

STAFF REPORT: Financial Services



REPORT TO: Finance and Administration Committee
MEETING DATE: February 19, 2008
REPORT NO.: FS.08.05
SUBJECT: Endorsement of Correspondence on Infrastructure Funding Options
PREPARED BY: Robert Cummings, Director of Finance

A. Recommendations

THAT Council support and endorse the City of Waterloo's resolution of December 17, 2007, calling upon the Provincial and Federal governments to re-examine how municipalities are funded in regards to infrastructure and work together with a view to providing long term and sustainable infrastructure funding programs to assist the City of Waterloo and all upper, lower and single tier municipalities in addressing their infrastructure roles and responsibilities;

AND THAT this support be forwarded to the Prime Minister of Canada, the Premier of Ontario, Federal and Provincial Ministers of Finance, Provincial Minister of Finance, Provincial Minister of Public Infrastructure Renewal, Federal Minister of Transportation, all Members of Parliament, all Members of Provincial Parliament, the Association of Municipalities of Ontario (AMO), the Federation of Canadian Municipalities (FCM) and the Big Cities Mayors' Caucus of FCM.

B. Background

The Town of The Blue Mountains has recently received a number of resolutions from other municipalities regarding requests to the Provincial and Federal governments to examine options relating to the funding of infrastructure renewal.

The theme of all the resolutions has been the identification of the existing financial hardships that municipalities face in planning for and funding their infrastructure renewal requirements knowing that the estimated costs of these infrastructure works are in the millions of dollars for each municipality with limited options available for sufficient funding.

In addition, these municipalities are providing options on how the levels of government can reasonably assist municipalities with their infrastructure challenges.

On December 17, 2007 the Town received correspondence on a resolution from the City of Waterloo regarding a request to the Province of Ontario to exempt municipalities from paying PST, with the understanding that the savings realized

be mandated to fund existing infrastructure renewal in local municipalities. The correspondence cited that this would represent \$700,000 per year for Waterloo.

Also on December 17, 2007 the Town received correspondence on a resolution from the City of Waterloo calling upon the Provincial and Federal governments to re-examine how municipalities are funded in regards to infrastructure and asking that all three levels of government work together with a view to providing long term and sustainable infrastructure funding programs to assist the City of Waterloo and all upper, lower and single tier municipalities in addressing their infrastructure roles and responsibilities.

In addition, the Town has also received correspondence dated December 18, 2007 from the Municipality of North Grenville regarding a request of the Province of Ontario to commit 1/8th of the current 8% Provincial Sales Tax to Municipalities to fund Municipal Infrastructure Programs.

The Town of The Blue Mountains regards infrastructure renewal as a critical success factor in the sustainability of local municipalities. Current estimates on infrastructure renewal funding are in the tens of millions of dollars over the next 10 years and not sustainable under present funding sources.

The Town of Blue Mountains supports and endorses these municipalities' efforts in providing realistic options to the Provincial government in dealing with the infrastructure renewal challenges.

C. The Blue Mountains' Strategic Plan (Statement(s) identifying how actions further the goals of the Strategic Plan)

Strategic Goal # 2 -- Addressing the Town's municipal infrastructure needs

Strategic Goal # 5 – Ensuring long-term financial sustainability

D. Budget Impact (cc: Treasury if required)

E. Attached (Relevant documentation not personal information about an identifiable person)

Previously circulated correspondence from:

1. City of Waterloo Resolution – Re: Infrastructure Funding
2. City of Waterloo Resolution – Re: Provincial Sales Tax Exemption for Municipalities
3. North Grenville Resolution – Re: Infrastructure Funding

Respectfully submitted,

Signature

