

# LUMCO

Ontario's Big-City Mayors

---

Written Submission for the Pre-Budget Consultations in  
Advance of the Upcoming Federal Budget

By: Large Urban Mayors' Caucus of Ontario (LUMCO)

# LUMCO

Ontario's Big-City Mayors

---

## List of Recommendations:

Recommendation 1: That the government pursue a three-phased approach to restart the Canadian economy that includes immediate relief, a short to medium term recovery plan, and longer-term reform.

Recommendation 2: That the government implement a comprehensive recovery plan to address COVID-related impacts to municipalities beyond the 6 to 8 month window in the Safe Restart Agreement.

Recommendation 3: That the government implement an infrastructure stimulus funding program that is flexible, simple to administer, and recognizes that local governments are best positioned to know local needs and priorities

Recommendation 4: That the government engage in a longer-term partnership with municipalities and provincial governments to provide greater sustainability for priority services such as transit and supports for vulnerable people.

# LUMCO

Ontario's Big-City Mayors

---

August 5, 2020

The Honourable Wayne Easter, P.C. M.P. for Malpeque  
Chair of the House of Commons Standing Committee on Finance  
House of Commons  
Ottawa

Dear Mr. Easter,

On behalf of the Large Urban Mayors' Caucus of Ontario (LUMCO), I submit the following comments regarding the impacts of the COVID-19 crisis on the municipal sector, in response to the House of Commons Standing Committee on Finance's pre-budget consultations. LUMCO is comprised of 29 Mayors of Ontario cities with populations over 100,000, who collectively represent nearly 70 per cent of Ontario's population.

The COVID-19 pandemic has caused hundreds of millions of dollars in additional costs and lost revenues for Ontario municipalities. Municipalities have been on the front lines of keeping people safe during COVID-19. We have incurred costs for measures such as turning community centres into testing centres or shelters for people experiencing homelessness, deep cleaning of public spaces and transit vehicles, and new fixtures such as plexiglass barriers and touch-free taps. In many municipalities, there was a near-total elimination of revenues from transit fares, parking, facility rentals, and recreation program registrations during Stage 1 of the pandemic. Lost revenues also occurred as municipalities forgave late fees for property taxes as a way to provide relief to individuals and businesses.

The Safe Restart Agreement, announced on July 16, was welcome news for Ontario's municipalities. LUMCO is pleased the agreement provides funding to support our most vulnerable citizens, funding to support municipal operations, and funding to support transit. We are encouraged to hear that the funding will be flexible and simple to administer, so that it can meet each province's highest-priority needs quickly and efficiently.

# LUMCO

Ontario's Big-City Mayors

---

## **Recommendation 1: That the government pursue a three-phased approach to restart the Canadian economy**

LUMCO has endorsed the following three-phased approach to restart the Canadian economy as it recovers from COVID-19:

1. **Relief:** Immediate financial relief for municipalities facing fiscal pressure as a result of reduced revenues, with a focus on addressing the massive fare losses for transit systems that serve Ontario municipalities;
2. **Recovery:** A comprehensive recovery plan to address COVID-related impacts for municipalities as they work to reopen the economy; and,
3. **Reform:** A longer-term partnership agreement between municipalities and the federal and provincial governments to re-align capital and service delivery responsibilities with sustainable revenue streams for the future.

## **Recommendation 2: That the government implement a comprehensive recovery plan to address COVID-related impacts to municipalities beyond the 6 to 8 month window in the Safe Restart Agreement**

The Safe Restart Agreement will provide welcome relief for the immediate financial crisis facing municipalities and transit systems over the next 6 to 8 months. Municipalities expect revenues to be impacted for a year or more beyond that window. Transit ridership levels will take time to recover as people return to work and school, particularly for transit systems that serve college and university students, and regain confidence in the safety of public transit. Facility rentals, parking fees, and recreation program registrations will also take time to recover as public gatherings gradually return.

## **Recommendation 3: That the government implement an infrastructure stimulus funding program**

Municipal infrastructure projects, which are vital to providing clean water, safe transportation systems, and quality public facilities, will be major drivers of economic stimulus, investment, and jobs as Canada begins its recovery. Local governments are best positioned to determine local priorities and needs, as elected Councils are supported in their decision-making by robust strategic plans and asset management plans. As they manage the impacts of revenue losses and unforeseen costs on municipal budgets over the next couple of years, Councils may be forced to consider deferring municipally-funded

# LUMCO

Ontario's Big-City Mayors

---

capital projects. LUMCO recommends the government implement a significant infrastructure stimulus program to fuel job creation and investment while increasing our stock of much-needed infrastructure. The program should be flexible and simple to administer, so that projects can begin quickly and with minimal red tape. It should minimize or eliminate the traditional municipal cost-share, so that cash-strapped municipalities recovering from COVID-19 are able to participate.

## **Recommendation 4: That the government engage in a longer-term partnership with municipalities and provincial governments to provide greater sustainability for priority services**

COVID-19 underscored and exacerbated longstanding issues with key urban services such as transit systems, housing and homelessness programs, mental health and addictions services. LUMCO recommends applying the lessons of the pandemic to develop longer-term partnership agreements between municipalities and the federal and provincial governments to achieve more sustainable services in the future.

Transit systems have played a crucial role throughout the pandemic, ensuring that vital front-line workers in health care, manufacturing, grocery stores and pharmacies could get to work. They will play a crucial role in cities' economic recovery. The pandemic highlighted the over-reliance of transit systems on farebox revenue and ridership, and the challenge of significant fixed costs even when service levels are reduced. LUMCO recommends stronger partnerships between municipalities and the federal and provincial governments to ensure strong, sustainable transit systems that support employment and economic prosperity across Canada.

Vulnerable people were particularly hard-hit by the pandemic. While the federal and provincial governments moved quickly to provide emergency support, the pandemic highlighted the unsustainability and precarious funding of many crucial programs to support people experiencing homelessness, addictions, and mental health issues. There can be no economic recovery in our communities if we are leaving people behind. LUMCO recommends partnerships between municipal, federal and provincial governments to strengthen the long-term sustainability of these programs and services.

# LUMCO

Ontario's Big-City Mayors

---

Thank you for the opportunity to comment in advance of the 2021 Budget. Ontario's big cities look forward to partnering with the Government of Canada to foster a return to economic security and prosperity for the people we serve.

Sincerely,

A handwritten signature in black ink, appearing to read 'Cam Guthrie', with a long horizontal flourish extending to the right.

Cam Guthrie  
Chair, LUMCO  
Mayor, City of Guelph