

June 10, 2020

Via e-mail: [pm@pm.gc.ca](mailto:pm@pm.gc.ca)

The Right Honourable Justin Trudeau  
Prime Minister of Canada  
Office of the Prime Minister  
80 Wellington Street  
Ottawa, Ontario K1A 0A3

Dear Prime Minister Trudeau:

## **Re: Immediate Financial Assistance for Municipal Governments**

Municipalities in Ontario have been on the front line of the COVID-19 emergency since the beginning.

In Ontario, municipal front-line services include typical responsibilities, such as police and fire services but also include public health, childcare, housing and homelessness, paramedic services, and a role in long-term care. All of those services have been immediately and dramatically affected by COVID-19. All have faced extraordinary new costs and will face added structural costs into the future. The same is true of transit, which faces much higher operational costs, and a profound drop in revenue that will carry on for months, if not years.

Ontario responded almost immediately with its \$148 million Social Services Relief Fund to help offset increased municipal human services costs. The block funding has literally saved lives.

Early last week, the Government of Canada announced a first step in assisting municipalities by advancing the flow of 2020 gas tax funding for infrastructure – an important development. The federal gas tax program is an extraordinary example of direct federal financial support for municipalities, mediated through a trilateral agreement between Canada, Ontario and municipal government, represented by AMO and the City of Toronto. It stands as an ideal model for much needed emergency operational funding for municipalities, and is the model set out in the FCM proposal – which AMO fully supports.

Later last week, Canada announced a \$14 billion package of support for provinces and territories to support recovery. While it is not clear how much of the funding may be earmarked to support communities, it is clearly not enough to address the funding crisis municipalities are facing. Premier Ford has urgently requested additional and immediate federal assistance for Ontario's municipalities. AMO and its member municipal governments urge the same.

Without immediate financial assistance, the alternatives of property tax increases, service disruptions and cuts, or deferred capital investment will undermine economic recovery. Ontario's \$50 billion municipal sector is eager to play its essential role in the restart and recovery, but it needs to be financially sustainable to get the job done.

In addition to emergency assistance for operations, municipalities are also the ideal destination for federal and provincial capital investments that will help rebuild the economy, put people back to work, and ensure much needed infrastructure is in place to sustain productive economies into the future.

Right now, in Canada, trust in government is at an all-time high. And people trust that all orders of government will work together toward a common purpose of sustainable, healthy and safe communities.

AMO is confident that your government understands the indispensable role of municipalities in rebuilding the economy, effecting positive change and creating a society where people, industry and social enterprise can thrive.

Thank you for your attention to this urgent matter.

Yours sincerely,



Jamie McGarvey  
President

Cc:

The Honourable Doug Ford, Premier of Ontario  
The Honourable Bill Morneau, Minister of Finance, Canada  
The Honourable Chrystia Freeland, Deputy Prime Minister of Canada  
The Honourable Rod Phillips, Minister of Finance, Ontario  
The Honourable Steve Clark, Minister of Municipal Affairs and Housing, Ontario  
President Bill Karsten, Federation of Canadian Municipalities