



Wednesday, July 22, 2020

Amarjot Sandhu  
Member of Provincial Parliament, Brampton West  
Chair, Standing Committee on Finance and Economic Affairs  
Ontario Legislative Assembly  
Room 261, Legislative Building, Queen's Park  
Toronto, Ontario M7A 1A8

Julia Douglas  
Committee Clerk, Standing Committee on Finance and Economic Affairs  
Ontario Legislative Assembly  
99 Wellesley Street West  
Room 1405, Whitney Block, Queen's Park  
Toronto, ON M7A 1A2

Dear Mr. Sandhu and Ms. Douglas,

**RE: Standing Committee Hearings on COVID-19 Impacts on Municipalities and the Construction and Building Sectors**

I am pleased to submit comments to the Standing Committee on Finance and Economic Affairs on how COVID19 has impacted the City of Guelph.

Throughout the pandemic the City of Guelph has been quick to do what is necessary to keep our community healthy. To do our part in reducing the spread of the virus, the City took extensive measures early on to continue providing essential frontline services to the public with enhanced cleaning and PPE protocols. We also paused non-essential services, converted our facilities into testing centres, installed Plexiglas barriers, provided emergency supports to those experiencing homelessness and launched [Grow Back Better](#), our 10-point plan to ensure an inclusive and green recovery. The City has also delayed property tax payments, made public transit and parking free and made critical investments to advance active transportation and to keep our local businesses afloat. Today, we have a thriving new outdoor Dining District, City Hall services and our Farmer's Market have reopened, and the people of Guelph can once again access many recreational facilities in the community.

Despite these successes as Guelph reopens, emergency measures have led to new and unplanned costs at a time when we are facing a steep decline in revenues. We have had to make tough choices. Like many municipal governments, emergency staff leaves, service reductions and capital project delays have been implemented to mitigate our COVID-19 impacts. We are currently facing a projected in-year deficit of \$8 million and climbing. To date, the City has seen a decline in revenues

of \$12 million and we have spent more than \$1.3 million in unbudgeted COVID-response related costs.

Without adequate supports from the provincial and federal governments, further service level changes, staff impacts, and capital project delays may be necessary, as well as property tax and user fee increases. This difficult conversation is occurring not only in Guelph but in council chambers across the province. The City faces great uncertainty as we adapt to new fiscal realities and begin budgeting for 2021.

### **Need for Sufficient Emergency Fiscal Relief for Municipal Governments**

The City of Guelph has joined cities and towns across Canada to call on the federal and provincial governments to immediately provide adequate levels of emergency fiscal operating relief to municipal governments, followed by stimulus supports to revive local economies. On July 6<sup>th</sup>, 2020, City of Guelph Mayor Cam Guthrie issued a statement outlining the need for immediate provincial and federal support to cover lost revenue and additional costs caused by the COVID-19 crisis. Mayor Guthrie's call for action is part of a national effort, led by the Federation of Canadian Municipalities, to secure at least \$10 billion dollars in flexible emergency relief for municipalities, to be funded 100% by the federal and provincial governments. The Canadian Urban Transit Association has also called for an additional \$2.4B in funding to sustain hard-hit public transit systems until the end of 2020.

### **Speed, Equity and Flexibility in Safe Restart Agreement Funds**

For these reasons, the City was pleased to hear the Prime Minister's July 16 announcement of the Safe Restart Agreement, which will provide \$19B in Federal funding to the provinces for use across 7 priority areas, including municipal governments. It is the City's understanding that the provinces will match federal funding for municipal governments for a total of \$4B Canada-wide for operating costs and \$3.6B for public transit. Premier Ford has also indicated that the total funding envelope for Ontario is \$7B although it remains unclear how much of this funding will go directly to municipal governments and their public transit systems.

The City of Guelph welcomes the Safe Restart Agreement. While it may be insufficient to address the full municipal need, it will go a long way to support municipal governments as we navigate these challenging times. The City is also pleased to hear that it is only intended to cover the next 6-8 months – it is positive to see federal and provincial acknowledgement that funding above the \$19B will be necessary.

We continue to wait for details on how much the City of Guelph will receive from Ontario's portion of the Safe Restart Agreement. The City encourages the province to proceed quickly in releasing the funds and to recognize both population levels

and ridership when it is determining how to equitably spread the funding across Ontario's municipalities. It is important the funding flow to municipal governments without additional strings attached. Given the current fiscal reality, municipal governments are not in a position to cost-share or match federal and provincial funding. It is also important that the City retain the flexibility to invest any funding it receives based on local priorities and needs.

### **Ongoing Need for Stimulus Investments in Critical Municipal Infrastructure**

Our community will also need stimulus supports over and above emergency operating relief funding to get our local economy back on track. The City of Guelph shares the provincial priority of safely reopening Ontario for business to support economic recovery. To do this, the provincial and federal governments should inject stimulus funding into critical municipal infrastructure projects. Doing so will have a positive impact on our local economic recovery and encourage businesses and developers to stay and grow in Guelph. Alongside emergency operating relief funding, stimulus supports will reduce COVID related risks to essential service delivery and enable the City to avoid higher capital costs in the long term.

### **COVID19 Stream under the Investing in Canada Infrastructure Program (ICIP)**

When it comes to stimulus supports, the City is pleased to hear that a new COVID19 stream has been proposed by the federal government under ICIP. We anxiously await additional details and have prepared a priority list of shovel-worthy projects for provincial and federal consideration. The City has a robust, industry leading asset management strategy that, combined with comprehensive Master Plans, drive our decision making on infrastructure investment and sustainability. We are ready to recommend key projects for provincial and federal funding that will stimulate recovery in Guelph. We encourage the province and federal government to move quickly on the new COVID19 stream and other existing streams under ICIP. The sooner municipal governments have access to and information about stimulus funding, the better.

When it comes to finalizing stimulus program details, I encourage the Standing Committee to consider Guelph's Principles for a COVID19 Stimulus Package:

1. Recovery and stimulus programs should support the priorities identified by municipal governments in their strategic plans
2. Infrastructure programs aimed at stimulating economic recovery should consider the full range of municipal asset needs, as identified through local asset management programs, and focus on sustainable, shovel worthy projects that aim to boost connectivity
3. Programs should consider municipal financial pressures, and be designed to make municipalities less dependent on other levels of government over time

4. Further enhance long-term recovery and resilience by encouraging collaboration with businesses, community organizations and other municipalities with a focus on mission-oriented innovation
5. Invest in enabling municipalities to be “future ready” as we make changes to respond to the new normal and include needs identification and implementation costs into program design
6. Programs should strive to increase environmental sustainability and community resilience to prepare and protect against future challenges
7. Simplify the application and reporting processes to allow municipalities to focus on recovery, service delivery and program execution
8. Avoid overlap or duplication of programs between levels of government; and
9. Programs should encourage capacity building and help scale smaller seed funded programs that prove successful.

It is my hope that the Standing Committee will recognize and respond to the pressing challenges facing municipalities during COVID19. Municipal governments will be at the heart of economic recovery in local communities. The City of Guelph would welcome expedited action from the province so that we can safely continue to help our businesses and residents during this period of recovery.

If you have any questions or comments about this submission, I encourage you to contact Leslie Muñoz, Manager, Policy and Intergovernmental Relations, for the City of Guelph at [leslie.munoz@guelph.ca](mailto:leslie.munoz@guelph.ca).

Sincerely,



**Scott Stewart**, Chief Administrative Officer

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