

PROVINCE OF ONTARIO AND THE ASSOCIATION OF MUNICIPALITIES OF ONTARIO

2016 JOINT ANNUAL MEMORANDUM OF UNDERSTANDING STATEMENT

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 2016.

Important work on a variety of initiatives was conducted at both the municipal and provincial level in 2016. This annual statement provides an update on some of our activities and accomplishments under the MOU during 2016. Some of these initiatives require ongoing consultation into 2017.

The MOU commits the province of Ontario 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 sector is reflected in the confidential discussions and advice offered as input to the province's decision-making process. Discussions at the table create 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.

The MOU was renewed for three years in August 2016. It was signed by the AMO President and Minister of Municipal Affairs at the AMO Conference held in Windsor.

The regular renewal of the MOU, which was first signed in 2001, reinforces the value of the relationship between the province and municipal governments through AMO. The importance of this relationship is also highlighted in the recent mandate letter to the Minister of Municipal Affairs. One of several key priorities is to "continue to facilitate the strong relationship between the province and municipalities, including the ongoing implementation of the Memorandum of Understanding with the Association of Municipalities of Ontario (AMO)."

HIGHLIGHTS

Ten MOU meetings, covering over 50 items, were held in 2016. The province brought forward key initiatives for municipal consultation and input. Similarly, AMO used the MOU table to advocate for priorities identified in their 2016 Strategic Plan and raised critical issues on behalf of municipal governments.

AMO-Led Discussions:

The MOU table provided a good venue for AMO to bring forward agenda items on issues where they are leading research and policy work.

For example, AMO provided an update on their municipal fiscal sustainability project, **What's Next Ontario**, launched in 2015. AMO shared their research with the province regarding municipal capacity to pay for services and infrastructure in their communities. Further updates on this project are expected over the year as AMO continues its work.

AMO also presented findings from their discussion paper, **Strengthening Age-Friendly Communities and Seniors' Services for 21st Century Ontario: A New Conversation about the Municipal Role**. In the paper, AMO describes a vision for local communities as Ontario's population ages and ways that the province and municipalities can work together to achieve this vision. AMO has asked for tangible provincial engagement so both levels of government can work together on mutual challenges.

Province-Led Discussions:

Municipal

The province continued to bring a range of key policy initiatives to the table. In particular, MMA consulted throughout the year on the **Municipal Legislative Review**. The review was launched in 2015 and AMO provided input on many occasions over 2016. In November, the province introduced Bill 68, **Modernizing Ontario's Municipal Legislation Act, 2016**, which proposed changes to the **Municipal Act, the City of Toronto Act, and the Municipal Conflict of Interest Act**.

In spring 2016, the legislature also passed changes to the **Municipal Elections Act** such as allowing municipalities to use ranked ballot voting for municipal elections and changes to campaign finance and third-party advertising. These changes were informed by many discussions between the province and AMO in 2015 and 2016.

Through discussions and encouragement at the MOU table, the province is tripling the **Ontario Community Infrastructure Fund (OCIF)** from \$100 million to \$300 million per year and increasing Ontario's **Connecting Links** program to \$30 million per year, by 2018-19.

A focus of discussions at the MOU table was federal **infrastructure funding** committed in the 2016 Federal Budget, which municipal governments were eager to access. The province and AMO jointly discussed proposed program parameters and funding criteria. The province heard concerns from AMO about whether municipalities would be able to fully access federal funding based on cost-sharing requirements. As a result of these conversations, **the Province made an additional \$270 million available** and successfully negotiated the eligibility of OCIF funding through the bilateral agreement between Canada and Ontario, which made more than \$1.1 billion in combined funding available under the **Clean Water and Wastewater Fund (CWWF)**. This was in addition to the \$2.97 billion in combined funding announced in August under the Public Transit Infrastructure Fund. In 2017, conversations with municipal governments on federal

infrastructure programs will continue as Phase II consultations wrap up and the province engages with the federal government on the next round of funding.

The province also used the MOU table to inform consultation on the **Ontario Municipal Board Review (OMB)**. AMO's input helped to shape the public consultation document that was released in the fall. Consultations on this review have concluded, and AMO and the province look forward to future conversations to inform the expected OMB legislative and process changes.

There was also discussion on the unproclaimed sections of the **Retail Business Holidays Act (RBHA)**. These provisions would give municipalities the authority to exempt themselves from the RBHA if they pass a bylaw regarding the closure of retail business establishments on a holiday. This authority had been a long-standing ask of municipalities. The province proclaimed this section of the Act to come into force on December 31, 2016.

Finance

As in prior years, the proposed **Ontario Municipal Partnership Fund (OMPF)** allocation formula for the upcoming year was presented at the table. The latest formula reflects refinements made to OMPF over the past several years based on provincial-municipal discussions. Also, there was a discussion on **Review of Railway right-of-way property taxation**, which highlighted municipal concerns with the existing tax rate formula and helped to inform further consultations on this complex file.

Housing

Several housing initiatives were discussed at the MOU table in 2016. The Ministry of Housing (MHO) sought AMO's advice on the proposed **National Housing Strategy** to ensure a common understanding and alignment of Ontario's interest in this important national initiative. MHO also discussed the **Community Homelessness Prevention Initiative (CHPI) Funding Allocation Framework**. In November, the province increased its investment in CHPI to further support municipalities in delivering housing- and homelessness-related services.

Health

As the province moves forward on its Patients First Strategy, the Ministry of Health and Long-Term Care (MOHLTC) brought several items to the MOU table in 2016. One such item was the **Community Paramedicine** framework. Both levels of government understand that this is a valuable health system initiative and are committed to continuing the discussion of appropriate provincial funding sources as the program evolves.

Concurrent with the ministry's work on the **Patients First Strategy**, a fair amount of transformational work has taken place in public health. This is of great interest to municipal governments as they are co-funders. There was an initial MOU conversation about the Modernization of Public Health Standards, as well as the anticipated Expert Panel on Public Health.

Also discussed at the table was Preventing **Post-traumatic Stress Disorder (PTSD)** in Ontario's First Responders. This was a constructive conversation considering proposals

and impacts to implement a prevention strategy for PTSD in Ontario's first responders. The strategy and legislation were introduced in February.

MOHLTC also brought to the table, the ministry's initial proposal on the **Expanding Medical Responses Model**, for feedback on existing capacity for full-time firefighters to provide an additional access point for higher acuity patients and whether this may benefit patients' outcomes. The initial proposal specified that this would be an optional service that municipalities could choose to implement at their Councils' discretion based on local needs. AMO provided a strong negative municipal reaction to the initial proposal as well as concrete advice on the consultation approach to the province.

Community Safety

There were a number of notable initiatives related to community safety that came to the table this year. Significantly, the province launched public consultations on the development of its **Strategy for Safer Ontario** in February. Expected 2017 discussions at the MOU table will continue to help to inform this strategy and potential updates to the *Police Services Act*.

Infrastructure

The Ministry of Infrastructure (MOI) discussed key infrastructure initiatives on several occasions at the MOU table. MOI brought forward a proposal to regulate **municipal asset management plans**. Through discussions at the MOU table and broader consultations with the municipal sector, the province gained a better understanding of the potential municipal fiscal impacts as well as benefits of pursuing this proposal. The province intends to continue consultations on municipal asset management planning over the coming months.

Finally, MOI also brought forward the proposed redesign of the **Ontario Community Infrastructure Fund**, including changes to both the formula-based and application-based funding streams. Through the MOU table, the province was able to receive feedback about the proposed changes and advice on communications of the changes in advance of implementation.

EDUCATION AND TRAINING

The province continues to provide education and training on the benefits and obligations of the MOU to staff across provincial ministries. Nine MOU training sessions were held from July to September with broad representation across all ministries. It was clear that knowledge and awareness levels following the sessions were markedly improved. We look forward to the continuation of timely and informed conversations on provincial-municipal proposals.

LOOKING FORWARD TO 2017

The Ministry of Municipal Affairs and AMO will continue to encourage ministries to bring matters to the MOU Table at the policy and program development stage, so they can benefit from the important input AMO can provide on key provincial priorities affecting municipal governments and their communities.