure and Communities to testify regarding your study on adapting infrastructure to face climate change in Canada.

I am pleased to address you from the city of Merritt and also from the traditional, ancestral and unceded lands of Nlaka'pamux and Syilx people.

Today I speak to you from a community that, in 2021, experienced record heat domes, two wildfires at our gates and, last, major flooding from atmospheric rivers in the month of November. More than 400 properties were affected by flood water, and the entire town of 7,500 was evacuated at 3 a.m. due to the failure of our water and waste treatment systems. I have to say that the recovery of our community has been inspiring and steady, with roads, infrastructure and private residences being repaired back to livable conditions.

However, from a flood mitigation perspective, our flood mitigation infrastructure is in substantially the same position as it was on the morning of November 16, 2021. We acknowledge that we are open to future flood risk. Until that changes, the tension of our residents is palpable and, as of today, we are at a level one flood risk with rapidly melting snowcaps. We are testing temporary dikes and dikes that were built by the military almost two years ago.

I have some recommendations that I would like to put forward, if I may. The City of Merritt has completed its flood mitigation plan and will be applying for the DMAF, which stands for disaster mitigation and adaptation funding. However, the program specifically excludes land acquisition as an eligible cost. Specifically, the program should make eligible the acquisition of land and buildings necessary to build mitigation infrastructure on. Without this, we are working with the province to come up with funding models that would allow us to acquire the land separate from the DMAF. This takes time and leads to substantial uncertainty for communities. Further, the DMAF program was not open to intake until January 2023, so there was no clear avenue to apply for potential flood mitigation and infrastructure funding for over 13 months.

My recommendation is that the inclusion of land acquisition in the disaster mitigation and adaptation program be looked at.

Floods are measured by how often certain volumes of water are experienced over time such as one-in-10 years, one-in-50 years or one-in-200 years. The challenge that we have with this is that, moving forward, we acknowledge that climate change has necessitated the need to rethink old flood levels. In our community, there was three times more water in the 2021 flood than there had ever been in the Coldwater River in the previous 50 years. The climate change adjustment for flood levels completely varies between communities. There is no standardization of the plan.

My recommendation is to establish best practices for climate change adjustments to return period calculations to the Q200 level and that the federal government produce guidelines for stabilization or standardization of climate change adjustments as part of the return period calculations.

A vast majority of our residents in zones 3 and 4, the flood-affected areas, either did not have overland water insurance or, in some cases, were under-insured completely. Many were outright denied coverage for a myriad of reasons. Most lost everything, including their homes and their lifetimes of memories. My recommendation is that the federal government and this committee expedite the flood insurance program to improve available, affordable and reliable flood insurance.

The DFAA program makes available 15% of eligible-event DFAA costs. These are commonly referred to as build back better funds. However, the program is designed so that these funds are advanced to the province only after the total cost of the event is known and a report is sent to the province requesting the funds. This means that the funds may be advanced years after the event. If the goal is to build back better, funds need to be made available as recovery projects to build bridges, raise roads, etc., are being completed, not after.

My recommendation is that the build back better program be refined to allow immediate payment to the province so that funds can be used to support improved projects during the recovery phase.

Last, the City of Merritt evacuated 7,500 people on the evening of November 16, but we also had 1,000 citizens from the city of Lytton, which had been burnt out in the previous wildfire, so it was close to 8,500. It could have been limited to 400 to 500 people affected in zones 3 and 4, which, in fact, flooded, but zones 1 and 2 would not have been evacuated if it weren't for the vulnerability in the city's water and waste treatment systems, which were flooded due to the fact that these systems are gravity-fed and in the lowest area of the city.

● (1135)

My recommendation is that the federal government support funding programs designed to mitigate risks for critical infrastructure for communities at risk. A proactive plan, rather than a reactive plan, may have cut recovery costs by millions.

Had this been in place—and I will be very brief—to protect our fresh water and our sewer plant, we would have evacuated only two parts of the community. My home was flooded, and I sent my family to one of my relatives in zone 2. Unfortunately, in the evacuation, my granddaughter was killed on the highway. She died in an accident. My other granddaughter was severely injured. Had we had the ability to protect the sewer plant, things would have been different for us.

I hope this committee takes these things into consideration. I apologize for my emotions.

**The Chair:** Thank you very much, Mayor Goetz. No apologies are necessary.

We will now continue with Mr. Balsler.

The floor is yours. You have five minutes for your opening remarks.

**Mr. Will Balsler (Coastal Adaptation Coordinator, Ecology Action Centre):** Thank you.

The Ecology Action Centre is an environmental-based charity here in Mi'kma'ki, the unceded and ancestral lands of the Mi'kmaq people, and grounded in over five decades of deep environmental change efforts. We work to equip human and ecological communities for resilience and to build a world where ecosystems and communities are restored and not just sustained.

Thank you for inviting me to speak to this standing committee. I understand you have undertaken a study to look at adapting infrastructure to face climate change, and I'm here to give you my perspective from Nova Scotia and to speak to you about my two main recommendations. They are to adequately encourage and address nature-based solutions in the national adaptation strategy and the disaster mitigation and adaptation fund, and to increase adaptation spending across the board.

I want to begin by highlighting the simplest and most effective form of adapting development and infrastructure to our changing climate, which is to not build in known risk-prone areas in the first place.

Provincial development regulations, like the recently delayed—much to my dismay—Coastal Protection Act here in Nova Scotia are an excellent first step. It's the first legislation of its kind in the country, but it's most effective if implemented immediately, especially when we in Nova Scotia and the Maritimes are facing the highest relative sea level rise rates in the country. It's well over a metre by 2100.

The recent hurricane Fiona, which should not be out of memory for anyone, was estimated to be the most expensive storm in Atlantic Canadian history, costing over \$800 million in covered insured damages alone. It was a stark signal to all Atlantic provinces that we are already living in a changing climate, and we are well past the point of stalling adaptation measures and short-term planning.

Every dollar spent invested in adaptation now will save at least \$15 in future costs. Unfortunately, we're currently spending some of that money to help rebuild communities and infrastructures in areas that were just levelled by floods, erosions and storms, instead of recognizing the need to change our relationship to the land and adapt, again, to our changing climate as we speak.

I'm really pleased to see the language for adaptation and funding for adaptation infrastructure developing in Canada over the last few years through the national adaptation strategy and the disaster mitigation and adaptation fund. However, I want to be very clear that the lack of inclusion and consideration of nature-based solutions is very disappointing.

Nature-based solutions can range from land conservation and urban tree planting to wetland and ecosystem restoration, and a multitude of options under the spectrum of living shorelines. All focus on implementing the existing defence capabilities and services provided by ecosystems and native species. Adaptation infrastructure

that includes the planting of those native species, and the protection and restoration of local ecosystems and biodiversity, has been proven to be more cost-effective, both on the initial installment and on development costs, and much more effective in the long-term maintenance costs.

In short, adaptation—yes, absolutely. I love to hear it across the board, but I want to make sure that we're modernizing our adaptation measures beyond just throwing rocks into the ocean and crossing our fingers.

Please recommend updates to both the national adaptation strategy and the disaster mitigation and adaptation fund, requiring and incentivizing the implementation of nature-based solutions in adaptation infrastructure. Also, at the end of the day, adequately fund adaptation measures.

Thank you. I look forward to your questions.

● (1140)

**The Chair:** Thank you very much, Mr. Balsler.

Next we have Mr. Gemmel.

Mr. Gemmel, the floor is yours. You have five minutes for your opening remarks.

**Mr. Matt Gemmel (Director, Policy and Research, Federation of Canadian Municipalities):** Great. Thank you, Mr. Chair.

[*Translation*]

Good day, everyone.

[*English*]

I'm very pleased to be here with you—in person, for a change, which is nice. I want to recognize that we're in the city of Ottawa and on the unceded, unsurrendered territory of the Anishinabe Algonquin nation.

FCM is the national voice of local governments. We represent over 2,100 communities from coast to coast to coast. Climate adaptation is a critical priority for every single one of those communities, so I want to start by thanking the committee for making this topic a priority of your current study and inviting FCM to present to you today.

We all know that, in the past few years, Canadians have experienced record-breaking heat waves, flooding, hurricanes and wildfires that have wreaked havoc on homes, businesses and communities. We've already heard directly from a mayor about the very real and human impact that climate change is having today in Canada.



Canadians rely on municipal infrastructure every day, yet, according to Statistics Canada's core public infrastructure survey, 14% of municipal waste water and transportation infrastructure is currently in poor or very poor condition and requires immediate repair or replacement. FCM has estimated that the cost of replacing or rehabilitating just these assets alone is in the range of \$175 billion. That figure doesn't factor in the chronic impact that climate change is having on existing municipal infrastructure, nor the infrastructure that we need to build to protect Canadians from disaster events like floods.

With municipalities collecting less than nine cents of every tax dollar paid by Canadians, there's a mismatch between the impact of climate change on municipal infrastructure and the revenue tools that municipalities have to tackle the issue. Climate change is just one reason why municipalities urgently need a new fiscal framework that better aligns revenue with population growth and the infrastructure and services that Canadian's expect in the 21st century.

FCM welcomed the national adaptation strategy that was released last fall. This new framework signalled meaningful progress toward a whole-of-Canada approach to climate resilience. FCM advanced four priorities in the lead-up to the national adaptation strategy. The first was to invest in climate data and local and regional risk and vulnerability assessments. The second was to integrate climate risks into public sector decision-making. The third was to build effective collaboration in climate governance. The fourth was to scale up investment in resilient public infrastructure and nature-based solutions. I'm pleased to say that the NAS makes important progress on the first three of these priorities. However, we are still a long way away from the level of investment that is needed to ensure climate-resilient public infrastructure.

The national adaptation strategy also included exciting new investment in FCM's green municipal fund to support community-based climate adaptation initiatives. Broadly, this programming will support the completion of local climate risk and vulnerability assessments and the integration of climate risk into municipal infrastructure and operations, all with an aim to help municipalities better understand, mitigate and respond to local climate risks. In concrete terms, we expect that the new program will support 1,400 community-based climate adaptation initiatives by 2031. Through this programming, our green municipal fund is also looking to help municipalities assess the potential for private sector participation in adaptation financing, which is a new area.

The national adaptation strategy did include an increase to the disaster mitigation and adaptation fund, which was already mentioned today. That funding of \$489 million was described in the strategy as a down payment on the larger-scale funding that the federal government acknowledged is required to truly meet the challenge posed by climate change.

In 2020 FCM partnered with the Insurance Bureau of Canada to put a number on the level of investment required to adequately protect communities. According to the report's findings, avoiding the worst impacts at the municipal level will cost an estimated \$5.3 billion per year, or the equivalent of 0.26% of Canada's total GDP. To address this gap, FCM has been calling for an immediate top-up of \$2 billion and a long-term investment of \$1 billion annually for the next 10 years in the disaster mitigation and adaptation fund.

Municipalities were disappointed that climate adaptation was not a priority in budget 2023. We continue to call for increased funding through the disaster mitigation adaptation fund. Adapting to climate change is expensive, but the returns are impressive. Every dollar we invest can save as much as \$13 to \$15 in future costs. I think we can all agree that it is in our collective interest to invest up front to prevent and mitigate disasters rather than pay for the cost of cleanup and recovery in the wake of a disaster.

Thank you.

• (1145)

**The Chair:** Thank you very much, Mr. Gemmel.

Finally for today, we have Mayor Coyne.

Mayor Coyne, the floor is yours. You have five minutes for your opening remarks.

**Mr. Spencer Coyne (Mayor, Town of Princeton):** Thank you.

I'm proud to join you today from the ancestral and unceded traditional territory of the Similkameen people.

Let me start today by saying that we cannot have resilient or sustainable communities if we do not work together. The threat from climate events is real. In my community right now we have climate refugees in temporary housing.

Rural British Columbian communities like Princeton, Tulameen and Merritt are the very face of climate change in Canada. From unprecedented flooding to relentless fire seasons, the climate emergency is not a what-if. We are living it.

When I was asked to speak today, I was going to focus on the need for a national flood strategy. Communities like Princeton are facing hundreds of millions of dollars in mitigation work to adapt to the new climate reality. Canadian communities like ours need senior levels of government to be the largest partner at the table when we're talking about flood mitigation. Most of our rivers in B.C. are salmon-bearing or part of an international water agreement. We have miles upon miles—if not hundreds of thousands of miles—of dike works that protect communities and unincorporated communities that have orphaned dikes. Nobody's helping.

The NAS—the national adaptation strategy—points out roads, infrastructure and economy. Those depend on the very dike networks that protect these systems.

Forty per cent through DMAF does not reflect the reality of small communities that are facing hundreds of millions of dollars in infrastructure upgrades post-flood. Local government is trying to do what it can, but we do not have the ability to fund this alone. We have the least access to funding.

I would therefore like to recommend that the federal government create a national flood mitigation strategy, with funding allocated according to risk and recovery, not population.

The NAS and all levels of government speak to resilient economies and healthy communities, but there is no program to assist in the mass relocation of areas out of flood plains. Local government can zone out new development, but we have no means to relocate areas of communities—especially housing.

For this reason, I would recommend that the Government of Canada, in partnership with the provinces and local governments, create a program to fund the relocation of areas out of flood-prone areas in a fair and equitable way. Communities are trying not only to recover but to do so in a responsible way that respects public safety and the physical and mental well-being of our residents, that is in balance with the environment and that incorporates indigenous traditional knowledge. These things are extremely costly and, in most cases, beyond our reach.

While some talk about bike lanes, communities like ours are talking about restoring riverbeds to their natural channels, which were lost over 100 years ago. If we are to live in balance with the ecosystem, doing that cannot be symbolic. It must be truthful.

Climate emergencies are real. The threat from heat domes, wildfires, droughts and atmospheric rivers are all connected. The changing climate and the way we respond to emergencies that follow climate events can no longer be looked at in isolation from each other. If we are to speak about adaptation and mitigation, then we need to talk about a national response program that incorporates the climate adaptation element to prevention, response and recovery. I'm asking the federal government to recognize the need to take a bigger role.

I know I have a few minutes left, so I'm just going to give a quick example.

Our community has been here for over 160 years. We're one of the oldest communities in British Columbia. We have six river crossings for our water system. Five of them were lost during the flood. We've had to replace those. We had to evacuate one-third of

our population. I know we're not as big as some communities, but one-third of our population also represents one-third of our most vulnerable individuals. They were in our lower-income areas. Those are the oldest parts of our community. They're the parts that were built 160 years ago beside the river.

We need assistance and help. We don't have the means to do this alone. That's why I'm here today. This is why I agreed to come. We need to be heard. We need a true dialogue open between all of us.

As much as I would love to talk about adaptation, we need to talk about mitigation, because they go hand in hand.

Thank you.

● (1150)

**The Chair:** Thank you very much, Mayor Coyne.

We'll begin our line of questioning today with Mr. Albas.

Mr. Albas, the floor is yours. You have six minutes.

**Mr. Dan Albas:** Thank you, Mr. Chair.

Thank you to all of our witnesses. Unfortunately, I won't be able to ask everyone, so I'm going to focus mainly on the mayors from the Similkameen Valley and the Nicola Valley.

In the House of Commons, on November 30, 2021, I said this to the Prime Minister, and I'm just going partway through my comments. I said:

The mayors, Spencer Coyne from Princeton, B.C. as well as Linda Brown from Merritt, B.C. have both said to me that the bill required to fix what is necessary to get people back in their homes will be in the tens of millions of dollars and those communities do not have it. Under the DFA, the 80/20 sharing, where 20% is paid by municipalities, will be beyond their ability to pay.

Is the Prime Minister willing to help these communities? It will take years to restart, and I hope we will get a positive response.

I won't go into everything he said, but he did say:

Madam Speaker, I regret the partisan tone of the introduction to the member's question, but I recognize that he has been a solid voice for his community, which has been hit hard by these extreme weather events.

I highlight that I know we need to not only be there for people right now, as I told Mayor Brown of Merritt, who I spoke to a few weeks ago, that we would be there for her and her community, as we will for people right across British Columbia, but we need to do more in fighting climate into the future as well, on ensuring that we are cutting our oil and gas sector emissions, that we are moving forward on investing in clean, renewable energies and that we are building climate-resilient infrastructure. These are things that matter.

On the disaster response support, I have simply said that the federal government will be there. We will work hand in hand with British Columbia and we will support Canadians who need help.

My first question, Mr. Chair, is for Mayor Coyne, and then for Mayor Goetz. The Prime Minister has made a commitment in the House of Commons to work on the concerns that your community has raised on the DFA. Have your communities seen any change to the DFA that reflects the calls from your respective communities?

Mayor Coyne.

**Mr. Spencer Coyne:** The simple answer is no.

The DFA program remains the same. It's not enough at this time. In small communities like ours our taxation has just reached \$4 million. Our water system replacement, thanks to the province, is going to cost us over \$4.5 million. We just do not have the means to keep up with this sort of funding level. It's quite overwhelming, to be honest.

I'll pass it over to Mike.

• (1155)

**Mr. Michael Goetz:** Thank you for the question.

Again, a simple answer for us is no as well. We are looking at the diking system, and the protection of our community is exactly as it was on November 16, 2021. When I say today's date is May 4, 2023, it's kind of shocking to know that we are still going into a second freshet with absolutely no dikes in certain areas. We are at a level one right now. We are ready to spring into action if we have to. There is most likely a possibility of flooding in some of the low-lying temporary dike areas.

The DMAF funding was closed for 13 months. We had our DMAF request ready to go, but we had nowhere to send it. It was like sending it into the netherworld.

No, there's been no change. Thank you for the question.

**Mr. Dan Albas:** The past is prologue, and while this community is looking forward, we should recognize that when communities have been struck so hard, like the Merritts and Princetons, they are now so far behind that there is vulnerability right across many rural and first nations communities. These communities are starting from so far behind it's like starting a race with a ball and chain on you.

Mayor Goetz, you have mentioned that DMAF has taken so long for you to be able to even apply. What do you think should happen here? Do you believe the federal government should make communities that are so far behind, like Merritt, the very first to receive funding so that you can get back to a state where you can recover?

**Mr. Michael Goetz:** Thank you for the question.

I would be crazy not to say that we and Princeton should be first.

We still have close to 200 families who are out of their homes here. We have no diking. We have a bridge that is half-built and hangs there as a reminder every single day of what has happened in our community. We have people whose lives have been completely uprooted. We have ghost houses that are boarded up, and we have houses that need to come down. The list goes on and on. Basically, all of our low-cost housing was washed away, and our rental availability in Merritt is 0.00. You cannot rent here.

This, again, is going to start to affect our investment in our community. People will not want to invest in a community that is so

highly damaged. I am hoping that the Prime Minister's words will ring true and we will see some funding, because not only does it affect my community to live in; it affects my community to invest in. I don't want to lose investment dollars, because we all fight for the same thing, but I do agree that the damaged areas need to be repaired first. Then mitigate the other areas so this doesn't have to happen to another community.

Thank you.

**Mr. Dan Albas:** Mr. Coyne, you talked about the DMAF. What further things do you think need to happen?

Obviously, I'm sure you would say that Merritt should be included as a priority before money goes to other communities. Is that correct?

**Mr. Spencer Coyne:** That's definitely correct. Whenever I speak, I speak with both of our communities in mind. We're connected, and this was not an isolated event.

DMAF is not enough; 40% is not enough. Our rediking program—I don't know what Mike's is—is anywhere from \$100 million to \$500 million. We're trying to fast-track that so we can get it into this round. We just finished a \$350,000 flood study. It's not enough. There is no buying of land. If we build back, we have to build back exactly as is, but we need to build back better and we need to be able to move people.

**The Chair:** Thank you very much, Mayor Coyne.

Next we will go with Mr. Chahal.

Mr. Chahal, the floor is yours. You have six minutes.

**Mr. George Chahal (Calgary Skyview, Lib.):** Thank you, Mr. Chair.

Thank you to all our guests today for providing testimony, your insights and personal stories and reflections.

Mayor Goetz, I'll start with you.

You talked about federal flood insurance. I know that insurance is a provincial responsibility. Have there been conversations, or do you have support from the provincial government on flood insurance in your community?

I'll start with that question.

• (1200)

**Mr. Michael Goetz:** I would have to say that, at this time, that is a conversation that has not happened. It is a conversation that probably will happen. The insurance that I am talking about is the fact that some people were under-insured, and some had no insurance at all. What I'm hoping for is an ability for some form of insurance to cover everyone, whether it's provincially funded or federally funded. That's a conversation we have not had yet, no.

**Mr. George Chahal:** I think it's important, because it is provincial jurisdiction. I'm from Alberta, and our province doesn't like, generally, the federal government getting involved with some of the fights that they put up. I'm just wondering if that's the same, if your government is open to working on supporting folks in your community and across the province with federal intervention or—if I can say—interprovincial jurisdiction.

There are a number of challenges when it comes to land use or building codes to address many of the challenges you and Mayor Coyne have talked about. Has your municipality made changes to land use and asked for changes to building codes to ensure that your communities are better protected in the future?

**Mr. Michael Goetz:** That is something we will continue to work on. We have implemented a transitional housing situation right now, one of the first that's happened, probably, in the country. We brought in 31 trailers to house people who were in hotels as they work on their homes and return them to a livable situation. The transitional housing is a two-year program. At the end of the two-year program, they are able to buy it out. The whole idea is to help them repair their homes as they are in the trailers. Then they can move back into their homes. It's one of the first things that we've done.

Could I get you to ask me the other part? I'm sorry. I missed it.

**Mr. George Chahal:** Yes, it was changes to building codes that help prevent homes from being damaged and maybe enhancements of new homes that are being built. Did you make recommendations or ask the provincial government to amend building codes?

I live in hailstorm alley in Alberta. It would be nice to have more resilient roofing and changes to incentivize that. We've been trying to get the province to support that.

I'm asking you for your perspective.

**Mr. Michael Goetz:** We have the mobile homes that were damaged. They now have a different way of being set up. They are higher and are anchored down. There is the five-step program that is coming in from the provincial-federal government, so we'll be following those five steps. I think we'll be able, as a community that's prone to floods, as is Princeton, to possibly give our ideas, like we are doing here today, to help with the codes being changed.

**Mr. George Chahal:** If you have any further information or submissions on some of the areas of the building codes that you would like changed, we can look at how that could be incorporated.

I want to go over to Mr. Gemmel from FCM.

Your organization represents municipalities across the country. When we see major disasters like this one, are you engaged and are

you getting recommendations from these municipalities as to how to improve infrastructure to be more resilient?

I know that there are different challenges regionally, as we've seen in British Columbia with the floods and heat domes and in Alberta with floods as well. Are you working with municipalities to compile what's needed to be brought forward to the green municipal fund so that provinces are also working as part of these solutions?

A lot of the work is the province's jurisdiction. If it's not a disaster identified by the province, in many cases, federal supports do not come in.

**Mr. Matt Gemmel:** Key to adapting to climate change is inter-governmental co-operation. One of the things we are pleased to see, and one of the things we recommended as part of the national adaptation strategy, is that it's all orders of government working together, playing their respective roles. No order of government can do it alone. We've certainly clearly heard concrete examples this morning of how municipalities can't do it alone. There's a role for provinces. There's a role for the federal government.

We hear regularly from municipalities the kinds of stories we've heard this morning around the lack of local fiscal capacity to invest in infrastructure. We certainly have been making recommendations to the federal government through the national adaptation strategy and other forums.

Through our role with the green municipal fund.... I mentioned program funding that we were awarded in the national adaptation strategy. It's \$530 million. Beginning this year, we'll have an eight-year program that will support 1,400 local projects. Key to that is supporting smaller communities to do the local studies and plans to understand where they're most vulnerable—to understand where particular, more marginalized segments of their community are more vulnerable to climate change—to then be able to know exactly where investments are needed.

• (1205)

**Mr. George Chahal:** I want to go to insurance because I think it's an important issue.

In my community of northeast Calgary, we had a massive hail-storm that caused up to \$1.5 billion in damage—35,000 homes with insurance claims, 35,000 cars damaged. It looked like a war zone. We did not get provincial support. Our Conservative provincial government did not support us as it supported the floods of 2013 in Calgary. Many folks were left for months and months to rebuild back without provincial support or intervention. The City of Calgary brought forward a roofing rebate program to make roofs more resilient, which is a successful program and is nationally recognized.

When the provincial government does not support municipalities, what should we do, particularly when it comes to the vulnerable folks who don't have the capability to repair their homes?

**The Chair:** Give a very short response, please.

**Mr. Matt Gemmel:** Sure.

I think there's some good progress around flood insurance, in particular. In budget 2023, the federal government signalled the intention to create a new national flood insurance program. I think the key is that this insurance, at the end of the day, is affordable and accessible to all Canadians.

**The Chair:** Thank you very much, Mr. Chahal.

Unfortunately, there's no time left.

Thank you, Mr. Gemmel.

[*Translation*]

Mr. Barsalou-Duval, the floor is yours for six minutes.

**Mr. Xavier Barsalou-Duval:** Thank you, Mr. Chair.

First of all, I'd like to point out that our study today is coming at a very noteworthy time for Quebec. As we speak, the banks of several rivers in Quebec are overflowing, especially the northern bank of the St. Lawrence River. Spring floods used to be seen as unusual, but have now become the norm. Each year, the question is not whether there will be a disaster, but where that disaster will strike.

I would like to express my strong solidarity with the people of Sainte-Émélie-de-l'Énergie and Baie-Saint-Paul, as well as all other Quebecers affected by the flooding.

In the past, there have been natural disasters in the Outaouais region, in Saguenay—Lac-Saint-Jean, in Saint-Jean-sur-Richelieu, in Montérégie, and in Sainte-Marthe-sur-le-Lac. The situation only seems to be getting worse. It's sad, because I believe we had the ability to band together to prevent such catastrophes. We all know it, and we can no longer deny it: the cause of these natural disasters is climate change.

If Canada had been more proactive in fighting climate change, we would not collectively be experiencing all of this devastation. Unfortunately, Canada did not move in the right direction and is still highly dependent on oil. Today, there is a public awakening, and everyone is opening their eyes to see that Canada did not choose the right path. The whole planet also needs to take the right path.

I will start by putting a question to Mr. Gemmel, from the Federation of Canadian Municipalities.

The federal government controls less than 3% of total infrastructure in the country. The vast majority of infrastructure is owned by either municipalities or provincial governments.

Given that, how can the federal government play a leadership role—despite owning just 2% to 3% of infrastructure?

[*English*]

**Mr. Matt Gemmel:** Thank you for the question. It's an excellent question.

It really points to, as I was saying earlier, the need for all orders of government to work together. The federal government does have a role to play, but it's limited. Provincial governments have a very important role to play with legislation and with building codes, as was mentioned earlier. As you rightly noted, municipalities own the majority of public infrastructure in the country and have a critical role to play around land use planning. It needs to be all orders of government working together.

I think the federal government has shown leadership in the national adaptation strategy, and it is using that strategy to play a convening role and to lay out a road map with targets that all orders of government need to work towards. Having that framework in place is a start.

I think you're right that we're behind and we're playing catch-up, but having that strategy is a start. As has already been mentioned, funding from the federal government, which has the largest fiscal capacity, is critical as well.

• (1210)

[*Translation*]

**Mr. Xavier Barsalou-Duval:** Thank you.

Indeed, regarding the federal government's financial capacity, take the example of the last budget that it tabled. We and the Conservatives, among others, spoke out against the budget, especially because it ran a deficit. A graph in the budget showed that in the long term, the Canadian government would probably no longer be in debt around the year 2055. Meanwhile, municipalities in certain provinces, like Quebec, complain of lacking the financial means to respond to all sorts of needs: in particular in education and health, but also to adapt their own infrastructure.

Do you find that there is also a financial imbalance when we look at where the income is and where the needs are?

[*English*]

**Mr. Matt Gemmel:** It's certainly a challenge from a municipal perspective. I'll give you an example that illustrates the current insufficient revenue tools that municipalities have.

In the last three years, coming out of the pandemic, municipal revenue—which is largely property tax—has been flat or, when accounting for inflation, has even been declining. Meanwhile, as we came out of lockdowns and out of the pandemic, provincial sales tax and income tax and federal sales tax and income tax have increased substantially.

Municipalities don't have sources of revenue that grow with the economy, and they don't have sources of revenue that grow with population. This is a challenge when we need to increase housing supply in the country to restore housing affordability. It's certainly a challenge when we look at an issue like climate change, given that municipalities own the majority of public infrastructure.

I mentioned in my opening remarks that this is one example of many that shines a light on the inadequacy of the current fiscal framework. The costs are massive. It's not going to be easy. There may be a role for private finance when it comes to investing in infrastructure, given the scale of the challenge, but it's going to require a long-term investment plan with some new creative ways of funding it.

[Translation]

**Mr. Xavier Barsalou-Duval:** Mr. Gemmel, I am going to ask you a hypothetical question relating to the study we are doing today—adapting infrastructure to face climate change.

If we asked the FCM to choose between, on the one hand, a newly created \$500-million federal program for adapting infrastructure to climate change, and on the other hand, a \$500-million increase in tax revenues to municipalities that could be used for the same purpose, which of the two would you say is preferable?

Is it better to give the money to those who have the needs and expertise, since it's their infrastructure, or is it better to set up new federal programs?

I am not suggesting that federal programs should never be created, but I would like to know your opinion on this topic.

[English]

**The Chair:** Give a 15-second response, please, Mr. Gemmel, if possible.

**Mr. Matt Gemmel:** Sure. Thank you.

FCM has heard loud and clear from our members that predictable sources of transfers from the federal government directly to municipalities, like the Canada community-building fund, are an ideal way to fund municipal infrastructure. It gives them the predictability. They don't have to apply year in, year out, like we heard from the mayors, not knowing when the intake period is going to reopen.

Transfers are the way to go.

**The Chair:** Thank you very much, Mr. Gemmel.

[Translation]

Thank you, Mr. Barsalou-Duval.

[English]

Next we have Mr. Bachrach.

Mr. Bachrach, the floor is yours. You have six minutes.

**Mr. Taylor Bachrach:** Thank you, Mr. Chair.

Thank you to all our witnesses.

It's good to see you in person, Mr. Gemmel. I have some questions for you. I know that the FCM is very attuned to the needs of municipalities right across the country.

I think your remarks on climate adaptation and climate risk are very pertinent. It sometimes feels as though we're sleepwalking into something much bigger than we currently talk about. There's not only a massive existing infrastructure deficit faced by almost every community across the country. We also know that climate change is worsening and that the severity and frequency of extreme weather events are increasing. We saw the atmospheric rivers in British Columbia. This is getting worse and worse, yet we aren't investing nearly enough to even deal with what we're already seeing in terms of infrastructure deficit.

I'm reflecting on the comments from the two mayors we have with us. Your point about aligning funding with population growth struck me. I come from a community whose population hasn't changed since the 1990s. Many rural communities across Canada are losing population, yet these communities have very real infrastructure needs, many of them related to climate risk.

My question is this: If we move toward a funding system that puts more emphasis on population growth, do we not risk leaving behind rural communities that have very real needs in relation to climate risk?

• (1215)

**Mr. Matt Gemmel:** Thanks for the question. That is a terrific point.

I think when it comes to funding for climate adaptation, regardless of the funding source, one of the recommendations FCM made in the national adaptation strategy was that we need to be prioritizing investment in communities that are most at risk. That's partly from an equity perspective, because it is often lower-income or marginalized or racialized communities that are at higher risk from climate change. It's also because of the cost-benefit analysis of reducing risk for those communities.

The comment about linking to population growth is related to climate change but is more related to the outdated fiscal framework that we have for municipalities. The country is growing. We had more population growth last year than we have since the 1950s. That's a good thing. I think we can all agree on that, but many communities of all sizes, not just the bigger cities, that are growing quickly don't have the financial resources to invest in infrastructure, to increase housing supply or to adapt to climate change.

**Mr. Taylor Bachrach:** My next question is around how we pay for all this. The numbers are quite dramatic. You indicated here that the Insurance Bureau of Canada suggests that \$5.3 billion per year is required to avoid the worst climate impacts. We're investing a lot of money in infrastructure that is not directly connected to climate adaptation. I note that the Ontario provincial budget is investing \$28 billion over 10 years in highway expansion.

Do we just do everything more, such as invest more in growth and invest more in adaptation? Where does this money come from? I'm wondering if it's a situation where we have to take a hard look at where we invest public money—that, actually, there are things we need to reduce investment in so that we can shift investment on to these critical priorities to protect what we have and ensure that communities like Merritt and Princeton aren't facing situations like the ones they've faced.

**Mr. Matt Gemmel:** Yes. I think the reality is that these are tough decisions for elected officials at all levels of government.

I would say that, whatever we're building, whether it's a new hockey rink or whether it's an upgrade to a highway, we need to be rebuilding or building that to a higher standard. We need to be complying with codes and standards that are taking climate change into consideration. We need to be incorporating the best climate science and the best data into that. Whatever we're building or rebuilding needs to be built to a higher standard.

We also need to be dedicating investment in infrastructure and natural infrastructure that has the explicit purpose of protecting communities.

**Mr. Taylor Bachrach:** All of that requires more money, so yes, we should build the things we want to build in more robust ways so that they don't wash away when the rain comes, but are there enough resources out there to do all the things we're currently doing, plus do all of what's required to protect infrastructure from extreme weather and rebuild a lot of our infrastructure that wasn't built to accommodate the 200-year floods that the mayors were talking about?

**Mr. Matt Gemmel:** I would say it's clear that we aren't allocating enough resources currently when it comes to climate change, and that's going to require all orders of government to increase the amount of investment. FCM's recommendation is not that it all come from the federal government, but that, to get to that \$5.3 billion a year, we're going to need to increase spending at all levels of government.

**Mr. Taylor Bachrach:** Earlier Will Balsler indicated there should be stronger provisions to prevent building in high-risk areas. Is that something FCM supports? If so, what would that look like in terms of specific federal requirements or provisions?

• (1220)

**Mr. Matt Gemmel:** It is something FCM supports. The key, though, is that there is support for businesses and homeowners to relocate when that's deemed to be the best, most cost-effective option. Currently, as was noted, either through the DFAA program or through DMAF—the disaster mitigation and adaptation fund—we don't have the eligibility criteria we need to support relocation or strategic retreat.

**Mr. Taylor Bachrach:** Thank you.

**The Chair:** Thank you very much, Mr. Bachrach.

Thank you once again, Mr. Gemmel.

Next, we have Mr. Albas.

Mr. Albas, the floor is yours. You have five minutes.

**Mr. Dan Albas:** Thank you, Mr. Chair.

I'm going to start with Mayor Goetz. You went on the CBC program *The House*, and you had some very basic criticisms of the national adaptation strategy that had been put out there. In response, the Honourable Bill Blair said specifically that there were hundreds of Merritts.

First of all, I think it's important and I'm sure you'll agree with me, that there is only one Merritt, B.C. Is that correct?

**Mr. Michael Goetz:** That's correct. There is only one Merritt, B.C.

There may be hundreds of communities that in the future might be facing what we've faced, but they're not Merritt. They're not Princeton. They're not Abbotsford. Merritt is Merritt.

**Mr. Dan Albas:** In discussions about relocation and the DMAF, you've said that perhaps.... Again, I recognize that the federal government shouldn't be in the process of relocating everything, but for some of those homes that have been severely damaged in flooded areas, you have suggested that they be included in the DMAF. I understand there's a personal example you can give as to why the federal government should be participating in that particular area of damaged homes. Can you give the committee an example?

**Mr. Michael Goetz:** Sure, I can.

We have a family. There's a woman named Jennifer Biddlecome, and her husband Everett is in a fight for his life. He has liver cancer. Their home on Pine Street was severely damaged. They cannot sell it. They cannot fix it. They cannot do anything with it. The whole idea was to sell the property to cover the costs for his liver transplant. They've been caught up in the non-buyout—or, as we call it, CLAP, the Coldwater land acquisition plan. That is not able to go forward to buy out not only them but also the 37 other people who are waiting for their lives to get back to normal.

As a mayor, I had to sit and listen to this, so I decided as Mike Goetz—not as the mayor—to do fundraising to help raise money for Mr. Everett Biddlecome's liver transplant.

**Mr. Dan Albas:** That's very generous of you, Mayor, on a personal and a professional basis.

It also has a cost to the municipality, because you can't move forward with diking if some of these properties need to be moved off as part of the overall plan. Is that correct?

**Mr. Michael Goetz:** That is correct. These houses have to be taken care of in order for new diking to go ahead. We also have to relocate the river. We have a temporary dike protecting Pine Street, but eventually the river has to go back to its original flow, and these houses would then become unattainable—you couldn't get to them—so yes.

**Mr. Dan Albas:** Thank you.

Mayor Coyne, I know you're also on the regional district board. Which communities are also at risk in the RDOS if diking is not dealt with by the provincial and federal governments along with you?

**Mr. Spencer Coyne:** In Similkameen alone, we start up in Tulameen, so it's Tulameen, Coalmont, Princeton, rural Hedley I guess we could call it, Keremeos, Cawston, Upper Similkameen Indian Band, Lower Similkameen Indian Band and Eastgate.

We have a number of different communities. Although two municipalities have their own infrastructure—and ours needs between \$100 million and \$500 million in upgrades—we have miles upon miles of orphan dikes that make our diking systems pretty much useless. Four kilometres before Keremeos is full of holes, and if that fails, then the village itself will flood.

**Mr. Dan Albas:** Right now if someone puts an application in they get extra credit or “points”, so to speak, for other secondary benefits like carbon emissions sequestering, those kinds of things. From my understanding, a dike is a dike. It protects people and property. It doesn't reduce carbon emissions.

Do you think that should be looked at, because if a community like Princeton or Keremeos that's in such a credible state is not put on top first, these other communities will get that funding because there's a secondary benefit for lowering emissions, etc.?

• (1225)

**Mr. Spencer Coyne:** There's the double-edged side of this. If we want to retreat to be able to create the green space and give the river back its home, there is no funding to buy those properties to do that. We're also not allowed to have trees on the dike itself, because it makes the dike vulnerable.

It's almost impossible to do what's been asked of us, because there's no funding for it and regulations say we can't do certain things. We're darned if we do, and darned if we don't.

**Mr. Dan Albas:** I have a last question for the two of you. The federal government, because it's offering this program and provinces are forced to be there.... Mayor Goetz has said that there should be some standardization. I also believe that there should be some risk assessment involved, because we can't afford to build back better in every single community or to build hockey rinks that are flood-resistant when there's no chance of flooding.

What final things would you like to leave with this committee?

**The Chair:** Give a 10-second response, please.

**Mr. Spencer Coyne:** I'll go first.

We need to be based on need, not want. I think that's how best to put it.

**The Chair:** Thank you very much, Mayor Coyne. You very much succeeded in keeping it to 10 seconds. It was very succinct. Thank you very much.

Let's give it up to Mr. Goetz, as well.

Mayor Goetz, do you have a 10-second response as well?

**Mr. Michael Goetz:** I would have to go with Mayor Coyne's position.

I understand that we should be looking at the areas that are flood affected and at risk, and the areas that aren't we should be not looking at those.

**The Chair:** Thank you very much, Mr. Albas.

Thank you to both of our mayors.

Next, we'll go with Mr. Rogers.

Mr. Rogers, the floor is yours. You have five minutes.

**Mr. Churence Rogers (Bonavista—Burin—Trinity, Lib.):** Thank you, Chair.

Welcome to all of our guests today.

I know from my time as a former mayor and being involved in municipal government at the provincial and federal level as a member of the board of FCM, there were very many discussions on how we deal with future climate adaptation and future climate disasters. Of course, we're seeing much of that today.

One of the big things, Mr. Gemmel, that at FCM we discussed and debated for years was municipal asset management plans. I'll ask you this question for the benefit of the committee. Do these plans take into account the current and future impacts of climate change on public infrastructure and the costs associated with that?

**Mr. Matt Gemmel:** Asset management planning is something that FCM has been advancing and supporting our members with for a number of years now, in part through a program funded by Infrastructure Canada called the municipal asset management program.

One of our recommendations to the federal government, as part of the national adaptation strategy, is that asset management planning can be a very effective way to integrate climate considerations throughout a municipal government's operations.

With the funding that we've received for the green municipal fund to expand the programming we have available for climate adaptation, we are certainly going to be using asset management planning as a way to help especially smaller municipalities better understand the risks to their municipal assets and then to identify where they need to be prioritizing action through an asset management plan.

**Mr. Churence Rogers:** You mentioned the green municipal fund, the asset management funding provided by this government. How has that been distributed to municipalities across the country?

**Mr. Matt Gemmel:** The asset management program map has been in place for a number of years now. It has primarily funded small rural communities. All municipalities are eligible for it, but the greatest need for asset management planning has been from smaller rural communities in all provinces and territories.

This new funding was only announced this fall, and that program is being developed and will be available in the next fiscal year.

• (1230)

**Mr. Churence Rogers:** Would you agree that the communications around that fund to smaller municipalities is important? Has it been done and done well, so that all towns know they're available?

**Mr. Matt Gemmel:** I certainly hope it's been done well.



We've made every effort to make it available to small rural communities. The feedback we've heard from our membership is that the asset management funding has been particularly important for small communities.

**Mr. Churence Rogers:** Thank you very much.

Mr. Balsler, hurricane Fiona, which you of course referenced earlier, and many storms have been creating havoc in many of our coastal communities. We've seen a great deal of coastal erosion in many of the towns that I represent in my riding, with hurricanes and windstorms causing tremendous damage to coastlines. It's not just to coastlines, but coastlines that are closely associated with municipal infrastructure.

You've referenced future planning. Tell us a little bit about the things that need to be done to prepare for and to deal with these storms like Fiona and some of the other examples you referenced earlier.

**Mr. Will Balsler:** I think one of the most important things is an inventory of the most at-risk infrastructure, as was highlighted earlier. Your sewage and water treatment plants are often at the lowest point in town. When you look at a place like Sackville, New Brunswick, or Truro, Nova Scotia, you see that most of the town is right on sea level anyway, so your gravity-fed system is going to absolutely be the lowest point in town. Those can cost tens of millions of dollars in development and are developed over decades.

If we're talking about updating plants or developing new plants now, we absolutely need to be building them in safer areas, but also creating inventories of at-risk infrastructure, because there's a huge lack of information right now about what is most at-risk. Is it at risk from erosion, overland flooding, inland flooding, wind events or other climatic events? There's really a lack of information to even start to figure out what to address first.

**The Chair:** Thank you very much, Mr. Rogers.

[*Translation*]

Mr. Barsalou-Duval, the floor is now yours for two and a half minutes.

**Mr. Xavier Barsalou-Duval:** Thank you, Mr. Chair.

Earlier, we were discussing municipalities' infrastructure needs. Obviously, it would be ideal if infrastructure were able to absorb the current consequences of climate change. However, sometimes we have no choice, such as when there is a natural disaster. Unfortunately, the army sometimes needs to intervene.

As was mentioned earlier, there are some financial shortcomings. For example, it came up that the money is in Ottawa more than it's in the municipalities or provinces. However, the federal government's practice is to bill for the army's services when it responds to a natural disaster. Do you think that this approach encourages the government to call on the army, or is it the other way around?

Imagine that I am a decision-maker. The dilemma is: The budget is tight, but there's an emergency.

Perhaps you are more aware of the realities of municipalities and local governments in that respect.

[*English*]

**Mr. Matt Gemmel:** Thank you for the question.

You mentioned earlier the flooding in Charlevoix and other regions of Quebec, and I wanted to acknowledge that. I heard the mayor of Baie-Saint-Paul on the radio this weekend, and it's really devastating what the community is experiencing. As you mentioned earlier, it's all too frequent now. It's not a matter of "if", it's a matter of where and how bad it is.

In terms of military intervention, that's not something that FCM has a position on. We aren't, as an association, involved in the practical details of emergency management. Those decisions are left to individual municipalities, provincial governments and the federal government.

[*Translation*]

**Mr. Xavier Barsalou-Duval:** Thank you.

Mr. Balsler, the committee recently undertook a study on shoreline erosion and the impact of commercial shipping. During that study, several witnesses emphasized the importance of using nature-based solutions, which is also what you have been saying up until now. They said that if someone wants to use nature-based solutions to stop their land from eroding, no federal government funding exists for private initiatives.

What can you tell us about that?

● (1235)

[*English*]

**Mr. Will Balsler:** Yes, I would absolutely agree that the lack of inclusion of nature-based solutions strictly on a funding basis has been widespread at every level of government: federal, municipal and provincial. I also think that the existing regulations really only address the use of armour rock in sea walls, traditional grey infrastructure. Right now, particularly in the province of Nova Scotia, as I'm aware, there's really no space under the existing armour rock and coastal defence regulations under DNR that would allow the development of even small green shores or living shoreline projects, because they often have to project out into the water below the high-water line. There's really no permitting structure for that right now.

It's far easier and far more available to your average landowner to, like I say, throw rocks into the ocean or build a big concrete wall. That's what they see their neighbours doing. It's not even in the zeitgeist, I would say, for the average landowner to include nature-based solutions, never mind provincial, municipal and federal infrastructure projects.

[*Translation*]

**Mr. Xavier Barsalou-Duval:** I have 20 seconds remaining.

Mr. Balsler, do you believe there is a need for more training or information on the existence of nature-based solutions and the option of using them?

[English]

**Mr. Will Balsler:** Absolutely, we need more funding and more training at every level of government, especially when it comes to infrastructure staff and policy development staff. Yes, at the end of the day, it's funding. Nothing about this is going to be cheap, but obviously we can look at nature-based solutions as being the more financially responsible solution.

[Translation]

**The Chair:** Thank you very much, Mr. Barsalou-Duval.

[English]

Next we have Mr. Bachrach.

Mr. Bachrach, the floor is yours. You have two and a half minutes.

**Mr. Taylor Bachrach:** Thank you, Mr. Chair.

Mr. Gemmel, earlier in your remarks, you mentioned the need to better integrate climate risk into government decision-making. I know that the federal government has had a long history of attempts at this with the climate lens for infrastructure, which has now gone through two or three iterations.

Could you speak to the current state of federal government's climate risk assessment in infrastructure decision-making? Then, could you speak to what FCM's recommendations would be to strengthen that framework?

**Mr. Matt Gemmel:** FCM has certainly been involved with Infrastructure Canada in the development of the climate lens. For everyone's benefit, this would be federal infrastructure funding requiring funding recipients to conduct an assessment of either the emissions or the climate risk and vulnerability associated with the infrastructure.

There are a couple of points on this. It's really important to set the requirements or expectations from the federal government in a way that is realistic and in line with the capacity that municipal governments have to be able to comply with those criteria. It's not really in anyone's interest, other than the consultants', to have municipalities have to spend hundreds of thousands of dollars and many months of planning time to comply with a climate lens that's really over and above what is needed to assess climate risk and vulnerability assessments.

While we support those criteria, they need to be designed in a way that is commensurate with municipal capacity. Certainly around climate risk, I mentioned earlier in response to one of the other questions that we can't be building infrastructure, even if it's not disaster mitigation infrastructure, in the same way as we have. It needs to comply with higher codes and standards. The climate lens is one way to ensure that federal funding is going towards projects that have that consideration built in.

**The Chair:** You have 20 seconds, Mr. Bachrach.

**Mr. Taylor Bachrach:** I want to ask Will Balsler about his statement earlier that we shouldn't be building in known risk areas. This seems like a no-brainer. What's the federal government's role in ensuring that recommendation is followed?

**Mr. Will Balsler:** Again, when we're looking at requirements for the dispensing of funding for infrastructure projects, I don't think that it's outside of the scope of any environmental impact assessment that you do with any federally funded infrastructure project to require that you're not tramping on sensitive ecosystems or building in a known geomorphic flood plain, a known area that will be inundated by sea level rise within the next 50 years. I don't think that's outside the scope or existing knowledge base at all.

• (1240)

**The Chair:** Thank you very much, Mr. Bachrach.

Next we have Mr. Strahl.

Mr. Strahl, the floor is yours. You have five minutes.

**Mr. Mark Strahl:** Thank you very much.

I've certainly appreciated the testimony that we've heard today, especially from fellow British Columbians who experienced the severe impacts of the atmospheric river events of November 2021.

Mayor Goetz, I'll start with you. It's kind of shocking to learn that 16 or 18 months later, Merritt is less protected, I would argue, than it was back in November. You say that it's still at the same state, but you've indicated that some of your diking infrastructure has not been able to be rebuilt.

When I was talking with my communities that were affected by that event, specifically the district of Hope, I was very frustrated that the senior levels of government would not allow them, when they were doing emergency work to repair something like a washed-out culvert or road or bridge, etc., to build back better, if I can put it that way. The funding and the approvals were only to replace what had previously been there.

Were there examples of that in Merritt, where at the time when you were doing the emergency work to replace the infrastructure that was destroyed or washed away, etc., you could have built it up to a higher standard but government regulations prevented you from doing that?

**Mr. Michael Goetz:** First of all, thank you for the question.

I'm going to have to preface this with the fact that I became mayor or this past November. I was not involved with the flood reconstruction. I was just an ordinary citizen at the time.

When we do talk about the situation we have with the diking, in two of our areas we still are using temporary military dikes. Had we been allowed to actually go in and repair those to the point where those citizens could feel comfortable now...because the temporary dikes are now being tested for a second straight freshet. We're a little nervous that these are going to be the exit points. It would have been nice to be able to go in right away with our own equipment and build those up to protect the citizens in that area.

**Mr. Mark Strahl:** Maybe I'll ask the same question to Mayor Coyne, who I know was on the ground when the flood was happening.

I know that certainly in the Abbotsford area, Sumas Prairie, Chilliwack and Hope, when the emergency was upon us, quite frankly there was no time for heavy-handed government regulations. People did what was necessary to protect the community. We saw road builders and pipeline builders and everyone leap into action to do what it took. It was just accepted that this was the way it was, but once the bureaucracy got back up on its feet, it started to put in those roadblocks to doing what was necessary to protect those communities.

Mayor Coyne, have you seen that situation where there was an inability when the repairs were taking place to build up to the new flood levels, or build up to the new regulations, because the senior levels of government made it clear that they wouldn't fund anything more than building it back to the way it was?

**Mr. Spencer Coyne:** Yes. We had that exact fight in the middle of it. One of the sections of our dike breached. It was built by the province after the flood in 1995, so it was up to the most standard code and it breached. We brought in teams right away. We brought in engineers the next morning. Copper Mountain Mine provided us free rock, tested free rock. The local logging contractors rebuilt it, but we were told at the time that it had to be temporary. We stood toe to toe against the provincial government to make sure that this wasn't going to be the case.

Communities know what needs to be done. When I talk about the need for federal intervention, it's not that we want the federal government to be there with this massive bureaucracy behind it. We need all levels of government to trust us. We know what needs to be done in our communities. We do the best job that we can do for them. We come at it with an environmental lens in everything. We do not look down the road and say, "Forget about a generation from now." That's our priority.

When we ask for help, we need everybody to understand that when we're asking—it's hard to ask for help—you need to trust us, because it's not frivolous.

• (1245)

**The Chair:** Thank you very much, Mr. Strahl.

[Translation]

The next speaker is Mr. Iacono.

Mr. Iacono, you have the floor for five minutes.

**Mr. Angelo Iacono (Alfred-Pellan, Lib.):** Thank you, Mr. Chair.

My first two questions are directed to the representative from the Federation of Canadian Municipalities.

Could you tell us about the FCM's policy submissions to provincial governments on the types of standards you recommend applying to municipal infrastructure? What reaction did you generate?

[English]

**Mr. Matt Gemmel:** Thanks for the question.

The mandate of FCM is entirely federal, though we do work in close collaboration with our provincial and territorial counterparts.

[Translation]

In Quebec, we collaborate with the Union des municipalités du Québec and with the Fédération québécoise des municipalités.

[English]

We work closely with them, but we leave the provincial advocacy to those associations and the others in all provinces and territories.

[Translation]

**Mr. Angelo Iacono:** Perfect.

Could you explain how large versus small municipalities or rural municipalities are affected differently by climate change? Could you also tell us about their infrastructure needs?

How can the federal government take those factors into account to make access to funding more equitable in the future?

[English]

**Mr. Matt Gemmel:** Thank you very much. That's a great question.

I think one of the key elements there is that communities of all sizes are experiencing acute impacts from climate change. What's important in federal funding programs, as we've heard today—and I think it has been a theme of the discussion throughout the last hour—is that we need to be prioritizing investment based on risk. It's not based on the absolute project size or on population. It needs to be based on risk and reducing risk, starting with communities that have been impacted by climate events, which I'm glad to hear has been emphasized today.

One other point that has been raised today and that I want to emphasize is that smaller municipalities have even less financial capacity, so in some federal infrastructure programs, FCM has called for a higher federal contribution for smaller communities. We feel it is appropriate. Different programs need to be designed in different ways, but when it comes to climate adaptation programming, that may be something we need to take a closer look at as well.

[Translation]

**Mr. Angelo Iacono:** Thank you.

My next question is for the two mayors.

Could you each share what the most pressing infrastructure needs in your community are, and what the long-term needs are?

[English]

**Mr. Spencer Coyne:** Mike's telling me to go first.

The most immediate right now for us is probably our diking system. We are still exactly where we were before.

Like they have in Merritt, we have temporary works that were put on top of our system by the military. They still stand today. We have replaced our water lines and we've replaced sewer lines. We still have one sewer line that needs to be replaced, and we're working on a brand new water treatment system that we've had to remove from the flood plain.

The next big move is the diking system, and we need to make that so it's more climate.... The future atmospheric rivers are going to be worse than what we have experienced, so we need to be able to take that into consideration. We're no longer planning on a 200-year scale. We're planning on a 500-year scale, so I think that's the biggest thing.

**Mr. Angelo Iacono:** Would that be short term or long term?

**Mr. Spencer Coyne:** It has to be both. We have to get DMAF in right now, so we're looking at the short term, but we're also looking at how we adapt this over time so that the impact on our residents is fair, because to remove 200-plus people at one time is not acceptable.

**Mr. Michael Goetz:** We are in the same position as far as the diking goes.

The diking, as Mayor Coyne has said, needs to be a long-term, variable dike system that is able to cope with a possible Q200, and possibly higher. When we had our flood here, we saw 2.6 times more cubic metres of flow than we'd ever seen before. As a matter of fact, the flow was so high that it damaged the sending equipment—actually tore it away—so we lost track of how high the river actually was.

It's very important that long-term diking is done correctly and that it is also done with respect for the first nations community, because a lot of these sacred areas were damaged and have actually disappeared. In the long term, there has to be that as well. The—

• (1250)

**The Chair:** Thank you very much, Mr. Goetz. Unfortunately, there is no time left for that slot.

Next we have Dr. Lewis.

Dr. Lewis, the floor is yours. You have five minutes.

**Ms. Leslyn Lewis:** Thank you, Chair.

Mayor Coyne, I've heard there is a community—Princeton, I believe—that still does not have potable water. Is that correct?

**Mr. Spencer Coyne:** That's us. Yes, we have to replace two of our wells. It's just bureaucracy, to be honest. I'll leave it at that, to be nice.

**Ms. Leslyn Lewis:** How long has that been going on?

**Mr. Spencer Coyne:** Since the flood, so since November 2021, we have been without drinking water in about two-thirds of our community.

**Ms. Leslyn Lewis:** This question is for Mr. Gemmel, through the chair.

I represent a rural community of Haldimand and Norfolk, and my community borders Lake Erie. Every year there are flooding issues from the freeze-and-thaw cycle, and that is a current and also

ongoing issue. I am concerned that the federal programs are not sufficient to be accessed by the majority of small, rural and remote communities. It appears there is a lack of accessible funding for communities like mine in the disaster and resilience funding.

You spoke to the \$1-million threshold. Can you please comment on what you're hearing from rural municipalities, including any suggestions of resolving such problems like those that exist in my community?

**Mr. Matt Gemmel:** Thank you very much for the question.

I certainly agree with that concern. That's been a concern of the federal government.

Maybe just as some background for all of your colleagues, when the the disaster mitigation and adaptation fund first came in, it had a \$20-million minimum project threshold. Only very large structural mitigation projects were eligible. It excluded lots of smaller rural communities and even smaller projects that were still important in cities.

FCM advocated strongly to have that threshold reduced, and we were successful in having it reduced to \$1 million as a total project cost, scoping in lots more projects. There are still barriers for rural municipalities, and a big part of that barrier is the complexity of the application form and the application process. Municipalities have to hire consultants just to apply for the funding.

Consistent with the conversation we've been having on allocating funding to where it's most needed and the risk—recognizing that the federal government needs information up front to be able to determine where that investment should be—we do need to look at streamlining that application process up front to reduce the barrier entry, especially for small rural communities.

**Ms. Leslyn Lewis:** My next question is for Mr. Balsler.

You spoke about not building in known risk areas, and what to do about residents who already exist in known risk areas. There is a lot of talk about resiliency needs around Canada, whether it's upgrading water treatment, new basic infrastructure or, in my community's case, dealing with abandoned and orphaned wells that are springing up.

What changes would you recommend to the government to ensure a better prioritization and a more equitable distribution of federal funding, regardless of the specific need and size of the municipality?

**Mr. Will Balsler:** Again, I would point towards an inventory. We're really at a total lack, I think, at this point, as to exactly what infrastructure or what communities are at most risk of what particular impact of climate change. It's very hard to make those assessments. As you said, it's almost a burden on the municipality to prove how much they've been impacted or at how much risk they are from a particular effect of climate change, rather than the government being able to point to a decision matrix and an inventory that has already been sorted out.

That would be my absolute first and ground-level recommendation.

**Ms. Leslyn Lewis:** Are you advocating for a quasi...or something similar to a national infrastructure vision or plan for investments overall?

• (1255)

**Mr. Will Balsler:** Yes, absolutely.

As you said, it's focusing on risk rather than on just population or on cost. We have to first address the communities that already have historically been facing the effects of climate change, and then move progressively through that decision matrix and risk level.

**Ms. Leslyn Lewis:** Thank you so much.

I hope we will be developing some sort of national plan, and I hope this is a non-partisan initiative that we can work collaboratively on.

**The Chair:** Thank you very much, Dr. Lewis.

Next, and finally for today, we have Mr. Badawey.

Mr. Badawey, the floor is yours.

**Mr. Vance Badawey (Niagara Centre, Lib.):** Thank you. I love that word: non-partisan. I'll need more of that.

First of all, I want to say to Mayor Coyne it was well said with respect to the direction you're taking on behalf of your municipality and, of course, the mindset that we, as a federal government, have to respect in terms of your moving forward in the best interests of those you represent and with us being that resource you overwhelmingly need.

I want to ask questions and concentrate on affordability, emphasizing, Mr. Gemmel, your points earlier on a disciplined structure of, one, municipal official planning; two, secondary planning, adding the capacity with respect to the infrastructure that's needed to satisfy what the official plan identified; three, the asset management, ensuring that not only the life cycle but also the replacement of those assets are being looked after; and, finally, the capital budgets that attach to that becoming somewhat non-discretionary, allowing the asset management plans to actually drive the capital budgets so that there's very little debate needed at the council level because of the disciplined structure of the asset management planning.

However, there's affordability and alleviating the financial burdens on municipalities and therefore property taxpayers and water bills. Currently we have the Canada community-building fund. We have the green municipal fund. We have the disaster mitigation fund. We have the climate pricing. The Conservatives often talk about the carbon tax, and we refer to it as carbon pricing. A lot of that—10%, actually—goes to municipalities to deal with these very issues. Besides the amounts that go to individuals, 10% goes to municipalities, once again, to offset those property tax bills and those water bills.

First, how are these funds alleviating financial pressures on property taxpayers and water bills? Second, do you think we should consider expanding these funds—and the obvious answer is yes, but give me the how—to include CIPs, community improvement

plans, and adaptation of infrastructure to face climate change challenges?

They complement each other. When you look at, in particular, community secondary planning that takes into consideration the pressures of climate change, they're all one and the same. However, can you comment on that as well as the need for upper levels of government, provincial and federal, to expand on those very programs that we're actually taking advantage of right now?

**Mr. Matt Gemmel:** I think, Mr. Badawey, what you are speaking to here is how we allocate the costs of climate change, which is admittedly a big challenge. There are historical decisions. One of the mayors mentioned that their settlement is 160 years old, predating any knowledge of climate change, and there have been decisions after decisions that have been made around how communities have developed. I think it's appropriate that the cost of protecting those communities—in some cases, relocating neighbourhoods—is a cost that the federal, provincial and municipal governments share in.

There's also a local financial liability that local taxpayers have around these, and it's incumbent on municipalities to manage and mitigate that risk. That, I think, gets to the role of insurance as well, and how that risk is priced and passed on to individual homeowners and business owners. This is the direction we should be moving in, but we need to make sure we're not leaving whole communities behind with unaffordable insurance. I think we need to move in that direction cautiously but steadily.

**Mr. Vance Badawey:** That's a great point, by the way.

When you look at the operating side of the budget and financing the debt, which is often taken up by municipalities because of the capital you want to accelerate, do you find that expanding, once again, the Canada community-building fund—which used to be the gas tax fund—the green municipal fund and the disaster mitigation fund will alleviate and actually rid municipalities of the need to finance debt to their operating and, therefore, mitigate the financial burden on both the water bills and the property taxpayers?

• (1300)

**Mr. Matt Gemmel:** Yes, I think it's critical. The municipalities, as you know, are prevented by provincial legislation from running deficits, and they can borrow for capital but not for operating. There are real financial limits there. The Canada community-building fund is a very efficient, effective tool that transfers money directly to municipalities based on population, and it's predictable, so municipalities can plan for it—as I mentioned earlier—which is one of the chief benefits of that program. That is certainly a way that we can take some of that local financial risk and spread it out of individual communities.

**Mr. Vance Badawey:** It's sustainable. Therefore, a municipality can take that fund, which it knows is going to be coming year after year annually, and accelerate a lot of that infrastructure work to get it into the ground and alleviate the pressures on property taxpayers and water bills by taking the financing of that debt off the operating and allowing that fund to pay for that debenture.

**Mr. Matt Gemmel:** That's right.

**Mr. Vance Badawey:** Thank you.

Thank you, Mr. Chairman.

**The Chair:** Thank you very much, Mr. Badawey.

That concludes our witness testimony for today.

I would like to thank all the witnesses for joining us virtually or in person and for sharing their expertise and their testimony.

With that, the meeting is concluded.

---









Published under the authority of the Speaker of  
the House of Commons

---

### SPEAKER'S PERMISSION

---

The proceedings of the House of Commons and its committees are hereby made available to provide greater public access. The parliamentary privilege of the House of Commons to control the publication and broadcast of the proceedings of the House of Commons and its committees is nonetheless reserved. All copyrights therein are also reserved.

Reproduction of the proceedings of the House of Commons and its committees, in whole or in part and in any medium, is hereby permitted provided that the reproduction is accurate and is not presented as official. This permission does not extend to reproduction, distribution or use for commercial purpose of financial gain. Reproduction or use outside this permission or without authorization may be treated as copyright infringement in accordance with the Copyright Act. Authorization may be obtained on written application to the Office of the Speaker of the House of Commons.

Reproduction in accordance with this permission does not constitute publication under the authority of the House of Commons. The absolute privilege that applies to the proceedings of the House of Commons does not extend to these permitted reproductions. Where a reproduction includes briefs to a committee of the House of Commons, authorization for reproduction may be required from the authors in accordance with the Copyright Act.

Nothing in this permission abrogates or derogates from the privileges, powers, immunities and rights of the House of Commons and its committees. For greater certainty, this permission does not affect the prohibition against impeaching or questioning the proceedings of the House of Commons in courts or otherwise. The House of Commons retains the right and privilege to find users in contempt of Parliament if a reproduction or use is not in accordance with this permission.

---

Also available on the House of Commons website at the following address: <https://www.ourcommons.ca>

Publié en conformité de l'autorité  
du Président de la Chambre des communes

---

### PERMISSION DU PRÉSIDENT

---

Les délibérations de la Chambre des communes et de ses comités sont mises à la disposition du public pour mieux le renseigner. La Chambre conserve néanmoins son privilège parlementaire de contrôler la publication et la diffusion des délibérations et elle possède tous les droits d'auteur sur celles-ci.

Il est permis de reproduire les délibérations de la Chambre et de ses comités, en tout ou en partie, sur n'importe quel support, pourvu que la reproduction soit exacte et qu'elle ne soit pas présentée comme version officielle. Il n'est toutefois pas permis de reproduire, de distribuer ou d'utiliser les délibérations à des fins commerciales visant la réalisation d'un profit financier. Toute reproduction ou utilisation non permise ou non formellement autorisée peut être considérée comme une violation du droit d'auteur aux termes de la Loi sur le droit d'auteur. Une autorisation formelle peut être obtenue sur présentation d'une demande écrite au Bureau du Président de la Chambre des communes.

La reproduction conforme à la présente permission ne constitue pas une publication sous l'autorité de la Chambre. Le privilège absolu qui s'applique aux délibérations de la Chambre ne s'étend pas aux reproductions permises. Lorsqu'une reproduction comprend des mémoires présentés à un comité de la Chambre, il peut être nécessaire d'obtenir de leurs auteurs l'autorisation de les reproduire, conformément à la Loi sur le droit d'auteur.

La présente permission ne porte pas atteinte aux privilèges, pouvoirs, immunités et droits de la Chambre et de ses comités. Il est entendu que cette permission ne touche pas l'interdiction de contester ou de mettre en cause les délibérations de la Chambre devant les tribunaux ou autrement. La Chambre conserve le droit et le privilège de déclarer l'utilisateur coupable d'outrage au Parlement lorsque la reproduction ou l'utilisation n'est pas conforme à la présente permission.

---

Aussi disponible sur le site Web de la Chambre des communes à l'adresse suivante :  
<https://www.noscommunes.ca>