

May 15, 2014

Kathleen Wynne
Leader, Liberal Party of Ontario
10 St. Mary Street, Suite 210
Toronto, ON M4Y 1P9

Dear Ms. Wynne:

With the provincial election underway in Ontario, AMO and its members are looking for some clarity on elements of your platform. If you feel that time with you or the campaign team is a better way to achieve this, we'd be happy to arrange a meeting.

Provincial-Municipal Relationship:

- The provincial-municipal relationship is important for many reasons. We share interests because of the services that residents need and want. Ontario's communities play an essential role in our provincial and national economy. In addition, we have a shared interest in good public policy, and effective implementation when policies change. The Province of Ontario and AMO first signed the Memorandum of Understanding (MOU) in 2001 and it was added to the *Municipal Act* in 2005 as a requirement. The benefit for both parties is a confidential venue that allows candid discussion on the municipal impacts of potential provincial policy and programs which can only mean better outcomes for Ontarians. It works best when there are timely discussions – before matters get to the Cabinet. 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?

Municipal Finance Matters:

- AMO appreciates you and your party's strong commitment to honouring the upload agreement during the first six years of its 10 year timeframe. You know that this is a priority for our members. Municipal governments are anxious to hear about the commitment to the next four years of the upload agreement. 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?
- As you are well aware, the Ontario Municipal Partnership Fund (OMPF) assists those smaller rural and northern municipalities that are particularly fiscally challenged. The

proposed 2014 Budget`s accelerated reduction of \$35m in OMPF versus the planned \$25m was a significant surprise to the smaller municipal governments across Ontario that do not have a robust property assessment base and that have below provincial average household incomes. The difference represents 0.00008% per cent of the proposed Ontario budget but for the fiscally challenged municipal governments of northern and rural Ontario, the reduction of \$25 million last year was challenging on its own. Municipalities are trying to understand the basis of this year`s plan to accelerate it, particularly when other factors such as OPP Billing changes are at play. Will your party re-consider the OMPF reduction for this fiscal year if elected?

- In March 2013, Bill 34, the *Highway Traffic Statute Law Amendment Act* was introduced to help improve municipal collection of defaulted Provincial Offences Act (POA) fines, a long-standing potential municipal revenue source. 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?
- 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?
- 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?
- 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?
- 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).

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

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?
- 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?
- 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?

Labour Matters:

- Unfortunately, interest arbitration is an area where consensus between employers and employee groups is not forthcoming. We tried. Municipal governments believe that interest arbitration should be conducted within a new framework that requires an arbitrator to consider capacity to pay by looking to negotiated agreements with other unions and the private sector within the municipality. This is the best test of affordability, not what happened somewhere else in the province either through negotiated settlement or arbitrated collective agreements. Given that the facilitated process in which you asked the stakeholders to participate bore no solution to capacity

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

Municipal Administration Matters:

- Municipal governments prepare hundreds and hundreds of reports for provincial ministries and agencies, many of them required by regulations, and many are longstanding requirements. 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.
- 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?

Human Service Matters:

- Your government has previously committed to social assistance reform through successive budgets. AMO's priority is that the social assistance system helps people find new and better jobs. How will the Liberals move forward on social assistance reform and improve employment outcomes for low income and vulnerable Ontarians?

Energy

- As large energy consumers, municipalities are concerned about the impacts of rising prices on the municipal bottom line as well as on large industrial users and other rate payers in communities. The recently released Long Term Energy Plan indicates that energy costs will increase significantly. Some industries are starting to identify energy costs as a factor that will move them out of Ontario. Equally it will be very difficult for home owners to manage these projected rates. 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?

As you can see in this outline of AMO's members' priorities, we have many shared areas of interest and concerns. I've also attached the 'Coles note' version of Municipal Priorities. Please feel free to have your staff contact Ms. Pat Vanini, Executive Director to discuss the contents of this letter and the best method of response within the next week.

Sincerely,



Russ Powers
President