FW: DM Speaking Points for TB/MBC Fiscal Update Deck

From:	"Hosick, Sarah (TBS)" <sarah.hosick@ontario.ca>
To:	"Petsche, Nadine (TBS)" <nadine.petsche@ontario.ca>
Cc:	"Veinot, Cindy (TBS)" <cindy.veinot@ontario.ca>
Date:	Tue, 13 Dec 2016 13:17:49 -0500
Attachments:	TB_MBCFiscalUpdateDeck_v3a.pptx (526.34 kB); FPC SN - PEMD - v2b bold.docx (31.23 kB)

Hi Nadine

We've been asked to validate the attached DM speaking points on pensions. I've **bolded** the section in the attached that they have asked us to look at by EOD and let them know if we have any concerns. They are asking us to keep it simple and high-level.

Please let me know if there are any errors in the bolded section in the attached. The slide in question they are referring to is Slide 10 in the deck.

Thanks
Sarah

From: Laughton, Patrick (TBS)
Sent: December-13-16 12:14 PM
To: Hosick, Sarah (TBS)
Cc: Arbabzadeh, Nina (TBS)
Subject: FW: DM Speaking Points for TB/MBC Fiscal Update Deck

Hi Sarah –

Here's the deck and some notes that have been drafted for part of Slide 10 (they can found below, but if you wish to make comments/edits please do so in the attached word doc). As discussed, we want to keep this component simple and avoid a full-scale pension discussion, the purpose is just to explain what's happening in the blue stacked bar which represents the pension risk.

We're trying to land all this ASAP (for TB tomorrow) so would appreciate a quick review.

Thanks,

P.

From: Cook, Tim (TBS)
Sent: December-13-16 11:03 AM
To: Laughton, Patrick (TBS); Arbabzadeh, Nina (TBS); Stephenson, Jeremie (TBS); Schlaepfer, Martin (TBS)
Cc: Porras, Javiera (TBS)
Subject: RE: DM Speaking Points for TB/MBC Fiscal Update Deck

Thanks Patrick

This is essentially what I just passed along to Martin and Jeremie right now.

One additional thing – The M also mentioned that we need to explain the basics of the pension change (when we get to the 'dark blue bar').

Martin/Jeremie/Javiera: We need to get OPCD to confirm this, but the high-level explanation is something like the following:

- In September, recall that the Auditor General advocated for a change in the treatment of Provincial pension plans that are in a net asset position.

- This change in accounting not only impacted the 2015-16 Public Accounts, but has an impact in 2016-17 and on-going

- As part of the 2016 Fall Economic Statement, the government took-on these additional expenses in 2016-17 and on-going, pending a report back from the {special advisory panel on Pensions} expected {late December?}

- Once the panel has made its determination, the fiscal plan will be updated. It is anticipated that – even if the panel agrees with the Province – there could still be some impact (i.e. the blue bars might be smaller but won't disappear completely) if the panel recommends changes in the calculations.

Anyway, that's an initial stab at explaining the blue bars. Can you follow-up so that we can get approval up-the-line?

Thanks!!

Tim

From: Laughton, Patrick (TBS)
Sent: December 13, 2016 10:31 AM
To: Arbabzadeh, Nina (TBS); Stephenson, Jeremie (TBS); Cook, Tim (TBS); Schlaepfer, Martin (TBS)
Cc: Porras, Javiera (TBS)
Subject: RE: DM Speaking Points for TB/MBC Fiscal Update Deck

Hi guys –

Further to Nina's note, based on the conversation on the fiscal deck just now in the chair's briefing, here's a few points that should come through at a high level:

- Context on expense side:
  - Important round of TB decision-making to realize commitment to achieve and sustain balance along with other priorities.
  - Preliminary allocations already includes increases for priority initiatives (e.g., autism, human trafficking, electricity, truth and reconciliation etc.) – this is intended to be a counter point to the fact that many ministers would have heard from their DMs about how constrained they are.
  - There are also a number of challenging risks such as the uncertainty around the pension assets accounting treatment (don't overstate this, want members to feel empowered to make a difference through this first round of decisions, not helpless).
- Need to emphasize the role of the board members through this round of decision making/prioritizing decisions and keeping spend close to the preliminary allocations, this is the main problem area that they can solve for right now and we want them to feel empowered to make a difference in this space.
  - Three things we are asking them for: 1) keep us to preliminary allocations through first round of decision making; 2) provide advice on scalable options for proposed initiatives 3) to provide advice to Min of Finance and President of TB (and the government) on what they think is most important areas for potential investment (i.e., prioritization).

Tim – if you have anything to add to this from the conversation please share.

I hope these are useful.

P.

From: Arbabzadeh, Nina (TBS)
Sent: December-12-16 6:21 PM
To: Stephenson, Jeremie (TBS); Cook, Tim (TBS); Schlaepfer, Martin (TBS)
Cc: Laughton, Patrick (TBS); Porras, Javiera (TBS)
Subject: RE: DM Speaking Points for TB/MBC Fiscal Update Deck

We have until tomorrow morning – I'm sorry, I know it's not a lot of time, but hopefully it eases the pressure at least a bit.

From: Stephenson, Jeremie (TBS)
Sent: December 12, 2016 4:39 PM
To: Arbabzadeh, Nina (TBS); Cook, Tim (TBS); Schlaepfer, Martin (TBS)
Cc: Laughton, Patrick (TBS); Porras, Javiera (TBS)
Subject: RE: DM Speaking Points for TB/MBC Fiscal Update Deck

Hi Nina,

We are on it, and will aim to get something to you shortly.

Thanks,
Jeremie

From: Arbabzadeh, Nina (TBS)
Sent: December-12-16 4:15 PM
To: Cook, Tim (TBS); Schlaepfer, Martin (TBS); Stephenson, Jeremie (TBS)
Cc: Laughton, Patrick (TBS); Porras, Javiera (TBS)
Subject: FW: DM Speaking Points for TB/MBC Fiscal Update Deck

Hi Tim, Martin and Jeremie,

My sincere apologies for sharing this with delay. Framework (OB) has asked for speaking points, due end of day, for the slides that we provided for the attached fiscal update deck. If I'm correct, and as noted below our slides are numbers: **10, 11, 14, 16 and 21.** I know Javiera is working on the speaking points for the PRRT launch deck, so perhaps what she is working on could be leveraged for slide 14?

I'll work with Ryan to see if I can get us an extension, but I'd appreciate if we could start working on the speaking points.

Thanks so much,
Nina

From: Birks, Ryan (MOF)
Sent: December 12, 2016 1:12 PM
To: Laughton, Patrick (TBS); Arbabzadeh, Nina (TBS); Law, Rex (TBS); Hosick, Sarah (TBS)
Subject: DM Speaking Points for TB/MBC Fiscal Update Deck

Hi Patrick, Nina, Rex and Sarah,

As mentioned earlier, we're putting together speaking remarks for Deputy Thompson to support the fiscal update at the December 14 TB/MBC PRRT meeting. Would TBS/PEMD be able to provide speaking bullets for slides **10, 11 and 14**?

Re appendix slides, I'm including a breakdown below for potential speaking remarks:

- **PEMD: Slides 16 and 21** -In Year and Preliminary Allocation Changes and Contingency Fund Status
- **CPD: Slides 17-18** - Capital Expense and Infrastructure Expenditure Changes
- **OPCD: Slide 20** - Key Accounting Issues

It would be appreciated if you could share these speaking points by **5pm/end of today**. I'll make sure to share the draft opening remarks that we're preparing for Minister Sousa upon availability.

Thanks!
Ryan