

COMMITTEE OF THE WHOLE OCTOBER 22, 2001

INFRASTRUCTURE FUNDING STRATEGY

Recommendation

Regional Councillor Joyce Frustaglio recommends:

That the following resolution be endorsed and forwarded to the Local MP and MPP:

WHEREAS public infrastructure is the backbone of a successful, dynamic economy; and

WHEREAS Federal and Provincial financial support is essential for public infrastructure upgrades, replacement and expansion; and

WHEREAS the current slowing of the economy combined with the tragic events of September 11, 2001 have created substantial uncertainty in the Canadian economy, particularly in Ontario; and

WHEREAS the City of Vaughan welcomes the Ontario Government's renewed commitment towards supporting public infrastructure with its recent announcement of financial assistance for public transit and roads and bridges; and

WHEREAS the current Federal share of the Infrastructure Canada Program in Ontario is significantly less than that of the Province and municipalities;

THEREFORE BE IT RESOLVED THAT the City of Vaughan calls on the Federal Government to follow the Ontario Government's lead and commit itself to a higher level of funding for public infrastructure; and

FURTHER BE IT RESOLVED THAT the City of Vaughan calls on both the Federal and Provincial Governments to speed up the existing infrastructure funding process under the Canada-Ontario Infrastructure Program (COIP) and SuperBuild in order to provide a much needed economic stimulus in the face of the current economic downturn; and

FURTHER THAT the City of Vaughan supports the call from the Association of Municipalities of Ontario for the Federal and Ontario Governments to return to a straightforward 1/3-1/3-1/3 funding formula for COIP and SuperBuild funded projects.

Purpose

To support AMO in the three-pronged strategy infrastructure funding proposal in Ontario.

Background - Analysis and Options

With the second announcement by the Provincial Government respecting funding of GO Transit and other infrastructure, AMO is renewing its efforts to secure a 1/3 – 1/3 – 1/3 funding formula for infrastructure works. AMO is requesting municipalities to endorse the above-noted resolution in support.

Conclusion

This AMO initiative is deserving of support and it is recommended that Council do so by endorsing the resolution.

Attachments

Letter dated October 9, 2001 from Ann Mulvale, President of AMO

Report prepared by:

John D. Leach, City Clerk

Respectfully submitted,

Joyce Frustaglio,
Regional Councillor

OFFICE OF THE PRESIDENT

October 9, 2001

To: Heads and Members of Council and
Clerks of Ontario Municipalities

Dear Sir or Madam:

Re: New Strategy for Federal and Provincial Participation in Municipal Infrastructure

Your assistance is urgently needed to support municipal efforts to secure greater Federal and Provincial commitment for infrastructure investment.

Since Local Services Realignment, AMO has been arguing that the property tax base is not flexible enough to absorb all the infrastructure and social services costs that have been transferred by the other orders of government. And we argued that the situation would only get worse in the event of an economic downturn.

The Province has heard our message. The Government has committed to a long-term funding arrangement for the GO Transit System, which will have an immediate positive effect on the municipalities within the GTA. Other communities across the Province that have public transit systems will also be eligible for ongoing financial assistance. Not only has the Province returned to a policy of funding public infrastructure, it has not made it conditional on additional trading of services to balance this uploading. In addition, the Provincial Government also announced that funding will be allocated to roads and bridges, although no further details have yet been released.

With AMO's and the municipal sector's efforts clearly paying off with this important announcement, it is crucial that we continue to push for fair treatment by both the Federal and Provincial Governments with regard to infrastructure funding. This is all the more urgent at this time given the combined impact of the economic slowdown and the events of September 11, 2001 that have created substantial uncertainty in the Canadian economy, particularly in Ontario.

First and foremost, we must put pressure on the Federal Government to follow the Province's lead and recommit itself to public infrastructure funding in a much larger and sustained manner. I wrote the Federal Government on the day of the Premier's announcement, asking them to sit down with us to make an effective tripartite initiative. As you know, the current federal share of the Infrastructure Canada Program is significantly less than that of the Province and municipalities. The Province's recent transit and road/bridge funding will result in an even greater gap.

Second, we must speed up the existing infrastructure funding process. The integrated Canada-Ontario Infrastructure Program and SuperBuild funding process has proved to be slow-moving and cumbersome. There are currently hundreds of applications for infrastructure works 'in the pipeline'. In the current economic climate, we need an immediate stimulus to the economy. The program is already in place. If these applications were processed expeditiously by both the Provincial and Federal Governments, and additional federal financial aid was committed to the program, a critical economic stimulus would take hold sooner rather than later. Setting out an investment plan with announced commitments would go a long way to building confidence in our economy - the backbone of the nation's economy.

Thirdly, we must return to a more straightforward and predictable 1/3-1/3-1/3 funding formula, rather than the complex formula that determines 'financial capacity' which is currently being applied to SuperBuild/COIP funding proposals. The equal tripartite sharing of costs worked well in the previous Canada-Ontario Infrastructure agreements, and will serve to expedite the application process.

AMO is pressing the Federal and Provincial Governments on these three urgent issues. We are asking for your support in making the municipal sector's voice heard. Time is of the essence. Federal and Provincial Governments are actively considering how to support the national and provincial economy right now.

If your Council agrees with this approach, we have taken the liberty of drafting a sample resolution. If it is passed, we would ask that you share it with your Federal and Provincial members of Parliament and provide a copy to AMO. I will be taking this matter to AMO's Board of Directors at its meeting later this month and I would like to report that municipal support is building.

Thank you for considering this request.

Yours very sincerely,

Ann Mulvale
President