



**London**  
CANADA

## PROVINCIAL BUDGET

### Meeting of Corporate Services Committee with MPPs

May 22, 2013

#### ISSUES/SUBJECT:

The Government of Ontario released the 2013 budget on May 2nd. The City of London is pleased that the Government has indicated its commitment to address some of the important issues that London advanced in its pre-budget submission. We would like to seek clarification on other issues.

#### KEY MESSAGES:

- The City of London is pleased with the announcement that the gas tax funding for transit will become permanent. This has provided a much needed source of revenue. The City of London is pleased the Government's articulation of the five principles that will inform the creation of new revenue tools to support transit in particular that new investment should reflect the needs of different communities and regions, i.e. including those outside the Greater Toronto and Hamilton Area (GTHA).
- Thanks to the Government of Ontario for its commitment to deliver over \$35 billion in money for roads, sewers and other infrastructure needs. How does the Government of Ontario intend to work with the federal government's Building Canada Plan to deliver on municipal infrastructure needs?

#### BACKGROUND:

The Government of Ontario released its 2013 budget on May 2<sup>nd</sup>.

The Government's announcement that it will make the gas tax funding for transit permanent is welcome news. This has provided London with an average of \$9.3 million dollars annually for the last three years and gives us a source of long term funding for transit that we and the Association of Municipalities of Ontario have been requesting. This has been used mostly for capital (smart bus, satellite facility, bus expansion, bike racks, cameras on buses) but also for increasing operating service growth hours which over the past 5 years have increased by 50,000 hours (both conventional and specialized services) supporting combined annual ridership growth of about 2.2 million. Making dedicated gas tax permanent provides an identified performance based source of long term predictable funding.

In the area of infrastructure, the Government of Ontario has announced that the province will be working in partnership with the federal government's Building Canada Fund to deliver on our municipal infrastructure needs. The Building Canada Fund announced in the 2013 Federal Budget included over \$53 billion in investments, including over \$47 billion in new funding to support local and economic infrastructure projects over 10 years under a new Building Canada Plan starting in 2014-15.

The Government of Ontario also announced that it will be guided by a set of principles to create new revenue tools to support transit infrastructure and those principles will reflect the needs of different communities and regions and will be tied to measurable results. Through the budget, the Government indicated that they will be calling on the federal government to demonstrate leadership by dedicating federal funding for public transit. These two measures will be critical as London completes its Bus Rapid Transit (BRT) Plan later this year and will look to the provincial and federal governments for one-third funding of its BRT strategy and in addressing the challenges of urban growth, changing demographics, the environment and the economy.

The budget confirmed support for the previously announced schedule to upload social services costs and court security costs to the Province. For London, this represents approximately \$3.5 million each year from 2014 to 2018, at which time these services will be 100% uploaded to the Province.

The City is pleased that the Provincial Government has called on the Federal Government to commit to long-term predictable funding in existing stock of social housing. Currently more than 2,100 London households are on a waitlist for social housing which is similar to this time in 2012.