

## Federal & Provincial Advocacy Updates

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### Recommendation

That the October 21, 2020, Communications and Engagement report CE00027, be received for information.

### Executive Summary

This report provides an update on advocacy opportunities related to federal and provincial government policies, legislation and funding programs that may affect the City of Edmonton. At this time, the recent federal Speech from the Throne and accompanying economic recovery plan, and provincial government fiscal updates, upcoming legislative session and budget preparation process are opportunities to advocate for the City's key priorities with the other orders of government. The shifting intergovernmental landscape is adding to the complexity of the City's relationship and advocacy efforts.

### Report

The City of Edmonton appreciates the efforts of the federal and provincial governments to support Edmontonians and businesses affected by the pandemic. The City also appreciates the support provided directly to municipalities in the federal-provincial Safe Restart Agreement and the provincial Municipal Stimulus Program. Edmonton, along with cities across the province and country, was facing a financial crisis and could not have participated in economic recovery without support for essential municipal services from other orders of government. That support positions the City of Edmonton, as one of the nation's economic engines, to be able to play a key role in Alberta's and Canada's economic recovery.

While the role of municipalities has evolved significantly over the last few decades, the fiscal and legislative framework in which municipalities operate does not reflect the modern role of communities and cities in Canada. New fiscal arrangements with other orders of government and stronger federal-provincial-municipal partnerships are essential for promoting strength and resilience in our communities.

City-building is complex and important work that cannot happen without a shared vision, partnerships and collaboration with all governments. In order to accomplish the shared objective of continuing to build an economy that works for everyone, Edmonton needs to be empowered to deliver city- and nation-building initiatives. Continued provincial and federal investments in, and partnerships with, municipalities such as

Edmonton are instrumental in securing strong economic, social and environmental outcomes for all Edmontonians, Albertans and Canadians.

The City's intergovernmental landscape has shifted considerably due to the unprecedented COVID-19 pandemic and changes to federal and provincial priorities in response to the pandemic. City officials at the elected and senior administration levels have consistently advocated for a fair deal for Edmonton. Starting with the pre-COVID annual budget submissions early in 2020, the City's advocacy shifted in response to the pandemic to issues related to government measures that were introduced to help Canadians and Albertans through the various phases of the pandemic. The City continues to make adjustments to its advocacy as governments move from immediate emergency response to relaunch and recovery.

In the context of the shifting landscape, the City of Edmonton needs to be strategic and flexible in its advocacy efforts, while also encouraging mutually beneficial relationships and partnerships that can support the advancement of shared priorities.

### **Federal Government Advocacy**

Recent federal changes include a cabinet shuffle (August 18, 2020), the election of a new leader of the Conservative Party of Canada and leader of the official opposition (August 23, 2020), shifts in fiscal and economic planning and priorities through a Speech from the Throne (September 23, 2020) and an economic recovery plan (date TBD).

The federal government has demonstrated that it is prepared to use its fiscal capacity and toolkit to full advantage by making unprecedented investments in programs to support Canadians during these economically challenging times. The City needs to pay close attention to the government's fiscal and economic plans and priorities as Council maps out Edmonton's priorities in this recovery phase.

Two significant ongoing needs for Edmonton are:

- An operational funding shortfall likely to continue into 2021 as a result of the pandemic and the need for a second iteration of the joint federal-provincial safe restart agreement.
- The homelessness crisis and the need for wrap around supports to complement supportive housing in Edmonton, which may require a further boost in addition to the \$1 billion Rapid Housing Initiative announced by the federal government on September 21, 2020.

### Provincial Government Advocacy

There have also been provincial changes that will influence the City's intergovernmental relationships and advocacy. These changes include a cabinet shuffle (August 25, 2020) and a first quarter provincial fiscal and economic update (August 27, 2020). A new fall legislative session is scheduled to begin on October 20, 2020, a second quarter fiscal and economic update in November, and a new budget in February 2021.

The impact of the global oil price collapse and the pandemic has given the Government of Alberta much less fiscal capacity to act, especially in comparison with the federal government. This is a reality that cannot be avoided as Council maps out Edmonton's priorities in this recovery phase.

In these unprecedented times there is recognition that the collective efforts of municipalities and the province are essential to support and enable the success of our business community in creating jobs and rebuilding the economy. The City of Edmonton continually engages with the business community to improve the business environment. The City has taken a number of recent actions to improve processes and reduce red tape, focused on enabling business success and ensuring a competitive business climate. Going forward, we can grow prosperity for our metro region by driving innovation, competitiveness and relevance for business, and in the process attract investment at the local, national and global level.

Given Alberta's reality, the City's advocacy efforts with the provincial government may be focused primarily on the following two priorities :

- Being a partner in economic recovery and growth: Guided by *ConnectEdmonton: Edmonton's Strategic Plan 2019-2028*, the City of Edmonton is a committed partner in supporting the Government of Alberta's focus on job creation and economic prosperity in our region and all of Alberta. Edmonton can achieve that in part by reducing red tape, supporting local businesses and through Innovate Edmonton, growing its capacity and reputation as a national and global leader in innovation, which is a key driver of economic diversification, competitiveness, and growth.
- Housing and Homelessness: Work with the Government of Alberta and private non-profit affordable housing providers to ensure the supports are available to help people recover from physical, mental and substance use disorders contributing to, and exacerbated by, chronic homelessness.

Given the City’s own fiscally responsible efforts and the support already provided to Edmonton in 2020 by the Government of Alberta, Council needs to carefully consider the City’s next advocacy approaches and priorities with the provincial government. Edmonton believes in the value of ongoing dialogue and consultation in order to work more closely together as respected partners in job creation and building economic prosperity.

**Corporate Outcomes and Performance Management**

| <b>Corporate Outcome(s): The City of Edmonton has a resilient financial position</b>  |  |  |  |
|---|--|--|--|
| <b>Outcome(s)</b>   | <b>Measure(s)</b>  | <b>Result(s)</b>   | <b>Target(s)</b>   |
| The City of Edmonton has an equitable share of funding from the other orders of government to provide infrastructure and services that benefit the region and Alberta | Operating transfers from other orders of government as a % of total revenues | 3.15% (2019)<br>2.83% (2018)<br>2.90% (2017)<br>2.97% (2016)     | There is no target for transfers from other orders of government |
|   | Capital transfers from other orders of government as a % of total revenues   | 14.76% (2019)<br>17.52% (2018)<br>11.12% (2017)<br>10.85% (2016) |  |
| (City of Edmonton 2019 Annual Report: Statistical Review for the Years 2015 to 2019 Consolidated Revenue and Capital Financing)                                       |  |  |  |

**Others Reviewing this Report**

- M. Persson, Chief Financial Officer and Deputy City Manager, Financial and Corporate Services
- G. Cebryk, Deputy City Manager, City Operations
- J. Meliefste, Acting Deputy City Manager, Integrated Infrastructure Services
- K. Armstrong, Deputy City Manager, Employee Services
- R. Smyth, Deputy City Manager, Citizen Services
- S. McCabe, Deputy City Manager, Urban Form and Corporate Strategic Development
- B. Andriachuk, City Solicitor