

March 3, 2025

Sent via e-mail to: premier@ontario.ca

The Honourable Doug Ford
Premier of Ontario
Legislative Building, Room 281
Queen's Park
Toronto, ON
M7A 1A1

On behalf of the Association of Municipalities of Ontario (AMO) and municipal governments across Ontario, I want to offer my congratulations on your election for a third term as Premier of Ontario.

As you know, AMO is the collective voice for all of Ontario's 444 municipalities. We act exclusively in the public interest and have worked tirelessly in collaboration with your government since you first formed government in 2018.

AMO and Ontario's municipalities commend you for your strong and decisive leadership regarding the threat of tariffs and related measures that could have devastating impacts on Ontario's economy, residents and communities. As a sector that invests \$68 billion annually in Ontario, municipalities are critical economic partners and have significant tools to contribute towards a provincial response to tariffs. Ontario municipalities are eager to leverage the \$22 billion in annual procurement to support a broader provincial response to the US. Local economic development infrastructure can be deployed to support businesses across the province to weather the tariff storm and build future diversification opportunities.

Most importantly, investments in municipal infrastructure have proven time and again to be the most effective way of deploying stimulus funds quickly and effectively across all parts of the province in times of economic downturn. There is significant opportunity to accelerate the more than \$250 billion of capital works that municipalities have planned over the next decade to protect jobs and investment while driving future productivity. Municipal infrastructure projects make best use of available labour at all skill levels and are less likely to contribute to inflationary pressures than mega-projects. AMO is currently working with partners in both the residential and civil construction sectors as well as economic consultants to develop stimulus proposals focused on both social housing and municipal infrastructure aligned with your government's Protect Ontario Plan.

The important role municipalities play in Ontario's economy and the uncertainty that the US political landscape continues to create reinforces the need for provincial action to put Ontario's municipalities on solid fiscal footing. AMO has worked with economic experts to estimate the impact of tariffs on the almost \$50 billion in municipal capital investments planned for the next two years. Anticipated cost escalation for these projects alone is over \$1 billion. This does not include the broader impact on municipal budgets of an economic downturn, additional inflation, or currency fluctuations. Without progress on the fundamentals, municipalities will not be in a position to continue to levels of investment needed to support businesses and communities through an economic downturn and will not be able to make progress on the important infrastructure needed to spur productivity going forward.

For more than a year, municipalities have been calling for the provincial government to engage in a comprehensive discussion of the provincial-municipal fiscal arrangements. We look forward to working with your government on a Social and Economic Prosperity Review that examines roles and responsibilities, with a focus on three key priorities:

- Ensuring municipalities have stable and predictable infrastructure funding needed to build housing and support growth
- Reducing municipal property tax subsidies to areas of provincial responsibility which are more appropriately funded through provincial revenue.
- Tackling the root causes of homelessness so we avoid the dramatic growth in homelessness predicted in our [recent report](#).

We look forward to continuing to work closely with your government over the next four years to build strong and sustainable communities, innovative public services, and new economic opportunity for everyone in Ontario.

Sincerely,



Robin Jones
AMO President
Mayor of the Village of Westport

cc: Michelle DiEmanuele, Secretary of the Cabinet
Martha Greenberg, Deputy Minister, Ministry of Municipal Affairs and Housing
Ali Veshkini, Deputy Minister, Ministry of Infrastructure
Jason Fitzsimmons, Deputy Minister, Ministry of Finance