

2025 Pre-Budget Consultations Submission

Bruce County

January 23, 2025



The Honourable Peter Bethlenfalvy
Minister of Finance

c/o Budget Secretariat
Via Email: MOFconsultations@ontario.ca

RE: Partnering for Prosperity: Bruce County Powers Ontario

Dear Minister Bethlenfalvy,

I am pleased to submit this written submission on behalf of Bruce County for consideration in the 2025 budget. Bruce County applauds the provincial government's leadership in addressing Ontario's energy needs with the release of *Ontario's Affordable Energy Future: The Pressing Case for More Power*. Bruce County is a critical partner in delivering this vision. To understand our role, it's essential to first understand Bruce County.

About Bruce County

Situated within the traditional territory of the Saugeen Ojibway Nation, Bruce County is home to nearly 75,000 residents in predominantly rural communities. Nestled between Lake Huron and Georgian Bay, we are celebrated for our natural heritage and as a destination for Ontarians.

- **Agricultural Impact:** Agriculture is central to Bruce County's economy and identity, with nearly 2,000 farms generating over \$255 million annually in gross sales. Notably, Bruce County produces 22% of Ontario's beef.
- **Energy Leadership:** Bruce County supplies 30% of Ontario's electricity and is vital to the electrification of Canadian society. Key initiatives include Bruce Power's Major Component Replacement, pre-development work for 4,800 megawatts of new nuclear generation, a pumped storage facility, and a large-scale battery storage facility.
- **Global Contributions:** Our region provides a significant share of the world's medical isotopes, essential for sterilizing equipment and treating cancer.
- **Future Growth:** Bruce County is projected to grow by over 20,000 residents by 2045.

Challenges Faces by Bruce County

Since 2021, inflation has consistently exceeded historical norms, placing unprecedented strain on municipal finances across Ontario. Municipal funding models remain unresponsive to inflationary pressures, exacerbating the challenge. According to the Federation of Canadian Municipalities, municipalities receive only 8 cents of every tax dollar, while shouldering responsibility for much of the infrastructure and services essential to daily life.

The Association of Municipalities of Ontario has called for a renewed municipal funding model through a Social and Economic Prosperity Review. Their initial findings reveal that municipalities are using property taxes to maintain services in areas of provincial responsibility. Table 1, below, outlines Bruce County's contributions across healthcare, social services, and housing.

Table 1: Bruce County Expenditures in Area's of Municipal Responsibility

		Health Services	Social Services	Housing	Total
2020	Provincial & Federal Grant	\$ 6,352,891	\$ 26,573,443	\$ 810,209	\$ 33,736,543
	Total Municipal Expenditures	\$ 12,747,563	\$ 40,495,704	\$ 8,641,421	\$ 61,884,688
	Levy Impact	\$ 6,394,672	\$ 13,922,261	\$ 7,831,212	\$ 28,148,145
2021	Provincial & Federal Grant	\$ 6,709,959	\$ 29,506,903	\$ 1,141,408	\$ 37,358,270
	Total Municipal Expenditures	\$ 13,370,364	\$ 44,269,583	\$ 10,628,285	\$ 68,268,232
	Levy Impact	\$ 6,660,405	\$ 14,762,680	\$ 9,486,877	\$ 30,909,962
2022	Provincial & Federal Grant	\$ 7,674,523	\$ 38,929,236	\$ 1,359,161	\$ 47,962,920
	Total Municipal Expenditures	\$ 15,113,887	\$ 54,509,735	\$ 12,587,814	\$ 82,211,436
	Levy Impact	\$ 7,439,364	\$ 15,580,499	\$ 11,228,653	\$ 34,248,516
2023	Provincial & Federal Grant	\$ 8,111,948	\$ 49,539,977	\$ 1,447,560	\$ 59,099,485
	Total Municipal Expenditures	\$ 15,381,028	\$ 64,146,793	\$ 12,543,923	\$ 92,071,744
	Levy Impact	\$ 7,269,080	\$ 14,606,816	\$ 11,096,363	\$ 32,972,259
				Total Levy Impact	\$ 126,278,882

Table 1 highlights that since 2020, Bruce County has contributed over \$126 million through the tax levy to areas identified by the Association of Municipalities of Ontario (AMO) as provincial responsibilities. These areas include long-term care, paramedics, public health, Ontario Works, and housing.

In addition to this financial burden, Bruce County faces several other challenges that put significant pressure on its resources and residents:

- **Housing Affordability:** 45% of renters in Bruce County spend more than 30% of their income on housing. Dwelling values have increased by 76% between 2016 and 2021, a rate 17% higher than the provincial average, making housing affordability a growing challenge.
- **Labour Market:** The Stratford-Bruce Economic Region reported an unemployment rate of 3.6% in December 2024, continuing a decade-long trend of having one of the lowest unemployment rates in Canada. Bruce County's living wage is \$22.75 per hour—one of the highest in Ontario, second only to the Greater Toronto Area (GTA). These factors make it increasingly difficult for local employers to attract and retain skilled workers.
- **Funding Disparities:** Bruce County receives one of, if not, the lowest provincial and federal funding compared to similar upper-tier county governments. This shortfall limits the county's ability to effectively address critical needs in housing, transit, infrastructure, social assistance, childcare, long-term care, energy, health care, and other essential municipal services.

However, despite these challenges we are confident we are well positioned as a partner to support delivery on the promise outlined in *Ontario's Affordable Energy Future: The Pressing Case for More Power*. There are small wins that will help us ensure Bruce County is well positioned to support the Government's vision.

Call for a New Municipal Funding Model

The current municipal funding model in Ontario is failing to meet the needs of communities, particularly rural and growth-intensive regions like Bruce County. Municipalities, responsible for nearly half a trillion dollars in critical infrastructure, are forced to rely predominantly on property taxes and user fees—revenue sources that neither grow with the economy nor keep pace with inflation. Meanwhile, municipalities across Ontario continue to subsidize provincial responsibilities by almost \$4 billion annually, straining their ability to fund local priorities. The challenges are exacerbated by unprecedented growth pressures, climate-related infrastructure demands, and a housing affordability crisis that disproportionately impacts communities like Bruce County.

To address these systemic issues, Bruce County supports the Association of Municipalities of Ontario's (AMO) call for a Social and Economic Prosperity Review. This joint provincial-municipal review would update the provincial-municipal fiscal relationship, ensuring sustainability for both levels of government, fairness for taxpayers, and equity for communities. **Ask:** We urge the provincial government to prioritize this initiative in the 2025 budget and work collaboratively to build a funding framework that supports Ontario's municipalities as they address today's challenges while planning for the future.

Our Asks

Bruce County has worked with provincial counterparts over the past year identify areas that would support our success in continuing to power the province. These include:

- **Access to Infrastructure Funds:**
 - **Issue:** The cost of municipal infrastructure to support new housing is estimated at \$107,000 per home. Meeting federal and provincial housing targets of 5.8 million homes by 2030 could result in a \$600 billion infrastructure funding gap. Bruce County, experiencing rapid growth and providing 30% of Ontario's power, struggle to systematically access existing funding programs that prioritize urban housing targets.
 - **Ask:** Earmark infrastructure funding specifically for rural municipalities like Bruce County to ensure they can support growth, address infrastructure gaps, and continue delivering critical services for the province.
- **Funding for Energy Host Communities:**
 - **Issue:** Host communities bear significant costs of supporting energy infrastructure projects, like the Bruce Power major component replacement program, and the potential expansion of Bruce Power. Current capacity funding for municipalities receiving new energy projects should also extend to those managing the expansion of existing projects.
 - **Ask:** Expand funding to municipalities hosting energy project expansions and develop a principle-based framework to ensure host communities are supported in their engagement with impact assessments and licensing processes.
- **Poverty Reduction:**
 - **Issue:** Ontario Works rates have not increased in six years despite inflation, leaving individuals in poverty and increasing strain on municipalities delivering Ontario Works. Rates and the system are insufficient to prepare clients for financial independence and workforce participation.

- **Ask:** Fix social assistance rates and reform the system to enable recipients to achieve financial independence and meet local workforce needs.
- **Rural Transit:**
 - **Issue:** Bruce County and South Bruce Peninsula had stepped in to support a vital transit route connecting residents to healthcare, social supports, and affordable food. However, with the ending of provincial funding through the Community Transit Grant in March 2025 this vital link has been lost.
 - **Ask:** Make the Community Transit Grant permanent and expand funding eligibility to municipalities like Bruce County to establish and sustain rural transit systems beyond reliance on property tax revenues.
- **Community Safety & Wellbeing:**
 - **Issue:** The province mandated municipalities to create Community Safety and Wellbeing Plans but provided no ongoing funding to sustain their implementation. These programs save the province significant cost. For we implemented the Situation Table for Acutely Elevated Risk (STAR). In 2023, STAR successfully reduced risk in 68% of high-risk situations (17 out of 25), easing the burden on emergency services. Single intervention in 2023 reduced emergency service calls from one individual from 53 to 6, an 89% reduction in 911 usage, saving an estimated \$16,618.46 for police and paramedic services in just two and a half months following the intervention. This program needs permanent funding to keep these results going.
 - **Ask:** Provide sustained provincial funding for Community Safety and Wellbeing initiatives to ensure their continued success and cost savings.
- **Rural Health Care:**
 - **Issue:** Rural communities face challenges with equity of access, emergency department closures, and physician shortages. Ontario Health Teams (OHTs) lack mandated municipal representation in their governance, leaving rural voices unheard in resource allocation.
 - **Ask:** Pilot a mandatory municipal role in OHT governance in Bruce County to address the unique healthcare needs of rural communities.
- **Housing Affordability:**
 - **Issue:** Current regulations prevent Bruce County from creating an upper-tier Community Improvement Plan (CIP), resulting in inefficiencies in addressing housing affordability and coordinating resources across its eight municipalities.
 - **Ask:** Amend O. Reg 221/07 to allow Bruce County to create an upper-tier CIP to streamline housing solutions, reduce administrative burdens, and accelerate affordable housing development.

- **Long-Term Care:**
 - **Issue:** Municipal long-term care in rural areas has become fiscally unsustainable. Costs per bed have more than tripled for Bruce County since 2017, while funding has not kept pace with inflation or resident acuity increases.
 - **Ask:** Work with Bruce County to develop sustainable funding models for municipal long-term care that recognize inflationary pressures, resident acuity, and the unique contributions of municipal LTC homes.

Bruce County is proud to be a critical partner in powering Ontario and supporting the province's energy, housing, and economic development priorities. We remain committed to working collaboratively with the provincial government to address the unique challenges faced by our residents and municipalities. By taking strategic action on the issues outlined in this submission—such as rural infrastructure funding, energy host community support, poverty reduction, rural transit, community safety, rural healthcare, housing affordability, and long-term care—the province can ensure Bruce County continues to thrive and deliver on its vital role in Ontario's future.

Should you wish to follow-up for more information about any of the above please contact Aaron Stauch, Director of Government Relations (astauch@brucecounty.on.ca). Thank you for considering Bruce County's priorities for the 2025 budget. We look forward to continued dialogue and collaboration to create meaningful solutions for our residents and the province.

Regards,

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Warden

Cc:
Lisa Thompson, MPP
Rick Byers, MPP