

Association of Municipalities of Ontario

Provincial-Municipal Relationship:

We would like to know whether you think there are actions within the Premier's Office and the Ministries that could bring some 'quality assurance' to this process? Are there other ideas to improve the provincial-municipal relationship that you think could be brought forward?

Ontario Liberals are proud to have created the AMO MOU table. We are continually working towards effective implementation and policy development in both the Premier's Office and each ministry. As part of our policy development process, we will ensure that important policy initiatives that affect municipalities are brought forward at the AMO-MOU table.

We recognize the importance of Ontario's communities in our provincial and national economy, hence timely discussions about municipal impacts of potential provincial policy programs are integral.

We will continue to seek out and utilize AMO's policy advice on tough public policy files like OPP Billing and infrastructure funding because we realize that the government closest to the people can bring helpful ideas to the table. We will find opportunities to ask municipal and provincial government officials to work together to develop and implement policy like we did with the gas tax program and the Provincial-Municipal Fiscal and Service Delivery Review (PMFSDR).

The Ontario Liberal Party has more candidates with local government experience than any other party running in this election. Ontario Liberals are the only party that can be trusted to maintain the funding and strong working relationship between the municipal and provincial governments.

Municipal Finance Matters:

Does your plan to address the provincial deficit in future years' budgets hold the agreement whole? We note that the Waterloo Record has quoted you at a Mississauga event as saying you will talk about uploading more services from local governments if elected. Is this accurate? How soon would this occur?

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We are committed to continuing the upload, on schedule. In the 2014 Budget, the Wynne government reiterated its support for continued implementation of the PMFSDR until 2018. In 2014, we will provide municipalities with ongoing support of approximately \$3.5 billion – an increase of more than 200 per cent since 2003 when the Harris Conservative government starved municipalities for adequate funding as they cut taxes and spending – cuts the Hudak Conservatives intend on replicating.

Part of the Ontario Liberal Plan is to invest \$130 billion in infrastructure over the next 10 years to support roads, bridges, and transit. Ontario municipalities will benefit from this commitment. We will also work with you to ask the federal government to put forward their fair share of infrastructure funding.

While the Wynne government is always prepared to discuss service delivery with its municipal partners, any decision regarding further uploads would need to be made in the context of our commitment to balance the budget by 2017-18 and make responsible spending decisions in support of a balanced budget.

Will your party re-consider the OMPF reduction for this fiscal year if elected?

The Ontario Municipal Partnership Fund (OMPF) is the main unconditional transfer payment to municipalities that primarily supports rural and northern communities in recognition of their unique challenges. In 2012, the Ontario Liberal government announced the review and phase-down of the OMPF to \$500 million by 2016. The phase-down was also part of the 2008 upload agreement with municipalities.

Ontario Liberals will continue to provide support to municipalities through the OMPF and proceed with the phase-down to \$500 million. However, to manage program spending and in light of the significant level of support provided to municipalities the phase-down schedule for the OMPF would be adjusted for 2015. Under the revised schedule, municipalities will receive \$515 million through the program in 2015. We would continue to work closely with municipalities to manage the phase-down of the program, and ensure that details of the 2015 allocations are available as soon as possible to support municipal budget planning.

Even with the phase-down of the OMPF, the government's commitment to the provincial uploads means that overall support to municipalities will continue to increase, with the provincial uploads more than offsetting the reduction to the program.

All parties supported Bill 34. Will you re-introduce this legislation immediately once the new Parliament begins and what would you do to accelerate its passage?

Ontario Liberals took the lead in introducing changes to the *Provincial Offences Act* to help municipalities collect unpaid fines. If given another mandate to govern, we will reintroduce our proposed changes at the first opportunity.

There is strong municipal support for a proposal developed by 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. Will your government support this model? 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. If elected, would you introduce legislation within your first 60 days?

Ontario Liberals understand that rising litigation and insurance costs are a significant concern for the Association of Municipalities Ontario. That is why our government worked with AMO to develop solutions to address this concern.

This past April, we completed consultations with the legal community and AMO on two proposed solutions, including the Saskatchewan Model and the Multiplier Model referenced in your letter. We are also continuing to explore other legislative and non-legislative strategies to tackle the concerns that AMO has expressed, including a statutory immunity where municipalities can establish that they have complied with all relevant road maintenance standards.

When the writ was dropped, the Wynne government was in the process of reviewing feedback from all stakeholders on this important issue. If we are given another mandate to govern, Ontario Liberals will continue to work with AMO as we have successfully in the past, to develop a practical and fair solution to this complex challenge.

Municipal leaders were the strongest supporters of Bill 91, the Waste Reduction Act. It was proposed legislation that finally recognized the key role the municipal sector has with respect to waste diversion at the local level. In fact, for several months we were working with the Ministry of Environment and industry leaders to find common ground in order to move Bill 91 forward. Again we ask if you will re-introduce this legislation, or a slightly altered version given our work with industry, shortly after the new Legislative session begins and what will your party do to accelerate its passage?

Ontario Liberals appreciate the importance of municipalities in making recycling work for their residents, for the environment, and for the economy; recycling used resources also attract new investment in recycling plants generating new jobs and the production of new Ontario-made goods. Our proposed Waste Reduction Act would have lifted the cap on waste generators' contribution to municipal Blue Box costs, among the many reforms needed to boost recycling.

If given another mandate, the Wynne would reintroduce a waste reduction bill that reflects our view that the municipal role should be recognized. Unlike our opponents in the previous Legislature, and during this election campaign, Ontario Liberals recognize the important role that municipalities play in delivering quality recycling services to the people of the province.

The OPP`s proposed billing model has been a topic of some significant discussion amongst the 324 OPP policed municipalities. Interests remain disparate because of the impacts in making a change and impacts for those that see the need for change. These municipalities want to know how a Liberal government would approach this OPP billing issue specifically given the lack of municipal consensus. What is your party's go forward position on billing reform?

We have heard from many of the OPP's client municipalities that the current billing model is unfair and should be reformed to be equitable, transparent, and rational for all municipalities. Indeed, AMO's leadership on this issue has made a significant contribution in moving the process of reforms forward. We would like to thank you for your work in facilitating that dialogue and supporting the effort to bring fairness to the OPP billing model through the work of the AMO OPP Billing Steering Committee.

As you are well aware, some municipalities have been paying almost nothing for OPP policing services and others are paying \$1,000 per household. And yet all have access to the same level of service. This is clearly unfair and has been unfair since the PCs created this model in 1998.

The model we put forward when in government is more equitable and ensures that everyone contributes to the base cost of policing. In addition, the model provides a detailed breakdown of all of calls for service in each community. In that way, the model empowers municipalities that have high crime rates and high calls for service to target specific crime prevention initiatives to reduce costs.

We agree with the advice we have received from the AMO OPP Billing Steering Committee which suggested a 60:40 split between base cost and calls for service. We also agree that the allocation of base policing costs should go beyond a per household model and should reflect the fact that owners of commercial and industrial properties also use OPP services should pay their share. Furthermore, in line with our commitment to openness and transparency, we commit to having the model audited by a third party before presenting it to municipalities.

We know that a change like this requires mitigation support, and must be managed carefully to allow for a fair transition. So we will work with you to explore options to phase-in the new model over a period of time, in a way that is manageable for municipalities.

We are not a party that shirks from tough decisions and if some municipalities are being unfairly treated, we will act to remedy that. But, we also want to get the model right. We commit to continuing to work with AMO as we implement the Steering Committee's good advice.

On the broader issue of current and future emergency service costs, are you open to reviewing alternatives to service delivery? For example, there are policing functions that could be delivered differently, in a more affordable manner, and possibly be delivered in another way in different types of communities (e.g. rural policing service versus larger urban policing services).

The role of police in our communities has evolved rapidly and officers have been required to adapt to an increasingly complex social, legal and technological world. In recognition of this changing context, we worked with AMO and our policing partners to hold a Policing Summit in March 2012.

Arising from that Summit, we created the Future of Policing Advisory Committee, a committee made up of all policing stakeholders, including AMO, which will provide advice on how best to that ensure our communities have sustainable and effective policing into the future. As an expression of our pledge to work with AMO and our policing partners, we have committed that it is through this process that any alternative means of providing policing, including differential models of policing rural and urban populations, would be addressed.

We expect that the FPAC's report will be delivered this Fall, and if we win the honour of re-election, will introduce a package including legislative and/or regulatory changes arising from the FPAC report as early as Spring 2015.

In the 2013 Fall Economic Statement, there was mention of reviews of the Education Tax Rate, which would potentially have impacts on municipal property taxation and review of the Business Education Tax Rate. Are these still contemplated and why?

The Wynne government is proud of its strong record of supporting and working with municipalities, unlike the Harris government that devastated municipalities with downloading and forced amalgamations. We have reviewed the structure and rate of the Business Education Tax and concluded that no changes to the rate are appropriate.

Work on the Provincial Land Tax began before the Election Writ. Is this priority work if elected and if so, when would you commit for the review to be concluded?

If we are given another mandate to govern, Ontario Liberals will consult with municipalities, taxpayers, and other northern stakeholders on reforms to the Provincial Land Tax (PLT), and bring forward solutions later this year that address tax fairness in northern Ontario. While the review is underway, PLT rates will be frozen for 2014 at the 2013 rates.



Municipal governments have long held that growth should pay for growth. What is the Liberal policy? Would it alter the service level standard that is an historical standard rather than a current standard? This current policy of the Act means that the DCA model is looking backwards, not forwards. What are your plans for DCAs?

Ontario Liberals recognize the key concerns that municipalities have in regards to growth related costs. We are committed to making the Development Charges Act responsive to the changing needs of Ontarians and recently undertook a review of the Development Charges system to ensure it's still responsive to the changing needs of our communities.

Ontario Liberals are committed to making the Development Charges Act responsive to the changing needs of Ontario's cities. We are focused on creating a balance between ensuring housing remains affordable and empowering municipalities to make needed investments in infrastructure.

If we are given another mandate, a Wynne government will introduce legislation to remove the 10 per cent discount on transit development charges and work with municipalities to determine a progressive, forward-looking formula for calculating transit development charges.

We will also work with municipalities to review other development charges formulas and make it easier to make adjustments by creating regulation making authority.

Would you be prepared to discuss ideas around new revenue approaches/tools for municipal governments?

The Ontario Liberal Party is committed to uploading \$1.5 billion annually. Ontario Liberals have no plans to implement new revenue tools for municipalities.

However, through the AMO-MOU table, we would commit to working with AMO to develop new ways to manage costs and pay for essential services.

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Infrastructure:

AMO appreciates the \$28.9 billion over 10 years commitment to infrastructure funding that recognizes that all municipal governments need infrastructure investment. AMO understands that if you are elected, this funding would be made available through two trusts: \$15 billion for the GTHA for transit and a trust of \$13.9 billion for communities outside of the GTHA for infrastructure priorities. We also understand that priorities for the \$13.9 billion fund for communities outside of the GTHA would be decided collaboratively. Could you explain this further and is the range of priorities broad or more limited to certain types of infrastructure?

If given another mandate, we will work with municipalities on how to best prioritize transportation and transit investments through the use of rigorous business-case analysis. We will have a fair, evidence-based, inclusive process for deciding which projects will receive funding, and when and how they are built, based on the benefits to communities and to Ontario as a whole.

- We will invest in bus and rail refurbishment infrastructure so that the Ontario Northland Transportation Commission (ONTC) can remain strong in public hands.
- We will invest \$1 billion in infrastructure to support smart, sustainable and collaborative development in the Ring of Fire area.
- Stage 2 of the Ottawa LRT and further expansion of the Kitchener-Waterloo LRT to Cambridge will be eligible for investment under Moving Ontario Forward.
- We will look at providing more GO options to connect Brantford, the Niagara region, Dufferin County, and other regions outside the GTHA to the GTHA.
- We will invest in high-speed rail service between southwestern Ontario and Toronto, through London and Kitchener-Waterloo.

- We will move forward by finalizing the business cases and proceeding with environmental assessments on the line from Toronto to London and between London and Windsor. We will invite the private sector and Ontario-based pension plans to invest in this project.
- We will work towards expanding major highways to four lanes from border to border to border. With a willing federal partner, we can make the Trans-Canada highway four-lanes from border to border in Northern Ontario.

A new, permanent \$100 million fund for municipal roads and bridges for "critical projects in communities with challenging fiscal circumstances" will help with the estimated (2008) \$2.7 billion investment gap in just roads and bridges. Your 2014-15 proposed budget committed to working toward a formula basis for funding which would provide needed predictability. Can you clarify how long you expect this to take given the move to entrench asset management planning? Are you willing to expedite this transition?

We will invest \$100 million in 2014-2015 to support critical municipal priorities, and we expect this fund to grow over time. Currently, there have not been any policy decisions made in terms of how long it will take until we have moved to a 100 per cent formula based funding. We are looking forward to hearing AMO's input on this matter.

If elected, would you expedite discussions with the federal government to quickly conclude the arrangements for the Federal/Provincial Build Canada Fund which would also bring added infrastructure dollars to Ontario?

Ontario Liberals have done everything possible in order to encourage the federal government to provide clarity on the Build Canada Fund and we will continue doing so. The federal government has launched this program without consultation with the provinces or municipalities, and without clear processes for applications to flow.

Labour Matters:

Would your government provide a policy framework change that requires arbitrators to use this 'intra-municipal' information in their decision-making?

We know that rising emergency service costs are a concern for municipalities. Ontario Liberals recognize the importance of collective bargaining, and of the interest arbitration system where there is no right to strike. We know that arbitration is rarely used and we believe that the best and most sustainable agreements are achieved at the bargaining table. We're proud that our government brought AMO, firefighter and police negotiators together for independently facilitated sessions with a well-respected mediator to find common ground in improvements for the system.

We believe that solutions to which all sides can agree are the way forward. For example, we believe that we can work towards a compromise to require that arbitration decisions are timely and provide detailed reasons, so that your members don't have to wait for results and so that we can all understand why decisions have been made.

Ontario Liberals introduced technical reforms to the system in 2012 that would have ensured timeliness, transparency, and accountability. Unfortunately, those reforms were defeated by the NDP and the PCs for perceived short-term political gain. The PC plan to reform arbitration would lead to lengthy and unsuccessful court battles, leaving municipalities in an extended state of massive cost uncertainty, followed by a huge bill to pay for years of back wages.

Any changes to the system must be acceptable to all sides, and must be constitutional – unlike, we believe, those proposed by the PC Party. We are committed to a balanced and fair system for both municipalities and first responders.

Municipal Administration Matters:

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.

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The Wynne government is continuing to move ahead with the Commission's recommendations — over 80 per cent of recommendations are now being acted on, up from 60 per cent in the 2013 Budget. These actions are enabling sustainable transformation and supporting successful expenditure management. We will continue to examine the Commission's recommendations that we have not already ruled out as part of our commitment to deliver the most effective and efficient public services.

The proposed Accountability Act and its intent to create not one, but two mandatory new layers of investigation took municipal governments by surprise. Are you firm in this approach?

Ontario Liberals remain committed to expanding accountability in the public sector. If we form another government, we will work with AMO and the entire Broader Public Service to identify the best ways to expand accountability and give Ontarians confidence in their public service.

Human Service Matters:

How will the Liberals move forward on social assistance reform and improve employment outcomes for low income and vulnerable Ontarians?

Ontario Liberals agree that social assistance is most effective when it helps people to find new and better jobs. Among the steps we are taking is a plan to streamline social assistance employment benefits, consistent with recommendations of the Commission to Review Social Assistance in Ontario. We will replace seven separate employment benefits with a consolidated benefit structure within each of ODSP and Ontario Works. This will reduce the complexity of the social assistance system and improve program efficiency.

It will also make it easier for clients to know what help is available and give caseworkers more flexibility to better meet the unique needs of individual clients. This builds on steps we have taken in the past year such as introducing an earnings exemption of \$200 monthly, which will reduce barriers to employment for social assistance recipients; and increasing the amount of assets that Ontario Works recipients are allowed to retain, making it more likely they can 'bounce back' from a period of unemployment without becoming destitute.

We will not proceed with merging Ontario Works and ODSP, as recommended by the Commission, because we believe the programs function best separately. However, we believe the Commission's goal of finding savings through efficiency can be achieved in other ways. We will continue to look for improvements that allow the province and municipal partners to operate with the greatest possible efficiency, ensuring that program dollars have maximum impact.

Ontario Liberals have also committed to support the 1.65 million people in Ontario who have a physical, mental, sensory or learning disability, 63 per cent of whom are aged 15 to 64 — the cohort most likely to be participating in the labour force. We are working to address the challenges they face in securing employment.

We will collaborate with businesses and community employers to correct myths and misconceptions about people with disabilities, address stereotyping and foster partnerships to establish inclusive workplaces. This will be coupled with talent development initiatives that focus on educational attainment, skills training and early experiences with the labour market for people with disabilities, particularly through experiential learning.

Our supports and programs that promote hiring people with disabilities include:

- The Partnership Council on Employment Opportunities for People with Disabilities composed of corporate leaders and accessibility change-makers.
- Valuing Ability Campaign: This targeted outreach and marketing initiative will increase awareness of the *Accessibility for Ontarians with Disabilities Act, 2005*, and its standards among small and medium-sized enterprises, improve compliance, and highlight tools and resources available to recruit and retain people with disabilities.
- Supporting Compliance: The Accessibility Directorate of Ontario will continue to work with businesses by providing the tools and assistance they need to meet Ontario's accessibility standards.
- A commitment in our plan to partner with business and commit \$30 million over two years to help more people with disabilities achieve their maximum employment potential.

Energy:

Is it your plan to use the regional energy planning approach to better manage the electricity system or is there the potential to integrate local generation and transmission systems to find cost savings? How will you address the call for lower energy prices?

Ontario Liberals were pleased to initiate the regional planning process in consultation with municipalities, Aboriginal communities, local utilities, stakeholders, and members of the public. Improving our regional energy planning process helps ensure that we plan for growth and long-term reliability that meets the diverse needs of our different regions. We believe regional planning provides local benefits as well as benefits to the provincial system, and that indeed cost savings can be realized for all Ontarians.

Through our Long-Term Energy Plan, we have clearly laid out for Ontarians the investments that need to be made over the next 20 years to modernize our electricity system, why these investments in infrastructure are essential to Ontario's future, and the cost of these investments over time. To help our families, seniors, and businesses manage electricity bill increases through this critical period of modernization, Ontario Liberals have brought forward a number of initiatives.

The Ontario Clean Energy Benefit takes 10 per cent off the first 3,000 kWh of each electricity bill for Ontario residential, small business, and farm consumers. That means an average of \$178 per year returned directly to residential consumers and \$696 per year returned directly to farm consumers. The Ontario PC Party has committed to immediately terminating this relief.

The Ontario Energy & Property Tax Credit provides annual tax relief to millions of Ontarians; many of them in Rural and Northern Ontario. Low-moderate income Ontarians who own or rent a home are eligible to receive up to \$970, while seniors may claim up to \$1,100 in relief each year to help with both their energy costs and property tax.

The Northern Ontario Energy Credit is a permanent annual credit to help families and individuals in the North with electricity costs. The annual credit of up to \$140 for a single person and up to \$215 for a family is available on top of all other credits and benefits and is accessible to over half of northern Ontario households.



We are committed to ending the Debt Retirement Charge (DRC) which was placed on every Ontarian's electricity bill by the previous PC Government. This charge will be permanently removed from residential bills by the end of 2015.

We will also create the Home Electricity Assistance Program to help make electricity more affordable for low-income families. This new program would provide rate relief of up to 10 per cent, saving families up to \$17 per month.

In addition, our Conservation First commitment means Wynne government will prioritize energy conservation as the cheapest way to meet demand for energy. We have set a strong new Conservation and Demand Framework that will ensure the Ontario Power Authority and electricity utilities work together to offer Ontarians effective programs to reduce electricity use and save money. We have also directed the Ontario Energy Board to develop a new Natural Gas Demand Side Management framework that enables the achievement of all cost-effective conservation and aligns efforts with electricity conservation.

Taken together, these measures to help manage bills provide more, and better targeted relief for Ontario families, seniors, farms, and small businesses than what is being proposed by either the PCs or the NDP.

With respect to Ontario's industry, we have introduced a number of energy initiatives to enhance the efficiency and competitiveness of large industrial consumers as well as protect jobs and strengthen our economic foundations across the province.

The Industrial Conservation Initiative provides a strong incentive for large electricity consumers to shift their electricity consumption away from peak hours to save on average 15 to 20 per cent on their energy bills. We will expand the program to include eligible businesses with monthly peak demand greater than three megawatts, down from the current threshold of five megawatts. This would open participation to hundreds of additional medium-sized electricity consuming businesses so that they may take advantage of these significant savings as well.

The Industrial Electricity Incentive offers companies that invest in Ontario reduced electricity rates for setting up a new facility or expanding their operations in Ontario and create jobs. Starting this year, we will provide broader eligibility for new applications for 10-year contracts under the IEI program to

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allow for participation from a wider range of companies. By choosing to locate, expand, and create jobs in Ontario, companies are eligible for some of the lowest electricity prices in North America.

The Northern Industrial Electricity Rate Program provides electricity price rebates for large northern industrial consumers who commit to an energy efficiency and sustainability plan. On average, this program reduces electricity prices by about 25 per cent for large industrial facilities. Ontario Liberals would make this program permanent.

To ensure that Ontario residents and industries share in affordable supplies of natural gas, we will provide up to \$200 million over two years for a new Natural Gas Access Loan. The interest-free loan will help communities partner with utilities to extend access to natural gas supplies. We will also establish a \$30 million Natural Gas Economic Development Grant to accelerate those projects with a clear economic development potential. These two programs, which will be funded under our \$130-billion infrastructure plan, will give consumers in underserved communities more energy choices, make commercial transportation more affordable, attract new industry to Ontario, and benefit our agricultural producers.

Collectively, these measures ensure electricity is not a competitive disadvantage for companies looking to invest in our economy, expand their operations, and create more Ontario jobs. They also represent a markedly superior level of support for investment than the regressive, back-of-the-envelope policies suggested by the PCs and NDP.

Only Ontario Liberals have a thoughtful, balanced, and cost-effective approach to grow new industry in Ontario and keep our business environment competitive, creating jobs for Ontarians today and going forward.

Thank you for the opportunity to reaffirm the Ontario Liberals' commitment to supporting and working with municipalities. We look forward to continuing to work with AMO to strengthen our economy and build an even brighter future for Ontario.

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