



November 10, 2020

Carole Saab, CEO
Federation of Canadian Municipalities
24 Clarence Street
Ottawa, Ontario
K1N 5P3

Re: Funding Needed Now for Vital State-of-Good-Repair Infrastructure Projects

Dear Ms. Saab:

Municipalities across Canada are facing a maintenance and repair work crisis that will compromise the quality and safety of vital infrastructure and put at risk good-paying construction jobs. Targeted government funding is needed immediately to remedy this problem. Although the Residential and Civil Construction Alliance of Ontario does not generally engage in national advocacy, we know the problems we face are not unique to this province.

As you are aware, cities in Ontario must approve a balanced budget. Toronto, for example, approved its budget in February 2020. Due to the COVID-19 pandemic, however, Toronto is now projecting a deficit of approximately \$1.3 Billion.

Toronto is being forced to reduce spending and reallocate money from its Capital Budget to its Operations Budget to fill this deficit gap. Removing \$370 million from the Capital Budget has drastically reduced the number of projects being tendered in late summer and fall of 2020. As of October 15th, the City of Toronto was still short approximately \$600 million overall because they have yet to receive the full amount of the initial "Safe Restart" money from the province.

Municipalities cannot let maintenance and repair work diminish or there could be impacts on public safety. Job losses will also be significant. For the construction sector, current estimates indicate 40,000 direct and indirect job losses in Ontario alone if this issue is left unaddressed.

A recent [industry survey](#) found that, 56 per cent of civil contractors indicated that there have been fewer municipal projects to bid on since July 1.

Further, we understand that funds intended for municipalities with transit systems have been slow to flow from the Safe Restart program.

The Solution

Governments, both federal and provincial, need to rapidly commit to covering operating deficits for Canadian municipalities for 2020 and 2021 so that capital budgets can be kept intact, and large municipalities can balance their budgets for 2020 and 2021.



The Safe Restart Agreement over-allocated funding for small municipalities and under-allocated for large ones. The next round must correct this by accelerating the timing of funding releases and having the federal and provincial governments take the same approach with bigger cities that they took with smaller municipalities, including providing funding assurances up front.

Here is a [recent op-ed](#) with one of our municipal partners on the importance of SOGR projects, as well as a [National Post story](#) where RCCAO's chair, Peter Smith provides comments.

Cities need a solution now before it is too late. FCM has been a tremendous advocate during the pandemic and we urgently seek your support in giving voice to this critical issue. My staff will follow up with yours to seek a mutually convenient time to discuss.

Yours truly,

A handwritten signature in black ink, appearing to read 'Andy Manahan', is positioned below the 'Yours truly,' text.

Andy Manahan,
Executive Director
Residential and Civil Construction Alliance of Ontario
manahan@rccao.com