



The Corporation of the Municipality of Strathroy-Caradoc  
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Attention: Office of the Mayor  
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June 17, 2019

Honourable Doug Ford  
Premier of Ontario  
Legislative Building  
Queen's Park  
Toronto, Ontario  
CANADA M7A 1A1

Premier Ford,

I am writing in response to your letter, received by the Municipality of Strathroy-Caradoc on June 6<sup>th</sup>, 2019, in which you provide information as it relates to "provincial program cost-sharing concerns." In that correspondence, you note that the province has decided against mid-year and/or retroactive cuts to Municipal grants and program funding in favour of reductions to be made on a timetable that is more closely synchronized with the Municipal budgeting cycle. While knowing that retroactive reductions are no longer in the forecast, the Council of Strathroy-Caradoc remains concerned with what the future may hold. Specifically, Strathroy-Caradoc's Council would like to raise three key points as part of this discussion.

Firstly, the Municipality of Strathroy-Caradoc believes unreservedly that we must live within our means. Strathroy-Caradoc never stops implementing efficiencies in our municipal operations and our balance sheet reflects this practice. Every year we seek to squeeze maximum value from every tax dollar we spend. Over the last decade alone, we have cut our debt in half and allocated considerable resources for future planned capital requirements. We are reducing our infrastructure debt through the development of our Asset Management Plan and we have been successful in identifying and developing additional revenue streams to help maintain essential municipal services without relying entirely on tax revenues. Put another way, Strathroy-Caradoc's Council and staff have been strong fiscal stewards and we are deeply concerned at the prospect of funding cuts that fail to consider the trickle down impacts. In your letter, you imply that Strathroy-Caradoc requires provincial assistance to properly manage the municipal budget as a means of solving Ontario's financial problems. This notion is both an over-simplification and factually inaccurate.

Secondly, cuts alone will not solve the fiscal challenges facing the Province of Ontario. One does not quicken the payment of the mortgage by burning down the kitchen. Recent revenue reduction actions taken by your government have left a \$2.7 billion annual budgetary hole; one that should not be filled by arbitrarily and indiscriminately reducing transfers to local governments. For those of us who have already been prudent and capable fiscal managers, requiring an additional reduction of four cents on the dollar is a task that will most certainly cut into vital programs and services on which our ratepayers rely. This, coupled with new provincial funding reductions and service downloads will negatively affect the Municipal sphere for a generation. While we understand that we must continually find innovative and thoughtful ways to do more with less, there is a point at which further efficiencies are impossible without serious harm to the ratepayers and/or sizeable property tax increases. This is not the path envisioned by the Council of Strathroy-Caradoc but, based on the information contained within your June 6<sup>th</sup> letter, it seems the path may already be charted.

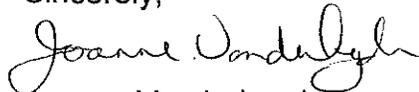
Thirdly, Municipal leaders are not typically afraid of a challenge. If the Municipalities are properly consulted and sincerely engaged, and if Municipal Councils are given the tools needed to reduce costs and mitigate risks, there may well be savings to be found. While slashing land ambulance services, libraries, flood mitigation programs and many other essential services yield quick but short-term fiscal wins, the actual impacts of these provincial cuts may increase municipal service costs in the longer term. I say this because service reduction is not an option given that legislative and regulatory requirements remain unchanged. Moreover, the expenses associated with municipal liability exposure, labour costs and legal fees are at historic highs and are rising. For example, Strathroy-Caradoc is currently engaged in labour negotiations with multiple unions and the outcome will most assuredly necessitate wage increases at some level. Similarly, in a world where Joint and Several Liability is the order of the day, municipal insurance costs and legal fees continue to be higher than at any point in history. In each of these cases, the Municipality is powerless to reduce costs regardless of how stringently finances are managed. The Province of Ontario has already taken steps to mitigate its own costs in these areas but has failed to provide local governments with modernized tools and options to do likewise. In fact, in addition to specifically limiting Provincial liability and capping all public sector wages (excluding the municipal sector) your government has promised to reduce "red tape" via steps such as Bill 108 but has concurrently threatened to reduce the amount of development charges municipalities can receive for building infrastructure to service new growth. In effect, your proposal would reduce regulatory oversight options, remove vital planning controls (possibly increasing servicing costs over the longer term) and may remove revenues available to municipalities at a time when we are just starting to gain ground on asset management.

Like all municipalities in the province, Strathroy-Caradoc has already begun work on the 2020 municipal budget. Clearly, time is of the essence if we are to meet the deadlines and expectations of your government. In this context, I respectfully request that you consider a strategy that involves more than simple cuts and a philosophy of austerity that serves only a short-term purpose yet creates long-term or even permanent pain and little service benefit to the residents and ratepayers we both strive to serve.

Our local MPP, Monte McNaughton, sits in your Cabinet and knows that Strathroy-Caradoc is far from wasteful or cavalier when it comes to taxpayer resources. As one of our residents, he has seen first-hand the steps taken to cut costs, mitigate risks and to get more for less. He has been a traditional partner in these efforts and, now that he serves within the government caucus, we are eager to continue with the collaborative partnership that has long been our practice. The Strathroy-Caradoc Council asks simply that your government not shift the burden and the consequences of this "fiscal crisis" onto the backs of local ratepayers. We will however commit to finding every possible efficiency if we are given the tools and support needed to make the decisions we must.

I am hopeful you will receive my letter in the spirit that it is intended. I look forward to your reply and, in the meantime, Strathroy-Caradoc remains committed to working with the Province of Ontario to protect the vital services on which we all depend.

Sincerely,

A handwritten signature in cursive script that reads "Joanne Vanderheyden".

Joanne Vanderheyden,  
Mayor