

**INTERGOVERNMENTAL RELATIONS SUB-COMMITTEE –
MAY 14, 2025**

COMMUNICATIONS

Distributed May 9, 2025

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Please note there may be further Communications.

C1.

Communication

Intergovernmental Relations

Sub-Committee – May 14, 2025

Item No. 1

2025 Political Scan

May 14, 2025

Maria Papadopoulos

Program Manager, Intergovernmental Relations

Strategic Initiatives Portfolio

VAUGHAN CITY HALL

Provincial Landscape

- On Thursday, February 27, Premier Ford secured a third majority mandate.
- The campaign focus was the tariff and sovereignty threat from US President Donald Trump
- Returning MPP's include Michael Tibollo, MPP for Vaughan-Woodbridge, Steven Lecce, MPP for King-Vaughan and Laura Smith, MPP for Thornhill
- A new Cabinet was sworn in on Wednesday, March 19. York Region Ministers include Paul Calandra, Minister of Education, Michael Tibollo, Associate Attorney General and Stephen Lecce, Minister of Energy and Mines, MPP for King-Vaughan (addition of Mines)
- Of note, Rob Flack becomes Minister of Municipal Affairs and Housing, Zee Hamid becomes Associate Minister of Auto Theft and Bail Reform, and Laura Smith becomes Parliamentary Assistant to the Minister of Municipal Affairs and Housing
- Congratulatory letters were sent to the Premier, MPP's and relevant Ministers from the Mayor on behalf of the City of Vaughan
- The Budget will be tabled on Thursday, **May 15, 2025**

Provincial Landscape

- The Legislative Assembly returned on Monday, April 14, with the election of a new Speaker and the Speech from the Throne. Throne Speech highlights include:
 - Ontario's approach to combat the effects of US Tariffs on Canadian Goods
 - A commitment to reducing trade barriers between the provinces and territories and a commitment to reducing red tape
 - A pledge to build large mining and energy projects quicker and create "priority economic zones" to fast-track projects vital to Ontario's economy, energy independence, and national security.
 - A commitment to provincial investments supporting municipalities, including building new homes, investing in local transit infrastructure and protecting local community safety.
 - A commitment to investing in local infrastructure to build new homes. This includes standardizing and transparency in the cost of building new homes, including building permits and local development charges.
 - A commitment to spend \$200 billion to build new and upgraded roads and highways in every part of the province to tackle gridlock.
 - Legislation to provide municipalities with the tools to end encampments and clean up parks and public spaces.
 - Legislation to crack down on crime in communities, calling on the federal government to fix the bail system, ending the catch-and-release policies that let violent, repeat offenders loose and make communities less safe.

Provincial Landscape

Provincial/Municipal Policy Intersection:

- Building Housing
- Vaughan Strong Members' Resolution
- Mayor's letter to the Premier regarding the Tourism Tax Credit
- Tackling Crime
- Investing in municipal infrastructure, including the Gridlock Action Plan

Federal Landscape

- On Monday, April 28, Liberal Leader Mark Carney won the federal election, securing a minority Parliament.
- Like the provincial election, the campaign focus was the tariff and sovereignty threat from US President Donald Trump
- Returning MP's include Anna Roberts, MP for King-Vaughan and Melissa Lantsman, MP for Thornhill. The newly elected MP for Vaughan-Woodbridge is Michael Guglielmin.
- The Prime Minister stated that a new Cabinet will be sworn in the week of May 12
- Parliament will be recalled on May 26, with King Charles delivering the Speech from the Throne on Tuesday, May 27.
- ***A date for the budget has not been announced***
- Congratulatory letters were sent to the Prime Minister and local MP's. Congratulatory letters will be sent to the relevant Ministers from the Mayor on behalf of the City of Vaughan

Federal Landscape

- Prime Minister Carney outlined his priorities for implementing his mandate in the weeks and months ahead.
- The Prime Minister stressed his commitment to working in partnership with the Premiers, Indigenous Leaders, and communities across Canada to implement his platform commitments.
- The Prime Minister stated that he is focused on rebuilding the economy by removing federal interprovincial trade barriers by July 1, 2025, expanding trade relationships internationally and building housing.
- The Prime Minister also stressed that he is focused on increasing community safety through bail reform for car and home theft, toughening sentencing for repeat offenders and increasing border security.

Federal Landscape

Federal/Municipal Policy Intersection:

- Building Housing
- Vaughan Strong Members' Resolution
- Tackling Crime, including federal bubble legislation
- Investing in municipal infrastructure, like the Gridlock Action Plan

Looking Ahead

- Intergovernmental Relations will update the Mayor and Members of Council on the contents of the 2025 federal and provincial budgets, post-budget funding for announcements for both levels of government, and any funding opportunities for municipalities.
- Building on the success of the 2024 IGR MP/MPP Breakfast, staff will work towards planning a similar breakfast in the fall of 2025.

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Intergovernmental Relations

Sub-Committee – May 14, 2025

Item No. 2



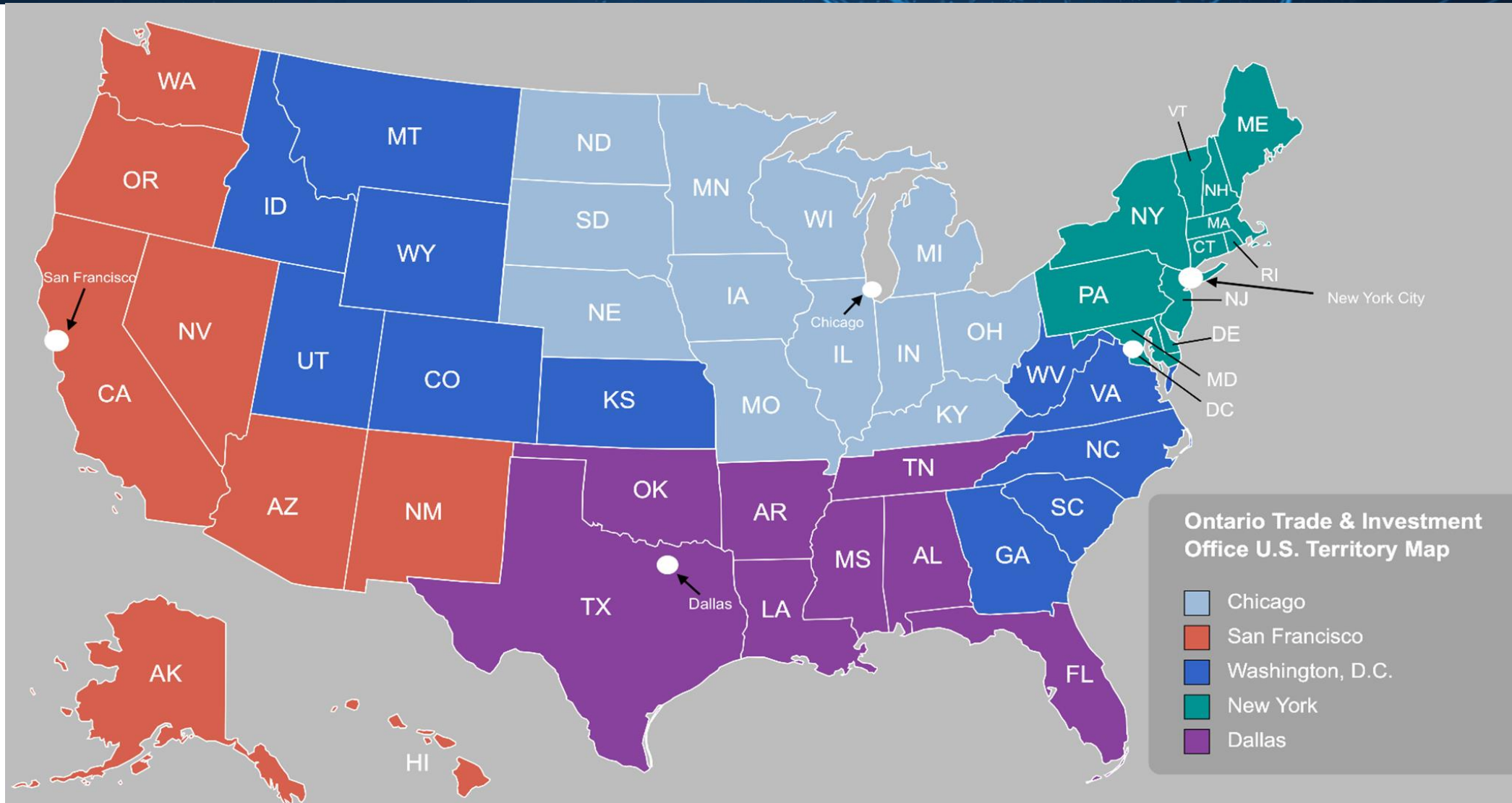
International Trade & Investment Office

Chicago

Presentation to the City of Vaughan
Intergovernmental Relations Sub Committee

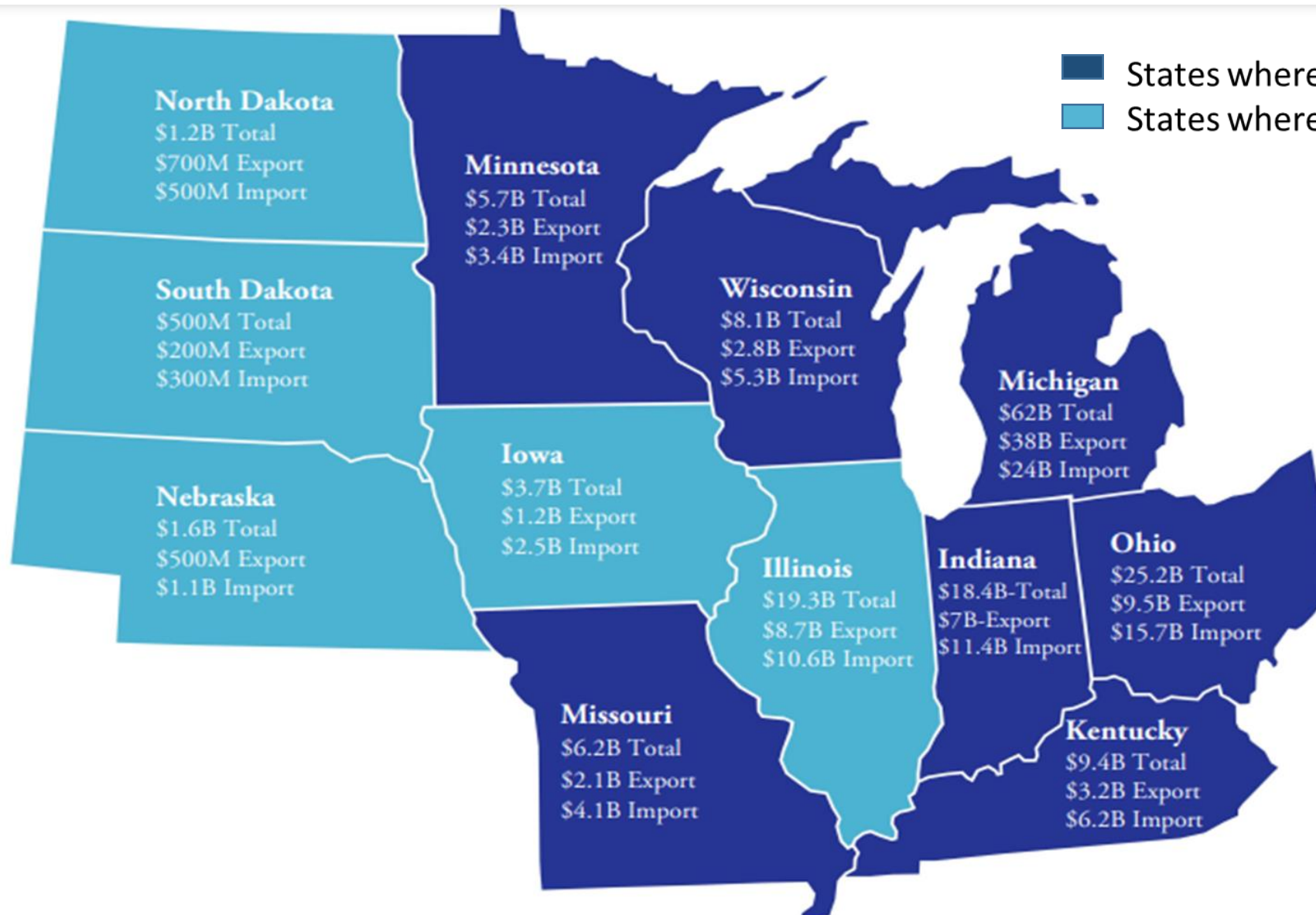
WHAT WE DO

- The Government of Ontario, Canada operates a network of 15 International Trade and Investment Offices in Canadian diplomatic Missions around the world, including 5 in the United States – San Francisco, Dallas, New York, Washington D.C., and our office in Chicago.
- Opened in early 2020, the Ontario Trade & Investment Office in Chicago is co-located within the Consulate General of Canada in Chicago.
- We are Ontario's political and economic representation in the Midwest and Great Lakes regions.
- Our office carries a broad economic development, trade promotion, political, and relationship-building mandate on behalf of Ontario for our states of responsibility.
- Working closely with Canadian federal, provincial and municipal partners, we raise Ontario's profile and build commercial relations in key global markets of the Great Lakes and Midwest regions.

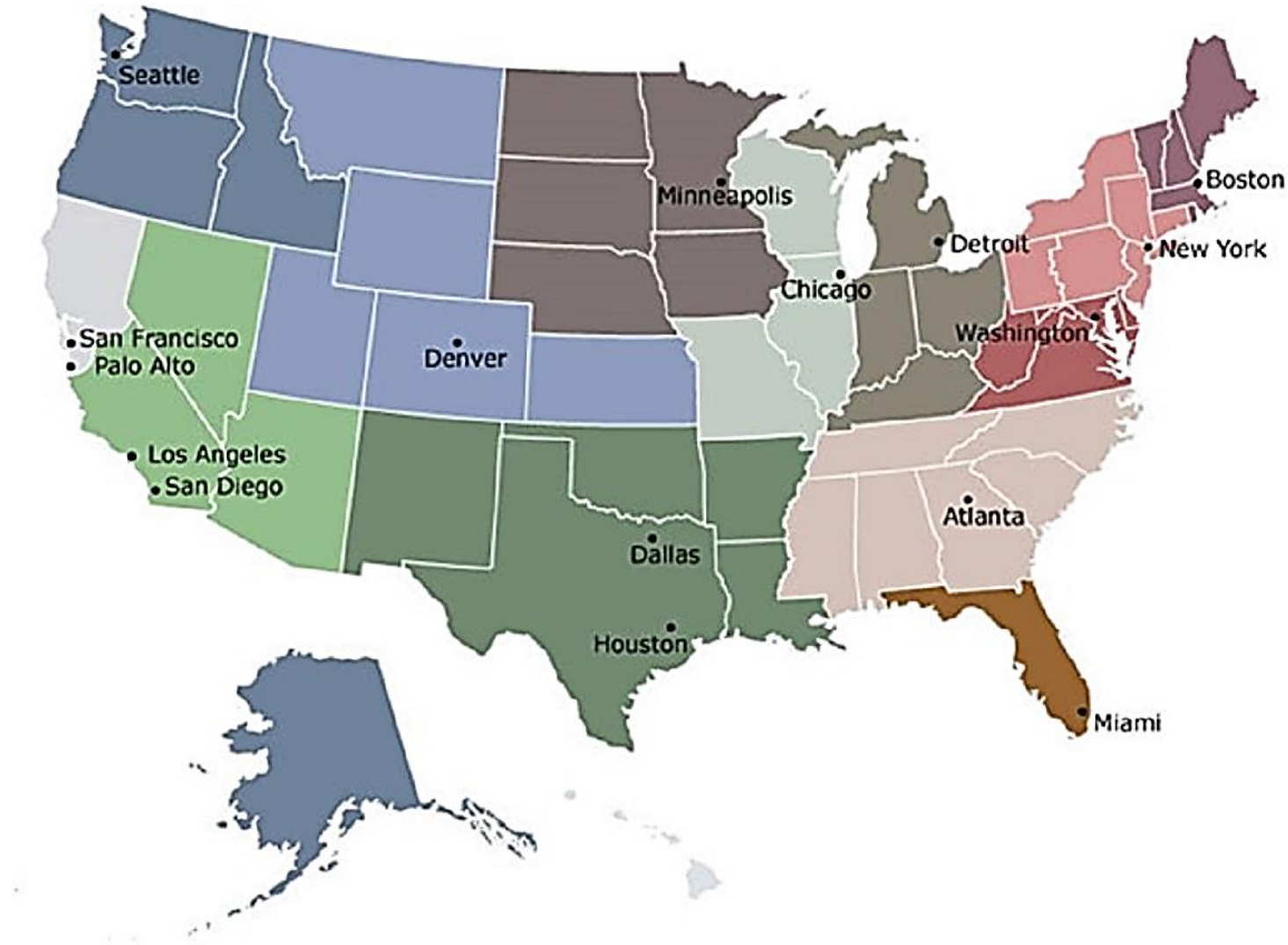


OUR TERRITORY

- States where Ontario is the #1 trade partner
- States where Ontario is the #2 trade partner



CONSULATES OF CANADA - U.S.



HOW WE CAN HELP

Promote Exports from Ontario

- Profile Ontario products and services to foreign buyers and intermediaries.
- Provide data and intelligence on the economy, business environment and opportunities in key global markets.
- Organize pre-qualified meetings for Ontario companies with foreign business contacts and companies.
- Collaborate with Ontario and international partners to deliver incoming and outgoing export related missions.
- Make introductions and facilitate connections between Ontario and U.S. Companies, Economic Developers, Academic, and other stakeholders in our territory.

Attract New Companies, Offices and Facilities to Ontario

- Profile Ontario to foreign companies as a prime location for a North American office or facility.
- Providing data and intelligence on Ontario's economy, business costs and opportunities.
- Offer coordinated connections to government, institutional, and private sector partners to facilitate investment projects.
- Facilitate international research and innovation partnerships between the U.S. and Ontario.
- Undertake post-investment support and coordination with Ontario partners.

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C3.

Communication

Intergovernmental Relations

Sub-Committee – May 14, 2025

Item No. 3

AMO Policy Update

Alicia Neufeld, Senior Manager

May 14, 2025



Context

- New mandate, fresh start
 - United behind Premier's leadership on tariffs and trade
 - New Municipal Affairs and Housing Minister and Associate Minister
 - New partnerships and approaches
- Federal election will shape the Ontario municipal environment
 - Short-term and long-term economic directions
 - Approach to housing
 - "Team Ontario"

AMO Priorities

- Tariffs and Trade – Risks and Opportunities
- Provincial-Municipal Fiscal Framework – Social and Economic Prosperity Review
 - Funding infrastructure for housing and the economy
 - Reducing provincial reliance on property taxes
 - Fixing systems to address homelessness
- Leadership on Other Sector Priorities



Tariffs and Trade

Trade and Tariffs – AMO Approach

Principles

- Focus on biggest risks/opportunities for Ontario municipal sector as a whole
- Balance symbolic and substantive action
- Move forward on both short-term and long-term priorities
- Leverage complementary work/processes/roles

Pillars

1. Understanding/quantifying impacts on Ontario's municipal sector
2. Supporting federal and provincial approaches
3. Making the case for municipal stimulus funding
4. Supporting member education

Progress to Date – Municipal Impact Analysis

AMO is working with Oxford Economics to produce analysis to help provincial and municipal decision-makers understand impacts of tariff/trade scenarios:

- ✓ Cost escalation on planned Ontario municipal capital expenditures in 25/26 and 26/27 – approx. \$1 billion
- ✓ Ontario macro-economic impacts over a 5-year period, including a negative impact of \$1.8 billion to the municipal sector in 2025/2026
- In-depth report on implications for municipal infrastructure projects (late April/Early May)
- Tool for distribution to all municipalities to estimate cost impacts of different tariff scenarios on projects under various asset classes (May)

Capital expenditure and tariff impact by asset type, over both financial years 2026 and 2027

Asset	CAPEX (\$M)	Impact (M\$)	Impact (%)
Road	19,806	271	1.4%
Non-Residential Building	11,280	261	2.3%
Sewerage	9,940	178	1.8%
Vehicles	1,341	141	10.5%
Water	5,435	113	2.1%
Bridge	1,874	39	2.1%
Social Housing	1,652	34	2.1%
Total	51,328	1,037	2.0%

Progress to Date – Municipal Stimulus

- Investments in municipal infrastructure have proven time and again to be the most effective way of deploying stimulus funds quickly and effectively across all parts of the province in times of economic downturn
- AMO has developed a business case for investments of **\$3.45 billion annually over 5 years** in municipal infrastructure and social housing that will:
 - **Reduce Ontario's GDP contraction by 28%** over the same period;
 - Result in **over 14,000 fewer jobs lost in 2026**, including almost 5,000 in the construction sector; and
 - Drive **productivity gains and housing affordability** over time through the construction and/or renewal of important public assets
- AMO is working with partners in the business and construction sectors to endorse these critical investments

Municipal Procurement

Impacts of US Procurement Ban

Ontario's municipalities spend over \$22 billion annually procuring goods and services. AMO surveyed municipalities to understand what challenges may arise from a total ban on US procurement in favour of Canadian and Ontario based businesses. Based on municipal responses, we learned:

Procurement Sourcing

Most procurement comes from business with Canadian addresses.



98.6%

Canadian
Addresses



1.5%

American
Addresses



0.02%

Other
Addresses

Many companies are subsidiaries of US firms or integrated into the US market

Municipalities expressed a desire for standard definitions of Canadian and US goods to inform local policies

Reliance on US for Essential Goods and Services

Municipalities reported relying on US sources for goods and services where made-in-Canada options are not readily available including:



**IT &
Communications**

- Data server storage
- E-voting services
- Software
- Emergency notification system



**Emergency
Services**

- Fire response equipment
- Police firearms & tazers
- EMS equipment and medical supplies



**Heavy Machinery
& Vehicles**

- Fire trucks
- Ambulances
- Snowplows
- Road graders
- Waste management equipment



Health and Safety

- Water treatment plant chemicals and equipment
- Long-term care supplies (e.g. nutrition for feeding tubes)

Impacts of US Procurement Ban

Municipalities reported concerns that a full ban on procurement of goods and services from the US may have unintended consequences including:

- Penalties and legal costs to cancel existing contracts
- Liability for disputes from inter-provincial or foreign suppliers under trade agreements (e.g. CETA, CFTA)
- Inability to obtain goods and services needed to deliver essential municipal services

Provincial Regulations

Municipalities noted that US procurement is needed to meet policy requirements set by the province including:

- Emergency services equipment standards
- The Safe Drinking Water Act
- Anticipated cyber security and digital trust regulations

Provincial-Municipal Fiscal Relations

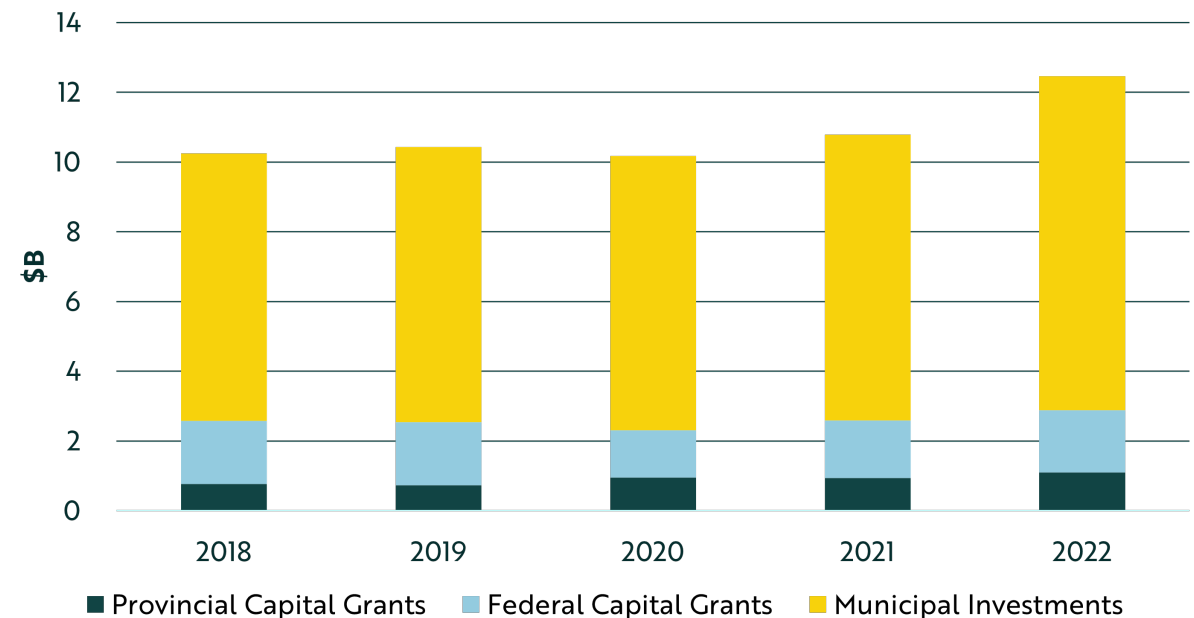


1. Fund Infrastructure for housing and the economy

Municipalities are planning for more than **\$250 billion** in capital expenditures by 2035

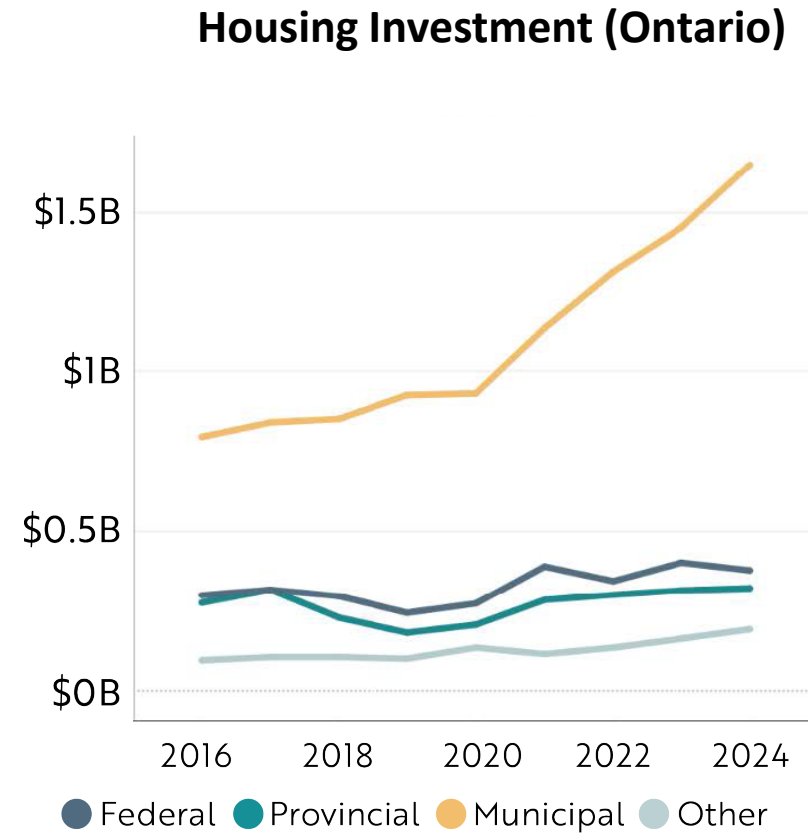
- Federal and provincial infrastructure transfers haven't kept pace
- Development charges can't be replaced by property tax hikes

Funding Sources for Municipal Infrastructure (Ontario)



2. Reduce provincial reliance on municipal property taxes

- Fully upload the cost of community housing
- Match provincial long-term care funding with provincial long-term care standards
- Actually fund public health at a 25/75 cost share ratio



3. Fix provincial systems for homelessness

80,000

*Homeless
Ontarians in
2024*

25%

*Increase in
Ontario
homelessness
since 2022*

3x 4x

*How much faster
homelessness is
growing in rural
and northern
communities*

300,000

*Potential
homelessness in
Ontario by 2035
without
intervention*

Make real progress on the root causes of homelessness,
including greatly expanding community, supportive and
transitional housing stock

Leadership on Other Priorities



Other Priorities

- AMO Indigenous Reconciliation Action Plan
- Codes of Conduct
- Access to Health
- Supporting Members on Provincial Priorities
 - Rural Broadband
 - Energy Procurement