

Staff Report

Report To: City Council

Report From: Michelle Palmer, Senior Manager, Strategic Initiatives and Operational Effectiveness

Meeting Date: January 29, 2024

Report Code: CM-24-003

Subject: ROMA Delegation and AMO Pre-Budget Submission for the 2024 Provincial Budget

Recommendations:

THAT in consideration of Staff Report CM-24-003 respecting ROMA Delegation and AMO Pre-Budget Submission for the 2024 Provincial Budget, City Council calls on the Province of Ontario to commit to undertaking with the Association of Municipalities of Ontario a comprehensive social and economic prosperity review to promote the stability and sustainability of municipal finances across Ontario.

Highlights:

- It is time for a new provincial fiscal framework that reflects the scale and scope of municipal service delivery.
- Collaboration and partnerships with other levels of government and stakeholders are critical to advocate successfully for policy changes.
- The City is burdened with a disproportionate share of costs related to core infrastructure as a regional hub.

Strategic Plan Alignment:

This report supports the strategic priority of a Collaborative City.

Climate and Environmental Implications:

There are no anticipated climate or environmental impacts.

Previous Report/Authority:

[CM-23-008 Intergovernmental Relations – Update on Actions and Proposed Priorities for 2024 and 2025](#)

Background:

The City relies on the advocacy efforts made by the Association of Municipalities of Ontario (AMO) to effect change on common issues facing municipalities. AMO has recently released its policy and advocacy update, indicating the need for a sustainable funding model for municipalities which aligns with the City’s advocacy priority of stable funding.

Ontario’s municipal governments provide critical services that residents rely on every day. The ability to provide these services depends on a fiscal framework that enables municipalities to balance revenues and expenditures responsibly and reasonably, reflecting local circumstances and priorities.

Municipalities across Ontario face increasingly complex challenges, such as tackling homelessness and climate change, without the financial tools to solve them. The current arrangement makes it impossible for municipalities to invest in the infrastructure needed to support housing and economic growth or to prepare for the impacts of climate change. There is a need for an update of the provincial-municipal partnership by conducting a social and economic prosperity review: a joint review of revenues, costs and financial risks and a detailed analysis of Ontario’s infrastructure investment and service delivery needs.

Analysis:

On December 18, 2023, Council approved the priority of stable and sustainable funding as one of the priorities of the intergovernmental relations action plan for 2024 and 2025.

In January, at the Rural Ontario Municipal Association conference, members of Council and staff met with the Minister of Finance to discuss the City's recommendation that municipal resilience requires stable, predictable funding and investment.

Additionally, in January, AMO presented to the Standing Committee on Finance and Economic Affairs, outlining their recommendations for the provincial 2024 budget. AMO highlighted how the current provincial-municipal fiscal arrangements are undermining Ontario's social and economic prosperity. AMO has asked the provincial government to sit down with municipalities and work together on a social and economic prosperity review: a joint review of revenues, costs and financial risks, and a detailed analysis of Ontario's infrastructure investment and service delivery needs.

AMO has asked municipalities to help by calling on the province to commit to this review in its upcoming provincial budget.

Financial Implications:

There are no financial implications to the City by adopting this resolution.

Communication Strategy:

A letter containing the resolution will be sent to the Premier of Ontario (Doug Ford), the Minister of Finance (Peter Bethlenfalvy), and the Bruce-Grey-Owen Sound Member of Provincial Parliament (Rick Byers). A media advisory will be prepared and distributed.

Consultation:

City Manager's Office

Attachments:

1. ROMA Delegation – Stable and Sustainable Funding
2. AMO Pre-Budget Submission Backgrounder

Recommended by:

Michelle Palmer, Senior Manager Strategic Initiatives and Operational Effectiveness

Submission approved by:

Phil Eagleson, Fire Chief (Acting City Manager)

For more information on this report, please contact Michelle Palmer, Senior Manager, Strategic Initiatives and Operational Effectiveness at mpalmer@owensound.ca or 519-376-4440 ext. 1246.