

Saskatoon Environmental Advisory Committee November 2019 – Feedback to City Council on the Low Emissions Community Plan Funding Options

Supporting the City of Saskatoon in achieving its Greenhouse Gas (GHG) reduction targets is a key priority for the Saskatoon Environmental Advisory Committee (SEAC). On October 21, 2019 the Governance & Priorities Committee requested that SEAC provide feedback on the report *Low Emissions Community (LEC) Plan Funding Options*. On November 12, 2019 SEAC reviewed the report and wish to provide the following recommendations:

1. **Stable funding source as soon as possible** – the LEC Plan needs to have stable, dedicated, long-term, and robust sources of funding to meet our GHG reductions targets. Financial savings will result from the recommended investments in greenhouse gas emission reductions in the LEC Plan. In order to make those investments, the plan will require ongoing, stable decisions to invest, and therefore, we believe **a dedicated Green Fund is required**. As noted in the LEC plan and by the Intergovernmental Panel on Climate Change, there is little time left to make these investments, and therefore it is imperative that this fund is established and appropriately funded as soon as possible
2. **Combined solution that prioritizes incentive and investment over cost** – as noted by Administration, a disadvantage of the Green Fund is that it will take several years to generate meaningful funds for a reserve. Therefore, all of the options presented by Administration will likely be needed in some fashion in order to generate a substantial enough of a fund to support the LEC implementation. SEAC feels it is important to prioritize the available options to be clear on which options should be pursued first in order to build the fund.
 - a. *Emission Reduction Savings* – any savings that the City makes from reducing GHG emissions should go directly into the reserve fund. In this way, a virtuous circle can be created.
 - b. *Federal Carbon Tax* – an obvious funding source is that any rebates from the Federal Carbon Tax should be directly used to build the Green Fund as opposed to other projects (e.g. building more roads).
 - c. *Federal Gas Tax Funding* – we also believe that the one-time increase in Federal Gas Tax funding should be allocated to commence the start-up of a fund given that the climate crisis is one of the greatest challenges facing our City and planet.

These two options taken alone will likely not provide enough to build stable funding for the LEC Plan. As such, our preference would be that the City of Saskatoon first concentrate on debt funding options, with Property Tax increases as last resort. Our reasoning is that, in order to be successful, we feel that Saskatoon needs to demonstrate the return on investment of GHG emission reduction, instead of it being seen as purely a cost to residents in early days.

Eventually, a dedicated portion of property tax should be considered so that citizens become invested in ensuring that Saskatoon actually reduces its emissions. If people are paying property taxes to reduce greenhouse gas emissions, they will put pressure on the City to make sure that it actually gets done.

3. **Mitigation needs to be funded separately from Adaptation** – it is our expectation that any fund will be used solely for the reduction of GHG emissions (i.e. mitigation) as opposed to addressing the costs of climate change (i.e. Adaptation). The fund should be dedicated to preventing future environmental degradation, not protecting ourselves from environmental degradation. Adaptation should be considered as a cost and therefore be funded directly by property tax increases.

Kind Regards,



for Sara Harrison, Chair
Saskatoon Environmental Advisory Committee