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Hon. Doug Ford
Premier of Ontario
Legislative Assembly of Ontario
Queen's Park

May 4, 2020

Dear Premier Ford,

I write with concerns about the financial situation facing municipalities due to COVID-19.

Municipalities are in a difficult position due to the sharp decline in revenues from fees and services associated with the provincial shutdown and deferral of property taxes by some residents. They are also shouldering additional costs associated with local health services and supporting vulnerable populations.

At the same time, they are constrained in their ability to run deficits or expand their revenue sources. Allowing municipalities to run deficits is not the answer to the current crisis.

While I appreciate that the province has announced \$250 million to help municipalities with the impacts of COVID-19, much more will need to be done.

I urge you to develop a comprehensive COVID-19 Municipal Response Plan to address urgent needs and to fix the inequities in the current funding relationship between the province and municipalities.

Please consider the following recommendations:

- Reversing the downloading of public health costs onto municipalities by restoring the previous funding formula that had the province covering up 100%;
- Provide an additional \$350 million operating grant to cover the municipal operating costs of the 102 long-term care homes and 17,000 long-term care beds that are currently operated by municipalities;
- Reversing the \$7.7 million cut to ambulance and emergency services and increasing the provincial cost share from 50% to 100%;
- Restoring provincial funding for community housing and arrange a fair cost-sharing formula consistent with other provinces for the \$1.2 billion spent annually by municipalities;

- Increasing emergency stabilization funding for shelters, food banks and other non-profits, and establish permanent and predictable provincial funding to address homelessness;
- Fast-track funding for already approved infrastructure projects;
- Creating a multi-billion dollar active transportation fund for municipalities to expand cycling and walking infrastructure, as well as meeting AODA targets and physical distancing guidelines;
- Reversing previously announced child care funding cuts and restoring the provincial funding formula from 80% to 100%;
- Funding 50% of local transit operating costs for municipalities, relieving their dependence on fare revenues, while leaving ownership and delivery in local control; and
- Reversing the \$5 million cut the Ontario Municipal Partnership Fund and committing to increasing the fund every year consistent with the rate of inflation.

In addition, I echo the call from Ontario's large urban municipalities to support them in generating additional revenue with the following actions:

- Reinstating the previous government's plan, and the one promised in your election platform, to increase the municipalities' share of gas tax funding from two to four cents, which was estimated to generate \$642 million next year.
- Allowing municipalities the flexibility to implement new revenue generating tools, including road tolls, parking levies and land value taxation.
- Reviewing the regulatory changes to the Development Charges Act triggered by Bill 108 to ensure that municipalities recuperate the full costs needed to pay for community services so that growth pays for growth.

Finally, I strongly encourage you to join Municipal leaders from across the country to push the federal government to support the Federation of Canadian Municipalities call for a \$10 Billion emergency operating fund for municipalities.

I hope you will consider these recommendations.

Please contact me if you would like to discuss them further.

Sincerely,



Mike Schreiner
MPP, Guelph

cc: Hon Steve Clark