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Budget 2014: \$100 million permanent fund for roads & bridges; continued uploading for cities

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Municipalities won't just get billions of dollars in transportation funding in this year's budget. The 2014 budget being presented today will implement a new, permanent, \$100 million per year fund for municipal roads and bridges. The government is also committing to continue its uploading of municipal costs.

Roads and bridges are a significant expense for smaller municipalities across Ontario, as the province's infrastructure grows older than its design lifespan. The expense of rebuilding provincial infrastructure would, without provincial help, fall to the municipal property tax base.

A new, permanent fund for roads and bridges was a key demand of the Association of the Municipalities of Ontario in 2013.

The \$100 million dollar fund may be directed through the province's alternative financing and procurement methods. A study from the **Residential and Civil Construction Alliance of Ontario** last year estimated that bundling local road and bridge projects into larger packages could make them attractive projects for AFP, with potential savings in the millions of dollars.

The government is also committing to continue the existing uploading from municipalities to the provincial treasury, reversing much of the fiscal burden the Progressive Conservatives transferred to cities and towns during the 1990s. By 2016 the benefits of uploading are expected to grow from \$1.3 billion to \$1.77 billion.

However, the Ontario Municipal Partnership Fund will continue to be phased down to \$500 million in 2016, as announced in 2012. The one change is a lower payment in 2015 than previously budgeted, of \$515 million instead of \$525 million. The government says the growth in the benefits from uploading will more than offset the cuts to the OMPF. Total combined support for municipalities in the budget will grow from \$1.9 billion in 2013 to \$2.2 billion by 2016.

The budget also commits to implementing the changes recommended in December 2013 by the Special Purpose Business Property Assessment Review, "in consultation with municipalities and other stakeholders."