

# CASH STARVED MUNICIPALITIES AND THE FEDERAL ELECTION

April 2, 2015 Column by Gord Hume

Canadians are really smart.

A new Nanos survey released this week indicates that 32% of Canadians thought building infrastructure was the first priority that should be favoured as a result of the expected federal surplus. In second place was paying down the debt, with 30% favouring that. Smart, smart people, Canadians.

Way, way down the priority list was tax cuts, at only 14%. That is pretty much in direct contrast to the Conservative government's plans from last fall to spend most of those surplus dollars on small, very carefully chosen segments of our population.

Although with the recent economic winds that have buffeted our national economy the size of any surplus is very much in doubt, there WILL be a surplus--even if the government has to cash in all the empty beer cans hidden behind federal buildings across the country.

This is nothing but wonderful news for cash-starved Canadian towns and cities.

Smart mayors and councillors are deeply immersed right now in figuring out the best way to make municipal issues a critical plank in each party's campaign platform.

There are three key elements in this battle:

1. Getting municipalities more and stable funding—in other words, modifying the traditional property-tax base that funds the majority of municipal activities, most likely through a sharing of consumption taxes;
2. Investment in local infrastructure with long-term, stable federal funding because other nations around the world are investing huge dollars in upgrading and improving local and national infrastructure as a foundational tool of a prosperous economy;
3. The desperate need to change the conversation about who does what, the relationship of our municipalities to the other orders of government, and getting our cities and towns a seat at the table—wherever the table may be.

It is time for a national urban agenda. Mayors across the country are responding by planning now to force municipal concerns onto the federal election agenda.

We need to change and modernize our definition of the “municipal infrastructure deficit” because it isn’t just about pipes and pavement any more.

Public transit. Housing. A national transportation strategy. Schedules to upgrade and improve our electricity grid. Investing in technology like fibre optics in cities and towns. Bringing broadband to northern and rural communities. Investing in urban green spaces. Reshaping our school system, universities and colleges to meet the modern and future needs of students. Basic investments in our horizontal infrastructure—roads, sewers, water pipes and systems, sidewalks and more. Bringing new employment lands into fruition by servicing fallow property. Ensuring our people have access to clean, safe drinking water. Hospitals and health care. Investing in the places and spaces, the creative and the culture, our heritage and our future housing needs, that all work together to create that great quality of life in our towns and cities. That has a direct impact on where bright young grads, entrepreneurs and investors will choose to live, work and raise their families.

Our communities across the nation have many and varied needs for infrastructure. They can’t possibly pay for them only on the property tax base. And they need the flexibility to make their own local decisions on priorities and timing.

Our provincial and federal governments have been long overdue in making substantial investments in their own responsibilities for infrastructure (highways, border crossings, hi-speed rail, etc) that directly impact municipal prosperity.

Strong, vibrant and affluent local economies that generate wealth and employment translate directly into a more prosperous and stronger national economy. It is an equation that seems to elude many federal politicians.

Our municipal leaders need to fight, kick and holler about local issues with local candidates who are running in the fall federal election. Conduct information and education seminars for all candidates to brief them on the realities on how our tax dollar is split, and the fact that only 8 cents goes to municipalities.

Send out written questionnaires to candidates on your particular local issues, post the responses on the city’s web site, and then hold whoever is elected accountable for their commitments.

Host all-candidate meetings on local community issues and how the various orders of government can work together better. We need to get past the traditional paternalistic approach by federal and provincial politicians towards their municipal ‘colleagues’.

Work the local media on your community's specific needs. Get editors and TV producers riled-up about this quadrennial opportunity to change the system and get a better redistribution of tax dollars.

Make local candidates understand that if they just spout some party line about municipalities being the constitutional responsibility of the provinces, that that just won't cut it anymore. In the new global economy, other national governments around the world are such an important part of investing in that country's infrastructure.

We need to force these issues on to the national agenda, and get national media involved and interested.

Mayors that I have interviewed for my upcoming book agree that the pendulum is swinging, and federal governments in the future will have to be more concerned about and involved with municipal issues and interests to get elected.

The simple reality is that we are becoming a more urban society and nation. A federal government that ignores this reality, and dodges providing specific answers to these big local issues and won't commit to new partnerships, won't be electable in the future. The question is, will that change happen in this October's election?

Local government has this unique opportunity over the next six months to really try to change the conversation in Canada about our spending priorities, our economic prosperity, and how we can build wonderful cities that can compete in the global economy.

Smart mayors, smart councillors and smart cities are going to be aggressive and bold in their ideas and actions concerning the upcoming federal election. It is all about our future.