

**PROVINCE of ONTARIO**  
**and the**  
**ASSOCIATION OF MUNICIPALITIES of ONTARIO**  
**JOINT ANNUAL MEMORANDUM OF UNDERSTANDING STATEMENT**  
**December 2012**

We are pleased to present the annual joint statement regarding the Memorandum of Understanding (MOU) between the Association of Municipalities of Ontario (AMO) and the Province of Ontario for 2012.

Together, we have made significant progress in numerous areas such as the provincial infrastructure strategy and its support for asset management in smaller municipalities.

The Province of Ontario and the Association of Municipalities of Ontario (AMO) first signed the MOU in 2001. Since then, it has become a cornerstone in fostering partnership and collaboration in the provincial – municipal relationship.

The Memorandum of Understanding commits the province to prior consultation with AMO on:

- proposed provincial changes to legislation and regulations that will have a significant financial impact to municipalities
- negotiation of agreements with the federal government on specific matters that have a direct municipal impact.

The principles of consultation, collaboration and respect embodied in the MOU are the foundation upon which the province and municipalities have built a strong partnership. Ontario and municipalities share a common goal of ensuring a clear understanding of responsibilities and accountability.

This report highlights our record of accomplishments, and promotes the proactive work between the province and the municipal sector to build and enhance services.

**THE MEMORANDUM OF UNDERSTANDING**

In 2012, the MOU has continued to enhance the policy development process and enriched discussions between the province and municipalities. The results include:

- Creating the opportunity for thoughtful discussion and information sharing between ministers and municipal government leaders broadly representing Ontario

- Strengthening the provincial decision-making process by ensuring the municipal perspective is clearly reflected in issues with municipal impacts and allowing provincial ministries to better assess and develop policy proposals
- Facilitating greater cooperation on mutual public policy interests for the benefit of all Ontarians
- Seeking opportunities for increased horizontal working relationships between orders of government on shared issues
- Serving as a catalyst for discussions and opportunities for possible collaboration on emerging issues between the Province and municipalities.

## **HIGHLIGHTS OF THE 2012 DISCUSSIONS**

In 2012, the MOU partners looked for fresh and innovative ways to bring discussion to the table, including developing “themed” agendas on: infrastructure, engagement with the federal government and sustainable and effective municipal and local governments.

The MOU table dealt with over 30 policy items, some of which came to the table more than once as part of its policy development. Much of the work fell within the following key themes:

### **Infrastructure**

#### *Roads and Bridges Review*

The Ministry of Transportation and the Ministry of Infrastructure provided joint presentations on roads and bridges. The Roads and Bridges Report released in August 2012 emphasizes creating new partnerships, innovative approaches, and opportunities. Phase two of the Municipal Infrastructure Strategy launched in the fall of 2012 provides capital infrastructure funding to address critical road, bridge, water and wastewater projects.

#### *Municipal Infrastructure Investment Strategy*

The Ministry of Infrastructure has provided regular updates on the Municipal Infrastructure Strategy at the MOU table. The MOU table has provided an opportunity for the Province and municipalities to discuss infrastructure funding programs, the development of asset management plans and critical projects. The Province will continue to collaborate with AMO to promote asset management and make efforts to help meet municipalities’ infrastructure needs.

### **Engagement with the Federal Government**

#### *Federal Long-Term Infrastructure Plan*

The Ministry of Infrastructure and AMO both provided overviews on their submissions to Infrastructure Canada of the Long Term Infrastructure Plan. Building Canada Together,

Ontario's submission, focused on investment in key economic infrastructure, increased federal investment, asset management planning, private sector innovation and streamlined administration.

AMO's submission called for a long-term investment program to allow municipalities to plan capital works and ensure all local priorities are eligible for funding. The Province and AMO agreed to continue to work together to leverage the federal government for support for local infrastructure and reinforce that the Federal Long-Term Infrastructure Strategy must better reflect the needs of Ontario's communities.

### *Comprehensive Economic and Trade Agreement (CETA)*

The Ministry of Economic Development and Innovation provided an update early in the year on the Canada-European Union Comprehensive Economic and Trade Agreement (CETA) in January 2012. This item will involve follow-up in 2013.

### **Ontario Municipal Partnership Fund (OMPF)**

The Ministry of Finance provided an overview of the Ontario Municipal Partnership Fund (OMPF) and discussed a redesign of OMPF through a two-stage approach. The Ministry of Finance announced as part of the first stage a transition approach for 2013. The Ministry also announced the discontinuation of reconciliation beyond the 2010 OMPF. The Province will discuss with AMO its approach for phase 2 and the redesign of the program in 2013.

### **Social Services Reform**

The Ministry of Community and Social Services sought early advice on the Report of the Commission for the Review of Social Assistance in Ontario which recommends municipalities play a greater role in delivering services. Both MCSS and AMO indicated that they would begin a dialogue on what might be early priorities and implementation considerations.

### **Child Care Funding**

The Ministry of Education provided an update on the revised child care funding formula and framework which reallocates funds based on current needs of municipalities and provides greater local flexibility, transparency and simplicity in the management of child care services. The Ministry is looking forward to ongoing dialogue on implementation of the revised formula and framework with AMO. This would be accomplished at the joint working table established in August 2012 under the AMO-MOU and the Toronto-Ontario Co-operation and Consultation Agreement.

## **Immigration**

The Ministry of Citizenship and Immigration presented the Ontario Immigration Strategy with the key goals of: attracting a skilled workforce and growing a stronger economy, helping newcomers and their families achieve success, and leveraging global connections to increase prosperity. AMO supports the Ontario Immigration Strategy and would like to continue to be engaged in policy decisions on the strategy.

## **Land Use Planning**

The Ministry of Municipal Affairs and Housing, as part of its on-going work with AMO on the Provincial Policy Statement (PPS) five year review, provided an overview of the draft policies. The draft policies were developed following broad, initial consultation. The draft policies build on the existing policy framework in the PPS; both parties understand the importance of clear policies and are working to that end.

## **Consolidation of Housing and Homelessness Programs**

The Ministry of Municipal Affairs and Housing presented phase one of the consolidation of housing and homelessness programs - a critical step in social services transformation. The new program consolidates funding from the: Consolidated Homelessness Prevention Program (MCSS); Emergency Energy Fund (MCSS); Emergency Hostel Services (MCSS); Domiciliary Hostel Program (MCSS); and Provincial Rent Bank (MMAH).

## **Economic Environment**

A key issue underlying the year's discussion was the current economic environment which impacts both orders of government. MOU partners worked to create an enhanced understanding of their mutual priorities and fiscal challenges within this environment.

## **MOU Partner-Led Discussions**

This past year, AMO also brought items to the table for discussion. AMO shared their comments on Drummond Commission Report (February 2012) which informed much of the discussion at the beginning of the year. AMO also talked about: Local Improvement Charges (MMAH implemented regulatory changes), Provincial Offences Act - POA Action Plan), and the Commercial Vehicle Operators Registration Guideline. AMO will continue to bring forward items to the MOU table from its municipal policy priority agenda for discussion and potential legislative action.

## **OPS Education and Training**

The Ministry of Municipal Affairs and Housing has completed initial work on the development of an "e-learning" module which promotes a cross-government understanding of the AMO - Ontario Memorandum of Understanding (AMO MOU) and

the Toronto-Ontario Cooperation and Consultation Agreement (TOCCA). The module will help provincial staff across ministries understand the expectations and goals for consultation under the MOU. In addition, AMO will work with ministries to help them better communicate and disseminate relevant information to AMO's members on new policy and program implementation. Ministry staff looks forward to working with AMO and City of Toronto staff to further develop tools to engage and train provincial staff. Training is expected to begin in 2013.

## **LOOKING FORWARD TO 2013**

How we jointly navigate our way through the mutual current economic challenges will be a priority for 2013. Collaboration at the MOU table will be important in the success of our communities. Some of the discussion themes we can consider for the coming year include:

- Supporting municipalities in achieving fiscal sustainability;
- Continued engagement with the federal government on immigration, housing and infrastructure, including framework agreements for any new federal programs, and;
- Building on the discussions in 2012:
  - Social services;
  - Seniors (across the programs/provincial ministries);
  - Child care funding and programs;
  - Housing program consolidation;
  - Arbitration reform;
  - Sustainability of police costs (and other emergency services);
  - Conflict of interest;
  - Economic development/job creation; and,
  - Waste diversion.

## **CONCLUSION**

A respectful and meaningful partnership achieves results. The evolution of the municipal-provincial relationship demonstrates the value and priority both parties place on this partnership. Through this partnership, we can recognize achievement and also work to address challenges. As partners, we will continue to encourage and support ministries being proactive participants in the MOU process.

We are committed to working together; in tough economic times, this is even more critical.

We look forward to another successful year ahead and to reporting back in 2013 on our shared progress.