ROMA Cross-Cutting Themes **Page**

Municipal Financial Sustainability

LEAD MINISTRIES	DESCRIPTION	STATUS
MMA MOF MTO MTCS	Municipalities and municipal associations, including ROMA, have expressed interest in expanding revenue generating authority.	The province requested that municipalities, through AMO, provide a unified proposal for revenue generation authority. AMO proposed a 1% Harmonized Sales Tax increase dedicated to funding municipal infrastructure and community facilities, but Ontario will not increase the HST.

KEY MESSAGES

- Since taking office we have worked very hard to improve the provincial-municipal relationship.
- As a result of provincial uploads, provincial support to municipalities has increased considerably over the past decade.
- In 2018 alone, the province will provide municipalities with ongoing support of more than $4.2 billion. This amount is nearly four times the level of support provided in 2003.
- This support includes more than $2.6 billion to municipalities through the combined benefit of both the Ontario Municipal Partnership Fund (OMPF) and provincial uploads.
- In 2018, the OMPF is increasing by $5 million to further support northern municipalities, as announced in the 2017 Ontario Economic Outlook and Fiscal Review.
- In addition, we are increasing the Ontario Community Infrastructure Fund (OCIF) to $300 million per year to support needed projects in small, rural and northern communities.
- Under the Modernizing Ontario's Municipal Legislation Act, 2017 (Bill 68), and subject to an upcoming regulation, we have extended the authority to invest under the prudent investor standard to municipalities outside the City of Toronto. These broader investment powers will allow municipalities to build more diversified portfolios and help finance the repair and replacement of local infrastructure.
- As of December 1, 2017, single- and lower-tier municipalities have the option of levying a tax on hotels and short-term accommodation. Giving municipalities this authority adds to our government's strong record of working with municipalities to help ensure they are able to provide the services their communities need.

If pressed about AMO's "Local Share" proposal of a 1% HST increase dedicated to municipal infrastructure:

- As stated at the 2017 AMO Conference, we are not going to increase the HST.
- Right now, we are focused on taking costs off of Ontarians and supporting them to make ends meet. Raising the provincial portion of the HST would not be consistent with that.

Support for Rural Ontario

LEAD MINISTRIES	DESCRIPTION	STATUS
OMAFRA MOF MEDG MOI MMA	Municipalities' request for long-term sustainable funding to address gaps in critical infrastructure.	The Ministry of Agriculture, Food and Rural Affairs' programs and services offer support to rural communities to address economic development barriers. As well, the Ministries of Economic Development and Growth and Infrastructure have committed to expanding broadband infrastructure in rural and remote communities.

KEY MESSAGES

- In 2018, municipalities will benefit from more than $4.2 billion in ongoing support through the Ontario Municipal Partnership Fund (OMPF), provincial uploads and other provincial initiatives — nearly four times the level of funding provided in 2003.
- The OMPF is the Province's main unconditional transfer payment to municipalities, with almost 90 per cent of its funding going to northern and rural municipalities.
- Ontario's support for rural communities is also provided through a range of programs, resources, tools and services across government, including the Ontario Community Infrastructure Fund (OCIF), the expansion of broadband infrastructure, and the Rural Economic Development (RED) program.

Ontario Community Infrastructure Fund (OCIF):

- We are tripling the OCIF to $300 million by 2019 to help rural municipalities build and upgrade their roads, bridges and water systems.
- Rural communities can now depend on stable, predictable and bankable funding to make critical investments that will support their long-term viability.

Internet broadband:

- Since 2007, we have committed over $280 million to upgrade broadband infrastructure in rural and remote communities in Ontario.
- As outlined in our long-term infrastructure plan released in November 2017, our broadband strategy will continue to build upon what has been achieved while looking at new opportunities to expand this vital service
- This includes a commitment of up to $90 million towards the Southwestern Ontario Integrated Fibre Technology (SWIFT) project – a $281 million project that will help bring high-speed internet to more than 300 communities in southwestern Ontario.
- Completed in 2015, the Eastern Ontario Regional Network (EORN) covers 50,000 square kilometres and has resulted in new high-speed fibre across the region. Our government invested $55 million into this project.
- We have also invested up to $30 million to bring modern fibre-optic cable to five Matawa member communities in the Ring of Fire Region.

Rural Economic Development (RED) program:

- We continue to invest $5 million every year in the community-focused RED program to help rural and Indigenous communities and not-for-profit organizations attract investment, create jobs and remove barriers to economic growth.
- Since 2013, the program has invested over $8 million in 160 projects, generating over $25 million in new economic activity and supporting more than 600 jobs.

Legalization and Revenue Share of Cannabis

LEAD MINISTRIES	DESCRIPTION	STATUS
MAG MOF MOHLTC OMAFRA MCSCS MTO MMA MHO	The federal government has committed to legalizing cannabis by July 2018. Municipalities are concerned about safety, distribution support and incurred costs.	On December 12, 2017, the government passed the Ontario Cannabis Retail Corporation Act, 2017 and the Cannabis Act, 2017. They create a legislative framework designed to limit harm, protect youth, eliminate the illegal market, and enhance road safety. The Legalization of Cannabis Secretariat is taking part in a panel at ROMA on January 22, 2018.

KEY MESSAGES

- In response to federal legalization of cannabis by July 2018, Ontario has passed legislation that will ensure the province is ready to regulate the lawful use, sale and distribution of recreational cannabis in the province.
- The legislation will support Ontario’s safe and sensible transition to the federal legalization of cannabis and will:
    - Protect youth by setting a minimum age of 19 to use, buy, cultivate and possess cannabis in Ontario – the same age as alcohol and tobacco
    - Focus on harm reduction by allowing for the diversion of people under the age of 19 into programs focused on education and prevention to ensure they are not unnecessarily brought into contact with the justice system
    - Ban the use of cannabis in public places, workplaces and motor vehicles;
    - Create a new provincial retailer, overseen by the Liquor Control Board of Ontario (LCBO), to ensure the safe and socially responsible distribution of recreational cannabis through stand-alone stores and an online order service
    - Introduce new provincial offences with strict, escalating penalties
    - Establish tougher drug-impaired driving laws, including a zero-tolerance approach for young, novice and commercial drivers
    - Maintain the federal restrictions on adult possession limits and home cultivation while aligning them with Ontario's rules for minimum age.
- Municipalities are essential partners in the government effort to take a safe and sensible approach to cannabis distribution across the province.
- The LCBO and the Ministry of Finance have met with the municipalities identified for retail stores for July 2018 to discuss the proposed process for selecting store sites.
- We know there are concerns about implementation costs and funding for municipalities and we look forward to continued engagement on local concerns, including a reasonable distribution of revenue associated with legalization cannabis.
- Revenue estimates will be highly uncertain as there are many unknowns, including market dynamics, availability of supply and consumer demand. Provinces are not anticipating high cannabis revenues in the early years of legalization.
- Our approach aligns with how Ontario retails alcohol and will achieve the control and social responsibility standards that Ontarians expect, while responding to consumer demand and reducing the illicit market.

OPP Costs and Modernization

LEAD MINISTRIES	DESCRIPTION	STATUS
MCSCS TBS	Modernizing police services and addressing concerns about OPP costs and the province's billing model.	The government worked with municipalities and with AMO to develop and implement a new billing model. The new model is being phased in over five years. A review of the billing model will take place in in 2019, with MCSCS beginning to engage municipalities in 2018. The current OPP collective agreements expire on December 31, 2018.

KEY MESSAGES

- The old system of how municipalities were billed for OPP services was developed 17 years ago, resulting in some municipalities subsidizing others. Municipalities and the Auditor General told us the model was unfair and needed to change.
- The government worked with municipalities and with AMO to develop and implement a new billing model. The new model is being phased in over five years with annual limits on changes in policing costs. This provides stability and predictability for both taxpayers and municipalities.
- In 2017, the Ministry of Community Safety and Correctional Services (MCSCS) made an additional amendment to the billing model to exclude the following types of structures from the property count:
  - Structures where there is rarely any interaction with the public, owner, or a representative/employee, and which do not typically require proactive policing (such as communication towers, billboards, and passive renewable energy structures like wind turbines, and solar facilities)
  - Structures that are part of a larger infrastructure system (such as tunnels and bridges)
  - Federally and provincially owned vacant land and parks.
- MCSCS will undertake an official review of the billing model in 2019, and will begin to engage municipalities on the review beginning in 2018.

OPP Collective Bargaining Agreement

- Collective bargaining between the government and the Ontario Provincial Police Association (OPPA) concluded with an interest arbitration decision on October 3, 2016. This decision covered members of both the Uniform and Civilian bargaining units.
- Our government's position had balanced the need for the OPP to be competitive in attracting and retaining talent, with the need to provide sustainable and affordable public services, both now and in the future.

Fair Workplaces, Better Jobs Act, 2017		
LEAD MINISTRIES	**DESCRIPTION**	**STATUS**
MOL MEDG EDU	Concerns the Fair Workplaces, Better Jobs Act, 2017 will negatively affect municipalities, businesses, and jobs.	The Legislature passed the Fair Workplaces, Better Jobs Act, 2017 on November 22, 2017. It received Royal Assent on November 27, 2017.

KEY MESSAGES

- Government has a responsibility to address precarious employment and protect Ontario workers by updating the province's labour and employment laws.
- The Fair Workplaces, Better Jobs Act, 2017 (Bill 148) will create more opportunity and security for Ontario workers, and modernize our labour laws to help businesses and the economy grow. This includes:
    - increasing the minimum wage;
    - ensuring part-time employees are paid the same hourly wage as full-time;
    - introducing paid sick days for every employee;
    - stepping up enforcement of employment laws, including the hiring of up to 175 new Employment Standards Officers; and,
    - making changes in the union certification/collective bargaining process.
- To strengthen Ontario small businesses, we're providing more than $500 million over three years in new initiatives for them to lower costs and support growth.

Municipal Asks

- We respect the partnership we have with municipalities. We made substantial changes requested by AMO, which in turn made the legislation stronger.
- We responded to AMO's request by adding exemptions to the on-call pay and the 96 hours' notice scheduling rules to respect existing labour agreements and ensure the continued delivery of essential public services.
- We have also committed to bringing forward a regulation clarifying that equal pay provisions of the legislation do not apply to volunteer firefighters.

Minimum wage increase effect on child care fees

- Our government's increase to minimum wage will support the early-years and child-care workforce.
- The Ministry of Education will provide Consolidated Municipal Service Managers (CMSMs), District Social Services Administration Boards (DSSABs) and First Nations with $12.7 million in incremental funding for the first quarter of 2018, to support staff currently earning under $14 an hour, and stabilize fee increases. This $12.7 million investment is included in our government's historic $1.58 billion annual investment in child care.

Electricity Prices and Access		
LEAD MINISTRIES	**DESCRIPTION**	**STATUS**
ENE MOI OMAFRA	Concerns that electricity costs are affecting households and commercial growth and development.	Ontario's Fair Hydro Plan reduces electricity bills for residential consumers and 500,000 small businesses/farms. As part of the Plan, Industrial Conservation Initiative (ICI) has been expanded to smaller manufacturers/greenhouses with peak demand over 500 kilowatts. Pilot programs for the residential sector are being rolled-out to aid innovation/updates to conservation programs.

KEY MESSAGES

- Ontario's Fair Hydro Plan has lowered electricity bills by 25 per cent on average for residential customers and will hold increases to the rate of inflation for four years. As many as 500,000 small businesses and farms are also benefitting.
- The reduction reflects a number of initiatives, including shifting cost recovery for support programs from electricity bills to provincial revenues to lower regulatory charges, and the 8 per cent rebate introduced in January 2017.

Commercial/Industrial

- As part of the Fair Hydro Plan, the Industrial Conservation Initiative (ICI) has been expanded to include smaller manufacturers and greenhouses with peak demand over 500 kilowatts, in addition to consumers over 1 megawatt in all sectors. ICI participants have historically achieved average electricity bill reductions of one-third.
- Other measures in place to mitigate industrial electricity prices include:
    - Process and Systems Upgrade Initiative (PSUI)
    - Industrial Accelerator Program (IAP)
    - Demand Response
    - Northern Industrial Electricity Rate Program (NIERP).
- SaveONenergy for business electricity conservation programs offer financial incentives for audits, retrofits and systems improvements to eligible small business, commercial, institutional, and industrial customers.

Residential

- Ontario's Fair Hydro Plan has expanded support for vulnerable electricity consumers by expanding the Rural or Remote Rate Protection (RRRP) and the Ontario Electricity Support Program (OESP), providing a First Nations On-Reserve Delivery Credit, and establishing an Affordability Fund.
- Lower-income Ontarians and those living in eligible rural communities are receiving reductions of as much as 40 to 50 per cent.
- Other programs helping consumers reduce energy usage and manage bills include:
    - Northern Ontario Energy Credit
    - Ontario Energy and Property Tax Credit
    - Low-Income Energy Assistance Program (LEAP)
    - SaveONenergy Suite of Residential Electricity Conservation programs, including the Home Assistance Program for their low-income customers.
- Program offerings through the new Green Ontario Fund will also help Ontario households increase their use of low-carbon technologies while also reducing costs.

Natural Gas Expansion		
LEAD MINISTRIES	**DESCRIPTION**	**STATUS**
MOI OMAFRA	Status of the Natural Gas Grant Program.	The Natural Gas Grant Program intake closed on July 31, 2017, and received 65 applications requesting approximately $500 million in grants. Conditional funding offers were made in December 2017 for those proposals that best met program criteria

KEY MESSAGES

- Natural gas remains a lower cost alternative to electricity, propane and heating oil.

- Our government heard from community leaders, homeowners and businesses who asked for natural gas service to be expanded to their communities to support greater consumer choice, economic growth and new jobs.

- In response we launched the $100 million Natural Gas Grant Program in April 2017.

- The $100 million program more than tripled Ontario's original commitment of $30 million towards a natural gas grant program.

- The program received strong uptake with demand far exceeding available funding resulting in a very competitive review process.

- Conditional funding offers were made in December 2017 for those proposals that best met program criteria enabling successful projects to move forward to secure any required Ontario Energy Board approvals prior to beginning construction. Distributors and suppliers are responsible for establishing project timelines and all projects are targeting completion by March 31, 2021.

- All available funding was allocated. However, I am aware that there is still significant demand for natural gas funding.

- Through this program, we’re supporting projects in northern, rural and First Nation communities to help more Ontarians gain access to natural gas. The projects will result in over 11,000 homes and businesses being able to connect to natural gas and potentially saving thousands in heating costs each year.

Strengthening Rural and Northern Education		
LEAD MINISTRIES	**DESCRIPTION**	**STATUS**
EDU MTCS	Concerns about support for schools and libraries in rural and northern Ontario.	In June 2017, Ontario announced the Plan to Strengthen Rural and Northern Education to better support decision-making on the best use of school space and through funding enhancements. The Ministry of Education is consulting on proposed revisions to its Pupil Accommodation Review Guideline (PARG) and Community Planning and Partnerships Guideline (CPPG). The feedback received will inform the revised PARG/CPPG, and will be shared in winter 2018 for further public input.

KEY MESSAGES

- Ontario is committed to ensuring that all students in Ontario have an equal opportunity for an excellent education and the best possible learning environment.
- Locally elected school board trustees are responsible for making accommodation arrangements to support the educational needs of their board's students. This responsibility includes making school capital planning decisions related to:
  - school closures and consolidations;
  - determining what capital proposals to submit for funding consideration under the Ministry of Education's annual Capital Priorities program; and,
  - determining use of funding to ensure schools are in a good state of repair.
- During the rural and northern education engagement last year, we heard from many communities that there is a need to strengthen the pupil accommodation review process for all school boards and to better encourage joint responsibility for integrated community planning.
- The feedback received during the spring engagement was central to the development of the Plan to Strengthen Rural and Northern Education.
- As part of the Plan, the Ministry of Education is currently consulting on proposed revisions to its Pupil Accommodation Review Guideline (PARG) and Community Planning and Partnerships Guideline (CPPG).
- The feedback received will inform the revised PARG and CPPG, which will be shared in winter 2018 for further public input.
- Our government has also provided new supports for rural and northern students that are responsive to the unique needs of their communities through the Rural and Northern Education Fund (RNEF).

Improving Public Libraries in Rural and Northern Ontario

- One of the key commitments in the Ministry of Tourism, Culture and Sport's (MTCS) Culture Strategy is to review and update provincial funding programs in order to build the capacity of public libraries serving rural and remote communities, improve digital services, and support leadership and innovation.
- As part of the review, MTCS held three stakeholder roundtable consultations and conducted a survey to all public libraries. The results will help inform the ministry's review of provincial programs for public libraries.

Municipal Elections		
LEAD MINISTRIES	**DESCRIPTION**	**STATUS**
MMA	Amendments to the Municipal Elections Act.	The Modernizing Ontario's Municipal Legislation Act (MOMLA), 2017 received Royal Assent on May 30, 2017. While some sections of MOMLA came into force on Royal Assent, many of the sections will come into force on dates to be proclaimed. Consultations for a number of regulations changed under MOMLA regarding the Municipal Elections Act closed on January 9, 2018 and are being reviewed.

KEY MESSAGES

- The Municipal Elections Act (MEA) regulates the conduct of municipal and school board elections in Ontario. In addition to setting out rules for electors and candidates, the Act also sets out roles for municipal clerks and councils.
- The Ministry of Municipal Affairs (MMA) reviews the Act following each municipal election. The purpose of the review is to determine whether reforms are needed to ensure the Act works well and meets the needs of municipalities and electors.
- We amended the MEA to give municipalities the option to use ranked ballots in future municipal elections.
- Other changes increase transparency and accountability and make election rules clear and modern, by:
  - Shortening the campaign calendar by opening nominations for candidates on May 1 instead of January 1
  - Creating a framework to regulate third-party advertising, including contribution and spending limits
  - Making campaign finance rules clearer and easier to follow for voters, candidates and contributors, including the ability to set spending limits for post-election spending on parties and other expressions of appreciation
  - Prohibiting corporate and union contributions to candidates in every municipality across the province
  - Making it easier to add or change information on voters' lists.
- MMA consulted with small and rural municipalities on the requirement to collect 25 signatures endorsing a candidate's nomination. As a result of these consultations, we are proposing to exempt candidates in municipalities with fewer than 4,000 electors from this requirement.
- We've outlined the proposed spending formula for third-party advertisers.
- The proposals were open for public comment on the Ontario Regulation Registry from November 10, 2017 to January 9, 2018.
- The comments are being reviewed.

Ontario Municipal Board Reform

LEAD MINISTRIES	DESCRIPTION	STATUS
MMA MAG	Reforming the Ontario Municipal Board (OMB).	On December 12, 2017, Bill 139, the Building Better Communities and Conserving Watersheds Act, 2017 received Royal Assent. The legislation replaces the OMB with a new tribunal, the Local Planning Appeal Tribunal (LPAT). Ontario continues to work towards implementation of the new system in 2018.

KEY MESSAGES

- We are replacing the OMB with a new tribunal, the Local Planning Appeal Tribunal (LPAT), which will help ensure proceedings are faster, fairer and more affordable.
- The legislation includes reforms that will:
  - Give more weight to key decisions made by municipal officials who have been elected to serve in the interests of the communities they represent
  - Reduce the number of appeals by limiting what's brought before the new tribunal
  - Reduce the length and cost of hearings and create a more level playing field by introducing timelines and requiring the LPAT to look for ways, like mediation, to settle major land use planning appeals and avoid the hearing process altogether
  - Eliminate lengthy examinations and cross-examinations of witnesses by parties and their lawyers at the oral hearings of major land use planning appeals
  - Establish the Local Planning Appeal Support Centre, a new provincial agency, which will provide Ontarians with information about the land use planning appeal process, legal and planning advice, and, in certain cases, may provide legal representation in proceedings before the tribunal.
- These and the other reforms stem from last year's comprehensive review of how the OMB operates and its role in the province's land-use planning system.
- We continue to work towards implementation of the new system in 2018.

Transition from OMB to LPAT

- While we heard from some stakeholders that first reading should be the threshold for transition, this would have meant almost a year's worth of OMB cases would be left somewhere between the old system and the new.
- The confusion and legal/administrative/financial impact would be significant.
- The new Act authorizes the Minister of Municipal Affairs to make regulations that set out the rules for transition.
- Our intended approach is clear:
  - New appeals would be subject to the new Act's changes.
  - In addition, new official plan or zoning by-law matters commenced after Royal Assent would be subject to the Act's changes.
- We look forward to reviewing feedback and suggestions from the public and other stakeholders on the government's proposed approach to transition.
- All input will be carefully considered before a new regulation is finalized.