

Report FR-CS-27-15

To: Chair Pringle and Members of the Corporate Services Committee
From: Kevin Wepler, Director of Finance
Mary Lou Spicer, Deputy Director of Finance
Meeting Date: August 11, 2015
Subject: **Moving Ontario Forward – Outside of the GTHA - Infrastructure Consultations**
Status: Recommendation adopted by Committee as amended per Resolution CS88-15; Endorsed by County Council September 1, 2015 per Resolution CC126-15;

Recommendation(s)

WHEREAS the Ministry of Economic Development, Employment and Infrastructure is seeking comments in regards to Moving Ontario Forward - Infrastructure Funding for areas outside of the Greater Toronto and Hamilton Areas;

NOW THEREFORE BE IT RESOLVED THAT Report FR-CS-27-15 regarding Moving Ontario Forward – Outside of the GTHA - Infrastructure Consultation be received;

AND THAT Council direct staff to submit to the Ministry of Economic Development, Employment and Infrastructure the feedback as presented/amended in Report FR-CS-27-15.

Background

The Ontario Government in May 2015 announced that it would begin consultations on infrastructure funding for areas outside of the greater Toronto and Hamilton Areas (GTHA). These consultations will run through the summer with a number of roundtables to be announced with the Province seeking comments by September 18, 2015

Move Ontario Forward is the government's 10-year, \$31.5 billion strategy to fund infrastructure across Ontario. Of this funding \$16 billion is available to support transit within the GTHA and \$15 billion being dedicated to areas outside of the GTHA. Of the \$15 billion for projects outside of the GTHA, the government has already committed some funding to programs such as Connecting Links, Ontario Community Infrastructure Fund (OCIF), and natural gas initiatives. These consultations are focused on the remaining \$11.5 billion.

The Ministry of Economic Development, Employment and Infrastructure released a document titled “Discussion Guide for Moving Ontario Forward – Outside the GTHA. This document is intended to frame consultations. It identifies the Province’s principles for use in designing the funding program with emphasis on projects with a regional focus, underpinned by strong business cases and the potential to maximize returns through economic growth as well as social and environmental benefits, among others.

On July 29th, the Deputy Director of Finance, Mary Lou Spicer attended one of the Province’s public consultations about community infrastructure priorities. At this session the Ministry of Economic Development, Employment and Infrastructure sought feedback on infrastructure needs in order to seek information for the design of new programs and a framework to prioritize infrastructure needs.

The Ministry asked each participant at this consultation session to provide written feedback on four questions:

1. What infrastructure challenges and opportunities does your community face?
2. If you were designing a program to select infrastructure investments across the province that best support economic development, how would you do it?
3. Which infrastructure programs (or aspects of programs) are working well today and should be expanded?
4. What are the most important things that should be done differently?

The following are some of the comments provided by staff to this questionnaire that was collected by the Ministry at this session:

1. What infrastructure challenges and opportunities does your community face?
 - Only so much money
 - Download of Social Housing
 - Need for a mix of long term sustainable funding and application based funding
 - Need for high speed internet
 - Funding priority for existing assets versus building new assets when municipalities face a backlog of asset needs
 - Timelines for funding applications are too short and therefore do not provide staff sufficient time to quantify costs, timelines, etc.
2. If you were designing a program to select infrastructure investments across the province that best support economic development, how would you do it?
 - Need for a mix of long term sustainable funding and application based funding

- Provide advance notice of application based programs in order that municipalities can budget for their cost sharing requirements
 - Cost sharing contributions are difficult without utilizing reserves that have been created for other asset replacement and renewal
 - Program needs to be segmented by population in order that small rural municipalities are not competing with municipalities with significantly larger populations
 - Reduce the amount of reporting on programs
 - Municipalities need to be provided more information on how projects are evaluated
 - Longer timelines to complete projects
 - Priority to projects that have been identified in asset management plans or other prepared capital plans
3. Which infrastructure programs (or aspects of programs) are working well today and should be expanded?
- Federal Gas Tax funding – stable predictable funding
 - Investment in Affordable Housing
 - Small Communities Fund – provides funding for a proposed project that is located in and for the benefit of communities with less than 100,000 residents.
4. What are the most important things that should be done differently?
- Less onerous reporting
 - Information on why application based project did not qualify
 - Address eligibility – small municipalities competing against larger municipalities
 - Longer completion timelines – municipal fiscal year versus provincial fiscal year
 - Continue to work on formula based funding calculation to achieve a better balance
 - Ability to stack grants
 - Make grant applications less complicated
 - Provide long term predictable funding
 - Provide longer timelines for application – short timelines do not provide sufficient time to estimate total project cost, timelines for Council consideration, timelines for completing project, timelines for procuring project, etc.

County Feedback to Ministry

Grey County as well as many other municipalities has significant needs but not enough fiscal capacity, therefore the design of the Province's new programs will have an impact on each local municipality for areas outside of the GTHA.

The following are staff suggested items to provide feedback to the Ministry of Economic Development, Employment and Infrastructure for its use on the design of new programs to assist municipalities with infrastructure needs. There may be other suggestions the County Councillors may wish to provide as well and these could also be included in the County's submission to the Ministry of Economic Development, Employment and Infrastructure.

1. The Province should consider developing a strategy similar to the Ontario Community Infrastructure Fund where the program design included both a formula-based fund and an application-based fund. The formula-based program would then provide every municipality with stable predictable funding. While the application-based program would provide an opportunity for each municipality to submit applications for additional funding to assist with high priority existing assets and/or projects that provide economic growth and that assist with community needs, i.e. Georgian College Marine Emergency Duties Training and Research Centre.
2. The Province should consider working on the design of the formula-based program in order to try and achieve a formula that is easily understood and provides a balance to all municipalities.
3. The Province should consider a Small Communities component in its program framework. This would provide funding for projects located in and for the benefit of communities with less than 100,000 residents. The Province could also consider creating additional resident segments, such as 0-19,999 residents, 20,000-49,999 and 50,000-100,000.
4. The Province should consider providing a separate infrastructure funding program to assist municipalities in building regional ultra-high speed broadband networks, such as the SWIFT (South Western Integrated Fibre Technology) network.
5. The Province should consider making application-based programs that are less complicated, have less onerous reporting and that provide municipalities with sufficient time to prepare budgets and complete projects on schedule.

Financial / Staffing / Legal / Information Technology Considerations

By submitting feedback to the Ministry of Economic Development, Employment and Infrastructure in regards to its request for information for the design of new programs and a framework to prioritize infrastructure needs, the County is providing information

that future programs are considered that best meet the needs for the residents of the County of Grey.

Link to Strategic Goals / Priorities

A response to the Ministry of Economic Development, Employment and Infrastructure aligns with Goal 1.5 to actively pursue provincial and federal funding to sustain municipal services and infrastructure

Attachments

[Attachment to FR-CS-27-15 Discussion Guide for Moving Ontario Forward - Outside the GTHA](#)

Respectfully submitted by,

Kevin Weppler
Director of Finance

Mary Lou Spicer
Deputy Director of Finance