

Ontario's Big City Mayors (OBCM)

**Written Submission to Department of Finance
for the 2023-2024 Pre- Budget Consultations**



List of Recommendations

Recommendation 1: That the Government of Canada provide adequate funding with the Province of Ontario, to support municipalities economic recovery through a safe restart agreement.

Recommendation 2: That the Government of Canada implement transit operating funding in a way that allocates funding to municipalities on ridership basis, for the citizens across Ontario who depend on transit the most.

Recommendation 3: That the Government of Canada ensures municipalities have the funding needed to transition to net-zero.

Recommendation 4: That the Government of Canada continue to directly fund for municipalities to build more housing.

Recommendation 5: That the Government of Canada continue to support municipalities in addressing mental health and addictions issues.



February 10, 2023

Department of Finance Canada
James Michael Flaherty Building
90 Elgin Street
Ottawa ON
K1A 0G5

Dear Minister Freeland and Minister Boissonnault,

Thank you for the opportunity to provide recommendations for the pre-budget consultations in advance of the 2023 Federal Budget. Ontario's Big City Mayors looks forward to continuing our work with the federal government to advance our shared key priorities.

Ontario's Big City Mayors (OBCM), formerly known as the Large Urban Mayors' Caucus of Ontario, includes mayors of 29 single and lower-tier cities with a population of 100,000 or more, who collectively represent nearly 70 per cent of Ontario's population. OBCM advocates for issues and policies important to Ontario's largest cities.

Funding for cities as recovery from the pandemic continues.

We appreciate all that your government has done for municipalities throughout the pandemic. Your support was instrumental to our ability to deliver the vital local services our residents expected of us. Municipalities have been at the forefront of supporting local communities through Covid-19, and while we are working hard to recover from its impacts, we are not there yet. It is critical that the municipalities across Ontario continue to receive Federal and Provincial funding in 2023-2024 to cover the significant additional costs and continued loss of revenue. This is especially important for our urban communities who have not yet returned to normal numbers at community centres, libraries, in community programs and from other fee-based revenue sources. Sustainable funding is needed to as we work to return to pre-Covid-19 municipal service levels and adapt to the increased demand of local services and supports.

Transit Operating Funding

The Federal government's commitment to \$3 billion in transit operating funding could not have come at a better time. As municipal transit ridership continues to lag pre-pandemic levels and transit authorities look to invest in zero-emission technologies, these resources are more needed than ever. OBCM strongly recommends the Federal government develops a funding formula that fairly funds municipal transit systems based on ridership and population numbers. Ontario transit riders cannot afford to be underfunded by a program that fails to put ridership and need at the forefront of the program design. Ontario's provincial gas tax program, for example, is based 70% on ridership and 30% on population. This provides a floor for municipal budget planning, while funding transit where it is needed the most.

Transition to Net-Zero

Canada is on path to achieve net-zero emissions by 2050 and municipalities play a vital role in achieving our climate goals. Municipalities are on the front lines of the fight against climate change and the race to adapt, as they are often the first to feel the direct impacts of the changing environment on its infrastructure, services, and residents. Municipalities and partners are taking ambitious steps to mitigate the impacts of climate change by addressing the root cause – carbon emissions. While Ontario municipalities are committed to reducing emissions,

the costs of shifting to net-zero cannot be accommodated on the municipal tax base. For municipalities to meet the Government of Canada's goal of achieving net-zero by 2050, funding will need to come from all levels of government.

Addressing Housing Affordability and Affordable Housing

Ontario is in the midst of a housing crisis and the municipal sector has long demonstrated our willingness to work together to build the housing Ontarians need. There is widespread agreement that no one level of government can solve the problem on its own; a collaborative, all-government approach is necessary to solve the housing supply and affordability challenge. There is strong support for an ambitious target of new homes amongst OBCM members and Ontario's municipalities stand ready to increase the supply of homes to meet the needs of residents across the province, yet significant support is needed from both Federal and Provincial governments to do so. One area that we believe the federal government could lead is with the creation of an infrastructure program to support new servicing needs both in new developments and areas where densification is occurring – in order to build more units, appropriate servicing must first be in place. This includes the infrastructure required to provide municipal services such as roads, transit, water and sewer infrastructure, community centres, parkland, libraries, and fire and police facilities.

Mental Health and Addictions

As Ontario's Big City Mayors, we see the impact mental health and addictions have on our resident everyday. We were pleased to see that funding for mental health and substance abuse was a key component in the Government's \$196.1 billion increase in health funding to provinces and territories. We echo the government's call for access to timely, equitable, and quality mental health, substance use, and addictions services to support our residents well-being. By providing communities with the resources they need to live full and healthy lives, we also improve safety in our cities and prevent municipal support systems from being overburdened.

Thank you for the opportunity to provide this feedback. I welcome the opportunity to discuss the above priorities in more detail.

Sincerely,

Mayor Bonnie Crombie
OBCM Chair
info@obcm.ca