

## **COMMITTEE OF THE WHOLE – APRIL 7, 2008**

### **PROVINCIAL BUDGET SURPLUS TO MUNICIPAL INFRASTRUCTURE**

#### **Recommendation**

Councillor Peter Meffe recommends that Staff report with respect to the possible benefits that the City of Vaughan may be entitled to with respect to the new proposed legislation being considered under the Provincial Budget Surplus to Municipal Infrastructure.

#### **Economic Impact**

Nil

#### **Communications Plan**

n/a

#### **Purpose**

To determine any possible benefits which the City of Vaughan may receive under this new proposed legislation.

#### **Background - Analysis and Options**

The Provincial Government intends to introduce legislation that would, in the event of a provincial budget surplus of \$800 million or more for 2007-2008, result in the first \$600 million going toward provincial debt repayment with the remainder allocated to municipal infrastructure. This amount will be determined at the conclusion of the Legislature's Public Accounts process anticipated for summer 2008.

The illustration used was, if the proposed legislation was applied to the 2006-07 year-end provincial surplus of \$2.3 billion, then municipal governments would have received \$1.7 billion. That is, a total surplus of \$2.3 billion, reduced by \$600 million in provincial debt repayment, with the remaining \$1.7 billion for municipal infrastructure. The Bill will also establish a cap limiting the allocation to not more than \$2 billion a year.

Municipalities will be the beneficiaries of any proceeds from the 2007-08 surplus, allocated based on population and allowing municipalities to invest the additional funds in any form of municipal capital. AMO strongly supports flexible infrastructure funding on an entitlement basis.

This proposed legislation would, in future years, permit the Government to direct these funds to public infrastructure priorities not consolidated with the Government's accounts. However, with nearly half of all public infrastructure being municipally owned, coupled with Ontario's massive municipal infrastructure deficit, municipalities are in a strong position for future surpluses to be directed to municipal needs.

#### **Relationship to Vaughan Vision 2020**

Under the Vaughan Vision 2020 this would relate to maintain assets and infrastructure.

This report is consistent with the priorities previously set by Council and the necessary resources have been allocated and approved.

**Regional Implications**

As this is a Provincial initiative Regional Councillors should also request Regional staff to review this initiative at the Regional level.

**Conclusion**

I believe that the City of Vaughan should receive any and all benefits that may be available to us under this proposed legislation on the basis of fair and equitable distribution.

**Attachments**

n/a

**Report prepared by:**

Peter Meffe

Respectfully submitted,

Peter Meffe,  
Councillor, Ward 1