

May 19, 2020

Rt. Hon. Justin Trudeau
Prime Minister of Canada
Office of the Prime Minister
80 Wellington Street
Ottawa, ON K1A 0A2

Hon. Doug Ford
Premier of Ontario
Correspondence Services Unit,
Whitney Block, Room 4620, 99 Wellesley St. W.
Toronto, Ontario M7A 1A1

Prime Minister Trudeau and Premier Ford:

Re: Letter of Support and Offer of Partnership: Regional Municipality of Waterloo's Request for Financial Support

We are once again writing to you jointly as the heads of the leading business organizations in Waterloo Region.

The Cambridge Chamber of Commerce, Communitech Corporation, Waterloo Region Economic Development Corporation, and the Greater Kitchener Waterloo Chamber of Commerce together represent over 90,000 workers and 3,500 businesses of every type and size across Waterloo Region. Our members include advanced manufacturers, innovators, technology companies, major financial services firms, agriculture businesses, and small professional services businesses.

On behalf of these member companies, we thank you for your quick and decisive action to date to both contain the spread of COVID-19, and in particular the range of supports to help stabilize individuals and businesses of all sizes through CERB, Loan Programs, CEWS and CECRA. We also appreciate the willingness of your governments to listen and make changes that are and will be necessary to ensure that the uptake of the programs is fully utilized by businesses to meet their needs.

Transition from Crisis to Recovery and Repair of Municipal Finances

We're writing today to lend our support to requests made by numerous Canadian municipal leaders for direct financial support. We're writing also to offer you our ongoing partnership in seeking innovative solutions to how municipalities can not only survive the crisis, but go forward to thrive and establish even better business conditions for economic recovery in Ontario and Canada.

You're well aware of the challenges facing municipalities. As FCM and AMO have already articulated, COVID-19 has largely been a crisis of non-recoverable financial losses for municipal governments. Like other municipalities across the country, the Region of Waterloo is losing almost \$5 million per month from a variety of user fees and charges—including \$3.5 million per month from lost transit fares alone—while costs to keep people safe have dramatically increased.

As the Business and Economic Support Team for Waterloo Region (BESTWR), our interest in this discussion is not only one of caring about the municipal services available to residents in our community and the attendant quality of life issues, but also the impact that deteriorating municipal fiscal health could have on business conditions here and across the country in the future.

Given the inability of municipalities to run deficits, the policy tools available to municipalities to weather the current storm centre on operational retrenchment including headcount reduction, service reduction, and property tax increases. While all three represent their own challenges, the latter and most powerful option - property tax increases - is a policy that would severely undermine the countercyclical measures that the federal and provincial governments have put in place to support the economy. Leaving municipalities with no option but to reach for this blunt instrument would further suppress business and consumer confidence at a time when we ought to be doing all we can to kick-start economic activity.

Economists as diverse as Kevin Milligan and Jack Mintz have noted the key to economic recovery - and for managing elevated levels of sovereign and sub-sovereign debt - is growth. By supporting municipalities through COVID-19 and preventing additional burdens on struggling businesses and financially stretched households, we can be in a position to quickly restore the confidence of employers to hire, invest and expand right here in Canada.

Further, we are eagerly at your disposal to discuss ideas for potential municipal fiscal and policy reform to ensure municipalities become engaged enablers of business growth. There is red tape to remove and business-friendly consistency to improve, and we believe the current crisis represents a generational opportunity to apply innovative thinking to how we set and secure ideal business conditions in Canada and Ontario.

In addition to the BESTWR leadership group, I can assure you that our Regional Chair, Mayors of the Cities of Kitchener, Cambridge, Waterloo and Mayors of the Townships of Woolwich, Wellesley, Wilmot and North Dumfries will together continue to stand with you during and after these short-term and longer-term actions are taken and considered, and please feel free to reach out at any time or for any reason whenever we can be of assistance to you and your teams.

Let's get to work!

Sincerely,



Tony LaMantia
President and CEO
Waterloo Region
Economic Development
Corporation



Greg Durocher
President and CEO
Cambridge Chamber
of Commerce



Iain Klugman
President and CEO
Communitech



Ian McLean
President and CEO
Greater Kitchener
Waterloo Chamber
of Commerce

CC:

Hon. Bill Morneau
Hon. Rod Phillips