

# PROVINCE OF ONTARIO AND THE ASSOCIATION OF MUNICIPALITIES OF ONTARIO

## 2017 JOINT ANNUAL MEMORANDUM OF UNDERSTANDING STATEMENT

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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 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; and
- 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 government's decision-making process. Discussions at the MOU table create additional opportunities for better public policy outcomes for Ontario's communities. It is understood that the municipal input and advice offered at the table may or may not be taken and that this does not diminish the value of the MOU process.

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 municipal input AMO can provide.

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.

This annual statement provides an update on some of our activities and accomplishments under the MOU in 2017.

This year, there was a tremendous amount of work done at the MOU table on a variety of initiatives at both the municipal and provincial level. Other engagements have also continued on issues of mutual interest through task forces, working groups, committees, and staff level discussions on provincial-municipal matters. **Twelve MOU meetings were held, covering over 50 items.**

A number of consultations concluded in 2017, with final policy decisions that have led to many pieces of legislation.

Similarly, AMO used the MOU table to advocate for priorities identified in their 2017 Strategic Plan and raised critical issues about fiscal sustainability for municipal governments.

## HIGHLIGHTS FROM 2017

### Ministry of Municipal Affairs (MMA) Items:

Amendments to the **Municipal Act** and the **Municipal Conflict of Interest Act** were a focus at the MOU table. Given that these pieces of legislation are of integral importance to municipal governments, AMO provided strategic input at the MOU table including the definition of what constitutes a “meeting.” The Minister of Municipal Affairs also listened to AMO’s advice by delaying the proclamation date for implementing mandatory codes of conduct and the regulation requiring municipalities to have access to an integrity commissioner. The Minister also delayed the proclamation date for eligible investments under the prudent investor standard, another change under the Municipal Act pursuant to AMO advice.

Further, MMA consulted on the **Building Code**, and feedback around the issue of septic tanks led to changes that lessen the burden for smaller municipalities. Recent amendments to the Building Code Act to enhance public safety and increase transparency reflect recommendations made in the Elliot Lake Commission of Inquiry, and received early input from the MOU table.

The **Ontario Municipal Board (OMB)** review was another key file discussed at the MOU table. Reforms include replacing the Ontario Municipal Board with the **Land Use Planning Appeal Tribunal (LPAT)**, giving more weight to local decisions and ensuring proceedings before the tribunal are faster, fairer and more affordable.

### Other Ministries’ Items:

Other Ministries also brought a range of key policy initiatives to the MOU table. In particular, proposals around **Cannabis Regulation** were discussed at the table three times in 2017. Also, the Ministry of Finance and the Ministry of the Attorney General met with AMO’s Marijuana Legalization Task Force. Constructive engagement on this complex file has resulted in a better understanding of concerns regarding the cost of enforcement and revenue sharing.

**Aggregate Fees** were also discussed. This was an initiative from the Ministry of Natural Resources and Forestry that resulted in an initial increase to the aggregate fees paid to municipalities in response to municipal requests.

The province also used the MOU table to gather input on **Bill 148: Fair Workplaces, Better Jobs Act**. AMO relayed the municipal sector’s significant concerns which led to exemptions from the on-call pay and 96 hours’ notice scheduling rules to respect existing labour agreements and ensure the continued delivery of essential public services. There is also a regulation in place to clarify that equal pay provisions of the legislation do not apply to volunteer firefighters.

As in prior years, the Ministry of Finance brought forth a discussion on the proposed **Ontario Municipal Partnership Fund (OMPF)** allocation for 2018. The need to further strengthen OMPF funding for rural and northern municipalities was recognized such that the total funding envelope to municipalities was increased by \$5 million to \$510 million. This is a permanent increase to OMPF for 2018 and beyond.

Also, as a result of AMO's advice at the table, the **Asset Management Planning Regulation** was recalibrated to reduce some of the administrative burden and the timeline was extended to afford adequate implementation time for small municipalities. To assist municipalities with the implementation of the regulation, Ontario is providing up to \$25 million to deliver tools and supports over the next five years.

Another notable engagement was on the **Federal Phase 2 Infrastructure funding** initiatives, which the Minister of Infrastructure discussed multiple times at the table with AMO.

Furthermore, working with the Minister of Education, the MOU table helped inform the **design of consultations on rural schools**. The Ministry of Education continues to work to further improve the Pupil Accommodation Review process.

Housing continued to be a focus at the MOU table this year. The province consulted regularly with AMO, which resulted in combined advocacy of the federal government's **National Housing Strategy (NHS)**. When the federal government released "Canada's National Housing Strategy" in November 2017, it was clear this effort was important. The combined advocacy resulted in the strategy being reflective of Ontario's collective call for the preservation of baseline funding for existing social housing, and a federal government commitment to build and renovate new and existing affordable housing through a new co-investment fund.

The MOU table also provided a good venue for the government and the sector to continue to have open, active and candid discussions on key transformational issues within the health (**Bill 160 – Amendments to the Ambulance Act [fire-medical pilots]**), public safety (**Bill 175 – Safer Ontario Act and Fire Regulations under the Fire Protection and Prevention Act**), and construction (**Bill 142 – Construction Lien Act**) areas.

The ministries heard feedback and continue to meet with AMO and municipal sector representatives to encourage dialogue and seek common ground. Regarding Bill 160 and Bill 175, the Ministries of Community Safety and Correctional Services and Health and Long-Term Care, attended multiple MOU meetings throughout the year and held many discussions that offered AMO opportunities to express municipal concerns and perspectives.

AMO also presented information related to continuing and new provincially directed **unfunded mandates**. AMO pointed out that unfunded mandates affect the flexibility and ability of municipal governments to deliver services for their citizens

Finally, AMO continued to raise the issue of **Local Share** with respect to the need for municipal fiscal sustainability at the MOU table. A proposal for a new 1 per cent sales tax dedicated to help fund critical local services like roads, bridges and transit. The goal is to reduce the pressure on property tax increases and provide municipal governments with a more diverse source of revenue. AMO noted that there must be real action to reduce and prevent more costs to municipal governments.

## **LOOKING FORWARD TO 2018**

The provincial election will occur in June 2018, followed by municipal elections in October. AMO and the provincial government will continue to work effectively together at the MOU table to establish and formulate initiatives that align with the needs of Ontarians.