May 27, 2008
Open Letter to Ontario Municipalities

Mayor Fred Eisenburger
City of Hamilton
City Hall, 71 Main Street West
Hamilton, ON L8P 4Y5

Your Worship,

I'm writing today to inform you that on May 12th, 2008 the Dalton McGuinty Government rejected sensible proposals brought forth by the Ontario PC Caucus to ensure that Bill 35, the so-called “Investing in Ontario Act”, truly supported municipal infrastructure. The McGuinty Government decided to proceed with the Bill that has raised red flags with the Auditor General and has effectively created another Liberal slush fund that could be used to fund Liberal-friendly groups rather than municipal infrastructure as claimed.

The Ontario PC Caucus proposed several amendments to fix the Bill. However, the McGuinty Government refused to accept any of them. Allow me to give you some examples:

1. The definition of “eligible recipient” in Bill 35 is so vague and wide-open that basically any non-profit group in Ontario could qualify for funding according to the whims of Cabinet. Even the Ontario Cricket Association that infamously received $1 million when it asked for $150,000 from a previous McGuinty Liberal slush fund would be eligible for funding under Bill 35. The Ontario PCs proposed that only municipalities be defined as eligible recipients. However, Dalton McGuinty rejected that sensible proposal.

2. While the McGuinty Government claims that Bill 35 will help municipalities, Bill 35 does not even mention the words “municipalities”, “cities”, “towns”, “villages”, “infrastructure”, “roads”, “bridges”, “sewers” or “water”. The Ontario PC Caucus proposed that funds distributed under Bill 35 could only be used for municipal infrastructure. This proposal was also rejected.

3. Curiously, the McGuinty Government refuses to say what groups or entities will receive funding under Bill 35 in fiscal year 2008-09 and beyond. The amendments proposed by the PC Caucus would have ensured that all allocations under Bill 35 would be dedicated to municipal infrastructure.
In short, the PC Caucus asked the McGuinty Liberals to put their money where their mouths are. They refused. If Bill 35 is truly about supporting municipal infrastructure as they claim, our proposals should have been accepted.

The Ontario PC Caucus believes that there is a better way to support municipal infrastructure than relying on an unpredictable Liberal slush fund. We also believe that **provincial funding for municipal infrastructure should be planned and earmarked in the provincial budget** rather than be relegated to the back of the pack, dependent upon a provincial surplus greater than $800 million.

The Ontario PC Caucus voted against Bill 35 because we believe that Ontario municipalities need long-term, sustainable funding so they can address their infrastructure challenges. Our belief that Ontario cities deserve sustainable funding is why in the last election we committed to dedicating every penny raised by the gas tax to transportation priorities. We also committed to accelerating the Provincial Municipal Fiscal and Service Delivery Review and then acting on it in this year’s budget. Unfortunately, the McGuinty Government has continued to delay this report and have made no plans to act on its findings.

The Ontario PC Caucus will continue to fight for long-term and sustainable provincial funding to support municipalities. I would like to thank you for all the good work you are doing on behalf of your citizens and we look forward to working with you in the coming years.

Sincerely,

John Tory  
Leader of the Ontario PC Party