

# WHAT'S **NEXT** ▶▶ ONTARIO?

Imagining a prosperous future for  
our communities

**MEMBERSHIP ENGAGEMENT SUMMARY**

August 17, 2015

## Introduction

Most municipal governments have forward-looking strategic plans. But what is the strategic plan for our community of communities? In April, the Association of Municipalities of Ontario launched a discussion with its membership to begin charting a common path towards achieving long-term fiscal sustainability. Our sincere thanks to the hundreds of leaders from across the province who participated in this phase of What's Next Ontario.

We launched the discussion knowing that the intergovernmental relationship needs to continuously improve, evolve, and be renewed. We've done this before, with results. With the upload nearing completion in 2018, we ask the fundamental question, what's next Ontario?

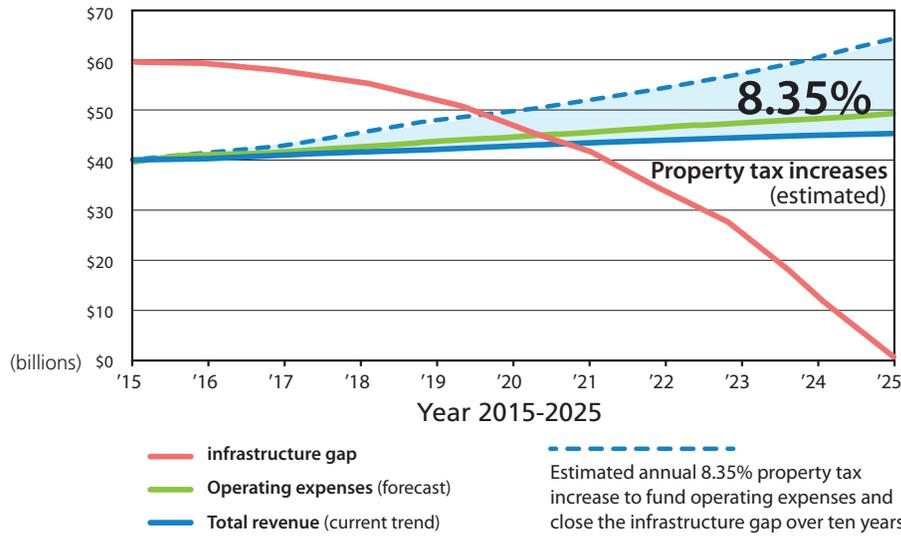
### The Dialogue

AMO posed questions in all four corners of the province. In meetings, online, in documents, and long discussions, over several months, we heard from you.

These discussions were based on what our shared financial future looks like. Here is the essence of the problem we share:

Assuming all other revenues remain stable, and services remain unchanged, we project property taxes will need to increase by 4.51% per year for the next ten years just to meet current service levels and standards. In addition, municipalities are facing an estimated \$60 billion infrastructure investment gap. If property tax revenues alone were to close this gap, it will require an additional increase of 3.84% each year, for a combined 8.35% increase in property taxes annually to 2025. Are property tax increases of this magnitude the best way to finance the anticipated future needs of our communities?

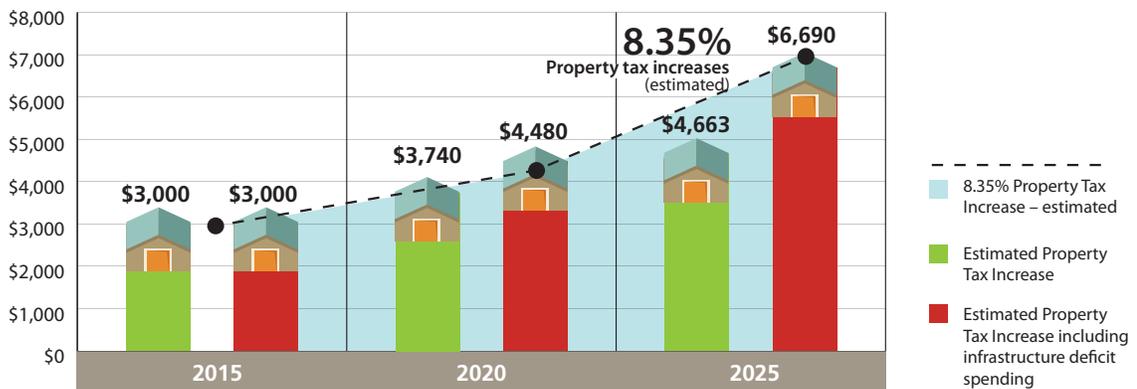
## Revenue Needed to Fund Operating Expenses & Infrastructure Gap



Source: AMO

What might such an increase mean to the average property taxpayer? The chart below illustrates what an estimated 8.35% annual increase might mean for a typical household. Would property taxpayers in your community accept these property tax increases? Is there the capacity to pay these amounts? Does capacity look different from one municipality or region to the next? Debt capacity and the capacity to pay are important matters. Despite the uploads, Ontarians still pay the highest property taxes in the country. At the same time, Ontarians also pay for services that are paid for by provinces in other parts of the country.

## Estimated Property Tax Increase for Typical Homeowner (including infrastructure deficit spending)



Source: AMO

The revenue raising capacity of property tax is extremely limited for many communities. For half of Ontario municipalities, a 1% property tax increase generates less than \$50,000. In addition, a million-dollar bridge is a million-dollar bridge, no matter where it is located in the province. Many smaller municipalities have many such bridges.

While it is generally considered to be a stable source of revenue, it is less responsive to economic growth when compared to sales tax. It can also be a volatile tax for an individual property, given its reliance on market values. If a property's assessed value increases at a rate that is greater than the average for the whole municipality, property taxes for that property will increase without a total municipal levy increase (and vice versa).

It is also considered to be a regressive form of taxation. How much you pay is not necessarily determined by how much you earn or your ability to pay. It is determined by the value of your property. As one example, a retiree on a fixed income who has lived in a home for decades that has increased in value will direct more of their income toward property taxes each year, even though their income has not increased. As residential values increase, and more residents move into the lower senior income category, more pressure will be placed on property tax setting, as well as the provincial senior's property tax credit.

**Of every household tax dollar paid by Ontarians, municipalities collect just 9 cents.**

Most of these dollars are collected through property tax and to a lesser extent, user fees.

Where does your tax dollar go?

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## The Questions

**To move forward with common priorities and possible tools and solutions, AMO asked a series of key questions for the municipal sector to consider:**

1. **What fiscal challenges is your municipality facing now and how will they change in the future?**
  - Which areas present the greatest municipal fiscal challenges or opportunities?
  - Rank the top five fiscal challenges facing your municipality in the next five years and the next ten years.
  
2. **What changes can you make to tackle those challenges?**
  - How can municipal governments on their own modernize and improve what they do to increase fiscal sustainability?
  - Is there anything standing in the way of doing this?
  
3. **What changes can the Province or the federal government make to empower your municipality to tackle those challenges?**
  - What ideas would you like to see the provincial government take on that would help municipal governments move towards fiscal sustainability?
  - Are there any specific provincial policies that could be strengthened or removed to improve our sector's fiscal sustainability?
  - Do municipalities need more authority to tackle fiscal challenges? If so, what type of authority do we need?
  - Do municipal governments need more taxation tools? If so, what taxation tool(s) would work effectively in your municipality and how?
  - Alternatively, would you prefer current types of transfers from other levels of government knowing that more assistance means less independence for the municipal sector?
  
4. **What possible solution(s) do you think should be the focus of a coordinated municipal effort to meet this challenge?**
  
5. **Did we miss anything?**
  - Please let us know if there are any key municipal fiscal issues.

**AMO President Gary McNamara and staff toured the province to ask these questions. Here is where we went:**

Meeting/Location	Date	Attendees
NOMA – Thunder Bay	Apr-23	190
OSUM – Belleville	May-01	120
FONOM – Sudbury	May-08	200
AMCTO – Thunder Bay	Jun-08	30
ROMA – Toronto	Jun-11	8
WOWC – Blyth	Jun-12	26
Webinar	Jun-17	8
MFOA – Toronto	Jun-19	13
Webinar	Jun-24	9
CAOs – Caledon	Jun-26	30
EOWC – Pembroke	Jun-26	30
Guelph	Jul-15	35
Online Forum		3
Email Submissions		37
<b>TOTAL – Estimated</b>		<b>739</b>

A total of **739** municipal elected officials and staff participated directly in the What's Next Ontario consultations.



**17**  
webinar  
participants



**40** written submissions were received (includes emails and online forum).



**10**  
Face to face  
meetings held



**10** municipal  
associations  
consulted

## In the words of AMO members

### The following are quotes from the written submissions AMO received from elected officials and senior staff.

"It is anticipated, however, that without additional economic and assessment growth, sustainable funding for infrastructure and the upload of social housing, current fiscal challenges will continue to hamper financial sustainability and exacerbate property tax affordability issues for residents and businesses."

- From a GTA regional municipality

"The AMO-Provincial MOU allows for consultations before action, but a higher recognition of municipalities as equal partners is required to provide municipalities greater taxation authority."

- From a southwestern rural municipality

"Sustainable and dependable funding should be provided for such services through greater sharing of higher-level government tax revenues. The Federal and Provincial gas tax systems both provide examples of a favoured revenue model whereby higher level orders of government dedicate a portion of their ongoing tax revenues to municipal programs."

- From a GTA regional municipality

"We continuously look for ways to become more efficient. We've changed the overall way we provide services in many areas working with our community partners rather than try to be all things to all residents. When it comes to discretionary services such as recreational programming, we have found it is best to work with community partners for the delivery of these services. We are currently undergoing a service delivery review to identify cost-saving opportunities, we are exploring shared service arrangements with neighbouring municipalities, school boards, hospital and DSSAB. We are continuously replacing older equipment with more energy efficient alternatives; we've recently converted our streetlights to LED, upgraded our boilers at the recreation facility, upgraded the blowers at the sewage treatment plant and lighting throughout municipal buildings. Where municipalities need assistance from the Province is with the high cost of services that ultimately we have no control over, for example social services, land ambulance and policing."

- From a northern municipality

"A change in demographics is putting at risk the ability to rely on property taxes. This includes an aging population with more fixed-income seniors and a lack of growth (new assessment)."

- From a southwestern rural municipality

"Empowering municipalities and making transformational change starts and ends with long term sustainable funding and alternative revenue tools, and the accompanying authority."

- From a GTA municipality

“Any new tax should be piggy backed on provincial or federal collection capabilities so as not to add cost to the overall government sector and should be weighed heavily against the economic impacts. They should also be used for specific purposes or investments rather than just offset the provision of the public good. Clear principles should be established before allowing additional taxes or revenue streams.”

- *From a southwestern city*

“The increasing trend for residents to “age in place” will require the City to continually evaluate the services it provides. More specialized programs for the senior population and new or modified infrastructure beyond services currently being provided will be required”

- *From a GTA municipality*

“Reductions in OMPF funding are creating tremendous sustainability challenges. In 2008, our OMPF funding was equal to 51.2% of our levy, whereas in 2015 it was down to 20.5%.”

- *From a southwestern rural municipality*

“What are the top five fiscal challenges facing our municipality faces in the next ten years?”

1. Impact of aging population
2. Changing nature of employment
3. Affordable housing
4. Traffic congestion
5. Impacts of provincial legislation.”

- *From a GTA regional municipality*

“Changes in the OMPF formula denote a complete departure of a provincial policy supporting agricultural areas in Ontario. The economic competitiveness of rural municipalities is disadvantaged by provincial property tax policy in terms of the ability to have comparable tax rates to our urban neighbours. Rural municipalities are burdened with funding the cost of the Farm Tax Rebate programme, for which the objective of the programme is to provide low cost food and agricultural products to citizens across all of Ontario.”

- *From an eastern municipality*

“Bill 73 is welcome legislation which will take future transit service levels into account, but more can be done in the legislation to capture all development costs.”

- *From a GTA municipality*

“Far too many reports are required across many provincial Ministries, and the few grants that come out takes too much administrative or consultants time to complete. We have not been successful in the past year or so in getting any applications approved, so we simply waste time and money completing paper work. I suggest a serious look at all provincial processes and eliminate as many reports and unnecessary work spent by municipal staff trying to satisfy Provincial requirements. Perhaps a tool like Lean 6 Sigma would help identify low-value work that could be eliminated saving both provincial and municipal time and money.”

- *From an eastern municipality*

“Something has to be done to bring down the costs of the OPP across Ontario, as this is simply not sustainable with this very costly and inefficient organization downloading their cost and inefficiencies to the municipalities.”

- From an Eastern Ontario municipality

“What changes can the Province or the federal government make to empower your municipality to tackle those challenges? Full recognition of equal government status and allow municipalities to share in the same tax tools – sales tax, income tax and other such revenue sources.”

- From a southwestern municipality

“A municipality’s success is ultimately measured by the taxpayer and the value they feel they are receiving for their tax dollar. Yet residents are unaware of the level of responsibility that is delegated by the Province.”

- From a northern municipality

“Emergency service costs – particularly policing - is our main fiscal challenge. In 2014 the actual final policing cost for our municipality was \$270,309. In 2015 that cost will jump to \$403,100 and is projected to be \$717,375 by 2019. That is a 165% increase from 2014 to 2019.”

- From an eastern municipality

## Key Themes

**The What’s Next Ontario engagement and discussions revealed the following consistently expressed province-wide themes.**

### **Infrastructure**

This is the number one concern of member municipalities. Given the breadth of the issue, not surprisingly this concern takes many shapes.

### **State of good repair**

Upgrading of existing facilities and assets, management and replacement of aging roads, bridges, water and wastewater facilities are top of mind across all communities.

### **Ability to pay**

How do communities facing financial distress (declining population, assessment or tax base) meet the needs of their residents? How is it that a lack of debt disqualifies some from provincial infrastructure grants or that high debt becomes a qualifier for others? What incentives can optimize appropriate financial strategies for infrastructure and asset management? What does an aging population, workforce, and demographic change mean for ability to pay?

### **Service demands in high-growth municipalities**

Growing communities have growing service needs, particularly with respect to transit and transit expansion. Revenues from growth-related charges (i.e. development charges) are inadequate and mean higher property taxes for all.

### **Service demands in low-density, rural or northern municipalities**

Geographically large communities have unique infrastructure needs and are financed with difficulty by a sparse population.

### **Interest Arbitration**

Municipalities continue to be highly critical of the emergency services labour relations framework and what it means for the cost-of-service delivery. This is a common and consistent theme expressed across all submissions.

### **Policing**

Ontarians pay the highest policing costs in the country. The new OPP billing model, while beneficial for some, means much higher policing costs for many when fully phased in.

### **An aging population**

This demographic trend was a very prominent theme across all municipalities for combination of reasons. The issue has both revenue and service dimension at the local level.

### **Social Housing**

Some members are calling for the establishment of a true partnership between all orders of government on the delivery of this service. Affordable housing is fundamentally an income-distribution program and should not be funded through property tax. Funding the renewal of an aging housing stock is a major challenge for many municipalities, particularly where demand is increasing.

### **Revenue in small, rural, and northern Ontario**

Recent industrial assessment appeals and activity have affected the tax base of many municipalities including those with saw or paper mills, grain elevators and landfills, in particular. These changes magnify existing revenue challenges in rural areas including provincially mandated farmland and managed forest property tax discounts. Proposed reductions to provincial power dam payments are very troubling for many municipalities.

### **Provincial Equalization and Operating Assistance**

Until recently, farmland and managed forest property tax discounts were offset by provincial grants through the Ontario Municipal Partnership Fund (OMPF). These have since been discontinued. Policing grants through the OMPF for rural and northern communities have also been discontinued. As a result, property taxes in rural and northern areas have been increasing to make up for this difference. The increased operating budget pressure this has caused compounds the difficulties these communities face when dealing with infrastructure funding.

## Possible Solutions

**Below is a summary of what we heard from municipal leaders across Ontario:**

### **On infrastructure**

- There is a need for increased predictable and long-term infrastructure funding to address future needs and service requirements.
- Developing or refining existing Asset Management Plans will help direct resources to priority projects and determine future required level of capital funding. Increasing municipal capacity can accelerate plan development.
- Municipalities need a greater ability to pay for infrastructure needs.
- Predictable provincial infrastructure funding would help. If municipalities knew how much they were getting each year, like the federal gas tax, it would make a huge difference.

### **On revenue for infrastructure**

- How about a municipal sales tax? It could be coordinated at the provincial level, and then allocated as dedicated infrastructure funding.
- What about dedicating 1% of the HST to municipal priorities?
- We could allocate 1% of provincial gas tax revenues towards climate change initiatives and developing more resilient infrastructure.
- Photo radar can be an effective enforcement tool for drivers which could be dedicated to municipal infrastructure.
- Lower congestion and help transit by tolling all 400 series provincial highways.
- Whatever revenue tools are considered, they need to be flexible. "One size fits all" won't work.
- Railways, industry, and commercial properties should pay higher taxes.
- Revenue sharing from non-renewable resource industries (i.e. mining) makes a great deal of sense.
- What about an income tax surcharge or cap and trade revenues for municipalities?

### **On what municipalities can do**

- Greater service integration at the upper tier could yield efficiencies.
- Municipalities should scale back on the services they offer. Some services should be reduced or eliminated.
- More municipalities should opt to use stormwater charges.
- We need to do a better job of explaining the need to raise taxes to our residents. We need to do a better job at communicating the economic challenges being experienced in rural Ontario.

### On what the Province can do

- Municipal liability and risk exposure needs to be amended.
- Ontario Municipal Partnership Fund dollars need to be enhanced, especially in rural Ontario and a long-term plan developed.
- Social housing, public health and policing – these are all provincially mandated services which are managed at the local level. Perhaps some should be uploaded or provide greater flexibility in service delivery.
- Allow municipalities greater flexibility in setting user fees.
- Extend the provincial gas tax so that it is applicable to more than just transit. Provincially mandated programs, such as the farm property class rebate, the managed forest tax incentive, and the greenbelt, need to be provincially paid for.

**After hearing from our members and the discussion in this initial phase, in summary, there seem to be three options on how to meet our infrastructure and operating needs to 2025.**

### Option 1: Do Nothing [Status Quo]

Use existing revenue streams. This translates into a combination of either sector wide annual property tax increases of 8.35% per year for ten years, or service reductions and pass on the infrastructure deficit to future generations.

Advantages	Disadvantages
<ul style="list-style-type: none"><li>- Property taxes are a stable and reliable source of revenue.</li><li>- Not dealing with the infrastructure deficit is the easiest short-term option.</li><li>- Any service reductions related to failing infrastructure or capital needs are a least a few years away</li></ul>	<ul style="list-style-type: none"><li>- Ontarians already pay the highest property taxes in Canada.</li><li>- Many communities simply do not have the ability to pay such increases.</li><li>- Ignoring the deficit will only compound future costs for future generations.</li></ul>

## Option 2: Do Something

Incremental revenue improvements. Seek Toronto taxation powers for all communities and seek increases to provincial operating support and infrastructure funding for municipalities.

Advantages	Disadvantages
<ul style="list-style-type: none"> <li>- A modest improvement to the fiscal capacity of some municipalities.</li> <li>- Greater local revenue flexibility for some.</li> <li>- Limited barriers to implementation, Toronto tools have already been tested.</li> </ul>	<ul style="list-style-type: none"> <li>- Limited revenue potential, will solve only part of the longer term infrastructure challenge.</li> <li>- It is only a partial solution available for fiscally healthy municipalities.</li> <li>- Increases dependence for all other municipalities which rely on provincial transfers and exposure to long-term vulnerability with any change in provincial transfer policy.</li> </ul>

## Option 3: Do Something Bigger and Bolder

Develop a new approach for additional revenue sources for all municipalities and develop a package of reforms to refresh provincial-municipal relations.

Advantages	Disadvantages
<ul style="list-style-type: none"> <li>- Equity, all would bear the cost and receive the commensurate benefit.</li> <li>- Diversifies municipal revenues for achieving sustainability in the long-term.</li> <li>- Less dependence on provincial transfers to meet municipal operating and capital needs.</li> </ul>	<ul style="list-style-type: none"> <li>- Increased taxation burden or less provincial government revenue, depending on the tool used.</li> <li>- Public confidence in any proposal will need a very strong business case and well-articulated goals for acceptance.</li> </ul>

## **A special note about Toronto's tax tools**

In June, the Ministry of Municipal Affairs and Housing launched a consultation regarding fiscal sustainability. It includes a discussion about what barriers municipalities may face in achieving long-term financial sustainability and whether municipalities have the necessary tools to effectively plan for, prioritize and fund their investments in infrastructure and spending on services.

The Ministry's public consultation discussion guide includes a reference to the broader taxation authority granted to the City of Toronto. (This includes the following: entertainment; alcoholic beverages; tobacco; motor vehicle ownership tax; land transfer tax; parking tax; road pricing/congestion; and a billboard tax). Currently, Toronto is using the land transfer tax and the billboard tax. Toronto is the only Ontario municipality with the authority to levy these taxes.

The consultation reflects the Premier's remarks in February at the OGRA/ROMA Conference where she said, "To those of you who would like to talk with the Province about whether it is time to give municipalities new revenue tools - time to create some 21st century tools - it is a discussion I am open to having." The Minister of Finance subsequently confirmed any new revenue tools would exclude any existing provincial revenue streams.

### **Is broadening the use of Toronto's tax tools to other municipalities part of the answer? It might be for some. But it raises a series of questions that must be considered including:**

1. What is the revenue raising capacity of these tools province-wide over the next ten years?
2. Let's assume any new revenues from these tools would be dedicated to the infrastructure deficit. Will they generate sufficient revenue to cover the municipal share of the \$60 billion needed over ten years?
3. Do Ontarians in all areas of the province have the fiscal capacity to pay these additional fees in addition to projected property taxes increases of 4.51% per year for ten years to meet municipal operating budgets?
4. What is the long-term plan for municipalities that will remain dependent on provincial government transfers because of fiscal circumstance?
5. What is the plan for communities in the province that do not have the fiscal capacity to pay either higher property taxes or fees or both?
6. What legislative or regulatory relief can the Province provide municipalities in the delivery of mandatory programs?
7. Are these expanded revenue tools the extent of the Province's plan to help build a sustainable fiscal future for municipalities?

# Conclusions

## AMO's Action Plan

### **Municipalities share diverse but common concerns regarding the future.**

Developing a solution for long-term fiscal sustainability will require a fiscal framework that can meet the future needs of our communities. What that fiscal framework should look like remains to be seen. Further work is needed to explore what shape that should look like and which tools should be used. One thing is clear; it should meet the varying needs and fiscal circumstance of all communities including northern, rural and urban Ontario.

Through this process we discussed the need to control spending. Municipal governments do this by necessity, because they have relatively weak revenue sources compared to other orders of government. However, municipalities must fulfil mandates that are imposed on them, primarily by the Province, and municipalities are limited in their authority to control costs in some areas. For example, municipalities cannot place reasonable limits on liability, or restore balance to Ontario's interest arbitration system. They must rely on the provincial order of government to make legislative changes to control costs in these areas, and many others.

The next option is increasing taxes. This is not popular with municipal leaders or the public. There was considerable discussion about how new tax revenue could or should be raised, given that the topic is controversial. There was also considerable discussion about how municipalities would use new revenue tools, if made available. We must recognize that increasing revenue through new forms of taxation at the local level simply isn't a viable option for some Ontario communities. It might do more harm than good.

Many believe that the 9% municipal share of existing taxation is too low. Most of the services that most people use most of the time are municipal services. We believe that more and more Ontarians are questioning why so little of their current taxes contribute to the municipal order of government, and why the Provincial and Federal orders of government receive four or five times more in taxes. AMO believes that this question will only grow over time. This must be discussed going forward.

As we move to the next stage of considering our shared future, and in response to the very strong feedback we have received, AMO commits to exploring potential approaches under ***Option 3: Do Something Bigger and Bolder.***

The breadth, scale, and scope of input we have received from the membership demands that we carefully explore the options and their potential impact. In September, AMO will establish a committee of municipal and community leaders to explore revenue tools and the foundations of sustainability for the municipal sector. By January 2016, we will continue the conversation with focused and detailed options for the sector to consider. By next August 2016, we will arrive at a member-directed position to chart our future together.

Nothing in the above prevents the Province from advancing progress on the long-standing challenges that weigh down the provincial-municipal relationship. This could be focused on three areas:

**Longstanding Issues** – Includes ongoing delays with implementing POA fine collection reform, joint and several liability reform, waste management funding, farm property class rebate, the managed forest tax incentive, updating the heads and beds levy, modernizing policing, and substantial changes to the interest arbitration process. There is a growing municipal frustration at the lack of any provincial action on these well-known and well – documented municipal asks.

**New Issues** – New and evolving issues continue to arise. They include Ontario Retirement Pension Plan (ORPP) implications, the scaling back of power dam payments and the need for a firm foundation for provincial-municipal cooperation on climate change.

**Exploring Municipal Fiscal Health** – “More fundamental reforms are needed for the [municipal] sector to be on a sustainable footing.” Don Drummond made this comment in 2012. We still need to determine the shape of that reform. The last comprehensive review of the fiscal health of all municipalities in Ontario took place in 2008. The cumulative impact of provincial actions on municipalities should be measured on a regular basis. The Municipal Fiscal Circumstances Index (MFCI), incorporated into the Ontario Municipal Partnership Fund (OMPF) does a good job of measuring rural and northern municipal fiscal health, but it doesn’t paint a comprehensive picture of the entire municipal sector. Again, a great deal can be accomplished together in understanding where challenges are today and where they might be in the future.

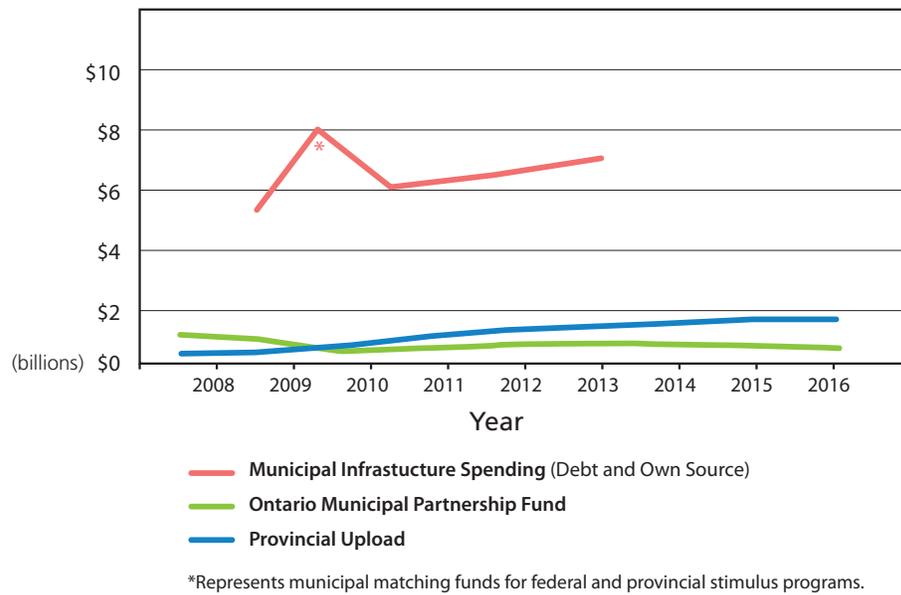
## **We’ve come a long way – the recent past**

In 2005, the municipal sector rallied around AMO’s \$3 Billion Gap Campaign and strongly advocated for the uploading of social assistance costs that had been downloaded by the province in the late 1990s. After much municipal effort and discussion, the provincial government responded positively. The result was the Provincial-Municipal Fiscal and Service Delivery Review (PMFSDR) agreement and the upload of many social assistance costs off the property tax base from 2008 to 2018. This was not a “gift” from the province but rather a recognition that the province needed to pay for its social services programs from its own tax base, not the municipal tax base. The municipal sector did not achieve its full ask of \$3 billion a year and it did agree to give the province a decade to reassume financial responsibility for these provincial programs.

The municipal sector continues to realize value from this long-term, predictable agreement, which will be worth \$1.8 billion in 2016 alone. Page 20 of the Provincial-Municipal Fiscal and Service Delivery Review report and action plan stated, “municipalities benefiting from the upload of the three major social assistance benefit programs as a result of this review will, over time, have great room in their budget for infrastructure spending. Municipalities recognize the need for greater investment in municipal infrastructure, in partnership with the provincial and federal governments.”

**Municipalities have certainly upheld their side of the deal. Here are the results:**

**Municipal Infrastructure Investments vs the Upload Value**



Source: AMO; FIRS

The upload was achieved because of a committed provincial government and a united municipal sector to rebalance a previous provincial action. The success of increased municipal infrastructure spending thus far is the product of several things. It includes the spending room created by the upload, additional municipal debt financing, additional municipal taxation, and efficiencies in areas of discretionary municipal spending.

## What others have been saying since the launch of What's Next Ontario?

"Municipalities generally have the ability to match expenditures well with revenues, except for capital spending, which can be intensive for some. Many have been limited in their ability to renew their infrastructure, roads, water, and wastewater, due to constraints on fee and property tax increases."

- *Standard & Poors, April 30, 2015*

"There's the not-so-trivial issue of maintaining and repairing the existing capital stock. The first comprehensive report card on municipal infrastructure, issued in 2012, rated a significant portion of the country's municipal infrastructure as "fair" or "very poor", with roads requiring the most urgent attention."

- *National Bank of Canada, June 25, 2015*

"[The] broad fiscal narrative highlights the need for new revenue tools/measures at the municipal level should Canada truly desire to tackle infrastructure needs more quickly."

- *National Bank of Canada, June 25, 2015*

"The municipal sector generally bears the greatest burden when it comes to addressing Canada's infrastructure deficit. ... Local governments are responding to this infrastructure challenge as best they can."

- *National Bank of Canada, June 25, 2015*

"Looking beyond just keeping infrastructure in good repair, the increased incidence of extreme weather events makes the case for a renewed focus on infrastructure in the most general sense, including upgrades."

- *TD Economics, April 2015*

"Quality infrastructure, in good repair, can help mitigate many of the impacts of extreme weather events. Conversely, poor quality infrastructure has an increased risk of failure during these events, potentially exacerbating their impact."

- *TD Economics, April 2015*

"Property taxes are a major revenue source, but tend not to grow in line with demands. Making more use of user-pay and other arrangements, alongside better infrastructure management can help close funding gaps."

- *TD Economics, April 2015*

"Across Canada, 2015 is shaping up as a key year for cities looking for new ways to raise money, through taxing powers or other revenue tools."

- *C.D. Howe Institute, July 2015*

## Appendix A: Who did we hear from?

Our sincere thanks to all for your participation in various discussions and your thoughtful submissions. In addition to 21 anonymous submissions, we heard from individuals or councils in the following municipalities:

1. City of Belleville
2. City of Burlington
3. City of Cambridge
4. City of Guelph
5. City of Kenora
6. City of Kitchener
7. City of London
8. City of Mississauga
9. City of Owen Sound
10. City of St. Catharines
11. City of Timmins
12. City of Waterloo
13. County of Frontenac
14. County of Perth
15. County of Wellington
16. Municipality of Central Manitoulin
17. Municipality of Chatham-Kent
18. Municipality of Hastings Highlands
19. Municipality of Huron Shores
20. Municipality of Meaford
21. Municipality of Morris-Turnberry
22. Municipality of North Grenville
23. Municipality of North Middlesex
24. Municipality of North Perth
25. Municipality of South Huron
26. Municipality of St. Charles
27. Municipality of Temagami and
28. Municipality of Wawa
29. Municipality of West Grey
30. Municipality of West Nipissing
31. Region of Durham
32. Region of Peel
33. Town of Blind River
34. Town of Bracebridge
35. Town of Bruce Mines
36. Town of Carleton Place
37. Town of Espanola
38. Town of Hanover
39. Town of Hearst
40. Town of Huntsville
41. Town of Kearney
42. Town of Lincoln
43. Town of Midland
44. Town of Minto
45. Town of Newmarket
46. Town of Northeastern Manitoulin and the Islands
47. Town of Parry Sound
48. Town of Petawawa
49. Town of Smiths Falls
50. Town of Spanish
51. Town of Tecumseh
52. Town of the Blue Mountains
53. Township of Carlow/Mayo
54. Township of Cavan Monaghan
55. Township of Chisholm
56. Township of Clearview
57. Township of Fauquier-Strickland
58. Township of Greater Madawaska
59. Township of Grey Highlands
60. Township of Guelph/Eramosa
61. Township of Hornepayne
62. Township of Horton
63. Township of Larder Lake
64. Township of Leeds and the Thousand Islands
65. Township of Loyalist
66. Township of Lucan Biddulph
67. Township of McKellar
68. Township of North Frontenac
69. Township of Perth East
70. Township of Perth South
71. Township of Ramara
72. Township of Rideau Lakes
73. Township of St. Clair
74. Township of The Archipelago
75. Township of Uxbridge
76. Township of Woolwich