



The CountyTM

PRINCE EDWARD COUNTY ✦ ONTARIO

Submission to the Province of Ontario 2020 Pre-Budget Consultations

Remarks delivered by Mayor Steve Ferguson
County of Prince Edward
December 18, 2019

Good evening Minister Phillips.

On behalf of County Council and the municipality, I want to welcome you and your staff to our region and specifically Prince Edward County.

Thank you for the invitation to participate in this discussion.

As you may be aware, Prince Edward County is a vibrant and dynamic community. Our local economy, traditionally driven by the agricultural sector, has diversified in recent years. A more integrated rural economy has emerged, with notable strengths in tourism, agri-business, knowledge-based industries, and arts and culture.

Encouraging job growth and remaining competitive in these areas relies on safe and well maintained infrastructure such as roads, bridges, and water and wastewater facilities. Unfortunately, we have been unable to keep pace financially with our infrastructure needs.

We need to spend an average of \$20 million per year over the next 10 years to address the current issues identified with our infrastructure. An additional \$18 million per year is required for ongoing maintenance, rehabilitation, and replacement of that infrastructure.

We have not come close to the \$38 million investment required each year to maintain our infrastructure and facilities at the recommended standard. In 2019, we budgeted \$13.9 million for capital expenditures.

We struggle to close the infrastructure gap due to a unique set of circumstances. Approximately 90 % of our municipal tax revenue comes from residential properties, with the remaining 10 % derived mainly from farmland. As a result, our residents must shoulder a much higher proportion of the tax burden than people living in urban areas and many other rural municipalities. Furthermore, a higher percentage of our population – 29% – relies on pension income, compared to the provincial average of 14 %. Raising more and more funds through residential taxation and user fees has and will continue to make our community unaffordable for many, especially seniors and others living on fixed incomes.

Approximately 80 % of our immediate infrastructure investment needs relate to our roads. Roads are not just the threads that knit our rural community together. They are critical for our economic well-being. For example, County Road 49, the main route into The County which was downloaded to us by the province at the time of amalgamation, serves commercial and industrial traffic and facilitates our tourism and hospitality sector. You may have used it to get here today. Hundreds of thousands of visitors from Quebec use this road. The 18.6 km roadway is in extremely poor condition and continues to

deteriorate. The replacement cost for this road is between \$18.3 million and \$21.5 million. We cannot fund this rehabilitation project without assistance from senior levels of government.

Our smaller roads are also under immense pressure as tourism traffic grows. More than 700,000 people visited Sandbanks Provincial Park in 2019. Our renowned wineries, breweries, and cideries – more than 50 scattered throughout The County, some of which you visited earlier today – rely on our roads to deliver their goods to market and bring customers to their establishments. On average, 11,000 people visit each winery in a season. As more and more people discover us, they want to put down roots here. We need to renew key infrastructure to facilitate further development.

Our ask is that the Ontario government to allocate more funding for infrastructure in the 2020 budget, either through existing funding programs or other mechanisms. The current funding is frankly insufficient. The rural and northern stream of the Investing in Canada Infrastructure Program was oversubscribed and highly competitive, and our single request was unsuccessful. We need a provincial partner if we are to effectively tackle our road infrastructure challenges.

We also strongly recommend that the government stabilize the Ontario Municipal Partnership Fund and ensure that assistance grants to municipalities do not decrease in future years. We applaud the Ontario government for listening and maintaining the structure of the OMPF for the 2020 budget year. However, this reprieve does not support multi-year capital planning at the municipal level. As you consider the future of the OMPF beyond 2020, I want to stress that significant support for infrastructure is required on an ongoing and annual basis.

On one final note, we have dealt with flooding in 2017 and 2019 due to higher water levels on Lake Ontario and the Bay of Quinte. In both years, municipalities across the region spent hundreds of thousands of dollars in response to the flooding. Private property owners have also faced financial hardships as they have had to prepare for flooding and clean-up in the aftermath. I and the elected leaders of municipalities from Cornwall to Port Hope continue to ask that the provincial and federal governments step forward and improve support to property owners.

Thank you for your time. I am happy to answer any questions you may have.