

**Remarks by:
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**Rural Ontario Municipal Association (ROMA)
2018 Annual Conference
Sheraton Centre Hotel, Toronto, Ontario
Monday, January 22, 2018
10:00 – 10:15 a.m.**

(Check Against Delivery)

Good morning.

I want to start by congratulating Ron and ROMA.

Last year, ROMA took a leap of faith by hosting its first stand-alone conference in many years.

Hundreds of Ontario municipalities took that leap with them – and you came back.

There is no better proof of success.

And there is no better proof that rural Ontario is working together – your voice is an important one in building the future of this province.

Rural Ontario is an important part of AMO – we are proud to stand with you. Your efforts are our efforts.

AMO will be 120 years old next year – and if we have learned anything over the past century, it's this simple truth: municipal governments achieve great things when we work together, and we pay a high price when we are divided.

To achieve consensus, we have to listen to one another.

We need to understand and appreciate the differences that make all of our communities unique.

We have to speak with clarity and purpose.

And we must find our common ground.

There is quite a lot of common ground.

We exist within a shared economy.

Our communities have shared values.

We operate under rules, regulations and legislation that, more often than not, treat all municipal governments the same.

Often, when we look for local answers to very different challenges, we discover similar solutions – big, small, north or south.

Gatherings like this improve our understanding, they allow us to share concerns and ideas.

They allow us to pursue change.

If you haven't yet noticed, we are heading into a provincial election.

We've already heard this morning from Premier Wynne. Tomorrow, we will hear from Conservative leader Patrick Brown, and NDP leader Andrea Horwath.

Over the upcoming months, all three will be talking about change. All three will be presenting

bold ideas.

In addition to what they are saying, we should be taking stock of their interest in what we, as municipal government and community leaders, are saying.

We should all be listening to one another - intently.

We all have important choices to make.

It's an election year – for all of us.

Most of you are thinking about the municipal elections in October.

Our election promises are relatively restrained compared to provincial leaders.

We don't have much room to make sweeping changes.

We'll promise to get at those pot holes.

We will promise to pave roads and replace culverts.

We will promise to look after the things that most people want to forget about – like toilet flushes, garbage and snow.

We will promise to deliver safe drinking water.

We will promise to keep the buses running on time.

We will promise to make sidewalks accessible – and we will build sidewalks where there are none.

If you need help, we will send it: police, fire and paramedics.

They are our colleagues. We care about them and we work to keep them safe too.

We will promise to do what we can to find people housing and care for the homeless – even though municipal government is in the weakest position to fund and deliver that.

We will turn old rail lines into trails.

We will continue to replace the lights in our arenas to save energy.

We promise to fight Mother Nature. We'll battle rain, sleet and snow – even droughts.

We'll figure out what our weather will be like 20 years from now, and build new infrastructure to address that.

We promise to plan our communities and deal with the relevant provincial policies, and address local interests

We will promise to keep property taxes low.

In fact, we will be promising to deliver most of the services that most people in Ontario use every day – on less than 10% of the household taxes that they pay.

Day in and day out – we do all of this and more.

Frankly, we have been delivering the basics for so long, and so successfully, that many municipal services are taken for granted.

Municipal government is not taken as seriously as it should be.

If we were taken seriously, municipal governments would receive a bigger share of tax dollars, and we would have a bigger say in how our services are delivered.

As mundane as it may be to make sure that basic community services are delivered... within budget... that is the core responsibility of government.

That is your responsibility as governments.

Heading into the provincial election, AMO will be looking for fairly simple things.

First and foremost, we want to ensure that everyone on the ballot understands and appreciates the importance of municipal government.

Ontario's municipal community is made up of people from across Ontario's political spectrum.

But that doesn't keep us from finding plenty that we can agree on.

The people of Ontario are best served when the Ontario government and Ontario's 444 municipal governments work together.

Let's include the federal government in that equation.

Disagreements and a certain amount of tension are normal features of democracy.

But at the end of the day, our communities, Ontario and Canada, all work best when governments respect each other and work together.

Sometimes, governments have to make difficult decisions – unpopular decisions.

We all know the truth of it.

Everyone who wants to lead the Ontario government knows the truth of it too.

While we are here, let's be frank and honest with each leader and their teams:

If you want to lead Ontario successfully, you are going to have to make decisions to ensure that Ontario's municipal governments are successful.

So, to recap:

We'll be looking for leadership that understands and values the role of municipal government.

We'll be looking for leadership that will work with us as partners.

We'll be looking for leaders who will give municipal government a strong and effective voice.

We should have a greater say over how municipal services are designed, delivered and funded.

Fixing culverts... paving roads... salting roads... managing flushes.

It's not fancy, but these are the cornerstones of safe, healthy and prosperous communities.

Look after the details and big stuff falls into place.

The biggest detail is our balance sheet.

Municipal governments cannot run deficits.

We need to make ends meet.

When we roll up our sleeves to deliver balanced budgets, our choices are limited:

We can stretch tax dollars somewhat further if we can reduce or eliminate services or deliver them differently if the rules permit

Or we can increase revenue.

But let's be clear; our ability to deliver on these three choices is also limited:

The Province tells us what service we must provide... they set up the framework for accountability ... and too often, they reach deep into the details and dictate through standards how we must deliver a service.

We don't have a free hand to improve efficiency, or control our costs.

We know that the total cost of delivering municipal services is growing by a billion dollars every year.

It's not sustainable, and we do not have the power to stop it.

Will the next Ontario government address that lack of authority? If so, how?

For years we have been proposing unpopular, but necessary ideas to make municipal government more affordable:

Police and fire compensation should grow at normal rates. Giving them increases comparable to other public-sector employees would save us about \$100 million a year.

We have been seeking this for years. Inaction over that time has cost us more than half a billion dollars.

In 2015 we proposed 34 improvements to policing that would save millions and improve service. Our work inspired the recent Police Act Review. But the results of that review have not gone far enough.

If anything, they will increase policing costs even more.

Photo radar could save us \$50 million, and improve public safety.

There should be reasonable limits on municipal liability. That would reduce our insurance costs by about \$27 million.

Maintaining OMPF funding with at least an inflationary rate would save about \$11 million.

That's a drop in the Province's budget, but it is massively important to some of you.

For about half of Ontario's 444 municipal governments, a 1% property tax increase generates less than \$50,000.

So, if our costs are growing by \$1 billion a year... and higher property taxes are our only source of new revenue... all party leaders need to say how high they think property taxes should be in Ontario.

We've spent two years studying the trends and projecting them for the next ten years.

We can say, with confidence, that municipal finances are not sustainable.

In fact, if municipal costs keep rising at the rate they have been, we estimate that municipal governments will face an average funding gap of about \$4.9 billion a year over the next

decade.

If we rely on property tax revenue, we would need to increase them by about 8% per year, every year, over the coming decade.

That would be just to maintain current services and get at the infrastructure gap. That doesn't even consider new responsibilities, like the work to manage legalized cannabis.

Outside of councils and AMO, no one is sounding the alarm over our pressure to increase property taxes – and that should alarm you.

At the same time, the public and many groups are sounding the alarm about the state of infrastructure – to fix it, replace it and to expand it.

Significant changes are needed to support the future.

Provincial changes that, frankly are measured in millions won't protect Ontario from much higher property taxes.

We need to dramatically address revenues.

Even Toronto with its access to land transfer tax and other tax tools is not going to achieve fiscal sustainability.

Over the past year we looked at 40 different approaches to tackling your fiscal challenges – including doing nothing.

We consulted broadly – and we still are.

We have been engaging Ontario's municipal community in the biggest discussion we have ever had.

Our work is captured in three reports – and we stand by our work.

The best path forward, for all municipal governments, and for our province, is the addition of sales tax revenue.

Specifically, AMO believes that Ontario's HST should be increased by 1% and that this revenue should be dedicated to funding municipal infrastructure.

The proposal has been rejected by all party leaders. That does not surprise us.

But the lack of support does not change the fact that it is better than all other options.

It is better than making significant cuts to municipal services, under duress.

It is better than having much higher property taxes.

It is more affordable for low income Ontarians. It is the only option that protects those who need to be protected.

It is better for seniors.

It is better for people who own second properties, and for local economies that depend on those people.

It's more fair than significant property tax increases... because everyone who uses municipal services would contribute to funding them.

It's more manageable for businesses, and the impact is consistent for all businesses, right across Ontario.

This revenue would grow with the economy.

We would not have to go to our community – or the Ontario government – year after year with cap in hand.

We are confident that it is the right approach because we have heard from you and taken a serious look at your challenges... because we have taken a serious look at all the options... and because we take municipal government seriously.

Anyone who dismisses this idea needs to put their money where their mouth is.

What is his or her plan to ensure that municipal responsibilities and municipal funding are sustainable?

How will they get us there?

Are they choosing much higher property taxes for Ontario?

Are they proposing significant cuts to municipal services?

Are they prepared to make significant changes to rules, regulations and legislation?

Will they find another way to increase the Local Share of revenue?

Will they give us a greater Local Say?

Municipal governments provide the public services that most people use the most.

Will we be given funding, flexibility and authority that reflects this?

It's time to get clarity.

This year, provincially, Ontario will chart the course that will set the stage for the next four years for us.

History tells us that whatever the election outcome, changes always comes.

Over the coming months, AMO will be asking these tough questions – we'll be calling for a greater Local Share of revenue.

And we will be calling for a greater Local Say in how our responsibilities are delivered.

We will analyze each party's platform and provide our assessment of what they would mean for Ontario's municipal governments and for communities.

We'll be helping you at the local level to advance municipal government interests. Watch for our materials. Follow our work through our website, through our weekly Watch File, and through Twitter.

If you are not familiar with our Local Share proposal, I urge you to have a look at it.

We have briefing materials that are specifically designed for Councils.

We find that once people spend time with the materials and seriously consider the future, and other options, they tend to come to the same conclusion that we have.

So, please have a look.

Ask tough questions.

Listen to what people are saying.

Make sure they are listening to you.

Find your voice.

AMO will be there for you... working with ROMA... and with other municipal organizations... to make sure that Ontario's municipal community supports one another and acts in the best interest of Ontario's diverse communities.