October 9, 2007

His Worship Mayor Fred Eisenberger
City of Hamilton
71 Main Street West
2nd Floor
Hamilton, ON L8P 4Y5

Dear Mayor Eisenberger:

Since the FCM Annual Conference in Calgary, our call for the Government of Canada to share the equivalent of one cent of the GST with municipalities across Canada has continued to gain momentum. In just the past ten days:

- the City of Belleville, Ontario approved a resolution in support of the one cent campaign;
- the Union of British Columbia Municipalities (UBCM) endorsed the City of Port Moody’s resolution in support of the one cent campaign; and
- the Premier of Ontario sent a letter to the Prime Minister expressing his support for both the one cent campaign and our proposal for a funded National Transit Strategy.

I have enclosed copies of these endorsements for your information.

These expressions of support by a municipal Council, a provincial municipal association and the Premier of the largest province in Canada are clear illustrations that our case is sound, is gaining traction and is being communicated directly to the federal government. The announcement last week of a $13.8 billion federal surplus only serves to reinforce the logic of our argument that municipalities must gain access to a share of revenues that grow with the economy.

I am encouraged by this latest progress and believe that it is helpful to the task of our joint FCM-BCMC working group. I look forward to our continued work together.

Yours truly,

Mayor David Miller
City of Toronto

cc: Big City Mayors’ Caucus
    FCM Table Officers
September 27, 2007

The Honourable James M. Flaherty
Department of Finance Canada
140 O'Connor Street
Ottawa, Ontario K1A 0G5

Dear Sir:

RE: Support for the "One Cent Now Campaign" of City of Toronto Mayor David Miller
Belleville City Council Meeting, September 24, 2007

This is to advise you that at the Council Meeting of September 24, 2007, the following resolution was approved.

"THAT Belleville City Council is in support of City of Toronto Mayor David Miller's 'One Cent Now Campaign' asking the Federal government to transfer to municipalities the value of one cent of the revenues it collects every year from the GST."

Thank you for your attention to this matter.

Yours truly,

Julie C. Oram, AMCT
Director of Corporate Services/City Clerk

JCO/nh
Pc: His Worship Mayor David Miller, Toronto City Hall, 2nd Floor, 100 Queen St. West, Toronto ON M5H 2N2
Mr. Daryl Kramp, MP Prince Edward-Hastings, 1 Millennium Parkway, Belleville, ON K8N 4Z7
WHEREAS senior government revenues are directly tied to the economy, their contribution to Canada's total tax burden continues to increase as the economy grows, to the point where an all-time high of 92 cents out of every tax dollar is now benefiting senior levels of government, and local governments' share of Canada's total tax burden continues to diminish;

AND WHEREAS the City of Toronto's One Cent of the GST Now! proposal is not a new tax and is simply a re-distribution of revenues from an existing tax:

THEREFORE BE IT RESOLVED that the federal government be asked to return to local governments one cent out of every six cents collected through the Canadian Goods and Services Tax (GST).

ENDORSED
September 28, 2007

The Rt. Hon. Stephen Harper
Prime Minister of Canada
Langevin Building
80 Wellington Street
Ottawa, Ontario
K1A 0A6

Re: Federal surplus makes investment in Ontario municipalities and transit possible

Dear Prime Minister:

As you know, I have consistently spoken out on fairness for Ontario, because I believe a strong Ontario is fundamental to a strong Canada.

Working together, we have made progress on behalf of Ontario families, specifically on the funding of supports for newcomers to Ontario, and per capita funding for health care.

But there is much more to be done — not just in the area of federal-provincial relations, but in federal-municipal relations. Just as Ontario is the economic engine of our country, our cities are the economic engine of our province. Our municipalities face tremendous pressures and that, in turn, is placing pressure on property taxpayers. One of the greatest pressures is the need to fund infrastructure — particularly public transit — which keeps goods and people moving, contributing to a strong economy and the quality of life our families enjoy.

Following your announcement yesterday of a $13.8 billion surplus, I am writing to strongly urge you to dedicate new funding to municipalities for infrastructure and public transit. By providing the equivalent of one cent of the Goods and Services Tax, the federal government would add more than $1.9 billion per year to the financial foundations of municipalities large and small across Ontario.
The City of Toronto would receive an additional $400 million a year from this initiative, helping them address major transit funding pressures that the Toronto Transit Commission is currently facing. The City of Ottawa would receive $130 million annually, and Hamilton would receive $80 million annually.

Communities large and small are asking the federal government for this support, including Toronto, Ottawa, Fort Erie, North Bay, Oshawa and many others. All municipalities across the province would benefit from this — helping communities large and small rebuild their infrastructure.

While the federal government has committed to continuing the gas tax funding indefinitely, more assistance is needed from our federal partners to address this shortfall. For example, compared to other countries, our federal government has been lacking in support for public transit. Canada is the only OECD country that does not have a long-term national transit investment strategy.

In addition, we would like to build on the progress we made during the negotiations surrounding the federal gas tax by having municipalities work directly with the federal government to set the parameters of this investment.

We would also like to urge the federal government to move immediately to release the funds needed to begin building the Spadina subway extension and the Mississauga Transitway and Brampton acceleride projects. And we would like the federal government to commit to your one-third share of our historic $17.5-billion MoveOntario 2020 plan — $6 billion.

Since 2003, our provincial government has made major strides in addressing the fiscal issues facing municipalities. We have invested $4.9 billion for public transit, and created the $30-billion ReNew Ontario infrastructure plan to rebuild schools, hospitals, roads, bridges and other critical infrastructure in communities across the province.

We recently announced that we would upload the entire $935 million annual cost of the Ontario Disability Support Program and the Ontario Drug Benefit program. And we have launched the Provincial-Municipal Fiscal and Service Delivery
Review. Overall, by 2011, we will have increased annual operating support to municipalities by $2.8 billion compared to 2003.

We hope you will consider this proposal for the benefit of Ontarians.

Yours truly,

Dalton McGuinty
Leader of the Ontario Liberal Party
Premier