

**PROVINCE OF ONTARIO**  
**AND THE**  
**ASSOCIATION OF MUNICIPALITIES OF ONTARIO**  
**JOINT ANNUAL MEMORANDUM OF UNDERSTANDING STATEMENT**  
**March 2015**

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We are pleased to present the annual joint statement for the Memorandum of Understanding (MOU) between the Association of Municipalities of Ontario (AMO) and the Province of Ontario for 2014.

This last year we saw significant changes in both local and provincial governments. A June provincial election resulted in a majority Liberal government. This strong mandate will provide the opportunity for the government to move forward on many important provincial-municipal priorities.

Municipal governments also experienced change in 2014. In October, municipal elections brought many newly elected officials to municipal councils across Ontario. At the AMO MOU table, we welcomed some new leaders and thanked other departing members.

During this transition both parties continued to work together at the MOU table and through joint working groups, technical working groups, advisory committees, and through staff level outreach to discuss provincial-municipal issues.

This report provides an update of our activities and accomplishments under the MOU.

The MOU commits the province to prior consultation with AMO on:

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

The MOU is one place where the diversity of Ontario's municipal governments is reflected in the confidential discussion and advice offered as input to the government's decision-making process. Discussion at the MOU table mitigates potential implementation challenges and misunderstandings between the province and municipal governments and creates additional opportunities for better public policy outcomes for Ontario's communities and residents. The parties understand that the municipal input and advice offered may or may not be taken and that this does not diminish the value of the MOU process.

## Highlights from 2014

Given the election year for the province and the municipal sector, only seven MOU meetings were held, with over 30 initiatives discussed. Some key provincial initiatives were finalized, and many were informed by the municipal perspective.

An updated Ontario Provincial Police (OPP) billing model was announced following a multi-year consultation and engagement process. AMO facilitated a municipal OPP Billing Steering Committee in order to review the government's initially proposed OPP billing model, evaluate other alternatives that might address the different municipal concerns and interests raised, and provide advice on the root causes of rising police costs. This report provided recommendations to the province which gave voice to and reflected the range of municipal viewpoints. The province's final billing model was informed by the input of the OPP Billing Steering Committee.

Progress was also seen on municipal infrastructure funding. AMO has long been advocating for permanent provincial funding for infrastructure for small, rural and northern municipalities. As part of implementing the 2014 Budget plan, the Ontario government announced its continuing support for strong communities with the launch of the new permanent Ontario Community Infrastructure Fund providing \$100 million a year to small, northern and rural municipalities to revitalize core infrastructure and support asset management planning.

Over the past two years, the province consulted with AMO and municipal representatives on the redesign of the Ontario Municipal Partnership Fund (OMPF) through a Municipal Reference working group and at the MOU table. The feedback the government received through these discussions has helped to shape the redesign of the OMPF, including advice that the program should better target funding to northern and rural municipalities with more challenging fiscal circumstances, while also ensuring that the transition is more manageable. The phase-down of the program was part of our 2008 upload agreement, however, some municipal governments noted their changing fiscal circumstances notwithstanding the on-going upload of the cost of provincial social programs.

The MOU table received an update on the current status of Special Purpose Business Property Assessment Review (SPBPAP) recommendations, including the establishment of a reference committee of municipalities and stakeholders to guide implementation. Provincial and municipal staff and stakeholders with an interest in the assessment of special purpose business properties have also participated in working groups relating to the assessment of specific types of complex business properties. The objective of the SPBPAP recommendations is to improve the fairness, accuracy and predictability of the property assessment system. The Ministry of Finance has committed to continue to work with the Municipal Property Assessment Corporation, the Assessment Review Board, municipalities and stakeholders to improve the property assessment system in preparation for the next province-wide reassessment in 2016.

Another initiative which was informed through many forums and discussions with the municipal sector is the amendment to the Building Code on Mid Rise Wood to permit construction of mid-rise wood frame buildings up to six storeys. This initiative was supported by AMO and its northern members and it came to the MOU table for discussion.

In 2014, Ontario also completed negotiations with Infrastructure Canada, AMO and the City of Toronto on the renewal of the Federal Gas Tax Fund (GTF) Agreement which took effect on April 1, 2014. The municipal sector and the provincial government continue to work together on strategies for engagement with the federal government on a long-term infrastructure and housing support.

### The Mandate Letters

Following the provincial election, consistent with their commitment to be more open and transparent across government, the province for the first time, publically released mandate letters outlining specific priorities for each Cabinet Minister. The mandate letters emphasize the government's program spending objectives including a commitment to eliminate the deficit.

The provincial mandate letters provide priorities for the next four years and an opportunity for the province and AMO to focus discussion at the MOU table on the activities that could impact municipal governments. Early in the fall, the Minister of Municipal Affairs and Housing provided an initial overview of the government mandate letters. AMO presented its 2015 strategic objectives which capture the key municipal interests from the provincial mandate letters while outlining its policy agenda and expectations on behalf of its membership, including both immediate and long-term priorities.

### **LOOKING FORWARD TO 2015**

Continued discussion on the activities captured by the provincial mandate letters and provincial-municipal priorities will inform the AMO MOU table and agenda planning. The provincial mandate and AMO's input on their members' priorities for the next two years will greatly help to strategically focus the discussion at the MOU table.

MMAH and AMO continue to work through the MOU process and remain committed to sharing ideas, issues and solutions. Additionally, AMO MOU training sessions for ministry staff are expected for 2015. Continued pre-consultation and collaboration at the MOU table will be important for the success of our communities as the province moves forward in fulfilling its mandate.