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

January 28, 2026

Dear Minister Bethlenfalvy,

Re: Pre-Budget Submission for the 2026 Ontario Budget

On behalf of the Association of Ontario Road Supervisors (AORS), we respectfully submit our recommendations for consideration as part of the Province's 2026 Budget.

AORS represents municipal road supervisors and public works professionals responsible for the operation and maintenance of Ontario's local road network. Rural and small municipalities manage the majority of this infrastructure and play a critical role in supporting economic activity, emergency response, goods movement, and community growth. Strategic provincial investment in local infrastructure is essential to managing risk, controlling long-term costs, and ensuring the sustainability of Ontario's transportation system.

Cost-Effective Investments in Rural Road Safety

AORS supports Good Roads' proposed five-year, $207 million Rural Road Safety Program as a fiscally responsible investment that would deliver measurable safety outcomes while reducing long-term public costs. Rural roads operate at higher speeds, with longer emergency response times and fewer alternative routes, increasing the severity and societal cost of collisions.

Despite representing a smaller share of the population, rural municipalities experience a disproportionate number of serious and fatal collisions. Targeted, preventative safety measures—such as pavement markings, signage upgrades, curve delineation, and other low-cost engineering treatments—are proven, scalable interventions that improve driver behaviour and reduce collision severity. These investments represent a strong return on public dollars by preventing loss of life, reducing emergency response costs, and limiting municipal and provincial liability exposure.

Modernizing Funding Eligibility to Reduce Infrastructure Risk

AORS urges the Province to address infrastructure eligibility gaps created by definitions within the Financial Information Return (FIR) and the Ontario Structure Inspection Manual (OSIM). These frameworks can unintentionally exclude smaller bridges, culverts, and road segments from funding programs, despite their importance to network continuity, emergency access, and economic activity.

When smaller assets are excluded from eligibility, municipalities are forced to defer maintenance until failure occurs—significantly increasing replacement costs and service disruption. Modernizing eligibility criteria to better reflect rural infrastructure realities would allow the Province to intervene earlier, reducing lifecycle costs and avoiding more expensive capital replacements in future years.

Managing Ontario's Municipal Infrastructure Deficit

Ontario faces a substantial municipal infrastructure deficit, estimated at $34.7 billion for roads, bridges, and culverts alone. Rural municipalities face heightened financial pressure due to limited tax bases, escalating construction costs, and increasing demand driven by population growth, development, and heavier vehicle loads.

Without predictable, sustained provincial investment, municipalities will continue to rely on short-term fixes that increase long-term costs and risk. Strategic infrastructure funding supports fiscal sustainability by extending asset life, stabilizing municipal budgets, and ensuring infrastructure can support economic growth and service delivery.

Targeted Investments in Climate-Resilient Infrastructure

Extreme weather events are placing growing strain on local road systems, particularly in rural communities where stormwater and drainage infrastructure was not designed for current climate conditions. Infrastructure failures related to flooding, erosion, and washouts result in emergency repairs that are costly, disruptive, and avoidable. If climate conditions remains stable, the cost of maintaining municipal transportation assets (roads, bridges and culverts) over the next nine years, through 2030, will average $11 billion per year based on fundings from the Financial Accountability Office of Ontario. Based on these same findings from 2022, climate-related degradation (freeze-thaw, extreme rainfall and heat) will add $1.5 billion annually to municipal transportation maintenance by 2030, totaling $14 billion in additional costs.

AORS encourages the Province to provide targeted funding for climate-resilient infrastructure projects, including stormwater management improvements, culvert upgrades, and erosion control measures. Proactive investment in resilience reduces future emergency expenditures, protects critical transportation links, and supports long-term asset management objectives.

Standardized Framework for Reviewing Former Provincial Highway Downloads

During the 1990s, significant portions of Ontario's provincial highway network were transferred to municipalities as a cost-containment measure. Nearly 30 years later, many of these former highways continue to function as regional transportation corridors rather than local roads, supporting goods movement, tourism, and through-traffic. Rural and small municipalities, in particular, are struggling to maintain these assets to the level of service expected, despite limited tax bases and users who are often not municipal ratepayers. These roads represent a growing liability within municipal asset portfolios and contribute to the broader municipal infrastructure funding gap. When the Province downloads assets to municipalities, it forces municipalities to absorb massive climate-escalated costs that compound the burden when municipalities are already facing a road infrastructure deficit.

AORS requests that the Province undertake a third-party, evidence-based review of the 1990s highway downloads and establish a **standardized, transparent framework** that would allow municipalities to request consideration of uploading specific former highways, overpasses, underpasses and connecting links back to the provincial network where appropriate. This would not be a blanket upload, recognizing that many municipalities are satisfied with current arrangements, but rather a consistent and fiscally responsible mechanism to assess roads that no longer align with municipal capacity or local service definitions. The Province's recent decision to upload the Gardiner Expressway and Don Valley Parkway demonstrates recognition that certain transportation assets can exceed municipal capacity—a challenge similarly faced by many rural communities. AORS would welcome the opportunity to participate in stakeholder engagement and provide technical expertise.

Provincial Leadership to Support Economic Growth and Community Stability

Municipal infrastructure is a foundational enabler of economic productivity, public safety, and community growth. Provincial leadership and financial partnership are essential to ensure local governments can manage risk, meet service expectations, and support Ontario's broader economic objectives.

Investments in rural road safety, infrastructure renewal, and climate resilience are prudent fiscal decisions that deliver long-term value for taxpayers while strengthening Ontario's transportation network.

AORS appreciates the opportunity to contribute to the Province's 2026 Budget consultations and would welcome continued dialogue with your ministry. We would be pleased to provide additional technical insight from municipal road supervisors responsible for managing these assets on a daily basis.

Thank you for your consideration.

Sincerely,

Karla Musso-Garcia, CRS-I
President
Association of Ontario Road Supervisors

Kelly Elliott
Interim Executive Director
Association of Ontario Road Supervisors

Cc (via email):
Premier Doug Ford, Province of Ontario
Minister Lisa Thompson, Minister of Rural Affairs
Minister Prabmeet Sarkaria, Minister of Transportation
Acting Minister Todd McCarthy, Minister of Infrastructure
Minister Jill Dunlop, Minister of Emergency Preparedness and Response
Scott Butler, Good Roads Executive Director