

May 15, 2014

Andrea Horwath
Leader, Ontario New Democratic Party
101 Richmond Street East
Toronto, ON M5C 1N9

Dear Ms. Horwath:

With the provincial election underway, AMO and its members wish to understand your platform as it relates to municipal governments. We would appreciate a response; however, if you feel that time with you or the campaign team is a better way to achieve this, we would be happy to arrange a meeting.

Provincial-Municipal Relationship:

- The provincial-municipal relationship is important for many reasons. We share interests because of the services that residents need and want. Ontario's communities play an essential role in our provincial and national economy. In addition, we have a shared interest in good public policy and effective implementation when policies change. The Memorandum of Understanding (MOU) that is required between AMO and the Province is a key mechanism for policy and program dialogue on ideas and options before they get to Cabinet. The Province of Ontario and AMO first signed the Memorandum of Understanding (MOU) in 2001 and it was added to the *Municipal Act* in 2005. The benefit for both parties is a confidential venue that allows candid discussion on the municipal impacts of potential provincial policy and programs, which can only mean better outcomes for Ontarians. Will you commit to continuing this monthly process? Would you look for any differences in an MOU with AMO from the current MOU Agreement?

Municipal Finance Matters:

- The 2008 Agreement to upload provincial social service and court security costs from the municipal property tax base is a priority for our members and the basis for continuing partnership with the sector. In 2011, you committed to honouring the upload agreement. What are your current plans regarding the Upload Agreement? What commitment should Ontario municipal governments expect on this matter if you are elected?
- The Ontario Municipal Partnership Fund (OMPF) assists those smaller rural and northern municipalities that are particularly fiscally challenged. We have asked for the OMPF to be held at the 2014 value of \$550 million given all the other unanticipated

costs municipalities are managing (e.g. high emergency services costs, energy costs). What are your plans with respect to the OMPF?

- In March 2013, Bill 34, the *Highway Traffic Statute Law Amendment Act* was introduced to improve the municipal collection of defaulted *Provincial Offences Act* (POA) fines, which is a long-standing potential municipal revenue source. All parties supported Bill 34. Would a Horwath government introduce this Bill immediately once the new Parliament begins and what would you do to accelerate its passage?
- There is strong municipal support for a proposal developed by the Ministry of the Attorney General staff for a change to tort law that would combine the Saskatchewan Model and the Multiplier Model as partial relief for municipalities being the insurer of last resort. If elected, would your government support this model or would you go further? Would you introduce legislation within your first 60 days? We know that in the last sitting, there was all party support for a motion that called on the government to implement a comprehensive, long-term solution on joint and several liability no later than June 2014.
- The proposed OPP billing reform is a significant issue for the 324 communities who have the OPP provide their police services. These municipalities want to know how an NDP government would approach this OPP billing issue as well as the larger core issue of the increasing policing costs within the current model of policing in Ontario.
- Ontario municipalities are concerned about current and future emergency service costs. Are you open to reviewing alternatives to how some policing functions are delivered in Ontario providing quality services delivered in a more affordable manner for all Ontario communities? Are you confident that policing services are currently delivered in a manner that provides acceptable value for taxpayers?
- Would an NDP government impose a cap on contributions for public pension plans or provide a target contribution rate reduction and direct affected pension boards to look at ways to reduce benefits as a means to put public pension plans, such as OMERS, on a sustainable path?
- Municipal governments have long held that growth should pay for growth. What is the NDP policy on development charges? Would you be prepared to alter the service level standard that is an historical standard rather than a current standard? Would it be prepared to change the ineligible or the eligible service areas that are only partially included?
- Should the NDP form the provincial government, would you be prepared to seriously discuss ideas around new revenue approaches/tools for municipal governments?

Municipal Infrastructure:

- We know that you have recently stated that Ontario needs to build a transit and transportation network that services the entire province.

- What would the funding look like? E.g. would it be application based or formula based? Would the funding programs be phased and if so, how and over what timeline? Would it deal with rural and northern roads and bridges needs separately and if so, what would be the amount of funding? Municipal water and wastewater systems are also in need of investment. Would you look at these in a separate program?
- Urban municipalities are interested in your plans for transit investment. As you know municipalities operate the majority of public transit systems in the province and the revenue from transit fares helps to defray some of the service costs. Your commitment to freeze fares and cost-share equally with municipalities could have an unintended impact if ridership increases put greater demand on the systems. It could mean greater subsidy pressures from the property tax base. Does your model run the risk of more municipal property tax subsidies? Can you explain how an NDP government would address this issue?

Municipal Labour Matters:

- Interest arbitration is another area of significant concern to local governments in Ontario. AMO notes with interest the May 10th comments made by your party's Leeds-Grenville candidate, David Lundy, that an NDP government would be responsive to the needs of municipalities, including arbitration reform. Mr. Lundy said further that "we're going to look at it and be sensible". In the 2011 provincial election, at our annual conference in London, you also told AMO members that this was an area on which you would take action. Can you elaborate how local governments might expect you would move this forward as Premier?

Municipal Administration Matters:

- Municipal governments prepare hundreds and hundreds of reports for provincial ministries and agencies, many of them required by regulations, and many are longstanding requirements. Drummond identified that many reports are not reviewed at the Province and municipal governments may not even get an acknowledgement. Can you commit to a reporting review that could achieve streamlined accountability and reporting? This could help municipal governments in their frontline work.
- Would an NDP government support legislation that would result in the Provincial Ombudsman having oversight over municipal programs and services – even if there was already oversight being provided by an officer appointed by the municipal government? Are you contemplating changing other current accountability mechanisms within the municipal sector?

Human Service Matters:

- We understand that the NDP is committed to social assistance reform. AMO's priority is that the social assistance system helps people find new and better jobs. How will you move forward on social assistance reform and improve employment outcomes for low income and vulnerable Ontarians? What role do you see current municipal service managers playing in your reform plans? And if the role remains or is

expanded, how would your plans protect the municipal property taxpayers from new service related costs?

- We understand from your previous statements that your party will create a new housing benefit to help low-income Ontarians better afford their rent, and will build 50,000 new affordable housing units over 10 years. The provision of affordable housing is a key and costly responsibility of local governments and on-going investment from the Province is needed to sustain it. Can you clarify the role you envisage for municipal governments in the delivery of affordable housing?

Energy and Environment Matters:

- Thus far in the campaign, we have not heard you discuss your party's proposed approach to increasing waste diversion. Municipal leaders supported Bill 91, the *Waste Reduction Act*, as it recognized the key role the municipal sector has with respect to waste diversion at the local level. Will you commit to working with us to refine the provincial waste diversion regimes, including the blue box program, so that there are no additional costs to the municipal property tax base while increasing diversion rates?
- We understand that the NDP's plans for reducing energy costs include the merging of provincial energy organizations. On the community front, do you have any plans for consolidation of local distribution companies (LDCs)?

As you can see in this outline of municipal priorities, we hold shared areas of interest and concerns. I have also attached the 'Coles note' version of Municipal Priorities. Please feel free to have your staff contact Ms. Pat Vanini, Executive Director to discuss the contents of this letter and the best method of response within the next week.

Sincerely,



Russ Powers
President