MFOA | MUNICIPAL FINANCE OFFICERS' ASSOCIATION OF ONTARIO

Hon. Todd McCarthy
Acting Minister of Infrastructure
5th Floor
777 Bay St.
Toronto, ON M7A 2J3

June 25, 2026

Dear Minister McCarthy,

RE: Making permanent the doubling of the Ontario Community Infrastructure Fund (OCIF) that is scheduled to end after the 2026 allocation

I am writing on behalf of the Municipal Finance Officers' Association of Ontario, and the municipalities it serves, to request that the Government of Ontario make permanent the five-year doubling of the Ontario Community Infrastructure Fund (OCIF) from $200 million/year to $400 million/year in advance of the 2027 OCIF allocation calculations.

The Municipal Finance Officers' Association of Ontario (MFOA) is the professional association of municipal finance officers with more than 2,300 individual members. We represent individuals who are responsible for handling the financial affairs of municipalities and who are key advisors to councils. MFOA is a strong advocate for best practices that encourage long-term fiscal sustainability, including long-term financial planning and asset management planning.

In recent years, governments at all levels have reoriented their priorities to address the ongoing housing crisis, with heightened attention on growth-related infrastructure and increasing housing production. Application-based or incentive-based funding programs for municipalities have placed greater emphasis on growth-related or housing-enabling capital projects (e.g., Development Charge Reduction Program, Building Communities Strong Fund – Community Stream, Municipal Housing Infrastructure Program, Building Faster Fund). OCIF remains one of the few federal or provincial funding programs where the focus remains primarily on the preservation and renewal of existing infrastructure to maintain or improve municipal service levels.

With support from the Government of Ontario and MFOA, municipalities have made significant improvements to their municipal asset management plans and programs. The Government of Ontario introduced O. Reg 588/17 (Asset Management Planning for Municipal Infrastructure) in late 2017, which provided a standard framework for infrastructure planning. To support the transition to O. Reg. 588/17, MFOA has partnered with the Government of Ontario on many asset management initiatives, including guides, workshops, direct consulting support and other resources. As a result of these and significant municipal efforts, most municipalities in Ontario have an asset management inventory that identifies their infrastructure assets, including conditions, replacement costs and renewal schedules of those assets.

By leveraging municipal asset management plans in 2020, the Financial Accountability Office of Ontario estimated the state-of-good-repair backlog to be $52.1 billion for core municipal infrastructure. That is an estimated cost of restoring such infrastructure to a 'good' condition. The report notably focused primarily on core assets and thus likely understated the full extent of the backlog. Addressing this should not be a priority that falls by the wayside due to an increased focus on growth-related capital projects by other funding programs. OCIF's flexible design provides municipalities with the opportunity to fund asset management staff, which can improve data and analysis quality, and it provides a critical means by which municipalities address the infrastructure funding challenges identified in their asset management plans.

In 2021, the Government of Ontario doubled OCIF for a five-year period. Minister Surma, in announcing that initiative, commented that the Government of Ontario was "providing stability and predictability to small, rural and northern communities as they repair, upgrade and modernize their critical infrastructure so that they are safer, healthier and more reliable for all." And Minister Bethlenfalvy said that "by nearly doubling our investment in the Ontario Community Infrastructure Fund, our government is supporting public safety, job creation and economic growth." In the current climate of geopolitical uncertainty, tariffs and the resulting economic shocks and instability, the need to provide municipalities predictability and to preserve and enhance the economic activity and benefits provided by well-supported and well-maintained municipal infrastructure is as imperative as it was in 2021.

We have also heard from our members on this matter. Municipalities outside of high-growth regions have expressed concern about the diminishing level of grant funding opportunities for municipalities trying to preserve the economic value of their existing infrastructure. Additionally, while growing municipalities have made significant efforts to emplace new, housing-enabling infrastructure, which has been rewarded through the Building Faster Fund, many of their state-of-good-repair capital plans remain underfunded. To maximize the economic potential of federal and provincial investment in infrastructure, all orders of government must work together to preserve service levels and the public value of existing infrastructure, and permanently doubling OCIF to $400 million/year will especially help small and rural municipalities preserve that economic foundation throughout Ontario.

By adopting a Team Ontario approach during recent and ongoing economic challenges, we have seen how significant progress can be made when municipalities and the provincial government work together to achieve a common goal. Should you wish to follow up on this letter, please contact MFOA Executive Director, Donna Herridge (donna@mfoa.on.ca).

Sincerely,

Adam Found

Dr. Adam Found, Ph.D., PLE
President and Chair

cc. Hon. Rob Flack, Minister of Municipal Affairs and Housing
cc. Hon. Peter Bethlenfalvy, Minister of Finance