

Sent via e-mail: gmurray.mpp@liberal.ola.org

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March 17, 2015

The Honourable Glen Murray
Minister of Environment and Climate Change
Ferguson Block - 11th Floor
77 Wellesley Street West
Toronto ON M7A 2T5

Dear Minister Murray:

In keeping with our effective working relationship, AMO would like to update you on the climate change work we are doing. As we have agreed, municipal governments are leaders in climate change action, pursuing sustainability in our communities and working to reduce greenhouse gas emissions and prepare communities for adverse extreme weather impacts.

AMO's Task Force has been renewed and will start its work by first looking at the issues raised in MOECC's discussion paper and will respond in greater detail over the course of the next few months. However, in the interim, the AMO Executive has adopted a principled framework that the Task Force will be using. We hope it will be taken into account as the government builds its policy coming out of its current consultation process.

The framework the Executive Committee has approved includes the following elements:

- **Climate change action and policy should not result in unfunded municipal mandates** – as you will know from your time as Mayor of Winnipeg, municipalities in Canada have limited financial resources with many competing demands on the nine cents we receive of every household tax dollar. To be successful, any new activities must include new funding means or they will inevitably dilute our resources affecting service levels. As well, municipal governments in Ontario continue to struggle with the challenge of managing over a \$60 billion infrastructure gap. New responsibilities cannot make this situation worse.
- **A carbon pricing mechanism should recognize municipal actions, with monetary values if a credit system is introduced, including those taken in the recent past** – as mentioned, municipal governments have been amongst the leaders in climate change mitigation and adaptation efforts. Over the years, local governments have invested in local renewable energy, energy conservation, sustainable buildings, transit and active transportation to lower greenhouse gas emissions often in partnership with the Province. These actions should be recognized in any pricing regime that monetizes reductions so that municipalities and the Province can reinvest in efforts that increase sustainability and reduce carbon emissions.

- **Dedicated funding for adaptation initiatives is required to upgrade municipal infrastructure to protect Ontarians** – climate adaptation efforts require for the most part public infrastructure spending to manage the effects of extreme weather. For example, sewer separation and storm sewer development are costly endeavors. Some municipalities have instituted fees for the latter that help to create a revenue stream to manage them. Where this is possible, it is an innovative solution. However, other municipalities will need support and funding to take on initiatives that cannot be supported from local revenues alone.
- **Dedicated funding and financial incentives for sustainability, emissions reduction, alternative energy and energy conservation initiatives is needed in addition to carbon pricing to ensure Ontarians have the resources to implement changes** – related to the previous points, in some cases in order to institute sustainable local solutions, it will be necessary to create some sort of fund to help building managers, condominium corporations and others to upgrade their buildings to reduce their carbon footprints. This could take the form of loans in some situations and in others grants might be necessary to upgrade building stock and allow local communities to pursue energy conservation and green energy initiatives.
- **Where possible and appropriate, policies should place responsibility on the individual or business to take action and incentives should be provided** – this is a counterpoint to the previous point. Where possible, individuals, be it home or property owners, businesses or others should have the responsibility for initiatives that help to conserve energy and reduce emissions as well as taking responsibility for more sustainable practices. One example could be upgrades to housing stock. Another might be managing runoff through increased lot-level controls such as rain barrels, permeable pavements and other solutions. Finally, creation of the necessary conditions to allow insurers to offer homeowners insurance for overland flooding is of great interest to the sector.
- **Whatever policies or strategies are chosen to reduce greenhouse gas emissions and increase climate resilience, municipal governments should not face an increased administrative burden and ideally, would have a reduction in administrative requirements** – municipal governments have long advocated for fewer and more manageable reporting requirements to reduce administrative burden. A high administrative burden could act as disincentives for some municipal governments to take part in the initiatives and policies the Province will pursue. Particularly, smaller communities that may have innovative local solutions may find reporting requirements more arduous than participating allows. Being smart with an eye to coordinating reports and minimum requirements is important to success too and would be appreciated.

This is the principled framework that AMO's Climate Change Task Force will use to evaluate additional policy options in support of the Province's climate change strategy goals. It is a useful lens to view local government participation and our ability to help MOECC and the Province to meet its goals. The principles are consistent with those that municipal governments have been advocating for a long time and we hope you will consider and use them in your own policy development.

We and the AMO's Climate Change Task Force look forward to working with you and your Ministry officials on the provincial climate change strategy and action plan.

Sincerely,

A handwritten signature in black ink, appearing to read 'Gary McNamara', with a long horizontal flourish extending to the right.

Gary McNamara
AMO President

cc: The Honourable Ted McMeekin, Minister of Municipal Affairs and Housing