

## **Ontario Mayors and Chairs issue emergency call for financial support Municipalities face difficult choices: major tax hikes and cuts to services**

July 6, 2020 - Today, Mayors and Chairs from across Ontario, represented by the Association of Municipalities of Ontario, the Mayors and Regional Chairs of Ontario, and the Large Urban Mayors' Caucus of Ontario, met to discuss the COVID-19 financial emergency.

Ontario municipalities are speaking with one voice to deliver one important message: Our residents cannot wait any longer. To protect municipal services, we need immediate provincial and federal support to cover lost revenue and additional costs caused by the COVID-19 crisis.

This call for action by Ontario municipalities is part of a national effort, led by the Federation of Canadian Municipalities, to secure at least \$10 billion dollars in emergency relief for Canadian municipalities to be funded 100% by the federal and provincial governments.

Municipalities across Ontario have been on the frontlines of keeping people safe during COVID-19. This has meant hundreds of millions of dollars in additional costs and lost revenues. The FCM proposal would provide approximately \$4 billion to Ontario municipalities to offset lost transit revenues and added service costs, but so far, there has been no clear signal on the timing and level of a joint federal-provincial financial assistance program.

Time for a commitment is running out. Now, halfway through the budget year, municipalities have no choice but to consider plans to balance the budget by raising property taxes, user fees and charges or cutting services. Difficult conversations about cost-saving service reductions are taking place at Council meetings across the province, including:

- supports to children, families and seniors,
- reducing or cancelling transit services,
- staffing adjustments including layoffs and delaying or cancelling hiring,
- reducing essential services including public health, fire, paramedic and police services,
- closing parks and cultural sites and cancelling recreation programs,
- slower land use planning reviews and development approvals, and
- cancelling or deferring critical infrastructure and affordable housing projects, costing construction jobs.

By acting now to confirm relief for municipalities, senior governments can avoid these unforeseen property tax increases and destructive cuts to frontline municipal services. Cuts or property tax increases will unfairly hurt the very same people that the federal and provincial governments have spent billions helping during the pandemic.

Municipal services are also key to safely re-opening the economy. Investing in municipalities will ensure they continue to provide services needed to help restart their local economies.

We truly appreciate the commitments that both Premier Ford and Prime Minister Trudeau have already made to support municipal service delivery during this crisis. The millions of Ontarians we collectively serve are counting on all governments to work together now to address this urgent problem.

Our residents need support now. The time is up for federal-provincial wrangling about how to share the costs. We strongly encourage the federal government to address this in their fiscal update this week.

**For more information:**

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