



February 13, 2024

The Honourable Doug Ford
Premier of Ontario
Legislative Building
Queen's Park
Toronto ON M7A 1A1

Delivered electronically to premier@ontario.ca

Re: Social and Economic Prosperity Review

In October 2023, the Association of Municipalities of Ontario (AMO) called upon you as Premier to agree to an update of the provincial-municipal partnership by conducting a social and economic prosperity review: a joint review of revenues, costs and financial risks and a detailed analysis of Ontario's infrastructure investment and service delivery needs.

At the regular meeting of the Western Ontario Wardens' Caucus on Friday, February 9, 2024, the Caucus supported AMO with the following resolution;

Moved by R. Ehgoetz, seconded by D. Canniff:

WHEREAS current municipal fiscal arrangements are undermining Ontario's economic prosperity and quality of life;

WHEREAS nearly a third of municipal spending in Ontario is for services in areas of provincial responsibility and expenditures are outpacing provincial contributions by nearly \$4 billion a year;

WHEREAS municipal revenues, such as property taxes, do not grow with the economy or inflation;

WHEREAS unprecedented population and housing growth will require significant investments in municipal infrastructure;

WHEREAS municipalities are being asked to take on complex health and social challenges – like homelessness, supporting asylum seekers and addressing the mental health and addictions crises;

WHEREAS inflation, rising interest rates, and provincial policy decisions are sharply constraining municipal fiscal capacity;

WHEREAS property taxpayers – including people on fixed incomes and small businesses can't afford to subsidize income re-distribution programs for those most in need;

WHEREAS the province can, and should, invest more in the prosperity of communities;

WHEREAS municipalities and the provincial government have a strong history of collaboration;

THEREFORE, BE IT RESOLVED THAT the Province of Ontario commit to undertaking with the Association of Municipalities of Ontario a comprehensive social and economic prosperity review to promote the stability and sustainability of municipal finances across Ontario.'; and

FURTHER THAT a copy of this motion be sent to the Premier of Ontario (premier@ontario.ca); Minister of Municipal Affairs and Housing (minister.mah@ontario.ca); the Minister of Finance (minister.fin@ontario.ca); and to the Association of Municipalities of Ontario (amo@amo.on.ca).” - **CARRIED**

As you know, Ontario's municipal governments provide critical services that residents rely on most every day. The ability to provide these services depends on a fiscal framework that enables municipalities to balance revenues and expenditures responsibly and fairly, reflecting local circumstances and priorities.

Municipalities across Ontario are also facing increasingly complex challenges, such as tackling homelessness and climate change, without the financial tools to solve them. In 2022, municipal expenditures outpaced provincial contributions by nearly \$4 billion in areas of provincial responsibility including social housing, long-term care, land ambulance, social services, and childcare.

This current arrangement makes it impossible for municipalities to invest in the infrastructure needed to support housing and economic growth, or to prepare for the impacts of climate change. Property taxpayers, including small business owners and seniors on fixed incomes, can't afford to pay for the province's affordability and homelessness crisis.

Taxpayers expect governments to work together to solve problems.

We look forward to collaborating with you on this critical review.

Sincerely,



Glen McNeil
Chair, Western Ontario Wardens' Caucus

cc.

Hon. Paul Calandra, Minister of Municipal Affairs and Housing, minister.mah@ontario.ca
Hon. Peter Bethlenfalvy, Minister of Finance, minister.fin@ontario.ca
Association of Municipalities of Ontario, amo@amo.on.ca
Western Ontario MPPs
Western Ontario Municipalities