

AMO'S SOCIAL AND ECONOMIC PROSPERITY REVIEW

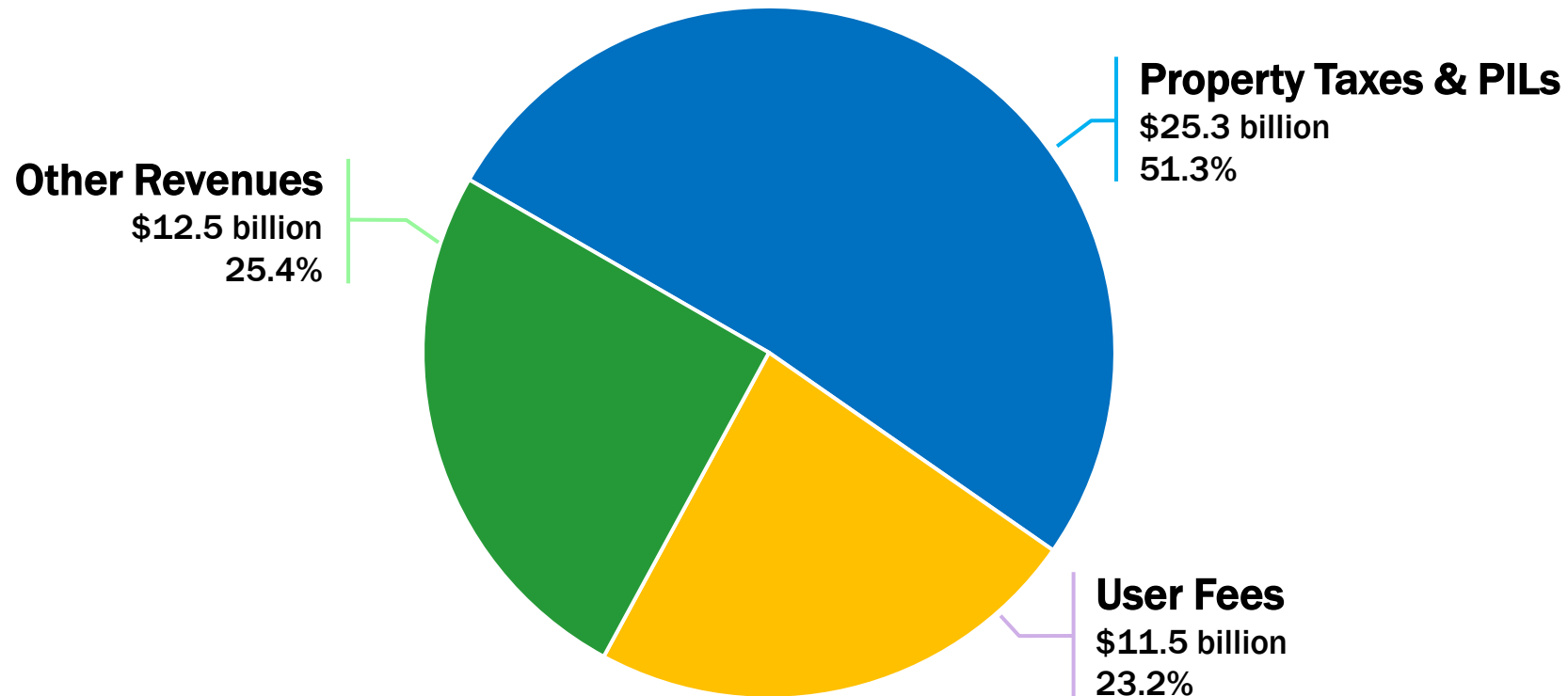
CONTEXT

- Municipalities are facing increasingly complex challenges, such as tackling homelessness and climate change, without the financial tools to solve them.
- In the past, AMO has achieved significant success for municipalities address fiscal imbalances.
 - **In 2008, AMO successfully uploaded over \$2 billion in annual costs** to the province through the Provincial-Municipal Fiscal and Service Delivery Review. The benefits of the upload agreement to municipalities ended in 2018.
 - **In 2022, municipalities spent \$3.8 billion more than they received** in areas of provincial responsibility like social housing, long-term care, ambulance, social services, and childcare.

Municipalities cannot continue to subsidize the provincial government in the face of mounting pressures.

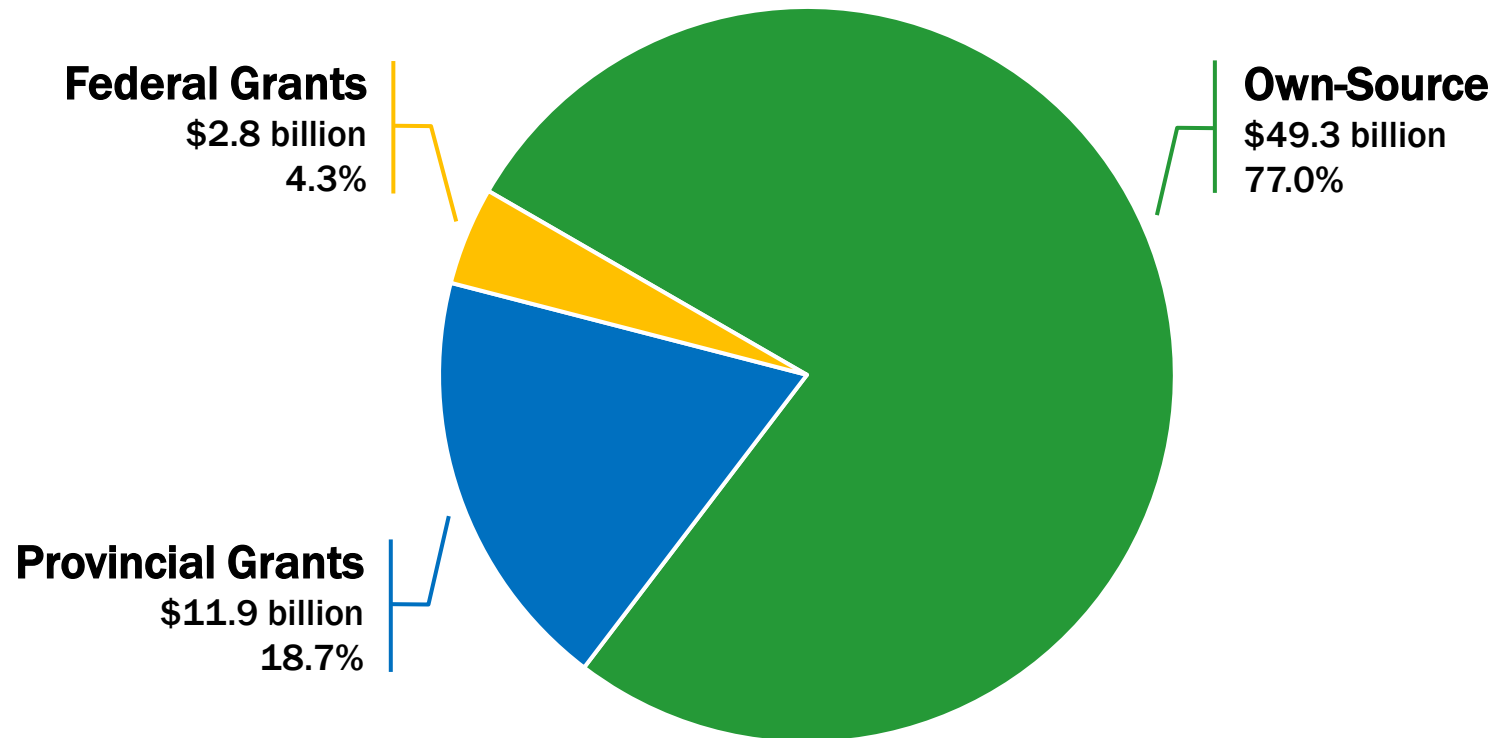
OWN-SOURCE REVENUES

Our communities collectively raised \$49 billion in 2022 – primarily from property owners and service users.



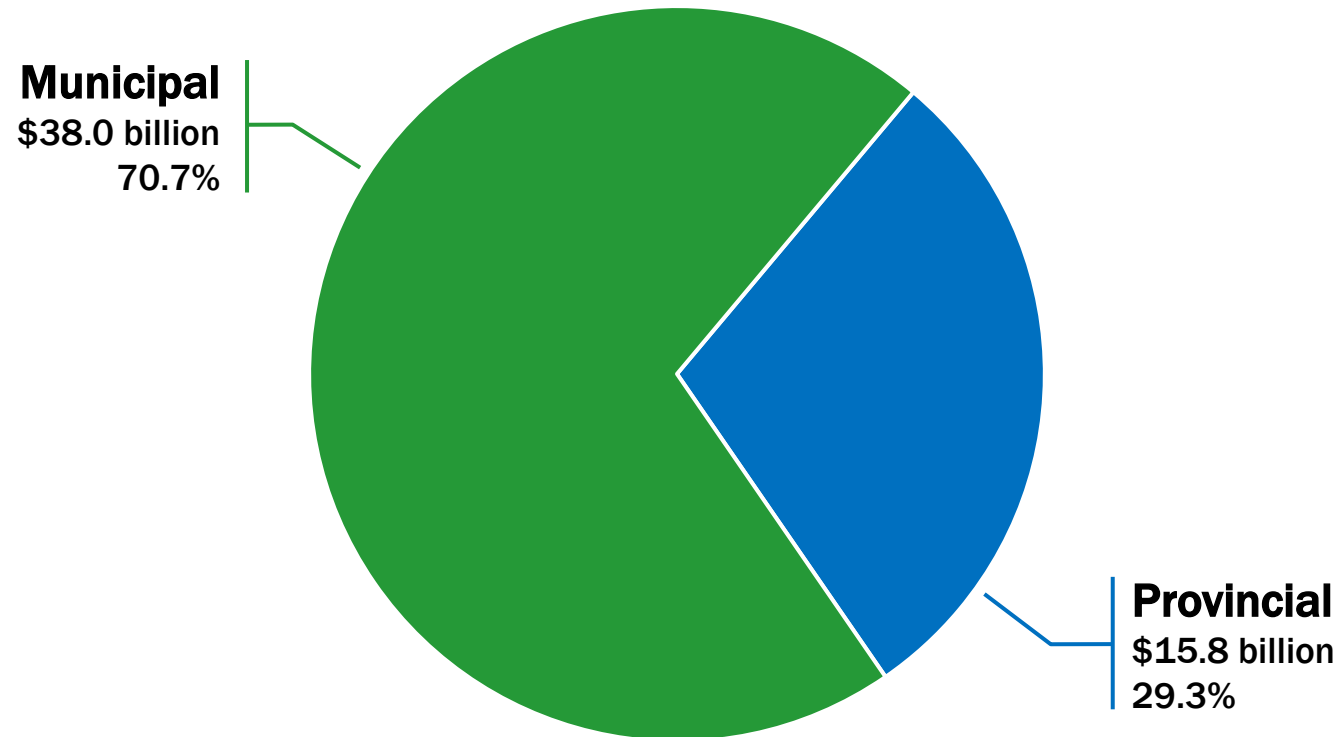
TOTAL REVENUE

Our federal and provincial partners provided an additional \$15 billion, bringing total municipal revenues to \$64 billion in 2022.



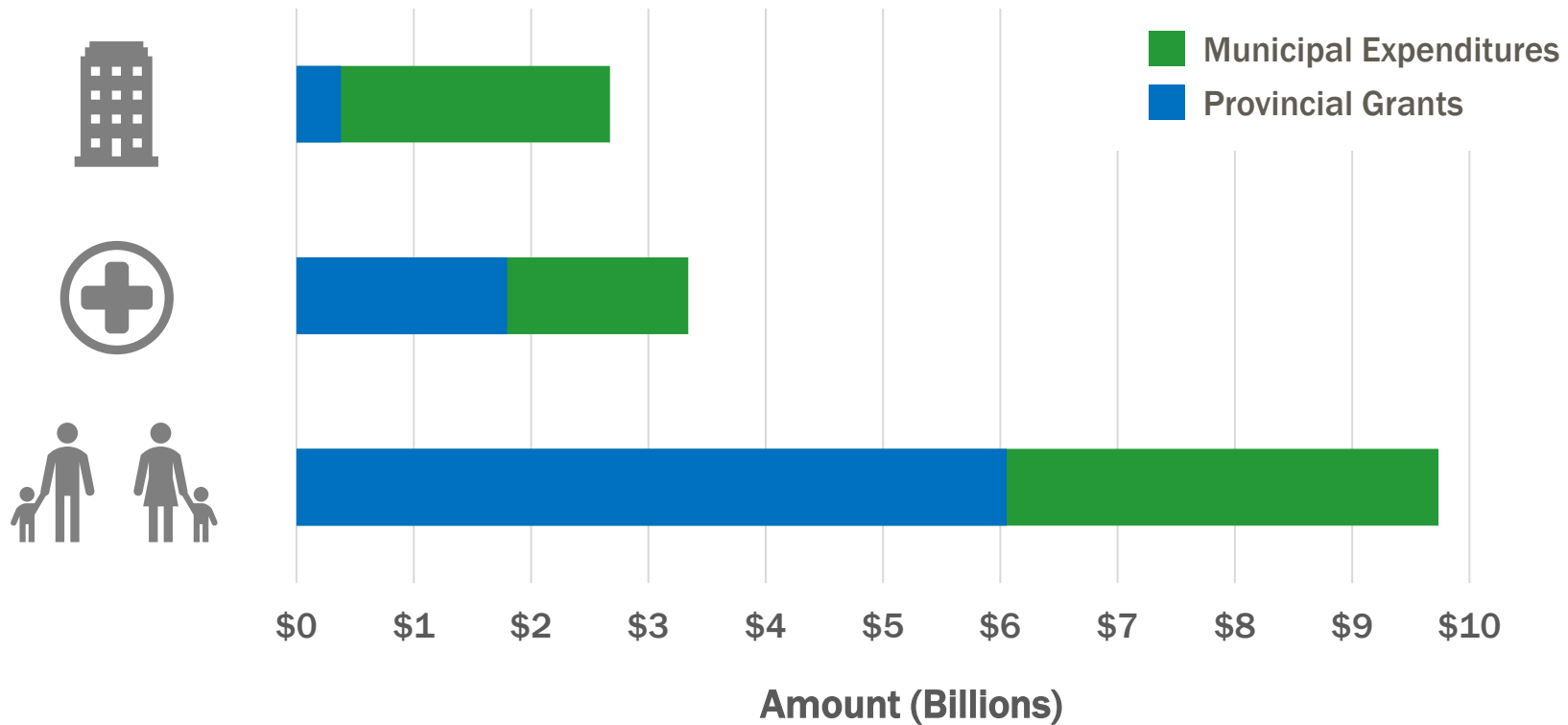
THE FISCAL CONTEXT

Municipalities in Ontario delivered \$54 billion in services in 2022.
Services that typically fall under provincial jurisdiction in other provinces comprised 29.3%.

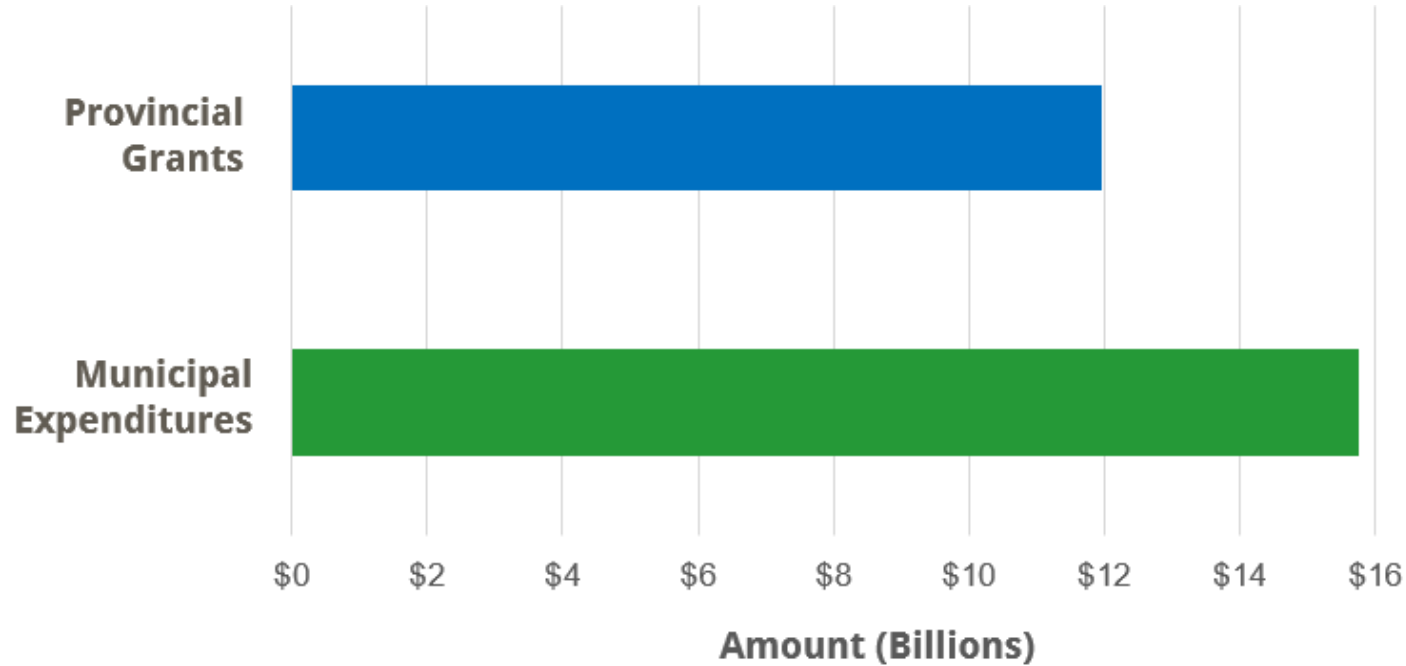


AREAS OF PROVINCIAL RESPONSIBILITY

Municipalities invested \$16 billion in services that typically fall under provincial jurisdiction in other provinces. **Provincial contributions offset these costs – but only in part.**



THE PROBLEM

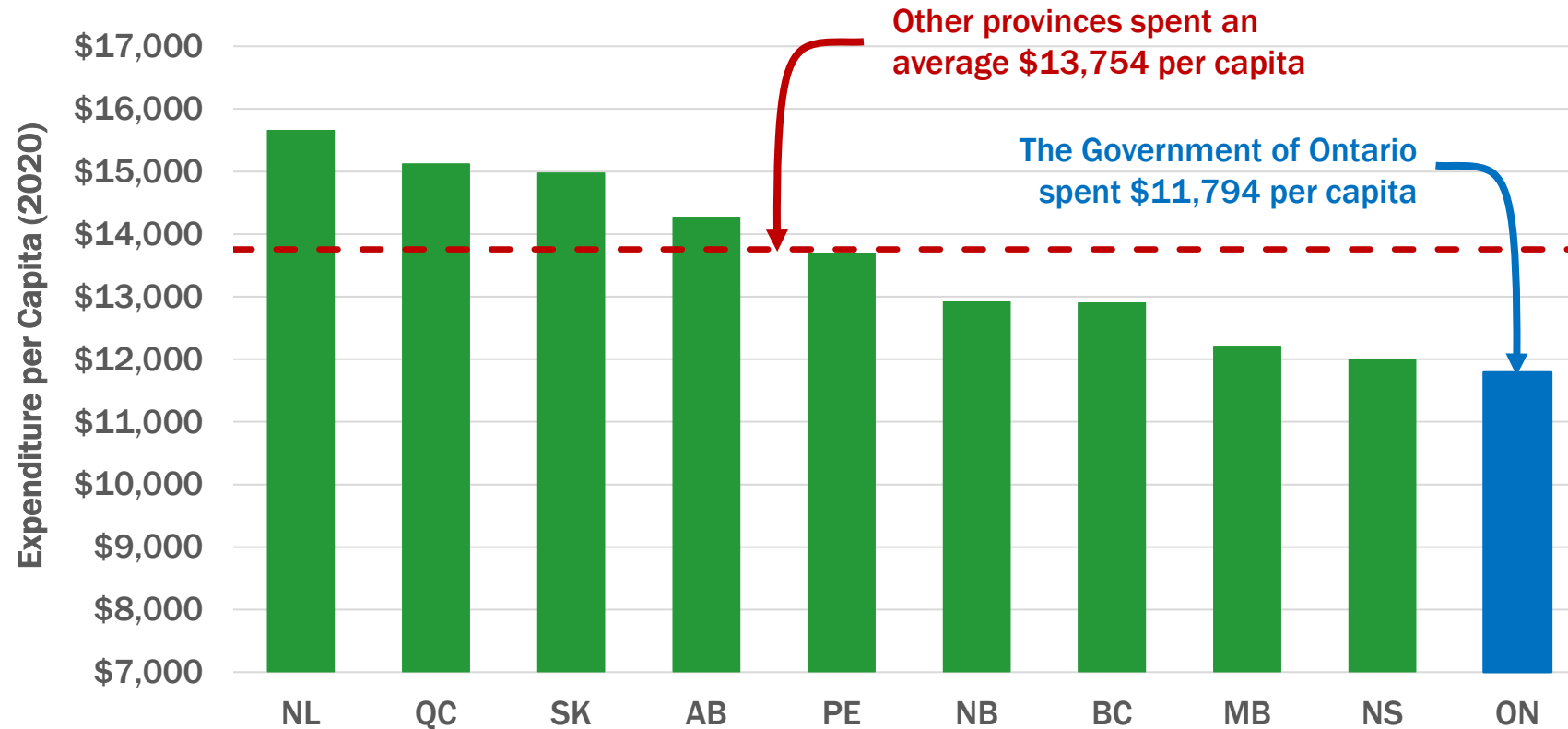


THE RESULT:

***A \$3.8 BILLION “GAP”
WHERE MUNICIPALITIES
SUBSIDIZE THE PROVINCE***

AFFORDABILITY

In 2020-21, the Government of Ontario's program spending per capita was the lowest in Canada.



THE VISION

- *Update the partnership between provincial and municipal governments to build sustainable communities, a solid foundation for economic growth and quality of life.*
- Key Goals: A sustainable, accountable provincial-municipal relationship where both orders of government can meet their responsibilities, grounded in:
 - Affordability and 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 BENEFITS FOR INFRASTRUCTURE

History has shown that rebalancing service costs for municipalities results in larger infrastructure investments.

