

**Remarks by:
Brian Rosborough, Executive Director,
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(Check Against Delivery)

My name is Brian Rosborough. I am the Executive Director of the Association of Municipalities of Ontario.

I am joined by my colleague Lindsay Jones, AMO's Director of Policy and Government Relations.

Thank-you for the opportunity to join you this evening.

In October 2023, AMO called on the Premier to agree to working together to update the provincial-municipal partnership.

Current provincial-municipal fiscal arrangements undermine the social and economic prosperity of Ontario.

AMO is outlining this expectation as a part of the upcoming spring budget.

We are asking the Government to agree to sit down with municipalities and work together to build a better Ontario.

Ontarians expect orders of government to work together effectively, and to respect taxpayers.

Municipal councils are concerned about how much more can be raised through property tax and user fee increases.

That's what is required in the face of the increasingly complex challenges of providing the services and infrastructure needed for a thriving provincial economy.

Ontario's municipalities are critical to the provincial economy and quality of life across this province.

They provide the services that residents and businesses rely on most.

Municipal governments invest revenues of over \$60 billion annually in key public services and infrastructure.

These investments in Ontario are equivalent to roughly one third of the annual provincial spending plan.

Municipalities respond to changing social and economic pressures.

They deliver programs and services that support residents at all ages and stages of life, including:

- public health,
- long-term care,
- childcare
- all emergency services, and
- much more.

They also own and operate more infrastructure for the benefit of the public than the provincial and federal governments – with a total value of nearly half a trillion dollars.

Municipal investments in services and infrastructure drive growth and build the communities that make this province:

- a great place to live, and
- a great destination for people and investment.

Municipal revenues do not grow with the economy or inflation. Limited federal and provincial grants to municipalities don't grow with inflation either.

As of 2021, property taxes in Ontario were already amongst the highest in the country at \$2,200 per capita.

In 2024, many municipalities will need to significantly increase property taxes to address a “perfect storm” of factors, including:

- growth pressures,
- inflation, and
- recent policy decisions that have pushed municipalities to the brink.

Ontario’s municipalities pay for services that typically fall under provincial jurisdiction in other provinces, including health, housing, and social services.

In 2022, municipal expenditures in these areas outpaced provincial grants by nearly \$4 billion.

The financial tools available to municipalities were never intended to support health programs and income re-distribution.

The result we all see in our communities is unmet needs that undermine Ontario's social and economic prosperity.

Ontario is growing. To support growth, municipalities are committed to doing everything they can to help the province build 1.5 million homes by 2031.

Municipalities are accountable for housing-enabling infrastructure. They make critical decisions that can unlock housing and meet the demands of Ontario's growing population.

Meeting this ambitious target will require significant investments in essential municipal infrastructure.

And they need a strong partner in the Government of Ontario to ensure the policy levers - and the funding - are available to plan, finance, and construct the necessary infrastructure to support growth across the province.

AMO, and our more than 400 members, believe that the foundation of our collective prosperity lies in strong partnerships between municipal governments and the Government of Ontario.

Municipalities and the provincial government have a strong history of collaboration.

Most recently, this was demonstrated throughout the COVID-19 pandemic. This partnership saved lives and safeguarded the economy during unprecedented times.

In 2008, the province and municipalities engaged in the Provincial-Municipal Fiscal and Service Delivery Review to develop a shared vision to help rebalance roles, responsibilities, and finances.

The result of that review is \$2 billion a year of municipal revenues funding municipal infrastructure rather than provincial social assistance programs.

15 years later, the time for another discussion about the fiscal partnership is long overdue.

That's why AMO is calling on the provincial government to commit to a social and economic prosperity review as

a part of the upcoming budget, including:

- a joint review of revenues, costs, and financial risks,
and
- a detailed analysis of Ontario's infrastructure
investment and service delivery needs.

We believe the time is right for a province-wide conversation where municipalities and the province come together to re-establish the stability and sustainability of municipal finances province-wide.

Working together, we can build a better Ontario.