



February 18, 2021

Minister McKenna
House of Commons
Ottawa, Ontario K1A 0A6

Minister Mulroney
Ministry of Transportation
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Toronto, ON M7A 1Z8

On behalf of the members of the Windsor Construction Association (WCA) and the Heavy Construction Association of Windsor (HCAW) representing approximately 400 companies such as General Contractors, Sub-contractors, Suppliers, Manufacturers and Professional firms, who operate predominantly in the Windsor-Essex County and Chatham Kent regions, building Industrial, Commercial, and Institutional buildings, roads and sewers, bridges and other civil infrastructure projects, we write to you regarding future Federal stimulus funding.

Last year the world experienced unprecedented hardships at the hands of the COVID 19 pandemic. Millions of people have lost their lives, and tens of millions will forever suffer on-going health related hardships even though they had survived it. The pandemic had vast impacts economically on hundreds of millions of people worldwide, and in Canada the impacts have been real proportionately. Because of the pandemic, Government had to act and responsibly utilized their powers to govern lockdowns throughout nation, provincially, and locally. These actions were necessary and welcomed by people to stem the spread of the virus in the hopes to save lives and reduce personal suffering.

The actions of Government also had significant impacts on every aspect of commerce in every City and Town, and businesses were mandated to either cease operating or reduce their traditional patronage. Many businesses have not weathered their losses and cease to operate, while others have suffered significant financial hardships, and only a handful of companies have benefited from these actions.

As a result of these hardships, local Municipalities have themselves also suffered financial hardships. Income from traditional municipal revenue sources such as public transportation systems and public recreation facilities (such as arenas, aquatic and recreation centres, marinas, etc.) have been hampered through either permanent or temporary closure, or loss of patronage. As well, Municipalities have also suffered through the loss of hundreds of local small business operators, and Municipal taxes revenue are certain to decline.

Such financial hardships will only make balancing future Municipal budgets improbable, assuming of course that traditional spending is forecast. The most obvious reaction for most Municipalities, however,

will be to reduce some or all their spending intentions on much needed Capital Infrastructure projects, in favour of continued spending on social, police, and fire services. This trend is not unusual and a typical reaction for any Municipality when budgets revenues are scarce, but the impacts being realized by the pandemic are completely different, and the magnitude of the shortfalls is staggering.

Now typical of any national economic hardship, both Federal and Provincial government responses to stimulate the economy include the injection of stimulus funds in the form Capital Infrastructure matching grants directed towards future Municipal infrastructure projects. Historically, these actions call for equitable matching (Federal-1/3, Provincial- 1/3, Municipal-1/3) of such funds by all levels of government as a condition of approval and receipt, and this was a formula which traditionally was readily accepted by Municipalities to stimulate their local economy and build projects at a one third cost using their own funds.

That was then, and this is now.....

Should such stimulus funding be offered soon by either of the Federal or Provincial governments, **the same equitable cost sharing formula (1/3 cost share by each level of government) will not work.** Municipalities currently do not have the revenue to match the Provincial or Federal offer, and the desired effects of stimulating the economy will be lost.

Municipalities operate at the lowest level of government (where the rubber meets the road so to speak) and are highly reliant on the financial support of other levels of government, and have in the past been able to creatively balance their citizens' service levels with a combination of revenue sources. Unfortunately, the COVID 19 pandemic has caused such extreme financial hardship positions that municipalities will realise a whole host of budgeting challenges for the foreseeable future.

Should the Federal or Provincial governments choose to offer stimulus funding and direct them to municipalities, we strongly suggest that the equitable financial formula be reconsidered to a level more "affordable" to municipalities. Otherwise their intention to stimulate the economy will be missed. We agree that "some" level of funding be demanded but not at the 1/3 level.

Finally, we strongly advise that as a condition of Municipal qualification for such funds, that projects included in a Municipalities Asset Management Plan, and/or projects which are "shovel ready" (engineered and approved) be eligible for the application of the stimulus funds. In the past, only projects deemed to be "completely new" or "uncontemplated" were able to qualify. Clearly all Municipalities have a much longer list of Infrastructure projects than they could ever dream of financing in any given season, so all projects should qualify for the stimulus funds.

Respectfully submitted,



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