

**Ministry of
Municipal Affairs
and Housing**

Office of the Minister

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234-2021-648

February 23, 2021

Your Worship
Mayor Alar Soever
Town of The Blue Mountains
mayor@thebluemountains.ca

Dear Mayor Soever:

I would like to thank you, your fellow council member Rob Sampson, and Chief Administrative Officer Shawn Everitt for taking the time to meet with my Parliamentary Assistant for Municipal Affairs, Jim McDonell at the 2021 Virtual Rural Ontario Municipal Association (ROMA) Conference. We value our strong partnerships with municipalities and know how important they are, now more than ever.

PA McDonell shared with me your assessment of the impacts of COVID-19 and related provincial measures to protect public health and safety on your community and local businesses and highlighted the local initiatives the town has adopted to control the spread of the virus. PA McDonell also shared with me your thoughts about creating more funding programs based on need.

As discussed during your delegation, we have worked closely with municipalities throughout the COVID-19 pandemic and we will continue to work with municipalities, as we know our strong partnership is critical to Ontario's economic recovery.

If you or your staff would like to discuss these matters further, ministry staff would be pleased to assist. Please feel free to contact Saif Sumbal, Manager, Local Government and Housing in the Western Municipal Services Office at 519-873-4028 or Saifullah.Sumbal@ontario.ca. You can also contact my Senior Policy Advisor for Municipal Affairs, Stephanie DiNucci, at Stephanie.DiNucci@ontario.ca.

I want to take this opportunity to thank you for the hard work you are doing enforcing the public health measures in your community put in place to safeguard the health and safety of Ontarians. Our government will continue to stand shoulder-to-shoulder with municipalities and, together, we can make our communities stronger and put them on the path to recovery and resilience. We will continue to engage with you and listen to your ideas of how we can forge ahead on our recovery together.

Sincerely,

Steve Clark
Minister

c. Parliamentary Assistant Jim McDonell, Municipal Affairs
Ministry of Municipal Affairs and Housing Jim.McDonell@ontario.ca



Town of The Blue Mountains

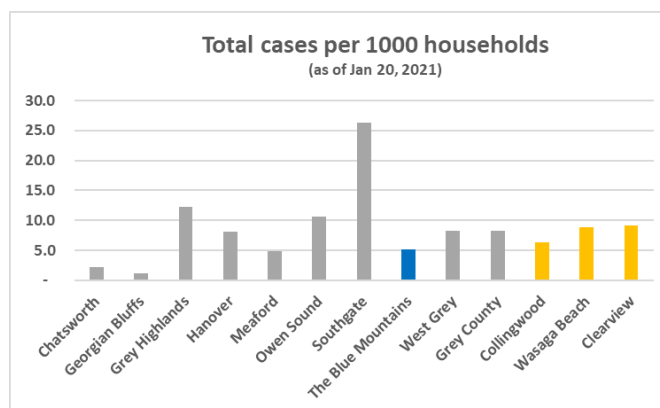
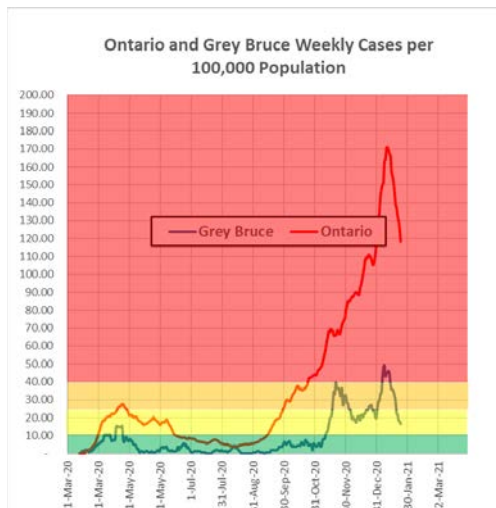
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The Hon. Steve Clark, Minister of Municipal Affairs and Housing Re: Recovery Funding and Other Funding Application Processes

On behalf of the Town of The Blue Mountains, I would thank you for the opportunity to discuss what the increased service and resource demands that The Blue Mountains and other municipalities have experienced in responding to that the Town the COVID-19 Pandemic have revealed about the state of municipal governance in Ontario.

The Blue Mountains is a small lower tier community that is home to about 7,500 full time residents, as well as a similar number of seasonal residents (many of whom are staying here more or less full time since the start of the pandemic). As a tourist community we also host 2.5 million visitors per year.

The number of visitors and seasonal residents, if one believes the popular narrative, would seem to make us a prime candidate for COVID-19. This isn't so. We have had no deaths, very few hospitalized cases and a very low rate of infection when compared to Ontario and our neighbouring municipalities.



This success has not been without effort and expense. To keep our community safe we worked with the Grey Bruce Health Unit and undertook a number of initiatives which go beyond provincial requirements including:

- Hiring additional By law staff to respond to COVID-19 related complaints and inquires and to manage capacity of our beaches (We thank the province for the speed reduction on Highway 26 this summer so we could manage capacity on our waterfront safely)
- Implementing paid parking at high-volume beachfront areas to manage traffic;
- Installing jersey barriers and handwashing stations in downtown Thornbury to increase sidewalk space to allow for appropriate physical distancing requirements;
- Installing COVID-19 safety signage throughout the Town to support education and awareness;
- Implementing a Mandatory Face Covering By-law to expanding the Provincial mask order to include the retail customer as well as the business operator in order to reinforce the importance of wearing a mask indoors/enclosed spaces throughout the Town;



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- Producing a weekly video message from myself updating our citizens on the status of COVID cases and reminding them to follow public health advice.

In total, these actions, together with support provided to our local businesses to ensure their safe operation, as well as lost revenue came at a cost of \$812,025, but provided an increased level of community safety for both residents and visitors, as well increased support for our small businesses during these unprecedented and challenging times.

As described above, our response and expenses were not tied only to our population but also the number of visitors we have to deal with. The Town would like to acknowledge the continued efforts and financial support from the province through the Federal-Provincial Safe Restart Agreement. The funding received has allowed the Town to mitigate the costs that we have had and continue to have to keep our community safe.

We particularly appreciate the needs-based rigorous application process. While it is interesting to note that only 48 of 444 municipalities applied, it is also interesting that this includes both large and very small municipalities. We believe that the failure of some municipalities to apply can be attributed to either a lack of a COVID response, or the lack of capabilities or initiative to apply. Either of these would point to a failure of local government. Perhaps the application statistics can be used to evaluate where a reorganization or amalgamation or support to a municipality might be appropriate.

We hope the rigour that was applied to the applications for Safe Restart funding, can be applied to other funding programs as well. A key parameter which is used often to assess need in many grant application processes is a community's assessment base. While a simplistic analysis might suggest that a higher assessment base results in an increased ability to raise taxes at the local level, this logic breaks down in a two-tier government system.

In a two-tier system, since the upper tier tax rate is the same across all communities, the communities with the highest assessments pay the highest property taxes. The Blue Mountains has the highest property assessments in Grey County for single family non-waterfront homes (\$532,746) more than double the average for the rest of the County (\$254,776). This has resulted in a County and Education Tax Burden which, even when factoring in the higher incomes in our community, places a disproportionate County and Education tax burden on our residents. This high taxation at the upper tier level leaves us no room to raise taxes at the local level as the total tax burden relative to household income is already the second highest in Grey County even though we have the lowest municipal tax rates.

Many funding formulas also factor in assessment and OMPF is no exception. I suspect this is one factor why Hanover with its relatively low assessment base received more than 2.5 times the OMPF funding per household than the other communities in Grey County. This is spite of the fact it is one of the better-off communities in Grey County, with a modern recreation centre and a casino which greatly augments their financial situation. The fact that this community would receive 2.5 times the OMPF funding would seem to be an anomaly caused by the formula which deserves examination.

In summary, we urge that the Minister apply the same rigour to all funding applications that was applied to the Recovery Funding, and that the Minister work with all ministries to examine the real effect of the use of metrics such as assessment base and population in assessing funding applications.

In closing, we would like to respectfully thank the Honourable Minister Steve Clark for your time and attention into this matter.

Shawn Everitt Chief Administration Officer **Alar Soever** Mayor