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03/07/2014 04:14 PM

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Subject Policy Update - Ontario Speech from the Throne Delivered
Today in the Legislature

TO THE IMMEDIATE ATTENTION OF THE CLERK AND COUNCIL

July 3, 2014

Ontario Speech from the Throne Delivered Today in the Legislature

Today in the Legislative Assembly of Ontario, Lieutenant Governor David C. Onley delivered the Speech from the Throne laying out Premier Kathleen Wynne's priorities for government in the next legislative session. In the Speech, the Lieutenant Governor noted that the government's first priority was job creation and economic development and that it intended to re-introduce the 2014 Budget on July 14th after passage of the Throne Speech in the Legislature. Click here for [AMO's Budget analysis](#).

Government priorities of importance to municipalities are:

Infrastructure:

- Reaffirmed \$130 billion over ten years for public infrastructure investments including the \$29 billion Moving Ontario Forward plan which prioritizes:
 - \$15 billion for transit in the Greater Toronto and Hamilton Areas (GTHA) including two-way, all day GO rail expansion and;
 - \$14 billion for transportation including roads and bridges outside of the GTHA.
- Consult with local governments and communities in setting priorities for these investments.
- Creating a Ring of Fire Development Corporation to lead development of this area and \$1 billion for transportation to access the Ring of Fire.

Economic and Financial Management:

- Eliminating the deficit in three years. No increases in Harmonized Sales Tax or the Ontario Gas Tax are planned. However, the government did commit to an increase on higher wage earners in the province.
- The President of Treasury Board will have responsibility for government spending, accountability, transparency, and labour relations within Ontario Public Service and Broader Public Sector.
- A \$2.5 billion Jobs and Prosperity Fund to invest in traditional and emerging industries and regions impacted by the global recession. Industries from agribusiness, advanced manufacturing, resources, tourism, media, and culture are expected to benefit.

Accountability and Transparency:

- Will bring the *Public Sector and MPP Accountability and Transparency Act* back to the House. This legislation extends the oversight of the Provincial Ombudsman to the municipal sector.
- Noted the government would "engage with Ontarians to consider what it can do in the context of our labour and employment law regime to continue to protect workers while supporting business in today's modern economy". The 2013 Throne Speech included language which committed the government to build a sustainable model of wage negotiation that is respectful of both collective bargaining and a fair, transparent process for interest arbitration in Ontario.

Accessibility, Social Services and Community Services:

- Reiterated the commitment to make Ontario fully accessible by 2025 and will create a new Poverty Reduction Strategy, index the Ontario Child Benefit and minimum wage as well as expanding investments in housing and homelessness.
- Focus on community health and wellness with the expansion of home and community care and the implementation of its Cycling Strategy to which the Budget committed \$25 million.

Climate Change, Energy and Environment:

- The new Ministry of Environment and Climate Change will be responsible for working across government to coordinate action to reduce greenhouse gases and renew work with communities on work to adapt to climate change impacts.
- Work with other provinces and territories to create a Canadian Energy Strategy that recognizes the importance of climate change, renewable energy, and energy conservation.

AMO will continue to work with the government and all MPPs on municipal priorities and looks forward to engaging with the government.

For more information, please contact: Craig Reid, Senior Advisor, at (416) 971-9856 ext. 334 or creid@amo.on.ca.

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The 2014 Provincial Budget

05/01/2014

Today the Honourable Charles Sousa, Minister of Finance, delivered the 2014 Provincial Budget.

It delivers on some longstanding commitments for municipal infrastructure but also accelerates cuts to municipal operating grants delivered through the Ontario Municipal Partnership Fund (OMPF). Building on previous infrastructure spending announcements, key budget highlights are below.

- **Significant infrastructure investments** – The budget includes a 10 year \$130 billion commitment to infrastructure investment. The Province's matching funds to the federal Building Canada Fund is included along with the following new municipal components:
- **Public transit and transportation infrastructure** – Of the above total, \$28.9 billion over the next 10 years will be dedicated to public transit and transportation. This includes \$15 billion for the GTHA and \$13.9 billion for investments in the rest of the province. In 2014-15 this represents \$3.3 billion (\$1.7 billion in the GTHA and \$1.6 billion outside the GTHA). Further discussions on the how and when of these allocations will occur in the future.
- **A permanent infrastructure fund for roads and bridges** – The budget delivers a \$100 million annual fund for "critical projects in communities with challenging fiscal circumstances". It will include application and formula based funding for municipalities. It will move towards a fully formula-based funding model over time. No other details regarding eligibility are provided in the budget. This honours a longstanding provincial commitment.
- **Accelerated OMPF cuts for 2015** – The budget cuts operating funding to municipalities with challenging fiscal circumstances by \$35 million in 2015. This represents an unexpected funding cut of \$10 million to the communities that can least afford it and which benefitted the least from the upload. AMO had advocated for a deferral of the expected \$25 million cut. The Association is extremely surprised and disappointed with this move. It raises additional questions regarding the government's approach to OPP billing. Specifically, what does this added decrease mean when OPP billing reform policy for 2015 has not been determined?
- **Cuts to the Power Dam Special Payment Program** – Municipalities which host power dams will see \$4.4 million in cuts to these transfers over four years. Such dollars offset lost property tax revenues for these communities. Increased property taxes or service cuts should be expected in these municipalities to make up for the Province's "responsible spending choice". Was the previous honouring of this arrangement irresponsible?
- **The upload remains intact** – The Province continues to maintain the 2008 upload agreement. Its 2015 value to the sector is \$1.63 billion. The importance of this commitment to the sector as a whole is indisputable. Sector wide, municipalities have been able to redirect these dollars to increased infrastructure investments. But on a local level, the value of this upload varies considerably from one municipality to the next. That's why the OMPF is so important for municipalities with challenging fiscal circumstances.

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[2014 Ontario Budget](#)

- **Social assistance** – ODSP and Ontario Works rate increases will be implemented this fall. Municipalities will be shielded from cost-share related increases for Ontario Works until January 2015. In addition, the Community Homelessness Prevention Initiative will benefit from the permanent addition of \$42 million starting in 2014-15. Previously this allocation was temporary.

AMO's budget analysis will continue. Further updates will be provided as required.

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