

Russ Powers,
President
Association of Ontario Municipalities
200 University Ave. Suite 801
Toronto, ON, M5H 3C6

May 28, 2014

Dear Mr. Powers,

Thank you for your letter detailing your concerns for municipalities in Ontario. Please find our responses arranged thematically below. The Ontario NDP understands that municipalities have been increasingly burdened by funding and program delivery responsibilities as a result of sustained cutbacks from the provincial government under successive Tory and Liberal governments. Andrea Horwath and The Ontario NDP respect municipalities and the vital role they play in promoting a healthy and successful Ontario.

Provincial-Municipal Relationship

The Ontario NDP remains committed to improving and strengthening the relationship between the province and municipalities. We have long supported municipalities having a stronger voice in making the decisions that affect their responsibilities and budgets.

We believe in a constructive dialogue between the province and municipalities with an enhanced role for municipalities in making decisions that affect them and their budgets. We will support and maintain the MOU process and work with municipalities to consider how to ensure fairer representation for their interests.

Municipal Finance Matters

Starting with the Harris government, when Tim Hudak was a cabinet minister, and continuing through successive Liberal governments, municipalities have seen their funding whittled away. Despite promise after promise to turn this around, the Liberals have left municipalities as cash-strapped as ever.

Now, family budgets in Ontario are being squeezed while the Liberal government has downloaded more services to municipalities without giving them the tools to pay for it. The NDP is committed to making life more affordable for all Ontarians and is concerned about the fiscal challenges facing Ontario's municipalities. We believe that the province needs to work with municipalities to develop tools to meet fiscal challenges and we understand the importance of the, AMO-negotiated, uploading agreement to maintain services.

In 2013 alone, the value of the upload is estimated to be \$1.36 billion. The NDP will maintain the agreed upload schedule and add commitments to increase funding for transit. Furthermore, the NDP will fund an additional \$2 million per year to assist municipalities in protecting tenants and enforcing building standards and maintenance rules.

The Ontario NDP understands the pressures that rural municipalities are under particularly in light of Liberal cutbacks to the Ontario Municipal Partnership Fund. We understand that it is important to get the OMPF formula right. It is reckless and foolhardy to slash it by \$100 million over four years as the Liberals plan. In particular, we know how crucial the OMPF is for rural and northern Ontario. We will work with municipalities to make sure that we find the right funding level.

In the past several years, the local costs related to OPP policing have been increasing. Alongside the reduction to OMPF funds for municipalities, the government is effectively downloading more services to municipalities at a time when changes to billing practices will force some municipalities to pay more. The NDP will consult widely with municipalities and examine all funding options in coming up with an effective solution to help municipalities with policing costs.

The NDP supported Bill 34, the *Highway Traffic Statute Law Amendment Act, 2013*, as a means of rectifying the imbalance in unpaid traffic fine collection brought in by the Tories and maintained by the Liberals. The Ontario NDP will take steps to implement changes to this framework to assist municipalities in collecting appropriate unpaid traffic fines.

Finally, we are committed to a review of the *Development Charges Act* and will work with stakeholders to this end. We will start by removing the discount that developers get to recover their costs related to recreation services, library services, old age homes, space for child care, health department services, and ambulance stations. We also support changes to the joint and several liability framework that can place an undue burden on municipalities.

Municipal Infrastructure

Municipalities are struggling with a \$6 billion per year infrastructure funding gap. This is part and parcel of chronic underfunding of municipalities from a government that is ignoring its responsibilities and the impact on Ontarians. We will not pursue plans that are funded unfairly on the backs of municipalities. Part of our plan to increase infrastructure funding to municipalities includes a modest rollback on corporate tax cuts.

The Liberals cancelled the bus replacement program. The NDP understand its importance and will bring it back with more annual funds. This will provide support for up to 127 municipalities across Ontario and will free up those funds in the existing gas tax transfer to support transit operations, rather than capital investment.

In addition, an NDP government will maintain a dedicated fund of \$29 billion over 10 years to be distributed fairly across the province for transit and transportation investment and will prioritize high impact transit projects, with an additional \$250 million investment annually. We will also help communities make investments in bike lanes, expand cycling infrastructure networks, and support complete street design by guaranteeing an additional \$5 million annually.

The Ontario NDP will proceed and with the Small, Rural and Northern Municipal Infrastructure Fund. This will consist of funding for critical road, bridge, water and wastewater projects and for projects identified as priorities in municipal asset management plans.

We are also committed to infrastructure funding for family health clinics, hospitals and other important services that have gone underfunded for too long.

Municipal Labour Matters

We believe that the current arbitration process has served Ontarians well in the past, but we recognize emerging difficulties for municipalities. We are open to working with stakeholders to consider options for reform.

Municipal Administration Matters

We share AMO's concerns with unnecessary and inefficient bureaucracy. We intend to eliminate wasteful spending and processes. We are therefore open to considering new, streamlined processes for municipal reporting.

The Ontario NDP will consult and work with municipalities if we make any changes involving municipalities in the Ontario Ombudsman's oversight.

Human Service Matters

The NDP is committed to social assistance reform that makes sense and delivers for all Ontarians. Thanks to the provincial government's shirking of their responsibilities for these programs, municipalities have taken on a bigger share of social service delivery.

We have been pushing the out of touch Liberal government to increase the Ontario Works and the Ontario Disability Support Program for years. In 2013 we were successful in our insistence that they create an earnings exemption that will allow recipients of OW and ODSP to keep the first \$200 in employment earnings before the government begins clawing back their benefits. We will also implement a \$190 increase to ODSP.

The NDP recognizes that OW and ODSP still do not reflect the actual cost of living, including the cost of shelter, energy, and nutritious food. Our goal is to address this issue and to stand up for middle class families. We are also committing to dental benefits for children in low-income households, creating new childcare spaces and implementing a tax credit for families stretched by caring for ill or elderly relatives, all to stop the poverty cycle in its tracks.

We know that job creation must be a primary focus for an Ontario government today. We believe that targeted tax credits will increase job creation. The Liberals just want to put \$2.5 billion tax dollars into corporate bank accounts and hope that some jobs will be created.

The Ontario NDP will also implement a minimum wage increase to \$12/hr that will be phased in over two years starting June 1, 2014. Again we will use targeted tax credits to help small businesses handle the impact of the wage increase.

Too many families are being squeezed by rising costs and worry about having a safe, clean place to live. The Ontario NDP will make life more affordable and will enhance support for poverty reduction and

homelessness prevention. We will increase the Community Homelessness Prevention Initiative by \$42 million annually to \$294 million over seven years.

NDP MPP for Parkdale-High Park, Cheri DiNovo, tabled a bill that will allow inclusionary zoning to enable municipalities to tackle affordable housing. Finally, we will protect tenants by providing additional funding to municipalities to step up enforcement of building and maintenance standards to make sure that existing rental units are healthy and safe.

Energy and Environment Matters

When the Waste Reduction Act was introduced, the NDP welcomed the chance to replace the Waste Diversion Act after a decade of Liberal failure to create an effective waste diversion framework. The NDP support extended producer responsibility and that producers must be held responsible for the full life cycle of their products. The Ontario NDP are committed to working to ensure that Bill 91 works for producers, for service providers, for municipalities and for all Ontarians.

Conclusion

The Ontario NDP wishes to thank you for your tireless advocacy on behalf of Ontario's municipalities. We look forward to working with you to make progress for municipalities and all Ontarians. Please do not hesitate to contact us to discuss these important issues.

To learn more on the specific of the Ontario NDP plan please see our platform:

<http://ourplan.ontariondp.ca/>