

Cost Breakdown for Municipalities Participating in the PCP Program and Climate Action Plans

Important Budget Considerations for Canadian Municipalities Participating in the PCP Program

As Canadian municipalities prepare their budgets for the coming year, it's essential to understand the financial implications of continued participation in the **Partners for Climate Protection (PCP) program**. The PCP program, developed by the Federation of Canadian Municipalities (FCM) and ICLEI Canada, requires participating municipalities to meet various milestones in developing and implementing Climate Action Plans. Each of these milestones incurs costs that can significantly impact municipal budgets.

It is also crucial to note that **the FCM, ICLEI Canada, and the Government of Canada have waived all liability for the outcomes of this program**, meaning that **the full responsibility for all associated costs and liabilities rests solely on participating municipalities**. However, municipalities are not bound by contract to remain in the program and are **free to withdraw at any time** if they determine that the costs, liabilities, or commitments do not align with their community's needs or financial priorities.

Cost Breakdown for Municipalities Participating in the PCP Program and Climate Action Plans

Participating in the Partners for Climate Protection (PCP) program and implementing Climate Action Plans incurs significant costs for municipalities at each milestone. While initial membership in the PCP program may be free, achieving its milestones and implementing climate-focused infrastructure projects involve considerable investments in planning, technology, and capital upgrades. These costs vary depending on a municipality's size, goals, and capacity for implementation but can range from tens of thousands to millions of dollars.

Milestone-by-Milestone Cost Breakdown

The PCP program includes five key milestones that municipalities work through to develop and implement Climate Action Plans. Here are the typical costs involved at each milestone:

Milestone 1: Create a Baseline Emissions Inventory and Forecast

This initial stage involves gathering and analyzing detailed data on the municipality's greenhouse gas (GHG) emissions from various sources, including buildings, transportation, and waste.

- **Data Collection and Analysis:** Costs for data gathering can be substantial, especially if consultants or specialized software are needed to establish accurate baseline emissions.
- **Staff Training and Coordination:** Training in-house staff to manage the inventory may incur additional costs, particularly in smaller municipalities with limited capacity.
- **Technology and Tools:** Purchasing software or licenses for emissions tracking can also contribute to upfront expenses.

Estimated Cost Range: \$10,000 - \$50,000

Milestone 2: Set Emissions Reduction Targets

Setting achievable and science-based emissions reduction targets requires strategic planning, analysis, and public engagement.

- **Consultation and Planning:** Costs for consultants or climate specialists to determine realistic targets based on baseline data.
- **Public Engagement:** Hosting community forums, surveys, and workshops to gather input on goals incurs costs for venue rental, materials, and staff time.
- **Strategic Alignment Meetings:** Staff and consultant hours are needed to align targets with municipal resources and priorities.

Estimated Cost Range: \$5,000 - \$25,000

Milestone 3: Develop a Local Action Plan

This milestone involves drafting a detailed Climate Action Plan that outlines specific initiatives to meet emissions targets. This step is generally resource-intensive.

- **Research and Strategy Development:** Hiring experts to research potential actions, conduct feasibility studies, and draft a comprehensive plan.
- **Community Engagement and Consultations:** Additional meetings and materials to ensure the plan reflects local input.
- **Legal and Compliance Reviews:** Ensuring alignment with regulatory standards often requires legal counsel or compliance experts.

- **Staffing Costs:** Staff may spend months or even years developing and coordinating the plan, resulting in diverted resources from other responsibilities.

Estimated Cost Range: \$20,000 - \$100,000

Milestone 4: Implement the Local Action Plan

Implementation is the most capital-intensive phase, involving substantial infrastructure investments to bring the Climate Action Plan to life.

- **Project Costs:** High-cost projects like energy-efficient building upgrades, waste management overhauls, or public transit expansions.
- **Capital Expenditures:** Investing in infrastructure, such as solar installations, building retrofits, or renewable energy sources.
- **Monitoring and Evaluation:** Ongoing assessments require additional tools, software, and personnel to measure effectiveness.

Estimated Cost Range: \$50,000 - \$1,000,000+ (depending on scope and complexity)

Milestone 5: Monitor Progress and Report Results

Monitoring progress against set targets and reporting to stakeholders is crucial for transparency and accountability.

- **Data Collection and Analysis:** Regular monitoring requires specialized personnel or partnerships with third-party evaluators.
- **Annual Reporting:** Preparing public reports incurs costs for design, printing, and communications staff.
- **Community Updates and Engagement:** Keeping residents informed through town halls, website updates, or newsletters requires further resources.

Estimated Cost Range: \$10,000 - \$50,000 annually

High-Capital Expenditures Beyond Milestone Costs

Beyond the structured milestones, larger capital investments are often required for implementing ambitious climate initiatives. These costs can escalate substantially when

municipalities adopt initiatives like upgrading vehicle fleets, developing 15-minute city models, or enhancing public transit networks. Here are some of the high-capital expenditure areas:

1. Municipal Fleet Upgrades

- **Cost Considerations:** Transitioning to electric or hybrid vehicles for municipal fleets can cost from \$500,000 to \$5,000,000 or more, depending on fleet size and the extent of the transition.
- **Charging Infrastructure:** Setting up EV charging stations for municipal use and public access requires substantial investment, including installation, power upgrades, and maintenance.

2. EV Charging Stations

- **Cost Considerations:** Installing a single EV charging station costs between \$10,000 to \$50,000. Larger networks with fast chargers will increase costs.
- **Public and Municipal Use:** Expanding access to residents and employees further increases operational and maintenance costs.

3. Smart City Technology

- **Cost Considerations:** Smart city infrastructure, including sensors for traffic, air quality, and energy use, involves substantial setup and operational costs, typically ranging from \$500,000 to \$5,000,000.
- **Data Systems:** Systems to collect, analyze, and act on this data may require upgrades in IT infrastructure and staff training.

4. Circular Economy Initiatives

- **Cost Considerations:** Developing waste reduction facilities for recycling, composting, and repurposing materials involves initial capital for new equipment, construction, and outreach, often totaling \$1,000,000 to \$10,000,000.
- **Community Engagement:** Programs to educate residents about waste reduction may incur ongoing operational expenses.

5. 15-Minute City Model

- **Cost Considerations:** Creating a 15-minute city model requires extensive redevelopment to introduce mixed-use zoning, public amenities, and active

transportation infrastructure. This can cost between \$5,000,000 and \$50,000,000, depending on the municipality's size and needs.

- **Public Engagement and Transition Costs:** Ensuring community buy-in for neighborhood-level changes involves consultations and phased implementation, adding to costs.

6. Active Transportation Networks

- **Cost Considerations:** Building bike lanes, pedestrian paths, and transit hubs involves significant capital outlay. A dedicated bike lane, for example, can cost \$100,000 - \$1,000,000 per kilometer.
- **Maintenance and Safety Upgrades:** Infrastructure maintenance, including lighting, signage, and protective barriers, requires recurring investment.

7. Urban Densification

- **Cost Considerations:** Densification through affordable housing and high-density zoning requires substantial investment, typically between \$5,000,000 and \$100,000,000.
- **Supporting Infrastructure:** Higher densities necessitate upgraded sewer, water, and energy systems, adding to capital costs.

Summary of Potential Costs Across Milestones and High-Capital Initiatives

Milestone/Initiative Estimated Cost Range

1. Baseline Emissions Inventory \$10,000 - \$50,000
 2. Emissions Reduction Targets \$5,000 - \$25,000
 3. Local Action Plan \$20,000 - \$100,000
 4. Implement Action Plan \$50,000 - \$1,000,000+
 5. Monitor and Report Results \$10,000 - \$50,000 annually
- Fleet Upgrades \$500,000 - \$5,000,000+
- EV Charging Stations \$100,000 - \$1,000,000+
- Smart City Technology \$500,000 - \$5,000,000+
- Circular Economy Initiatives \$1,000,000 - \$10,000,000+

15-Minute City Model \$5,000,000 - \$50,000,000+

Active Transportation Networks \$1,000,000 - \$20,000,000+

Urban Densification \$5,000,000 - \$100,000,000+

Total Potential Cost Range: From \$7,200,000 to over \$192,000,000+

Concerns About Participation: The "Free" Appeal of the PCP Program

It is concerning that **522 Canadian municipalities** joined the Partners for Climate Protection (PCP) program, many of them likely motivated by the appeal of a “free” membership. While the program itself doesn’t charge membership fees, the full scope of responsibilities, costs, and liabilities that come with implementing the PCP milestones was not necessarily clear to many councils at the outset. The initial appeal of a no-cost entry into the program may have led municipalities to overlook the significant, ongoing financial and operational commitments required to meet the program's goals. These costs are often substantial, creating budgetary burdens that can far exceed the resources available to many municipalities. For smaller or rural municipalities, in particular, these unanticipated financial obligations can have profound impacts on their ability to deliver essential services or invest in other community priorities.

Lack of Shared Liability

An additional concern is that **the Federation of Canadian Municipalities (FCM), ICLEI Canada, and the Government of Canada have waived all liability for the program's outcomes**, placing full responsibility on local councils. This means that while municipalities face the financial and operational demands of the program, they are left to shoulder all associated risks alone. If the program’s initiatives lead to financial strain, legal challenges, or public dissatisfaction, the municipality alone is accountable, without any support from the organizations promoting the program.

The Importance of Full Transparency

Given these factors, it’s essential for municipalities to fully understand the implications of participating in the PCP program and the potential impacts on their budgets and resources. For municipalities that joined under the assumption of “no cost,” the hidden financial and operational responsibilities may feel unexpected and burdensome.

Recommendations for Municipal Councils

- **Review and Reassess Participation in the PCP Program**
 Conduct a thorough cost-benefit analysis to determine if continued participation is feasible and aligned with budgetary priorities.
- **Evaluate Budget Impacts and Fiscal Responsibilities**
 Factor in both short- and long-term costs of the PCP program and related climate initiatives to ensure responsible budget planning that reflects community priorities.
- **Reevaluate Participation:** Councils should conduct a thorough review of the costs and obligations associated with the PCP program and determine if continued participation aligns with their community’s financial and operational priorities.
- **Consider Alternative Environmental Initiatives:** For many municipalities, focusing on practical, local environmental efforts—such as pollution prevention, water conservation, and habitat preservation—can provide direct community benefits without the extensive financial commitments of the PCP program.
- **Exercise the Right to Withdraw:** Municipalities are free to exit the PCP program at any time. Councils that find the program’s financial and operational demands unsustainable may choose to withdraw, refocusing their efforts on projects that better serve their communities.
- **Notify FCM of Any Withdrawal Decisions**
 Should a council decide to withdraw, it is recommended to formally notify the Federation of Canadian Municipalities (FCM) of the decision. This ensures that resources and funds can be reallocated to locally driven projects.

The appeal of “free” participation in the PCP program has led to widespread involvement, but the true costs and liabilities suggest that councils should carefully assess whether this program remains in their community's best interest. By maintaining transparency and aligning decisions with community needs, municipalities can ensure that their resources are used effectively and responsibly.