



AMO Pre-Budget Submission 2025

On behalf of its members, the Association of Municipalities of Ontario (AMO) is continuing to advance its advocacy on the urgent, province-wide need for a comprehensive review of provincial-municipal fiscal arrangements.

The provincial-municipal fiscal framework is broken. As municipal councils work through their budget processes, it's clear that municipalities across the province are facing immense pressure created by growing costs in areas of provincial jurisdiction.

For almost a year, municipalities across the province have been calling on the provincial government to sit down with municipalities and collaboratively engage on a Social and Economic Prosperity Review. More than 170 municipalities across Ontario joined the call and passed a resolution asking the provincial government to respond to these concerns.

Unfortunately, the provincial government has not agreed to come to the table. But a lack of provincial engagement hasn't changed the critical need for a new fiscal framework.

AMO will be evolving its advocacy through its upcoming 2025 pre-budget submission, which will be released in mid-January. In this submission, AMO will be calling for provincial action on three key areas that would support municipal fiscal sustainability in order to improve the quality of life in communities across Ontario, including:

1. **Long-term and predictable investments in municipal infrastructure:** Ontario municipalities are planning to invest more than \$250B in capital expenditures over the next ten years to meet growth needs, improve transportation and adapt to climate changes, but the current funding approaches are insufficient.

The provincial and federal governments are under-investing in infrastructure, funding programs are often piecemeal and short-term, and infrastructure funding programs do not grow with the economy.

2. **Reducing the province's reliance on municipal property taxes** to fund health and social services programs. In 2022, municipal expenditures subsidized health services, housing and social and family services by \$4B. That is \$4B taken away from core municipal priorities and it only continued to grow in 2023.

Responsibility for funding community housing should be uploaded to the province and provincial funding for health services, like public health and long-term care, should be sufficient to meet legislative requirements and standards for quality of care so municipalities don't have to step in to fill the gaps.

3. **Addressing the systemic causes of homelessness** through investment in income security, and mental health and addictions treatment services, taking the pressure off police and paramedics and improving public safety.

In early January, AMO along with key partners, will be releasing the results of an ambitious research project on the scope and scale of homelessness across Ontario, and the provincial investments needed to truly address it. AMO will be sharing more information on the key outcomes of this work as well as communications tools with members before it is released in early January.

While each municipality faces unique local circumstances, so many of the fundamental challenges caused by unsustainable fiscal arrangements are the same. AMO will be following-up with additional resources to support unified messaging across membership, including:

- Key messages regarding municipal fiscal sustainability to support delegations at the ROMA Conference in January.
- A communications toolkit (e.g., social media, key messages, template press releases) early in the new year that will provide members with more support in bringing a united message to the provincial government on the need for municipal fiscal sustainability to enhance quality of life for all Ontarians.

We know that municipalities across Ontario are under pressure to respond to increasing budget pressures, but the municipal sector is strongest when it speaks with one strong and united voice.

Sincerely,



Robin Jones

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