

Sent via e-mail: Minister.MOI@ontario.ca

March 18, 2024

The Honourable Kinga Surma
Minister of Infrastructure
777 Bay Street
5th Floor, Room 5E200
Toronto, ON M7A 2J3

Dear Minister Surma,

Ontario's municipalities are the backbone of our province, providing critical services and infrastructure that ensure the health, safety, and well-being of residents. We invest \$65 billion annually in services and infrastructure, including vital areas like water, wastewater, and roads, and manage infrastructure assets valued at nearly half a trillion dollars.

We applaud the recent Housing-Enabling Water Systems Fund (HEWSF) and the historic investment in broadband. These initiatives demonstrate your commitment to partnering with municipalities in addressing our infrastructure challenges. We appreciate your ministry's collaborative approach to designing HEWSF and communicating the program to municipalities, and your commitment and resources to support municipalities in delivering high-speed internet.

However, while we welcome these steps, significantly more investment is needed to maintain and grow critical infrastructure, particularly in light of ambitious provincial growth targets and aging infrastructure requiring substantial investments for repairs and upgrades.

Specific needs and proposals:

- **Growth-related infrastructure:** Municipalities are committed to doing everything they can to help the province's goal of building 1.5 million homes by 2031. This ambitious housing target depends on essential municipal infrastructure and the public investment to support it, including water systems, sewers, roads and bridges, among other critical infrastructure. Ontario's municipalities are planning for \$250 - \$290 billion in capital expenditures over the next decade – with around \$100 billion of that investment connected to growth.

The scale and pace of growth – as well as limitations on the use of development charges stemming from Bill 23 – require new ways of thinking about funding and new investments from all levels of government. AMO calls on the province to build on its \$200 million HEWSF investment with additional funding to support these urgent needs.

- Ongoing infrastructure investments: Maintaining existing assets requires sustained support. In 2021, the Financial Accountability Office of Ontario (FAO) estimated the municipal infrastructure backlog at \$52 billion. We urge you to continue current funding levels for programs like the Ontario Community Infrastructure Fund (OCIF) and commit to multi-year funding beyond 2024-25 to support multi-year construction projects.

Collaboration for further progress:

We believe that all levels of government working together is the key to achieving our shared goals. We are eager to collaborate with you on:

- Advocating for increased federal investment: We offer our partnership in pushing for additional federal funding through programs like the Canada Community Building Fund and the need for a next generation Investing in Canada Infrastructure Program.
- Social and economic prosperity review: We reiterate our call to the province for a joint social and economic prosperity review to support fiscal sustainability at both the provincial and municipal level and explore new ways of funding infrastructure.

Investing in municipal infrastructure is an investment in Ontario's future. We are committed to working collaboratively with your ministry to secure the necessary funding, develop innovative solutions, and achieve shared objectives.

Sincerely,



Colin Best
President, Association of Municipalities of Ontario
Regional Councillor, Halton Region

cc: The Honourable Doug Ford, Premier of Ontario
Carlene Alexander, Deputy Minister, Ministry of Infrastructure