



The Empire Club Presents

**FOR WHOM THE ROAD TOLLS:
A DEBATE ON TRAFFIC IN THE GTA
AND WHETHER THERE ARE TOLLS IN
THE REGION'S FUTURE**

featuring

**MAHROKH AREFI, JOSH COLLE,
BONNIE CROMBIE, TERESA DI
FELICE AND MODERATOR ROD
PHILLIPS**

February 8, 2017

**Welcome Address, by Paul Fogolin, Vice President of
the Ontario Retirement Communities Association and
President of the Empire Club of Canada**

Good afternoon, once again, ladies and gentlemen. From the Arcadian Court in downtown Toronto, welcome, to the 113th season of the Empire Club of Canada. For those of you who are just joining us through either our webcast, podcast or live on Rogers TV, welcome, to the broadcast.

Before our distinguished speakers are introduced today, it gives me great pleasure to introduce all of our Head Table Guests. I would ask that each guest at the Head Table rise for a brief moment as their name is called. This is typically when the master of ceremonies asks the audience to refrain from applauding to the end, but nobody ever listens to that. This season, we are asking you to applaud all you want to. We are shaking things up here, folks.

HEAD TABLE

Distinguished Guest Speakers:

Ms. Mahrokh Arefi, CEO, Emovis Technologies US

Councillor Josh Colle, Ward 15 (Eglinton–Lawrence); Chair, TTC

Mayor Bonnie Crombie, Mayor of Mississauga

Ms. Teresa Di Felice, Director, Government and Community Relations, CAA South Central Ontario

Mr. Rod Phillips, Chair, Postmedia Network Inc.

Guests:

Mr. Joseph Clavelle, Director of Business Development, Bestpass

Mr. Phil Gillies, Municipal Practice Lead, Enterprise Canada

Mr. Andy Manahan, Executive Director, Residential and Civil Construction Alliance of Ontario (RCCAO)

Ms. MJ Perry, Vice President and Owner, Mr. Discount Ltd.; Director, Empire Club of Canada

Once again, my name is Paul Fogolin. In my day job, I am the Vice President of the Ontario Retirement Communities Association and your President this year for the Empire Club of Canada. Ladies and gentlemen, your Head Table.

I also want to acknowledge that we have with us one Past President of the Empire Club, Peter Hermant. Let us give a hand to Peter.

To toll or not to toll? This seemingly simple question defines one of the most dynamic political debates of our time. From an objective perspective, there are strong arguments on both sides. Those in favour say things like tolls help to tackle climate change and reduce emissions. They embody the user-pays perspective on raising much-needed funds for infrastructure. Conversely, opponents of road tolls claim they are yet another tax grab. They are unfair, and they are easier for the rich than they are for the poor, and that, in many ways, they just divert traffic to other arteries, which just adds even more to hectic commutes.

Ladies and gentlemen, the good news is that we do not have to come up with any of the solutions ourselves because today we have esteemed panelists who are going to bring their unique and well-informed perspectives to this vital debate.

Ms. Mahrokh Arefi is the CEO of Emovis Technologies US out of the New York area. Ms. Arefi has over 25 years of experience in design, implementation and operation of transportation and transit technologies, including

a recent all-electronic toll collection program in Western Canada. She is a registered professional engineer in both British Columbia and in Washington State, and, as I mentioned, she is currently the CEO of Emovis Technologies US.

We also have, as I said, Mr. Josh Colle. Josh was elected in October 2010 to represent the area of Eglinton–Lawrence. In addition, he was elected to serve as the Chair of the TTC in 2015. Born and raised in Toronto, Josh brings a wealth of private sector and community experience to City Hall. He has worked in Toronto’s financial services sector, the transportation industry, and has served as vice president of an energy and infrastructure firm. Josh has lived in the Oakwood and Vaughan area for over 30 years, where he continues to reside with his wife and three children.

We have, of course, Her Worship, Mayor Bonnie Crombie. In 2014, Bonnie was elected as Mayor of Mississauga. Building regionally integrated transit, igniting new economic development opportunities and creating a more open, engaging and inclusive city have been Mayor Crombie’s leading policy priorities in Mississauga. Mayor Crombie has an MBA from York University’s Schulich School of Business and a Corporate Director’s Certificate from the Rotman School of Management. Mayor Crombie and her husband, Brian, have three children, Alex, Jonathan and Natasha, and a golden husky with a great name, Adonis.

Ms. Teresa Di Felice is the Director of Government

and Community Relations for CAA South Central Ontario. Teresa is responsible for the overall direction and execution of the organization’s advocacy strategies and programs and for representing and raising awareness on relevant issues to CAA’s two million plus members and with policymakers in Ontario. Over the last three years, Teresa has released two Conference Board of Canada reports related to how much motorists contribute to the cost of infrastructure and various tools and strategies related to mitigating congestion.

Last, but certainly not least, our moderator today, Mr. Rod Phillips, is Chair of the board of Postmedia, Canada’s largest news media company, which owns over 180 print and digital publications. Rod is also the Global Head of Client Services and Country Lead for Canada for Afinity, a Washington, DC based global technology company. Active in his community, Rod is the Chair of the Boards at CivicAction and TELUS Toronto Community Board, and he is a member of the board of the Toronto International Film Festival. Previously, Rod was President and Chief Executive Officer of the Ontario Lottery and Gaming Corporation, and, from 1997 to 2000, he served as Chief of Staff to Mayor Mel Lastman.

Ladies and gentlemen, please, welcome all of our panelists and our moderator, Rod Phillips, to the podium.

RP: Thanks very much, Paul. Welcome, everybody. It is a pleasure. And, thank you to the Empire Club for the

decision to host this event, and, particularly, thank you to them for deciding to continue to have this event following the announcements of the last couple of weeks.

One of the questions that I asked Phil about when we had the recent announcement from the premier was whether people would still be interested in this discussion about tolls. I think the audience here today and also the vibrant discussion at our table during lunch tells me that they are. My job, as moderator, is simply to make sure that the discussion is lively and interesting, to make sure that the speakers get an opportunity to speak to this issue. We have obviously got a great blend of both people who have a deep understanding and expertise as it relates to tolling, its options, where it is at today. I know for most Ontarians, we think about the 407 as sort of where tolling is at, but, in fact, this has been an evolving space, globally, and there is a lot for us to understand about that. We also, at the heart of that, have some people who are very intimate to the political dynamic—and nothing happens without political will. That is where we are going to start with our questions, if I can.

I am going to walk through a series of questions and then certainly encourage a very open discussion among our group. I am going to start with Josh Councillor Colle, the announcement the premier made blocking tolling on the Gardiner and on the Don Val-

ley, coupled with her announcement around gas tax, I know, was a bit of a surprise for the council and for the city of Toronto. But there was this announcement about the doubling of the municipality's share of gas tax. Does that end the discussion or answer the question about what the City needs to fund transit and transportation?

JC: Good question. I had some prepared remarks, but I changed them, obviously, since the announcement you referenced. I think, though, the gas tax is welcome because we clearly know what the needs are. Every municipality, every elected official, would agree with that. I think the key difference is there are a few key differences. One is, obviously, the feeling that a municipality cannot control their own destiny. That is something that still begs the question and that still needs to be answered because, while we maintain these highways and spend hundreds of millions, if not billions, doing so, and are told that that is our responsibility, when we make the decision that I think was a really well thought out, but difficult one, the rug is kind of pulled out from under us. That question still has to be answered.

The other issue is, obviously, our needs are so great, and, obviously, I wear the transit hat as the Chair of the TTC, and our transit needs and the lines we debate constantly can easily total up to \$30 billion. We are just not getting that from the property tax base.

The one challenge with the gas tax money is we cannot leverage it the same way we could have with toll money. So, for capital dollars in the way we want to build and borrow against that money to build things at the scale of the downtown relief line or other projects, while it is great to have the increase in the gas tax funding, we cannot use it and leverage it the same way. That one dollar collected from a toll is where we can stretch that. We could build so much more with that dollar as opposed to the one dollar we get from the gas tax. The gas tax is welcome. I give credit to Mayor Tory and certainly the council. There is no way that gas tax was coming, unless the vote we took had happened, and it was such an emphatic one.

I think that it is good that the conversation is still happening in rooms like this, and I suspect that the conversation about tolls, who should own those highways, who should maintain them, is far from over.

RP: Interesting. What is the difference in the leverage on a tolling dollar versus a grant from the government?

JC: It is just the way the gas tax grant flows to us that we cannot use it to borrow against for major capital projects. That is the difference. You could argue that that just offsets other dollars that we can borrow against, but we just do not have the same ability to leverage as much on it. I think that is a critical difference.

The other obvious one is provincial govern-

ments come and go. While this increase in funding has been committed and we are thrilled about it, I do not know if it is going to exist in a year's time or even by the time it is supposed to be implemented. That, again, kind of puts us in an awkward situation about how we plan long term. I think all of our constituents want us to be responsible and plan for these things and not take 20- and 30-year breaks in building infrastructure. It is hard to do that when the funding source is not set in stone.

RP: Mayor Crombie, some folks would say that the decision by the province was the triumph of maybe good politics over good policy. Certainly, for those of us who enjoy a good debate and discussion, we were really seeing a debate and discussion evolving, and that has been cut short. Given that roughly half the people that use the Gardiner and the Don Valley come from outside Toronto, and I know you understand the needs of municipalities—was this just that? Was this just politics triumphing over policy because it got positioned as a victory for folks in the 905 by a premier who, frankly, to give her credit, has not tried to create divisions between the Greater Toronto Area?

BC: Are you suggesting that the 33 ridings in the 905 have more power than the 25 in the 416?

RP: I did not say that, but...

BC: Look, I think the premier found a more equitable way

to fund the much-needed transit investments, than the tolling of the roads would have otherwise suggested. Tolling is not the solution to the problem. In fact, in the 905, we already pay thousands and thousands of dollars on the 407, which is already a toll road, to get to our appointments, to get to work, to get to school, et cetera. I have to give Mayor Tory the credit for finding a solution to a problem. Toll roads is a user fee, and we use user fees in Mississauga as well. I may not like the toll approach; however, we use user fees as well, and I would fight for his right to ask for that ability to implement that tax.

We need to have an honest and open discussion about revenue tools, about ‘cities controlling their own destinies’, which is a quote that Josh used and that I used in my op-ed, if you missed it last week. What we are talking about is building 21st century cities with 19th century tools. We just do not have the ability. Yes, the City of Toronto has the Toronto Act, and they are permitted to use other revenue sources other than the property tax and user fees, which in the 905—myself included—are the only taxation powers that we have: Property taxes, user fees and development charges.

Of course, the gas tax is very welcome. Now, we have had the announcement this morning with Minister Del Duca. It has been doubled to \$33 million for Mississauga, and that is a very equitable approach

so that all municipalities that have transit systems, or 99 municipalities that have a transit system, will now benefit. It is time to have that conversation. The system is broken. You have to understand that cities’ budgets are not designed for large cap-ex projects. They are not designed to build large infrastructure projects, large transit projects. They are designed to provide municipal services; to pick up your garbage, leaves; maintain our community centres; build roads, bridges and sewers, but not for these large projects.

As Josh has said, we have been underfunded for 30 years. We are behind in building our transit and transportation networks for the past 30 years. This is all catch-up today. How are we going to do that? Toronto has tried to find a unique solution. Obviously, in the 905, we are very supportive of the idea, but it is one solution, and others need to be discussed. Why cannot the 905 and other municipalities have the same taxation ability to generate revenue so that we, too, can be responsible and control our own destinies as well?

What we are looking for is to have that debate so that we have permanent, long-term and dedicated funding as part of the discussion. The premier must be willing to do this with all municipalities, not just Toronto.

RP: Listening to that well-thought-through answer, is there...? You do not necessarily have an issue with

tolls. As you said, they exist on the 407, and they are...

BC: I do not think the province has an issue with tolls because we have them on the 407, and we now have HOT lanes. Tolls is not the issue; it is revenue-generation for cities. That is the discussion we need to have, and how we are going to do that to fund our big cap-ex projects?

M: Great. Mahrokh, maybe you can help us. I know some of us, myself included, do not spend as much time on this issue, but partly when we think—as I mentioned in my introduction—about tolls in Ontario, we really think about one experience, the 407, which as folks will know, has just been expanded and is a further toll highway.

I think that Mayor Crombie is right: Tolls are a part of the future. That really is 20-year-old technology. That is what was a big deal back then. Your company deals with this all over the world today. Can you tell us a little bit about what tolling can mean today? Think of it from a user point of view, as someone driving, but maybe from a municipality or vendor point of view as well. What does it look like that is different than our experience with the 407?

MA: Thanks. I have to say the 407, when it started, was fabulous. It was the innovation at the time, and, even right now, through even my career, in the past ten, 15

years, whenever I had the procurement and we were asking for companies to provide the references, everybody referenced 407. I do not know how many companies work on the 407, but there were a lot of companies, and they are using that as a flagship.

M: Everybody took credit, yes.

MA: Everybody took credit for that, which was amazing. It was a brilliant setup at the time, and I kind of encourage Torontonians, again—I am a Canadian; I am very proud of what the leadership that Canada took—and Toronto—at the time to bring that concept to life, to look at it and to continue to lead the North American market. Canada is way ahead of U.S., let us put it this way.

Going back to your question—sorry, I had to say this—yes, we all know that technology changes. Every day it is more mature, and it costs less and performs better, with better accuracies.

When the 407 started, I remember I had some people going through a tour of it at the time, and they came back and said, “There are 700 people working at the back office there!” That was just wow. Looking at the operating costs at the time, it was huge, but because of innovation and improvements in our camera system, image capture system—which is the component of the lane side that has to be provided so they are able to capture the transactions on the roadway—you

are able to capture it and post the transactions quite easily, without having a further review on the back-office side.

The technology from the lane side perspective is still radio frequency technology. There is an emerging one right now that Europe is using, which is satellite-based. For that particular one, you do not need the infrastructure and gantries that you put on the highway. Basically, you have a device in the vehicle, and you communicate through satellite to the back office. It is getting some momentum in Europe. It is still not expanded here in North America because of different reasons. In the U.S., it is because of the base that they have right now and the transponder penetration for each agency that they are using, so, it is a difficult transition to go from an RFID base to a satellite base. Again, it is progressing in Europe, and I think different projects have to look at it differently and look and see what technologies best fit for that particular application to minimize the capital cost and allow for flexibility and expansion in the future. With satellite tolling, you can just add another point easily without having to go through the cost of building another gantry or putting equipment on the lane side.

RP: Great. Thank you. In terms of business around the world, where is the most activity right now? Whether it is bridges or roads, where do you find governments

are looking at this for real?

MA: I am based in New York right now, in the U.S., and I can see that in the U.S., it is taking a lot. There is a momentum there right now, given that there is no funding. Transportation funding is a big issue everywhere. Similar to Canada, the U.S. had a gas tax, which has been the main income for transportation and other funding purposes. Unlike Canada, they have not increased the gas tax for many, many years. That is a big debate that they are considering even right now.

As far as federal highways, they earmarked \$90 million last year in the FAST Act, and they are actually looking at road usage charging pilots. They announced that, and there are states that are putting applications in place to continue to look at alternatives to the gas tax. One would be vehicle miles travelled. We have a project in Oregon right now at the pilot stage, where we are calculating the gas tax credit versus the mileage-based travel as far as charging the travelers. So, there is a lot of stuff going on. They are even looking at interstate—I mean, this was a no-no ten years ago in the States. They would not even think about it. Right now, they are looking at tolling the interstate because there is no funding. They do not have money to actually renovate their infrastructure.

M: Good. Thank you. It is a good thing Mahrokh and Teresa are at the opposite end of the table because, of

course, Teresa, from the CAA would be very attuned to discussions about how much it costs to drive. Back in December, you made some very compelling arguments at the council discussions with the executive committee about the fact that this argument about why are we subsidizing the drivers is not a fair argument. You must have been very pleased, organizationally, when the premier made her change of position. Could you talk to the group here about why, from the CAA perspective, that idea of the subsidized driver is a myth?

TD: Sure. We commissioned the Conference Board of Canada to work with us to do some research with respect to the costs of the road as well what motorists contribute to that. The work involved, really, a response to the argument that motorists are subsidized—and the conversation happens in two forms, not just with the respect to the direct costs of driving, but also something called ‘social externalities’. It is a big word for sort of the impact that driving has on society. We wanted a third-party, objective response to look at whether motorists are subsidized and what the impact on society is. And, therefore, when you have debates about tolls and road pricing, conversations happen around who benefits, who pays, and those types of things.

Through the research that was done in Ontario, what we found was that 70–80% of motorist-related taxes cover the cost of the maintaining and operating

the infrastructure in Ontario. When you broke that down into the GTA or the GTHA, for that matter, it was actually more than 100%. This took very specific taxes, and so it was not just the general HST that a motorist would pay, but we did look at the HST that is leveraged on fuel taxes, because it is one of the few areas where you get a tax on a tax. Very few users experience a tax on a tax, but if you are a motorist or paying for fuel in Ontario, you do. What it determined was that, especially in the GTHA, the roads are covered more than 100%. Generally, that money goes into general revenues, and it flows to senior levels of government to the tune of over \$7 billion in the study years that we looked at. Municipalities only get \$1.2 billion of that, and that is not a surprise with respect to how taxes flow.

We also looked at things that we did not include. We added one additional type of fee that was not specific to your everyday motoring costs, which was the HST on the sales of automobiles because, in Ontario, there is a very healthy car sales market. That would have added another \$1 billion to that total, but we kept it separate.

When you look at social externalities, there is a conversation around vehicle operating costs, and it is the driver themselves that have to absorb that cost. We looked at things like congestion. When it came

to looking at externalities, that is another one. Those are usually what drivers impose on other drivers. It is within the system of the user themselves that are having to experience that externality. Accident costs: Same thing. That is usually seen as a big impact on society. To some extent, it is, but, again, motorists, drivers, usually cover that cost through things like insurance fees. There is a coverage for that, and that delay is imposed on each other.

The one area that we found that was probably a true societal externality was, obviously, environmental emissions. The report that we brought forward looked at that in a couple of different emissions. One was GHG emissions, and one was CAC emissions. CAC emissions have been reducing in Canada over a number of years. GHG emissions we know is a challenge, but, in terms of vehicle kilometres traveled, when you break down the cost, it accounted for—both emissions—2.5¢ of a dollar for vehicle kilometres traveled. The bulk of the cost comes to individual motorists themselves, and everything they have to pay with respect to owning and operating a vehicle in Ontario; the infrastructure costs in maintaining the actual aspect of growing and dealing with infrastructure; accident costs, again, absorbed internally; congestion costs absorbed internally. It was trying to put perspective to the fact that the conversation really should not be

about subsidization, because then how much? How much does one user pay over another?

With respect to the TTC, we know that it is 85% now of the fare box, I think, goes to maintaining and operating the system. As the Councillor Colle mentioned, capital costs associated with that still need to be funded. The same thing with transportation infrastructure that is related to the driver. In the GTHA or in Ontario, a huge chunk of the money that is available is through that particular user, and we have to figure out some of the other things. Some of the societal costs related to externalities is covered by the road user because the money that motorists pay has not always been dedicated. It has gone into general revenues, which are designed to deal with some of those social externalities.

RP: Is there a toll the CAA would support?

TD: CAA has been involved in the conversation around road pricing for a long time. We were generally supportive of sort of the pilot on HOT lanes. We wanted to experiment with that, and see what that looks like. In polling our members in the past, we found our members tended to be a little bit more in favour; although, generally, they are not in favour of tolls overall, but a little bit more general in favour of imposing tolls on new infrastructure, of which the 407 was an example, so they are a bit more in favour of putting a fee with

respect to covering the cost of building that infrastructure when you are building new infrastructure.

RP: Mayor Crombie, you understand that the tolls and user charges could be a solution in the future. We know that your community is a net importer of jobs—so there are people coming and going from Toronto to Mississauga. Was this a discussion about whether tolls were right for the Gardiner and Don Valley, or, if there had been a revenue sharing, if Mayor Tory had come to you beforehand and said, “Bonnie, here, I will give you 20%,” would that have been a good starting point to get you and perhaps other 905 mayors? I know that you cannot speak for them, but would that be a compelling argument?

BC: Just 20%? Certainly. All new revenue is welcome. I think we do have to think regionally. As I said earlier, I do not agree with the toll on my citizens, my residents that may be driving into the city of Toronto or on those residents in Toronto that are driving to Mississauga for those half a million jobs that I have in Mississauga. But I do agree with Mayor Tory that he should have the ability to impose that tax, should that be the tax his council supports. I do approve of his ability to do so. That is a different approach.

We really want to—I want to take this back to controlling our own destinies: We are creatures of the province. We do not have a lot of authority and control

in our own right. Cities are probably the most transparent and best managed of the three levels of government, when you think about it. We are required to have balanced budgets. We are limited to the amount of debt that we can raise. We have rigorous financial reporting, and we have also very demanding ten-year asset management plans. Of all three levels of government, I would argue that we are the best at administering our cities, our municipalities, and we should have that discussion on why is it that we cannot control our own destiny, and why we cannot raise the revenue we need to better run, better manage and invest in our cities, no matter what those projects may be.

There are a retinue suite of revenue tools that can be used. The City of Toronto has the Land Transfer Tax at its disposal and the Vehicle Registration Tax at its disposal. I think it has a parking tax, maybe a hotel tax, a Land Capture Tax that other cities do not have. If you had asked me which I would be in favour of, that would be a larger discussion. Our council has asked for this province to look at a 1% share of the HST, a share of a sales tax, or is it time for all levels of government to share income tax? What is fairer for cities, so that we can better run, better manage our cities and really build those 21st century cities without using those 19th century tools that we have been allocated? That is what this discussion should be about.

No one likes road tolls, of course. They would cost my residents an additional \$1,000 a year at \$2 per toll. We recognize that, but should a mayor, whether it be Mayor Tory, myself, Mayor Burton in Oakville, Mayor Jeffrey in Brampton, have an ability? We should have that ability to implement a tax. If our residents do not like us, they will be voting us out of office, will they not? Or, in the long term, they will shift, and they will move. Those are discussions that need to be had with our senior levels of government, particularly, with the province—those honest, open discussions about how cities will fund themselves in the future. We need that long-term, sustainable funding, dedicated funding to build our infrastructure, to build our transit and transportation, and we want to control that. I think we should have those at our disposal.

The City of Toronto has more means, but perhaps there is a larger discussion to be had there as well. We welcome that doubling of the gas tax. We welcome a share, should there be a toll. We welcome all new revenue to help us invest in our cities.

RP: Councillor Colle has a point, but I was going to ask you, with all of the great tools that you have that Bonnie does not, are the property taxes, the homeowner's property taxes substantially lower?

JC: Yes, the rate is lower. Let me just say a couple of things because I will try to be less diplomatic and get

the crowd going. I think the reality is that there is a lot of conversation about whether this is the right time or not or whether there should be other tools, and I agree wholeheartedly that cities and municipalities should have all these tools at their disposal. The reality of what just happened recently, though, is that none of these are coming forward now. If you see the politics now—and I think I have got a few good tables of Progressive Conservatives—I do not think the NDP is represented here, but the fact that both parties clearly said no, and that the governing party eventually did, too, if we now think that if Mayor Crombie in Mississauga or Mayor Tory in Toronto puts forward another tax or tool, that somehow that is going to be accepted now, it is not.

I think that the honest conversation that we have to start having is if the provincial government has said no to the City of Toronto, then I think I read that as they are saying not just no to tolls, but they are saying no to all municipalities of other tools you might want to explore to look at funding. In our case, that is \$35 billion of outstanding capital work. That is, I think, the conversation that maybe will come out of this, so we kind of do not kid ourselves about talking about tolls and what would have happened or not. We are talking about do you do one based on time of day or use and those kind of things, but I think my read is it has all

been wiped off the table now. That is the politics of Toronto, Ontario, right now, which I think is really disappointing because the City of Toronto councillors, much to do with a lot of political heat, overwhelmingly voted for it and were willing to take that heat at the polls. Whether you agree with that tool or not, the fact that that has been removed, I would suggest, has set us back, and we will not be looking at implementation introduction of any new tools or taxes—I do not care what you call them; let us be honest about it; they are taxes—in this province for at least the foreseeable future, and I think that is a significant setback and the most disappointing part of this, regardless of the wonderful increases to gas tax and the great debates we can all have about which tool is the best one. I think in essence, politically, let us wipe them all off the table.

RP: What happens next then, other than, from what I am hearing from our two politicians on the stage? We do not have enough money to pay...?

BC: We continue to do what Mayor Tory did. Go cap in hand: “This is what I want to build. Please fund it. What will you give me?”

JC: When you do that, you end up with cities like Toronto or Mississauga that take 20 years off of infrastructure building. It does not make good business sense. It does not make any sense at all. If you look at, people do not want to talk about it. Transit is the sexiest and

obviously I think is the most important with my role, but it is the same with water infrastructure; it is the same with hydro infrastructure.

BC: It is the same as social programs and the same as housing. You saw the article in the paper. Mayor Tory asked for more funding for his housing and for his day-care programs. It is the same with those programs. We cannot fund them.

JC: More municipalities, as they age, will have the same issues that Toronto and Mississauga are facing. We have to—I am kind of sick of saying it—because it is so cliché now about this honest conversation. We tried to have the honest conversation. It was not well received.

RP: I think you both make a great point. What do municipal councils, what do mayors need to do to change that conversation, if anything, or is it simply a function of just letting another 20 years slip?

JC: Well, we cannot do that because we cannot afford it in every sense of the word. I think the very fact that Toronto City Council—we are always a harmonious, agreeable group—was able to vote so overwhelmingly one way on a contentious issue...that is what got the gas tax funding flowing, right. It is going to have to be statements like that, that are not just kind of traditional cap in hand.

We do have a lot of elections coming up, too,

where these are main, important issues. Councils are going to have to start making these statements and probably realizing that they have a lot more in common. As we try and build out the TTC, it is a regional system. It is a regional system where everyone accepts that you pay a user fee. You do it every day. Everyone has been fine with that for 100 years. The taxpayer pays for it, and you pay a user fee. I think we have got to get our head around that that is the fact that a lot of this stuff is going to be funded and that municipalities actually have quite a bit in common on this front, and we cannot get caught up in the “my-people-are-constituents-who-are-paying-more-or-less” because that is going to undercut our argument altogether.

BC: Just to jump in on this one, because I know you want to get in there, but we need to continue to ramp up the pressure, keep the pressure up and continue to advocate. I know we are planning a forum in Mississauga with Peel, “Our Fair Share for Peel Advocacy Team.” We have got to keep pressuring the provincial government and the federal government, but there also has to be a realization that roadways are a common good and a common benefit. The fact that part of the Gardiner Expressway was downgraded at one point—those roads should be upgraded. They are an integral, vital part of our economy that benefit the entire region. We need to think more like in a region, and perhaps it

is time for the province to be funding those regional roads.

RP: The solution, though, Teresa—you are no stranger to the politics of this. What is your advice to our elected officials?

TD: I think that some of the backlash, whether it be about politics or not, has resurrected the need to have that, as you guys call it, the adult conversation around how cities are funded, and I think that it kind of goes up and down over a period of time where we do have this conversation. I think your analogy about trying to run a 21st century city with 19th century tools is a good one, and so I think that is a very important discussion.

The reality is the policies, the decisions, all affect the same user, so the motorist is sometimes a transit user, is the hydro taxpayer, is the property tax payer. Yes, when we take it down to that level, that is where we sort of lose and unravel some of these conversations, but the reality is this is politics as well. There is an accountability. I think that there is a general frustration out there with respect to what the taxpayer feels is happening, whether they are intimately aware and involved in what the \$33 billion worth of projects is in the City of Toronto that the mayor was trying to fund with a \$2 toll or whether it is around what kind of tools that you now get to fund that—whether it is an HST increase or any of those things. Some of them are

more aware than others, but there is a general frustration. Part of the conversation has to be about whether we need to look at these things differently, do them differently, and how we can ensure that the end user can still function because we have got a lot of other problems that are happening that are related to the cost of living and the ability for people, the affordability of people to pay. That is what makes some of our cities as vibrant as they are. We cannot forget that as part of the equation.

RP: Mahrokh, time for one more question. You get to close, Mahrokh. In your experience, if you had to take one example of where you see this working somewhere in the world—and this is about a political will as well as, obviously, the technology to do this—is there an example you would point to, somewhere where it is going well? Or is this as good as it gets?

MA: Everybody is as frustrated as you are. In fact, I was just going to say to everybody here that since the vote or the issue was basically overruled a couple of weeks ago, all the tolling associations around the world and, even we in the U.S., are getting some messages. We get newsflashes every day. Toronto is front and centre. It is the top information that comes up.

One of the things today I saw was that I guess there was an article somewhere here about \$11 billion loss of productivity. We cannot delay decisions for 20

years. We cannot. I can tell you that I did in Vancouver. I tried; I was on the agency side and the public side, and I was working with Transport Canada, and I was just saying that we should put this bickering and this balkanized approach aside. Somebody needs to take the lead and come up with an approach that is equitable and it can support sustainable transportation funding in the future. It is upon us. We have to do it for our future. You can look at the customers now. It is my children that are using the facilities. Look at the profile of those customers. They are more acceptable for paying for something as long as they get the benefit. They are on their mobile devices all the time. They want to go from A to B. They want to have a seamless mobility service. They do not care whether it is an Uber, whether it is driving, whether it is the transit. They want to get the best combination, the fastest and the more affordable one. It is really up to us and the leaders. I am just going to say that people around the world are looking at you here, in Canada, to take that leadership and try to come up with something that is equitable for both transit—I know it is easier said than done, but somebody needs to take that leadership, really. That is the bottom line.

JC: We are trying.

RP: Great. What a great way to wrap up. Thank you very much. That was good.

Note of Appreciation, by MJ Perry, Vice President and Owner, Mr. Discount Ltd.; Director, Empire Club of Canada

I first went to Paul and the Chair of our Speaker's Committee, Barb Jesson, last December, with this topic, and it has been a very interesting journey. We have had a couple of things that have surprised us. One happened a couple of weeks ago with the announcement from the premier. Another was I had foot surgery that was moved up several months, so, before I thank the panel, I have to thank our staff, Taylor Reid and Erin Gair, and Enterprise's Phil Gillies, for stepping up to the plate because, for three weeks, I was absolutely useless. If those three had not stepped forward, this wonderful luncheon would not have taken place. Thank you very much, the three of you.

Having said that, I want to offer sincere thanks to Ms. Arefi. She got stuck because of our ice storm yesterday and, actually, could not get out of New York City until one o'clock this morning. Thank you for your dedication. Thank you to Councillor Colle, whom I have actually seen growing up, so maybe I am old. Thank you to Mayor Crombie and also to Ms. Di Felice for being here and helping us to understand that tolling is about more than tolling. It is about our approach to being a good municipality.

Thank you all very, very much.

Concluding Remarks, by Paul Fogolin

Thank you, MJ. I would also like to thank our many sponsors for this lunch. We are a not-for-profit club, and we simply could not host these great conversations without our sponsors. I would like to thank Bestpass, Enterprise Canada, Mr. Discount, and our VIP sponsor, the RCCAO, for making this event possible. A round of applause.

I would also like to thank the *National Post* as our print media sponsor and Rogers TV, our local broadcaster. We would like to thank mediaevents.ca, Canada's online event space for live webcasting today's event to thousands of viewers around the world.

Although our club has been around since 1903, we have moved into the 21st century and are active on social media. Please, follow us on Twitter at @Empire_Club, and visit us online at www.empireclub.org. We are also on Instagram and Facebook. And I think we also have a Snapchat account now. I do not have one, personally, but we do, at the Empire Club. Check it out.

Finally, please, join us for some very exciting upcoming events. On the 13th, we have Dr. Catherine Zahn. She is the President and CEO of CAMH, and she will do an evening event with us. We are doing some evening events this year—it is not just lunches. It gives another opportunity to come and listen to some great conversations. Then,

next Tuesday, on Valentine's Day, we have Mayor John Tory, who will also be coming to have a very important discussion. We are actually working right now on getting Transportation Minister Steven Del Duca to come to the Club. I think he will bring an excellent perspective to the conversation that started today.

One last media sponsor to thank: Renew Canada for being our media sponsor for today.

Thank you so much for attending. Have a fantastic afternoon. This meeting is now adjourned.