

MEMBER COMMUNICATION

ALERT N°: 08/062

To the attention of the Clerk and Council

FOR MORE INFORMATION CONTACT:
Brian Rosborough, AMO Director of Policy
(416) 971-9856 ext 318

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URGENT - Ontario's Municipal Leadership in Federal Budget Consultations

Issue:

The federal government is undertaking consultations with Canadians in advance of its planned January 2009 Budget. Consultations are being undertaken by the Finance Minister Jim Flaherty, which will include a discussion of measures intended to stimulate the economy. Transport, Infrastructure and Communities Minister John Baird will also be consulting on how to accelerate infrastructure funding within the federal Building Canada Fund (BCF) to improve infrastructure and create jobs in all parts of Canada. AMO member municipal governments are encouraged to add their voices to these consultations.

Background:

AMO met with Minister Baird in November to discuss ways to accelerate BCF Funding and followed up with a detailed letter to Minister Baird on December 4, 2008, which is attached for your information. The letter included options that AMO believes will best help to accelerate current BCF investments in infrastructure:

1. **Increase the amount of funding for the current \$200 million intake of the BCF Communities Component in Ontario (for communities under 100,000 population) which closed in late November;**
2. **Use BCF to support asset renewal projects that can be implemented quickly – not limiting funding to new projects;**
3. **Initiate an open call for proposals for the BCF Major Projects category intended for projects exceeding \$30 million;**
4. **Use Federal Gas Tax accountability mechanisms for all BCF projects in order to expedite projects – providing up-front funding of federal funds rather than reimbursement based on complex contribution agreements; and**
5. **A federal and provincial commitment to expedite decisions and the processes (e.g., environmental assessments) that relate to BCF projects.**

AMO is also recommending to the Minister of Finance that additional federal investment in infrastructure be provided to municipalities through the Federal Gas Tax. Federal Gas Tax investment leverages municipal own source investment and funds key projects while being fully accountable to tax payers.

6. **Provide additional infrastructure investment directly through the Federal Gas Tax funding. Increasing federal infrastructure investment funding through this mechanism will allow construction-ready projects to proceed ahead of schedule, leverage municipal own-source investment and create jobs in every part of Ontario.**

AMO is also recommending that the Minister of Finance allocate new federal investment in Housing. If additional federal investment is provided through a streamlined funding program, Ontario municipalities will be well situated to quickly invest in housing, including housing renewal and energy retrofits, and in much-needed new affordable housing stock. This investment will help stabilize housing starts and the residential construction industry, secure jobs in the industry and among Canadian suppliers of housing materials. It will result in reduced energy consumption in social housing and corresponding green house gas emission reductions and increase access to affordable housing for Canadians.

7. **The federal government should work on an urgent basis with provinces, territories and municipalities to create a new, streamlined national housing program that supports affordable housing renewal and repairs, energy retro-fits and the creation of additional supply of affordable housing for Canadians.**

AMO believes that these measures meet the criteria for the design of effective stimulus policies outlined in the Department of Finance's consultation documents as follows:

- Timely – stimulus when it's needed.
- Maximum impact – stimulus that delivers.
- Flexible in size and duration -- smart stimulus.
- Consistent with Canada's long-term economic goals – stimulus that fits the plan.

Action:

Heads of Council can write to the Ministers at the addresses below indicating support for AMO's recommendation to include these important budget measures that will help stimulate the economy, create jobs in Ontario, improve access to affordable housing and invest in the quality municipal infrastructure that serves as a foundation of the national economy.

The Honourable James M. Flaherty
Minister of Finance
Department of Finance Canada
140 O'Connor Street
Ottawa, Ontario K1A 0G5

The Honourable John Baird
Minister of Transport, Infrastructure and
Communities
Tower C - 330 Sparks St.
Ottawa, Ontario K1A 0N5

Support for expanding infrastructure investment and additional investment in housing can also be provided on line at the Federal Department of Finance online consultation site at:
http://www.fin.gc.ca/scripts/prebudgetsurvey/selectMainPriorities_e.asp

Additional information regarding fiscal stimulus and the government's 2009 budget consultations is available at:

http://www.fin.gc.ca/news08/data/08-103_1e.html

This information is available in the Policy Issues section of the AMO website at www.amo.on.ca.