
Sent via email to: premier@ontario.ca

October 17, 2023

The Honourable Doug Ford
Premier of Ontario
Queen's Park
Toronto, Ontario M7A 1A

Dear Premier Ford:

Re: Social and Economic Prosperity Review

I am writing today with respect to a question of utmost importance for Ontario's residents, businesses, and communities. The provincial-municipal fiscal partnership is central to Ontario's economic competitiveness, social well-being, and environmental management. It provides the foundation for the \$60 billion in investments that the municipal sector makes each year, the critical health and social services that save lives every day, and all of the municipally funded elements that together define the character of Ontario's communities.

Due to increasing demands on municipalities and evolving federal and provincial funding policies, the provincial-municipal fiscal framework is now broken. Complex challenges like homelessness, mental health and addictions, and long-term care transcend any one level of government and require multi-faceted, transformational approaches. Unprecedented housing supply shortages, decades in the making, require long-term approaches to infrastructure investment that have moved beyond the principle of "growth pays for growth". As a former municipal leader, you are aware that Ontario's municipalities are unique within Canada in terms of the fiscal burden they shoulder for health and social services that are typically considered provincial responsibilities. In 2022, municipalities **spent \$3.8 billion more than they received** in areas of provincial responsibility like social housing, long-term care, land ambulance, social services, and child care as a result of current cost sharing arrangements. Municipalities cannot continue to subsidize the provincial government in the face of mounting pressures.

Ontario's provincial and municipal governments have a strong track record of working together to solve complex challenges and develop sound public policy. We have previously come together in principles-driven processes to review provincial-municipal service delivery roles and fiscal architecture and to identify fixes. A similar process is needed now.

At its meeting on September 29th, the AMO Board endorsed a vision for a Social and Economic Prosperity Review to update the provincial-municipal partnership to build sustainable communities, stronger economic foundations, and a better quality of life. This process would have the goal of developing a sustainable, accountable provincial-municipal relationship where both orders of government can fulfill their responsibilities, guided by the principles of:

- fiscal sustainability for both orders of government
- fairness for taxpayers and affordability for residents
- coordinated and timely infrastructure investment resilient to climate realities
- increased housing supply and affordability
- robust health and social services supporting increased economic participation
- long-term economic development and prosperity for Ontario and its communities
- modern, effective, and streamlined service delivery.

The AMO vision would see provincial and municipal governments coming together to guide robust, joint analysis and recommendation development that considers evidence, balances different perspectives, and ultimately generates consensus on a path forward. AMO's Memorandum of Understanding, with your government, provides an ideal framework in which this collaboration can occur.

AMO is calling on the provincial government to commit to this Social and Economic Prosperity Review in collaboration with municipalities to begin as soon as possible. We welcome the opportunity to meet with you, Minister Calandra, and Minister Bethlenfalvy to discuss further at your earliest convenience.

AMO is confident that your government is committed to Ontario's social and economic prosperity. Together, we have the opportunity to create a legacy of stronger, more sustainable communities that form the foundation of a prosperous Ontario.

Sincerely,



Colin Best
AMO President and Councillor, Region of Halton

cc: The Honourable Paul Calandra, Minister of Municipal Affairs and Housing
The Honourable Peter Bethlenfalvy, Minister of Finance
Martha Greenberg, Deputy Minister, Ministry of Municipal Affairs and Housing
Greg Orencsak, Deputy Minister, Ministry of Finance