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MAYOR DAN CARTER

May 11, 2020

Honourable Justin Trudeau
Prime Minister
House of Commons
Ottawa, ON K1A 0A2

RE: Request for Financial Assistance to Municipalities as a result of COVID-19

Dear Prime Minister,

The current COVID-19 pandemic is an unprecedented challenge for all levels of government. The strong leadership from the federal government to limit the spread of the virus, manage the disease, and provide stability and reassurance during a difficult and unpredictable time is most appreciated. The pandemic has, however, negatively impacted our economies, businesses, workers and communities. It has also had a major impact on the finances of municipal governments, the front-line service provider and the backbone of our communities.

The federal government has made a number of funding announcements to provide financial support related to the COVID-19 pandemic. The City appreciates these efforts to support our community. However, the impact to the City's bottom line is significant due to lost revenues and increased unexpected expenditures.

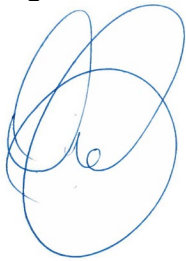
In addition to losses and costs already incurred, municipalities face unknowns when the pandemic curve is flattened and physical distancing measures are lessened or no longer in place. For example, will the public return to municipal facilities and enroll in programming and how many people will default on their property taxes or other payments?

As you know, municipalities budget for the costs to provide services and programming for the year ahead. Municipalities are not legally permitted to run deficits, nor do they have the borrowing capacity or the revenue tools of senior levels of government. I do not support running a deficit at the local level. A deficit simply puts the problem off for another year, which may result in a reduction of vital services. The alternative would be a double-digit property tax increase in 2021, which property tax payers could not absorb given the current economic climate.

The City's request is for the Federal Government to establish a straightforward, direct and flexible municipal financial assistance program to cover the additional costs and loss in revenue experienced by municipalities as a result of the COVID-19 pandemic. The funding would be an investment in essential front-line services and ensure that municipalities will be well placed to help drive Canada's economic recovery.

Thank you for your time and consideration. I would be pleased to answer any questions you may have.

Regards,



Dan Carter
Mayor

cc: Hon. Bill Morneau, Minister of Finance
Hon. Chrystia Freeland, Deputy Prime Minister and Minister of Intergovernmental Affairs
Hon. Omar Alghabra, Parliamentary Secretary to the Prime Minister (Public Service Renewal) and to the Deputy Prime Minister and Minister of Intergovernmental Affairs
Erin O'Toole, MP
Colin Carrie, MP
Chair John Henry, Region of Durham
Oshawa City Council
Paul Ralph, Chief Administrative Officer, City of Oshawa
Bill Karsten, President, Federation of Canadian Municipalities
Durham Area Municipalities (Clerks)
Large Urban Mayors' Caucus of Ontario (LUMCO)
Association of Municipalities of Ontario (AMO)