AORS
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Hon. Peter Bethlenfalvy
Minister of Finance
7th Floor, Frost Building South
7 Queen's Park Crescent
Toronto, ON M7A 1Y7

Wednesday January 29, 2025

Dear Minister Bethlenfalvy,

Re: Pre-Budget Submission for the 2025 Ontario Budget

The Association of Ontario Road Supervisors (AORS) appreciates the opportunity to provide input for the 2025 Ontario Budget. As the voice of public works professionals in Ontario's municipalities, we urge the provincial government to prioritize investments in municipal infrastructure. This submission outlines the pressing need for continued and enhanced funding to ensure the sustainability and safety of Ontario's core infrastructure assets.

The Infrastructure Deficit: A Growing Concern

Ontario's municipalities are facing a critical challenge in maintaining and renewing their infrastructure. Municipal asset management plans collectively identify an infrastructure deficit of $34.7 billion for roads, bridges, and culverts alone. This gap reflects the urgent need for increased investment to address aging infrastructure, rising construction costs, and growing demands due to population growth and climate change.

Failing to act decisively risks compromising public safety, economic productivity, and the quality of life in our communities. Deteriorating infrastructure can lead to higher long-term costs as deferred maintenance results in more extensive and expensive repairs in the future.

The Importance of Provincial Support

While municipalities are responsible for maintaining local infrastructure, they often lack the financial resources to address these challenges independently. Property taxes—a primary revenue source for municipalities—are insufficient to meet the demands of large-scale infrastructure projects. Without adequate provincial support, municipalities will struggle to maintain core assets in a state of good repair.

Recommendations

AORS respectfully recommends the following measures to address the infrastructure deficit and support Ontario's municipalities:

1. **Increase Funding for the Ontario Community Infrastructure Fund (OCIF):** Expanding OCIF funding will provide municipalities with the resources necessary to address critical infrastructure needs. Stable and predictable funding allows municipalities to plan and execute projects more efficiently.
2. **Enhance Gas Tax Revenues for Municipalities:** Increasing the share of gas tax revenues allocated to municipalities can provide a sustainable source of funding for road, bridge, and culvert maintenance and renewal.
3. **Targeted Investments in Climate-Resilient Infrastructure:** Provide funding specifically for infrastructure projects that enhance climate resiliency, such as stormwater management systems, to help municipalities mitigate the impacts of extreme weather events.
4. **Support for Training and Workforce Development:** Address the labour shortage in the public works sector by funding training programs, such as AORS' Municipal Equipment Operator course. A skilled workforce is essential for the efficient delivery of infrastructure projects.
5. **Address Infrastructure Gaps Identified by Definitions in FIR and OSIM:** Current definitions within the Financial Information Return (FIR) and the Ontario Structure Inspection Manual (OSIM) focus on "structures with a span greater than 3 meters," leaving significant gaps in funding eligibility for smaller but critical infrastructure. For example, in the Township of Oro-Medonte, there are 50 bridges and culverts meeting the definition, but an additional 1,192.05 km of rural storm drainage and 1,200 road-crossing culverts fall outside this scope. These smaller structures have a substantial impact on road conditions, and their aggregated cost in rural municipalities is significant. Many of these assets are either failing or under capacity, yet funding programs do not account for their importance. Addressing these gaps is essential to prevent road surface failures and reduce long-term maintenance costs.
6. **Expand Funding Options for Rural Drainage Infrastructure:** While consolidated linear infrastructure (CLI) and Environmental Compliance Approvals (ECA) provide avenues for municipalities in developed areas to implement stormwater fees for engineered stormwater systems, rural municipalities are left relying solely on their tax base to fund extensive aggregated drainage infrastructure. This discrepancy disproportionately affects rural municipalities, which often manage large areas of drainage infrastructure critical to road safety. Additional funding mechanisms or

program modifications are necessary to ensure equitable access to resources for maintaining rural drainage infrastructure.

7. **Support Good Roads' Rural Road Safety Program:** The statistics are alarming: in 2023 alone, 616 lives were lost, and 36,090 people were injured on Ontario's roads—a nearly 20% increase in fatalities over the last decade. Alarmingly, while rural Ontario accounts for only 17% of the province's population, it suffers 55% of these fatalities. Rural roadways are disproportionately dangerous, and municipalities face compounded financial challenges due to rising insurance premiums and an unsustainable joint and several liability framework.

   AORS supports Good Roads' proposed five-year, $183-million rural road safety program, which includes:

   - Identifying the most dangerous roads in rural municipalities;
   - Conducting thorough road safety audits; and
   - Installing modern safety infrastructure to prevent serious injuries and save lives.

   This program represents a critical opportunity to reduce road fatalities, mitigate financial burdens, and enhance rural road safety. AORS encourages the Government of Ontario to partner with Good Roads to implement this initiative and address the urgent need for safer rural roads.

Conclusion

Investing in municipal infrastructure is not only a necessity but also an opportunity to stimulate economic growth, create jobs, and build resilient communities. AORS stands ready to support the provincial government in achieving these goals and ensuring that Ontario remains a leader in infrastructure excellence.

Thank you for considering our submission. We would welcome the opportunity to discuss these recommendations further and work collaboratively toward their implementation.

Yours sincerely,

Joseph Reid, CRS-S
President, AORS Board of Directors

John Maheu
Executive Director, AORS