

AMO's Municipal Guide for the 2018 Ontario Provincial Election

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Ontario's elected municipal governments are responsible for funding and delivering the critical services Ontarians rely on every day. Municipal governments are finding it increasingly difficult to meet these needs using 9 cents of every household tax dollar.

This AMO Municipal Guide for the 2018 Ontario Provincial Election provides elected municipal leaders and staff with information on what the provincial parties *have or have not said* about key municipal government interests. We provide analysis of the party positions against these municipal interests as Ontarians prepare to cast their votes on June 7th.*

Click below to jump to a specific municipal interest.

- [Local Say](#)
- [Local Share](#)
- [Infrastructure](#)
- [Policing](#)
- [Fire](#)
- [Paramedic Services](#)
- [Health](#)
- [Planning](#)
- [Housing](#)
- [Joint and Several Liability Reform](#)
- [Waste Management](#)

* This guide will be updated in real time as we approach Election Day and as further party platform promises are announced. Four parties are included in the analysis. The order of party position varies throughout the document.

Overall Observations: How will the Parties' Platforms Be Paid?

AMO's members are concerned about how the platform promises will be financed. The management of provincial deficit and debt is also of interest. More particularly, municipal governments want assurances that new costs will not be downloaded directly or indirectly side-loaded to municipalities, and municipal property taxpayers by extension. To this end, AMO members need greater clarity on the parties' fiscal plans in terms of municipal governments and their property taxpayers. To date, it is somewhat challenging to get a clear picture of how the parties will finance their platform promises.

A Local Say

Background:

The majority of municipal services are mandated and highly regulated by the provincial government. Often there is a one-size fits all approach. To better serve municipal property taxpayers, the Province must actively listen and give municipal governments the ability to make policy decisions that fit our diverse communities, not Queen's Park. This includes addressing the reporting burden that requires municipal governments to produce hundreds of reports rather than focusing on service-delivery. Cutting the red tape that municipal governments are subject to is also important.

On a greater Local Say:

- Under a **Conservative** government, municipal governments would be allowed to make their own decisions and have the electorate hold them accountable through municipal elections. A Conservative government would also reduce regulations and cut other red tape to increase government efficiency.
- **New Democrats** would forge a new partnership with municipal governments while making a commitment against 'buck-passing.'
- A **Liberal** government would continue existing forms of consultation with municipal governments.

Analysis: Legislation requires a Memorandum of Understanding between Ontario and AMO to obtain municipal input on legislative and regulatory decisions from Queen's Park that impact municipal governments. This MOU should focus on obtaining meaningful outcomes that support and enhance municipal authority on service planning, delivery and sustainability. No party has directly provided a proposal for achieving this aim even though party commitments to date broadly speak to this objective.

Local Share

Background:

AMO calculates that Ontario's municipal governments collectively face a \$4.9 billion a year funding gap every year for the next 10 years. Relying primarily on the property tax base to address the fiscal gap is not sustainable and continues to put upward pressure on municipal governments to significantly increase property taxes or reduce services. Municipal governments need a proactive solution. A 1% HST dedicated to municipal infrastructure is a bold proposal. It would improve municipal fiscal sustainability and provide a reliable and dedicated stream of funding to municipal government while still requiring prudent management of property tax dollars. For municipal residents, there is no relationship between municipal property taxpayers and ability to pay.

If not AMO's Local Share, then what? How will your government be a good fiscal partner to municipal governments?

On municipal fiscal sustainability:

- The **New Democrats** would increase OMPF funding to \$550 million a year, fund 50% of public transit operating costs, spend \$868 million over 2 years to cover the provincial portion of social housing capital repair costs and work with municipal governments to identify new revenue sources. An NDP government would also enable seniors to defer property taxes until they sell their home and compensate municipal governments for this deferment.
- A **Liberal** government would initiate a larger provincial-municipal conversation about sharing costs while continuing to partner with municipal governments, to engage with municipalities to explore potential new revenue tools and to discuss the next phase of uploads including discussing uploading responsibility for roads, policing and emergency services costs, and recreational infrastructure.
- The **Green** Party would use congestion charges, parking levies and land value taxes to generate funds for municipal infrastructure. The Greens would also fund social housing repair costs, public transit infrastructure and operational costs, and walking and cycling infrastructure.

- A **Conservative** government would require municipalities to cut 'wasteful spending' before providing provincial assistance to address local funding gaps. The Conservatives would also invest \$5 billion in public transit infrastructure across the GTHA. More recently, the Conservative party announced that Royal Canadian Legion Halls would be exempt from paying municipal property taxes. It is unclear whether municipal governments would be compensated for this exemption.

Analysis: Though some of these platform promises would help alleviate municipal fiscal pressures in the short term, Ontario's municipal governments need a provincial partner ready to propose long-term solutions to address the fiscal sustainability challenge. If the provincial government does not move forward with AMO's Local Share proposal then it must be ready to co-develop a viable alternative in partnership with municipal governments that achieves a similar outcome.

Infrastructure

Background:

Municipal governments own more public infrastructure across Ontario than the provincial and federal governments combined. These municipal assets include roads, bridges, transit, waste and water treatment plants, libraries, recreation and cultural centres and more. A considerable portion of the \$4.9 billion a year funding gap consists of unfunded infrastructure needs – including expansion and replacement costs.

On infrastructure:

- A **Liberal** government would continue its existing 10 year plan. This includes \$79 billion for public transit, \$25 billion towards highways and \$40 million towards a new Community Transportation Grant Program along with investments with respect to the national infrastructure program. The plan is not fully profiled for the 10 years.
- A **Green** government would increase funding for public transit infrastructure by \$1 billion a year. \$2.17 billion would also be invested over four years for walking and cycling infrastructure. The funds would be raised using congestion charges, parking levies and land value taxes.
- A **Conservative** government has position it would require municipalities to cut 'wasteful spending' before providing provincial assistance to address infrastructure-funding gaps. It would also invest \$5 billion in public transit infrastructure across the GTHA and continue the provincial gas tax for municipal transit, including the planned increase to 4 cents next year.
- A **New Democrat** government would invest \$180 billion in infrastructure over 10 years with a focus on public projects instead of public private partnerships. The NDP would also invest \$1 billion towards broadband infrastructure, \$1 billion towards the Ring of Fire and \$100 million towards natural gas expansion in rural and northern Ontario.

Analysis: Each party has an infrastructure plan, though not fully profiled and with few details. This could allow a partnered approach to developing an infrastructure investment plan with municipal governments. In most cases, it is unclear where small communities fit into the overall infrastructure investment plan. There is also uncertainty about what would be the alternatives to existing green municipal infrastructure funding programs currently financed by cap and trade dollars.

Policing

Background:

Policing is an important municipal function. Local police forces and locally funded Ontario Provincial Police detachments advance public safety across the province every day. Ontarians also pay the highest policing costs in Canada, placing a hefty financial burden on both municipal property taxpayers and provincial coffers. AMO has advocated for policing modernization that would reduce the rate of police cost increases by providing greater flexibility on alternatives to front line police on certain activities. AMO has also advocated for changes to police oversight among other matters that would support community safety while keeping police costs sustainable for municipal governments.

On policing:

- A **Green** government would create more 24/7 mobile crisis intervention teams, oppose racial profiling, street checks and carding, destroy data unfairly collected from carding stops, provide de-escalation training, and improve the transparency, accountability and effectiveness of civilian police oversight bodies.
- The **Conservatives** would resurrect the Toronto Anti-Violence Intervention Strategy and provide proper de-escalation training for all police officers. Concerns over the use of alternatives to front line police have also been voiced.
- The **New Democrats** would expand Mobile Crisis teams that pair police with mental health professionals, ban carding, promote police training on systemic racism, reverse efforts to privatize parts of police forces and enhance de-escalation training for all police officers across Ontario.
- A **Liberal** government would strengthen training to identify and potentially divert individuals with developmental disabilities from the justice system, increase the capacity of local law enforcement by funding sobriety field test training, establish a local law enforcement grant pilot project to advance tobacco investigations, add to existing de-escalation training opportunities and continue work to eliminate police carding practices.

Analysis: The Parties have provided some policy insight on policing but no one has put forward a plan that demonstrates how costs can be contained for both local police services and the municipally funded OPP. Measures to increase police accountability and training opportunities to enhance police capacity to protect and serve diverse communities are helpful, although provincial grant programs are not always long term. Given positive fiscal and service outcomes with mobile crisis intervention teams, efforts to pair police with mental health professionals should continue to be encouraged by the provincial government.

Fire

Background:

Municipal councils are required to establish and fund fire departments to deliver local fire protection and prevention services. Across Ontario, there are 205 volunteer fire departments, 32 full time departments and 204 composite fire departments made up of both fulltime and volunteer firefighters. Despite significant decreases in fire incidents since the early 2000s, fire service costs continue to rise. These increases are primarily labour-related. New regulations under the *Fire Protection and Prevention Act* will have significant cost implications for municipalities, especially small, northern and rural communities.

Another long-standing issue relates to the protection of 'double hatters,' who are being unfairly targeted by their professional firefighter unions for volunteering their skills in their small, rural hometowns. This targeting of what people do on their own time is leaving many volunteer fire services in rural communities vulnerable. Provincial leadership is necessary to provide legislative protection to double-hatters comparable to that of all other provinces with the exception of Newfoundland and Labrador.

Analysis: To date, no provincial party has made election commitments related to municipal fire services.

Paramedic Services

Background:

Ontario municipal governments are responsible for delivering and co-funding paramedic services that provide the public with access to rapid pre-hospital emergency medical intervention. Increasingly, land ambulance services are used for non-urgent inter-facility medical transfers in light of other transportation shortcomings. As a result, ambulance costs are rising as demand for paramedic services increases. In addition, off load delays and reliance on land ambulances for non-emergency transportation purposes is leading to a growing number of 'code blacks' which occur when there are no ambulances available to respond to calls. AMO has called for dispatch reform to increase service quality. Municipal governments are also opposed to the use of fire-medics given labour relation challenges and the rising cost of fire services.

Analysis: To date, no provincial party has made election commitments related to challenges municipal governments are facing with respect to paramedic services. Ontario's municipal governments have solutions to address rising paramedic service costs and other land ambulance service delivery challenges. Dispatch reform will be an important component of any discussion focused on increasing service quality and the fiscal sustainability of municipal paramedic services.

Health

Background:

Municipal governments, District Social Service Administrative Boards and Public Health Units play important roles in Ontario's health system, including as co-funders, service-deliverers and as employers to health professionals working in mandated public health, land ambulance, and long-term care homes. Municipal governments also commonly need to step in to address gaps in provincial programs, especially for services targeted at vulnerable residents and services located in geographic areas distant from urban hubs. Municipal residents are also increasingly turning to their municipal councils to represent their community interests concerning access to the provincial healthcare system, and institutions and agencies such as the LHINs. Municipal governments have also been mandated to contribute community funding for hospital construction and repairs.

On health:

- The **Green** Party would invest \$4.1 billion over 4 years towards mental health services. They would also reduce overcrowding in hospitals, improve the quality of care in long term care facilities, and increase funding for home and community care, as well as midwifery and LHINs.

- A **Conservative** government would prioritize health services and seek greater medical professional input into health policy decision-making. Would create 15,000 new long term care beds in 5 years and 30,000 over 10 years; opposes safe injection sites; spend \$1.9 towards mental health and addictions support and invest \$98 million per year towards seniors' dental care.
- The **New Democrats** would implement 'Ontario Benefits' universal pharma and dental care. They would also create 40,000 more long term care beds; invest \$100 million towards a dementia strategy; hold a find and fix public inquiry into long term care and hire 2,200 new mental health care workers while providing funding for 4 hours of hands on care a day for long term care residents. \$19 billion would also be dedicated towards hospital capital costs and base hospital funding would increase to reach 5.3% annual growth.
- The **Liberals** would invest \$5.3 billion in additional healthcare spending over three years; explore the potential for uploading emergency service costs; create an Ontario Drugs and Dental Program; implement pharmacare for seniors; hire 3,500 more nurses and add 5,500 personal support worker jobs in Northern Ontario. The Liberals would also invest \$2.1 billion towards mental health services, \$1.8 billion to improve services for adults with developmental disabilities and create 30,000 new long-term care beds over 10 years. \$19 billion would be put towards hospital construction and renovation, and hospital funding would increase by 4.6%.

Analysis: The parties are responding in different ways to the public's perspective that health care is the primary election issue. However, there is limited consideration of the municipal role in funding public health, ambulances, long-term care services, hospitals and other health related programs. Municipal governments need to be partners and not just stakeholders with the province and the LHINs on cost-shared health programs and other health issues affecting local communities. A Local Say approach in health planning and decision-making in areas of municipal involvement is necessary if municipal governments continue to be involved in the delivery and financing of health services. Efforts to add long-term care beds and to enhance mental health services are necessary and welcome.

Land Use Planning

Background:

Municipal governments hold a primary role in land use planning. Local planning activities must be consistent with provincial plans and policies, including plans such as the Growth Plan for Northern Ontario and the Growth Plan for the Greater Golden Horseshoe. Greater respect of municipal decisions has been a long-term objective in terms of OMB reform. Planning can support economic development, environmental protection, integrated transportation and other services, and a range of housing-related issues including affordable housing and well-designed neighbourhoods. These are core elements of municipal strategic objectives and financial planning.

On land use planning:

- A **New Democrat** government would overhaul existing inclusionary zoning regulations by increasing the percentage of affordable homes required and incorporating rental properties. It would also mandate minimum density requirements for new developments along new transit lines, the coordinated planning of retail and housing in medium-density developments and allow municipal governments to opt out of minimum parking requirements. Other NDP planning commitments are to work with municipal governments to allow for greater use of secondary units and to ensure the new Land Planning Appeal Tribunal lives up to its mandate and respects

municipal planning decisions. Further, the NDP would require municipal governments to develop active transportation plans.

- A **Liberal** Government would continue to move forward on regional transportation plans, the implementation of its Land Planning Appeal Tribunal and its inclusionary zoning approach.
- The **Greens** would require new developments to have a minimum of 20% affordable homes. They would also remove requirements that municipal governments pay a percentage of the cost of affordable housing under inclusionary zoning and work with municipal governments to modernize by-laws that currently prohibit or establish unreasonable barriers to creating additional housing, including secondary suites.
- A **Conservative** Government would preserve the Greenbelt in its entirety.

Analysis: The Parties' focus to date is primarily on affordable housing and some commitments to the Local Planning Appeal Tribunal as a means to strengthen municipal government decision-making. Ontario's municipalities need Queen's Park to ensure that the province works in a timely manner with municipal governments when conveying provincial interests for all types of development applications.

Public Housing

Background:

Ontario is the only province in Canada where public housing is a municipal responsibility. This service is increasingly challenging for cash-strapped local governments to deliver. Meanwhile, the demand for social housing is rising to record levels, the housing stock is aging, maintenance costs are increasing and many municipal emergency shelters across Ontario are at capacity. As well, a 'missing middle' in the housing market is contributing to rising rents while aging populations are facing increasingly complex health-related housing needs.

To improve housing:

- The **Conservatives** would build affordable single-family homes on unused provincial land and consider eliminating the GTHA's Non-Resident Speculation Tax.
- A **New Democrat** government would create 65,000 new affordable housing units, 30,000 new supportive housing units, crack down on housing speculators and spend \$868 million over two years to fund social housing capital repairs.
- The **Liberals** would commit \$1 billion each year towards affordable housing as well as \$547 million over five years for social housing repairs and retrofits. 2,475 additional supportive housing units would be built and the government would invest \$3 billion to establish a cooperative housing development fund. A further \$5.8 million would be given to Habitat for Humanity to establish a Build Factory.
- The **Green** Party would expand the tools available for municipalities to provide incentives for the development of affordable housing and remove requirements for municipalities to compensate developers. They would also require new developments to have a minimum of 20% affordable homes and invest an additional \$200 million for shelters, social, co-op and supportive housing funded by increases to the housing speculation tax. Bylaw modernization to address barriers to housing development would also be pursued in partnership with municipal governments.

Analysis: Each party is offering ideas on how to pursue housing solutions. To address this considerable challenge, a provincial partner willing to make sustained investments towards new and existing social housing is necessary. Measures to increase stock and address the capital repair backlog are timely and necessary. Given the municipal role and expertise in housing in Ontario, municipal governments are a full partner on housing issues rather than a stakeholder, including for program design and implementation.

Joint and Several Liability Reform

Background:

Under joint and several liability rules in Ontario's *Negligence Act*, municipal governments can be held liable to pay 100% of damages when other defendants are unable to pay high damage awards if the municipality is found to be as little as 1% at fault for an incident resulting in loss or damage to a plaintiff. This '1% rule' places a disproportionate burden on municipal governments as insurers of last resort and has resulted in municipal governments disproportionately being the targets of expensive litigation and out of court settlements. Failure to reform joint and several liability rules have also resulted in 'liability chill' within municipal governments, leading to municipalities scaling back services offered to municipal property taxpayers to avoid liability. Notably, proportionate liability approaches limiting municipal exposure are common in other jurisdictions, including over 38 American states.

Analysis: To date, no provincial party has made election commitments on joint and several liability reform. Provincial leadership in reforming joint and several liability to address municipal liability chill and to ensure municipalities are not targeted as insurers of last resort would be of great benefit to municipal property taxpayers.

Waste Management

Background:

Municipal governments operate and fund costly waste management systems across Ontario. Making producers responsible for recovering and managing their used products is essential in creating the required market conditions to reduce pollution and return valuable resources to the economy. Responsibility for waste diversion should be on the producers of products and packaging, *not* on cash-strapped municipal governments who have no control over the materials and packaging being used in the marketplace.

On waste management:

- The **Green** Party would establish individual producer responsibility regulations so that companies, not taxpayers, are responsible for the cost of disposing and recycling the products, packages and waste they produce.

Analysis: Waste diversion is not in any other party platforms to date. Historically all parties have supported the need for greater levels of waste diversion from disposal sites and have expressed support for full producer responsibility. Ontario residents and their municipal governments need Provincial leadership to drive wider and timely implementation of producer policies and regulations that address the growing public demand for more effective waste management of plastics and other product and packaging materials.