



LOCAL SERVICES
realignment

a user's guide

Autumn 1999



LOCAL SERVICES realignment

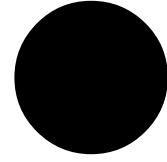
a user's guide

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Réorganisation des services Locaux – Guide de mise en oeuvre



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Introduction

INTRODUCTION

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Preamble

Local Services Realignment (LSR) is bringing about fundamental changes to provincial and municipal roles and responsibilities.

In January 1997, the Government of Ontario first announced comprehensive reform of the provincial-municipal relationship. The announcements followed months of direct consultation between both levels of government and other stakeholders. Local Services Realignment changes were also preceded by years of discussions and reports, and countless recommendations involving all stakeholders.

Many significant changes have been made to the LSR initiative since it was first announced in 1997. The changes have resulted from consultations with the municipal sector and other key stakeholders, and through the legislative process.

In January 1998, the Ministry of Municipal Affairs and Housing (MMAH) in partnership with the Association of Municipalities of Ontario (AMO) published *Who Does What: Toward Implementation*. It was designed to provide a comprehensive overview of Local Services Realignment (formerly Who Does What) reforms and to assist with implementation. Since the document was published in January 1998, enormous progress has been made toward the implementation of LSR reforms, and some reforms have been fully implemented.

This new document has been developed to replace *Who Does What: Toward Implementation* with a comprehensive, up-to-date summary of LSR reforms that are underway, and to give readers an overview of the information they need to complete the implementation process. Some areas of reform are still at the early stages of transition, for example social housing and land ambulance. As these continue to unfold, additional information will be available from the related ministries/agencies.

Overview

Local Services Realignment: A User's Guide has been developed as a tool for municipal and provincial officials to assist with the ongoing implementation of LSR reforms. In addition to LSR changes to service responsibility, this document also includes an overview of related municipal restructuring and labour adjustment legislation, development charges and tax rebate program changes, debt and investment provisions, and a discussion of local service delivery options in the North.

Local Services Realignment: A User's Guide is designed as a linked series of information modules that reflect each of the LSR initiatives. The initiatives are grouped by major category:

- Revenue and Financing;
- Emergency Services;
- Social and Community Health;
- Transportation and Utilities;
- Northern Service Delivery; and
- Other Related Issues.

Each subject area is treated in a similar fashion to enhance the consistency and ease of access to information. Generally, the information is organized into the following categories as appropriate:

- an overview describing the new **legislative framework**;
- key municipal **governance** changes;
- **implementation: options + requirements**;
- **administration + process** considerations;
- new **financing** arrangements;
- **implementation + supporting information** developed to assist with management of new responsibilities;
- key **implementation issues**;
- a summary of **new roles + responsibilities**;

- **questions + answers.**

Wherever possible, information has been streamlined to reflect the current status of implementation.

Local Services Realignment: A User's Guide is intended to serve as a reference document. LSR ministries have provided, and are providing, additional detailed implementation information directly to municipalities in the process of implementation.

This document is also available on the Internet at: www.mah.gov.on.ca/english.htm, or on AMO's Intranet Municom Site at: www.municom.com.

A questionnaire follows at the end of this document. Please take the opportunity to provide feedback on *Local Services Realignment: A User's Guide*, and to inform AMO, one of MMAH's municipal services offices, or the Provincial-Municipal Education and Training Secretariat (PMETS) about your information needs.

Context

Local Services Realignment is a major step toward more efficient and cost-effective government in Ontario. LSR reforms reflect many longstanding recommendations for change from both levels of government.

Background

LSR is the first reform initiative to bring about fundamental changes to the way the province and Ontario's municipalities manage and fund key public services in Ontario.

The reforms are built on a number of common themes that reflect the goals of both the Government of Ontario and municipalities in every part of the province.

Key objectives are:

- greater accountability to taxpayers;
- protecting priority services and maintaining critical standards;
- streamlined service delivery;
- better rationalized funding responsibilities;
- capitalizing on local expertise and innovation;
- greater autonomy for municipal government; and,
- reduction of duplication and waste.

In accordance with the *French Language Services Act, 1986*, the Government of Ontario provides services in French in 23 designated areas of the Province.

What will happen when these services are transferred to the municipal level, since the *French Language Services Act* does not apply to municipalities?

This issue was discussed within government and by members of the Social and Community Health Services Implementation Team.

It was decided that municipalities will continue to meet the needs of the Francophone community. The government will work in partnership with municipalities to develop options for the delivery of services in French. In the transfer of provincial programs to the municipalities, all service levels, including linguistic ones, will be negotiated on a program-by-program basis. Service agreements will be developed to formalize agreements reached by the municipalities and the Province in this negotiation process.

Scope of Change

The scope of LSR change is enormous. Change is affecting the service delivery and funding of most components of provincial and municipal business. LSR changes discussed in this document are set out in brief below.

Revenue + Financing

Reforms to assessment and property tax policy, including a major overhaul of education financing, are key components of the overall reform package. An up-to-date, province-wide assessment system, and tax policies that provide greater decision-making at the municipal level, provide a foundation on which the new provincial-municipal relationship is formed. Education finance reform is fundamental to the financial trade-offs that allow municipalities to take on new funding responsibilities in other areas.

The delivery and financial responsibility for assessment services has been returned to the municipal level with the responsibility for property assessment transferred to the Ontario Property Assessment Corporation on December 31, 1998.

As part of the overall changes to provincial-municipal financial arrangements including LSR, the government implemented the following funding mechanisms to assist with transition and implementation:

- Community Reinvestment Fund (CRF);
- Municipal Capital and Operating Restructuring Fund (MCORF);
- Special Transition Assistance (STA);
- Special Circumstances Fund (SCF);
- Special funding for the Ontario Housing Corporation for capital repairs and upgrades;
- Special funding to address impacts of transferring provincial highways;
- A special three-year maintenance allowance and help to pay for bridge construction;
- Municipal Restructuring Fund (MRF 1);
- Municipal Restructuring Fund 2 (MRF 2);
- Northern Transition Assistance Fund (NTA 1);
- Northern Transition Assistance Fund 2 (NTA 2); and
- time-limited interest-free payment deferrals.

Other changes, although not directly linked to LSR reforms, will also affect the financial responsibilities of municipal governments. These include the *Better Local Government Act* (Bill 86), with provisions on debt issuance and investment, the *Development Charges Act* (Bill 98), and a proposed new Municipal Act.

Emergency Services

Substantial change is occurring in emergency services. Improvements to the governance structures of municipal police services are furnishing municipal councils with greater authority to ensure effective and cost-effective police services in every community. Municipalities also have greater choice in how police services are provided.

As of January 1998, municipalities that were receiving Ontario Provincial Police (OPP) services at no direct cost began paying for police services.

New legislation governing fire protection and prevention consolidates fire legislation and extended new fire prevention responsibilities to municipal fire services. It also set out new provisions covering labour and management relations that address concerns expressed by municipal councils.

Although ambulance services are primarily a health service, they are also an emergency service. As municipalities assume responsibility for the operation and funding of land ambulance services, there will be important linkages to other municipal emergency and health services. In March 1999, responding to a request from the municipal sector, the government announced improvements to LSR cost-sharing for ambulance services, and extended the implementation deadline by one year to January 1, 2001.

The AMO/Ministry of Health and Long-Term Care Land Ambulance Implementation Steering Committee was also given responsibility for advising on implementation issues, including the potential for municipal options for ambulance dispatch services.

Social and Community Health Services

The consolidation of municipal service management has resulted in 37 Consolidated Municipal Service Managers (CMSMs) and 10 District Social Service Administration Boards (DSSABs) for a total of 47 municipal delivery agents, taking on responsibility for managing the delivery of most social and community health services in Ontario.

The province is delivering the Ontario Disability Support Program (ODSP) for people with disabilities, and municipal delivery agents (CMSMs and DSSABs) are delivering Ontario Works. Sole support parents have become a part of Ontario Works. Both the ODSP and Ontario Works use a cost sharing formula for program benefits that is eighty percent provincial and twenty percent municipal contribution and use a 50:50 cost sharing formula for program administration.

Municipalities are taking on greater responsibilities in the child care system and are now responsible for a twenty percent share of the costs of child care programs. Administration costs for managing the delivery of child care services will be shared on a fifty percent provincial and fifty percent municipal basis.

Municipalities are taking on new funding responsibilities in public health. With the exception of a few programs with province-wide dimensions such as Healthy Babies, Health Children and vaccines, municipalities will be responsible for half of public health costs and will have the ability to tailor programs to meet local needs. In March 1999, the province decreased the municipal cost share for public health announced in May 1997 from one hundred percent to fifty percent effective January 1, 1999.

Municipalities have taken on full funding responsibility and, ultimately, will take on administration responsibility for social housing.

Transportation and Utilities

Provincial subsidies for municipal transit, GO Transit services, and local airports have ended. The province is no longer involved in the delivery of these local services. However, in some cases, the province will continue to play a role in subsidizing remote airports in Northern Ontario.

Municipalities have also been given responsibility for many provincial roads that serve primarily local needs. These roads are now part of the municipal road system.

Changes to roles and responsibilities for local ferry operations and funding were included in the LSR announcements in January 1997. On June 22, 1998, the government announced that it would continue to operate and/or fund ferry services for the island communities of Eastern, Northwestern and Southwestern Ontario.

Municipalities also have responsibility for septic system inspections. The province will continue to set standards and certify septic system inspectors and installers. Municipalities have assumed full title, including assets and liabilities, of water and sewer facilities previously held by the Ontario Clean Water Agency on behalf of the province.

Northern Service Delivery

Consolidation and streamlining of service management and delivery in Northern Ontario must take into account the challenges of geography, population distribution, and municipal governance characterized by single-tier governments and unincorporated areas.

Area Service Boards (ASBs) and District Social Services Administration Boards (DSSABs) are the two models for service management and delivery for the consolidation of social and community health services in Northern communities. This section provides details on Area Service Boards, the made-in-the-north optional model developed by the Ministry of Northern Development and Mines after extensive consultation with Northerners.

Other Related Issues

Other municipal services and administrative responsibilities are also changing as a result of Local Services Realignment.

Responsibilities under the *Provincial Offences Act* are being transferred to municipalities for administration, prosecution and court support for certain offences, and administrative functions for more serious offences (for which the province will retain responsibility for prosecution). The transfer of responsibilities means a new revenue source for municipalities administering the Act when they assume the service. The province will continue to be responsible for setting standards and monitoring justice program standards.

There are also a number of changes that affect how services are delivered and funded. Restructuring tools in the *Municipal Act* are highlighted and the *Public Sector Transition Stability Act* (Bill 136) which sets out provisions governing municipal labour relations are explored.

INTRODUCTION

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Implementing LSR

Implementation is well underway and many major milestones have been reached. Municipalities assumed new funding responsibilities effective January 1, 1998 and some LSR service transfers have been fully implemented.

All LSR ministries and all municipalities have been working hard toward realizing major change in provincial and municipal roles and responsibilities. Over the coming months, provincial and municipal staff will continue to work toward the full implementation of LSR reforms.

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**Revenue
+ Financing**

2.1 Assessment Services

Legislative Framework

The *Tax Credits to Create Jobs Act, 1997* (Bill 164) was introduced for first reading on November 25, 1997, and received Royal Assent on December 18, 1997. Schedule G, the *Ontario Property Assessment Corporation Act* established the Ontario Property Assessment Corporation (OPAC or the “Corporation”).

The statutory duties previously performed by the Assessment Commissioner (under the *Assessment Act*, among others) have been transferred to OPAC as of December 31, 1998. The Corporation levies charges in accordance with the Act that are paid by municipalities (other than lower-tier municipalities) for which it performs its duties, and the Corporation may levy charges against others.

The Province remains responsible for the overall standards and policies related to Ontario’s new assessment system - Current Value System.

Governance

OPAC is a corporation under the *Ontario Property Assessment Corporation Act, 1997*. All Ontario municipalities are members of the Corporation. OPAC is governed by a Board of Directors comprising 12 municipal officials or employees and two provincial appointees. The Corporation delivers a broad range of assessment services to municipalities. Property assessment functions are currently carried out through 31 regional offices and 10 sub-offices located across Ontario.

Implementation: Options + Requirements

The Minister of Finance can make regulations authorizing a municipality to perform, on its own behalf, all or some of the duties of the Corporation, and the Corporation would thereby cease to perform those duties for that municipality. The first such duty which may be transferred is the preparation of the assessment roll for the 2004 taxation year.

Alternatively, the Corporation and a municipality may agree that the municipality is authorized to perform duties under any Act on behalf of the Corporation with respect to the municipality, upon such terms as the agreement may provide. The agreement may provide that the Corporation shall cease to perform those duties with respect to the municipality. The Corporation shall not enter into such an agreement before January 1, 2001, effective for the 2002 taxation year.

Administration + Process

OPAC has entered into a memorandum of understanding (MOU) with the Ministry of Finance concerning the transfer of responsibility for the delivery of assessment services from the ministry to the Corporation. The MOU outlines the terms and conditions under which the province transferred operational control to OPAC, including the offer of employment to former provincial staff moving to OPAC, the transfer of assets and other operational concerns.

Financing

The transfer of the financial responsibility for assessment services took place on January 1, 1998. OPAC recovers its costs from municipalities, using a formula which recognizes both municipal demands for services and a municipality's ability to pay. The formula used to calculate a municipality's cost recognizes that half the value is based on the number of properties on its assessment roll, and half on the value of its assessment base. OPAC invoices only the upper-tier municipalities, such as regional municipalities or counties, and single-tier municipalities, such as cities which are not part of a regional or county structure. Upper-tier municipalities then recover the money from their lower-tier municipalities.

To provide stability for municipal budget planning, the formula is fixed for the taxation years 1998 to 2001. It can be changed for 2002 by a by-law approved by two-thirds of the Board of Directors of OPAC.

Implementation Tools + Supporting Information

The OPAC website at www.assessmentontario.com/oaiehome.htm includes information on property assessment.

Information on property tax legislation, regulations, tax bulletins, news releases and backgrounders is available on the Ontario Ministry of Finance’s website under Property Tax at www.gov.on.ca/FIN/english/ptaxeng.htm.

Changing Roles + Responsibilities

| Roles and Responsibilities: Assessment | | |
|--|---|---|
| | Province | OPAC |
| Strategic Planning | <ul style="list-style-type: none"> the province will continue to manage the legislative framework for the municipal financial system | <ul style="list-style-type: none"> manages the delivery of assessment services across Ontario |
| Service System Management | <ul style="list-style-type: none"> establish policies, procedures and standards for the provision of assessment services by OPAC in Ontario and, if established, they shall be published in <i>The Ontario Gazette</i> | <ul style="list-style-type: none"> manages the new delivery system in accordance with the published policies, procedures and standards |
| Service Delivery | <ul style="list-style-type: none"> the province may be a consumer of certain assessment services or data | <ul style="list-style-type: none"> OPAC delivers and funds assessment services |

2.2 Municipal Assessment

Legislative Framework

Ontario's new *Fair Municipal Finance Acts* (Bill 106 and Bill 149) and the *Small Business and Charities Protection Act* (Bill 16) are intended to introduce a fair and accountable system of property assessment and taxation. The former system brought about significant inequities in the taxation of properties across the Province, with sizable variations in the tax burdens of ratepayers owning similar properties. The government is correcting this situation by putting in place a more equitable system which will eventually treat all property owners fairly.

The system will also give municipalities the autonomy they need and want to raise revenues in ways that are both fair and responsive to local priorities and needs.

Provincial property tax reforms are set out in the *Fair Municipal Finance Acts* (Bill 106 and Bill 149), the *Education Quality Improvement Act, 1997* (Bill 160), the *Small Business and Charities Protection Act, 1998* (Bill 16), and the *Fairness for Property Tax Payers Act* (Bill 79).

Generally, the portions of the *Fair Municipal Finance Acts* (Bill 106 and Bill 149) which make amendments to the *Assessment Act* came into effect on December 1, 1997. The portions that amended the *Municipal Act* came into effect on January 1, 1998.

The *Education Quality Improvement Act, 1997* (Bill 160), received Royal Assent on December 8, 1997.

The *Small Business and Charities Protection Act, 1998* (Bill 16), received Royal Assent on June 11, 1998. This Act provides additional mechanisms for municipalities to manage property tax shifts in a fair way.

The *Fairness for Property Taxpayers Act, 1998*, (Bill 79) received Royal Assent on December 18, 1998. The Act updates and refines some of the tax relief tools that were provided in the earlier bills to mitigate the impacts of tax changes. It also provides a new tool to help protect business properties from excessive increases in property taxes. The Act requires municipalities to limit reform-related property tax increases for the commercial, industrial and multi-residential property classes to ten percent in 1998, a further five percent in 1999, and a further five percent in the year 2000. Policies for post-2000 are not yet available.

These tax limits are calculated using the 1997 taxes paid by each property as the base. Where changes were made to a property in 1997, the property's 1997 taxes

will be annualized for the purposes of calculating the limit. The limit on increases permitted in 1998, 1999, and 2000 would be further modified by the municipal levy change from the previous year.

The Ontario Fair Assessment System

In many areas of the province, the assessment base was seriously outdated, resulting in confusion and unfairness for some taxpayers. The new Ontario Fair Assessment System brings consistency to assessment across the province, leading to a simpler, more up-to-date property tax system that is less costly to administer.

The assessment of land is now based on current value, as measured by the price that would be paid between a willing buyer and a willing seller at arm's length. All properties were initially assessed using June 1996 current values. Reassessment updates will be implemented in 2001 (using 1999 current values) and 2003 (using 2001 current values) before moving to annual updates from 2004.

Property Tax Reform

The components of the new property tax system are discussed below.

Classes of Property

Properties will be divided into seven standard property classes established by the province. Additional property classes may be created by the province. Each class may be taxed at a different rate subject to the fairness provisions outlined below. The classes are:

- residential/farm;
- multi-residential;
- commercial;
- industrial;
- pipeline;
- farmlands; and
- managed forests.

Variable Class Tax Rates

The term tax rate replaces "mill rate." The difference between mill rate and tax rate is that a tax rate expresses the amount of tax as a percentage of assessed value, whereas a mill rate refers to the amount of tax for every \$1,000 of assessment. Municipalities will have the ability to set different tax rates for different classes of property, subject to provincial ranges of fairness.

Tax Ratios

Tax ratios express the relationship that the tax rate for each property class in the municipality bears to the tax rate for the residential/farm property class. The tax ratios determine the relative tax burdens of each property class. Tax ratios are established by upper-tier and single-tier municipalities. Upper-tiers may delegate this authority to their lower-tier municipalities subject to certain conditions.

Transition Ratios

In the first year of the new system (the 1998 taxation year), *transition ratios* were used. These starting points enabled municipalities to share the tax burden among classes under the new system in the same way that the burden was shared under the prior system. Business class transition ratios (commercial or industrial property class) included the revenues formerly raised by the Business Occupancy Tax.

Tax Ratio Ranges (*Ranges of Fairness*)

Upper-tier and single-tier municipalities have greater flexibility in deciding on the share of taxes to be borne by different property classes under the new system. However, municipally determined tax ratios must adhere to the tax ratio ranges (ranges of fairness) established by the province. If the transition ratio for the municipality falls outside the tax ratio range established by the province, the municipality may set the tax ratio to maintain the transition ratio or move closer to the tax ratio ranges. Municipalities are not allowed to set tax ratios which move further away from the tax ratio ranges.

Elimination of Business Occupancy Tax

The Business Occupancy Tax (BOT) no longer made sense in today's environment. Outdated and arbitrary, the BOT was the source of a large portion of municipalities' tax arrears, and municipalities and businesses have long asked for its elimination.

Through the introduction of variable class tax rates, municipalities can choose to recover municipal revenue equivalent to that raised through the BOT from any or all property classes in the form of realty tax on property owners. The total taxes on properties in the various property classes will still have to conform to the provincial ranges of fairness.

Elimination of the Farm, Managed Forests and Conservation Lands Tax Rebates

The Farm Tax Rebate program as well as similar programs for Managed Forests and Conservation Lands were eliminated after the 1997 taxation year. A specific *tax ratio* has been established for farm properties and outbuildings based on twenty-five percent of the municipal residential rate. Qualifications for farmland and outbuildings will be consistent with current qualifications for the Farm Tax Rebate program.

The farm residence and one acre of farmland, when occupied by the farmer, will be assessed as residential and taxed at the residential rate.

Eligible Managed Forests are assessed in a manner similar to farm properties and will be taxed at twenty-five percent of the residential rate. Eligible Conservation Lands will be tax exempt.

Simplified Assessment Appeals Process

The role played by the Ontario Municipal Board (OMB) in the property assessment appeals process is eliminated. This will shorten and simplify the appeal process, saving costs. Assessment appeals will be made only to the Assessment Review Board (ARB). Points of law may be appealed to the Courts.

The administration of the OMB and the ARB have been integrated to deal effectively with the volume of tax appeals and related issues.

Governance

Each year, both upper-tier and lower-tier municipalities adopt estimates that set out their revenues and expenditures. Upper-tiers must determine how much revenue they can raise in addition to property tax revenue. Once this is determined, the upper-tier council must pass the upper-tier general rating by-law by March 31 of that year. This by-law sets out tax rates to be levied for upper-tier purposes by each lower-tier municipality on the assessment of each property class. The same tax rates must apply in all lower-tier municipalities within an upper-tier.

For lower-tier purposes, lower-tier councils shall pass by-laws to levy separate tax rates on the assessment in each property class.

The tax rates which are levied by both upper-tiers and lower-tiers must conform to the tax ratios established by the upper-tier for that taxation year. There are two exceptions to this rule.

The first exception is when a municipality, either upper-tier or local municipality, with the written approval of the Minister of Finance, is allowed to set a tax rate for a property class that is lower than would otherwise be allowed. The municipality can choose to finance the revenue shortfall through other means such as drawing on their reserves. Alternatively, the shortfall can be carried over to the next year and be raised as part of the general municipal budget. This will have the effect of spreading the shortfall across all property classes.

The second exception is where a municipality gives property tax rebates to charitable organizations occupying commercial or industrial property or to properties in the commercial or industrial property classes. The Minister of Finance has made a regulation, (O. Reg. 389/98), that gives upper-tier and lower tier municipalities the option of raising the tax rates on the classes in which the properties receiving rebates belong, so that enough taxes can be raised to fund the rebates within the class. The *Fairness for Property Taxpayers Act, 1998* (Bill 79) requires all municipalities to make this adjustment to their tax rates so they can fund rebates given to commercial and industrial property classes. The application of the regulation by municipalities to recover the cost of charitable rebates is optional.

Administration + Process

The entire assessment and taxation system is new. As such, there are decision points at almost every step of the process.

The Municipal Finance Branch of the Ministry of Municipal Affairs and Housing has prepared and distributed *A Bulletin on the New Property Assessment and Taxation System in Ontario*. The Bulletin was up-dated in February 1999 and provides detailed information on all aspects of the new system. The Bulletin can be found on the MMAH website at www.mah.gov.on.ca

To obtain a copy, contact: Municipal Finance Branch
Ministry of Municipal Affairs and Housing
777 Bay Street - 13th Floor
Toronto ON M5G 2E5
Phone (416)-585-6305
Fax (416)-585-6315

Implementation Tools + Supporting Information

Additional information on Ontario's new property tax system can be found on the Ministry of Finance's website at <http://www.gov.on.ca/FIN>

Implementation Issues

Implementation is well underway and 1999 is year two of the new property tax system. The Ministry of Municipal Affairs and Housing will continue to work with municipalities as they proceed with implementation.

Changing Roles + Responsibilities

| Roles and Responsibilities: Municipal Assessment | | |
|--|--|---|
| | Province | Municipalities |
| Strategic Planning | <ul style="list-style-type: none"> establishes legislative framework establishes provincial ranges of fairness and appeals process | <ul style="list-style-type: none"> plans for new tax powers |
| Service System Management | <ul style="list-style-type: none"> update assessment base for 1998 <i>vis-à-vis</i> assessment function and property classes develops tools to assist municipalities with new decision making responsibility | <ul style="list-style-type: none"> sets policy for phase-in, multi-tiered tax rates for commercial and industrial properties, tax ratios and rates, etc. |
| Service Delivery | <ul style="list-style-type: none"> (see section 2.1 on assessment services) | <ul style="list-style-type: none"> (see section 2.1 on assessment services) |

Qs + As

How is Ontario Fair Assessment System different from a market value system?

It is different in a number of ways, including:

- it ensures regular update of assessment values;
- assessment will be based on three-year rolling average of values to increase stability and certainty;
- multi-use properties taxed on basis of their actual use rather than predominant use;
- farmlands, managed forests and conservation lands assessed at their current use;
- municipalities may request the Minister to value certain other properties on their current use;
- municipalities can request new property class for new multi-residential properties;
- municipalities have ability to shift tax burdens among property classes within provincial parameters;
- municipalities can set lower tax rates for lower-valued commercial property;
- creates tax rate for eligible farmland and managed forests at twenty-five percent of tax rate applicable to residential properties;
- exempts conservation lands from property tax;
- permits a staged approach to assessment and taxation of farmland pending development;
- allows an optional eight-year phase-in of assessment related changes; and,
- protects low income seniors and disabled homeowners.

2.3 Education Financing**Legislative Framework**

The *Fewer School Boards Act, 1997*, (Bill 104) established new District School Boards as of January 1, 1998. The changed boundaries of school boards, in some instances, resulted in changes in the boards to which municipalities send school taxes.

The *Education Quality Improvement Act, 1997*, (Bill 160) deals with areas of school board governance, education finance, and teachers' collective bargaining.

As a key component of LSR reform, the provincial government assumed the responsibility for setting education tax rates for all property classes, and school boards no longer raise taxes for their own purposes.

The province sets education rates for residential/farm properties, and the municipality collects the taxes and forwards the revenues to the local school boards. Residential supporters who are Roman Catholic or have French-language Charter rights are able to designate their taxes to the Roman Catholic or French-language school systems.

The province also sets education rates for business properties. Municipalities collect these revenues and forward them to the local school boards on the basis of enrolment.

In addition, the province uses other provincial revenues from its consolidated revenue fund to pay for the grants which all school boards receive, based on student needs.

Governance

Under the *Fewer School Boards Act, 1997*, the 129 major school boards have been replaced by 72 district school boards (31 English public boards, 29 English Roman Catholic boards, four French public boards and eight French Roman Catholic boards).

In more isolated areas, the 37 school authorities have been retained. These authorities usually operate a single school.

Implementation: Options + Requirements

Under the *Education Quality Improvement Act, 1997*, a new education funding model

was implemented as of September, 1998.

The fiscal year for school boards is now September 1st through August 31st. In 1998, school boards operated under a short fiscal year from January 1st to August 31st. The change allows funding levels coming into effect in the following September to be announced in March, providing school boards with information about their funding levels well in advance to allow time to plan the use of their resources.

Since education property taxes are levied and collected by municipalities on a calendar year basis, property tax revenues are prorated for the school board's 1998-99 fiscal year (September 1, 1998 to August 31, 1999) in the following manner:

- Thirty-eight percent of the total amount of education taxes levied for 1998
- Sixty-two percent of the total amount of education taxes levied for 1999

Administration + Process

Municipalities continue to levy and collect education taxes based on provincially determined tax rates. Municipalities also continue to pay education tax levies to school boards on a quarterly basis. School boards no longer requisition municipalities for any tax requirements.

Residential education taxes continue to be designated by owners or tenants to the different publicly-supported school systems. Business education taxes are shared among the local school boards on an enrolment basis. Enrolment shares are determined for every municipality by the Ministry of Education and Training each year and published in the *Ontario Gazette*.

Municipalities are required to share certain payments in lieu of taxes with school boards. The shareable payments in lieu are those on residential Ontario Hydro property, public housing authorities and National Defence bases. These payments in lieu are allocated to local school boards on an enrolment basis.

The Minister of Finance sets the rates for education taxes by regulation.

Financing

Residential taxes for education purposes were reduced in 1998 by almost \$2.5 billion or fifty percent overall, and this vacated tax room was transferred to municipalities. The transfer of residential education tax room to municipalities is a key part of the Local Services Realignment initiative and is available to help municipalities fund their new service responsibilities. The province sets a single uniform tax rate for all residential/farm properties and multi-residential properties. The residential rate of 0.46% for 1998 has been lowered by ten percent to 0.414% for 1999, and will be reduced by a further ten percent over the next four years, for a total reduction of twenty percent. The province also sets the education tax rates for business properties.

School boards are exempted from municipal fees and charges imposed under subsection 220.1(2) of the *Municipal Act* (including tax collection and election charges). Exceptions to this exemption can be provided by regulation.

Qs + As

Education Taxation

How is education funded?

School board revenues come from a combination of residential and business property taxes plus provincial grants.

The province has assumed responsibility for setting the rate for residential education property tax; on average, many residential properties have seen an education tax decrease of about fifty percent, although this may vary depending on the level they were paying in 1997.

The province has assumed responsibility for an additional \$2.5 billion in elementary/secondary education funding through increased provincial grants.

The province has also assumed responsibility for setting the rate for business education property taxes, which municipalities collect and distribute among school boards serving their municipality according to enrolment. This means that business continues to support education and the revenue raised from business property taxpayers remains in the community in which it is raised.

Are school boards still in the taxing business?

School boards continue to use revenue raised through local taxes. They no longer have the authority, however, to determine the rate of taxation. The Province sets the tax rate on residential properties, and has taken other measures to limit tax increases on business properties.

Does the government's takeover of the responsibility for setting residential education property tax rates mean that education is not *off the residential property tax base* as originally announced in January 1997?

The province initially said it would pay all education costs and have municipalities assume a range of additional costs including one hundred percent of long-term care funding and half of all social assistance expenditures. However, in response to recommendations made by municipalities, the province agreed to maintain provincial long-term care funding responsibility and to reduce the share of social assistance costs that had been announced for municipalities, and in exchange, to retain fifty percent of existing residential taxes for education.

For 1998, residential properties across the province collectively payed half as much education tax (in total) under the new system, a reduction from \$5 billion to \$2.5 billion, and the amount is being further reduced by ten percent for 1999 (O. Reg. 307-99 filed May 5, 1999).

What is the residential education property tax rate?

In 1998 the uniform residential/multi-residential education rate was 0.46%. In 1999 it was reduced by ten percent to 0.414%.

Does the new funding model mean a resident's tax dollars still go to support the neighbourhood school?

Residential property owners continue to have the right to designate their property taxes to a publicly-supported school system. This revenue is collected by municipalities and sent directly to school boards in the resident's area.

Business owners also support education through property taxes collected by the municipality. Education taxes paid by business owners go to local school boards on the basis of their enrolment.

Are you pooling business taxes?

No. Business taxes stay in the community in which they are raised and are shared on the basis of enrolment among the school boards serving that community.

Will residential or business education taxes increase?

No. The residential education tax rates are being cut by twenty percent over a five year period, with the first ten percent cut coming in 1999. Education taxes on business properties are being stabilized at their current levels. The province has capped increases (due to property tax reform) on business properties at ten percent for 1998, an additional five percent for 1999 and an additional five percent for 2000 to ensure tax stability for businesses. In addition, starting in 1998, education tax rates on business properties are being phased down to the average rate over an eight year period in those municipalities where they were above the 1997 provincial average rate.

New Education Funding**What is the new student-focused approach to funding intended to achieve?**

Ontario educates two million students in about 5,300 schools, spread across a large geographic area with a great range in population distribution, characteristics and needs. Schools vary widely in setting and in the need for resources. The new student-focused funding model has equalized the resources available so that students across the province have access to the same quality of education.

The new student-focused approach to funding provides resources to school boards for:

- all students according to their needs, not the local taxation base;
- provides parents with a clear basis for assessing the financial performance of their school board;
- provides funds to recognize the cost of educating students, including special circumstances such as students learning English as a second language, students with special needs, and students in remote communities; and

- addresses the added transportation and heating expenses associated with providing education in the North and the special needs of immigrant populations in the urban centres.

What is the structure of the new education funding?

The new approach calculates a school board's total allocation based on elements such as the number of students, location of the board, the size and distribution of schools, language training, pupil accommodation requirements, and a variety of other factors.

The allocations under the student-focused approach to funding have three components:

- a foundation grant to provide the base level of education to every student in Ontario;
- special purpose grants which recognize the different needs of students and school boards; and
- a pupil accommodation grant which covers building maintenance, renovation and repairs of existing space, and the acquisition of new space (including new construction, leasing, etc.).

2.4 Debt Issuance

Legislative Framework

The *Better Local Government Act, 1996* (Bill 86), represents the first phase of a comprehensive rewriting of Ontario's municipal legislation and includes several provisions relating to municipal debt issuance and investment.

The Act received Royal Assent on December 19, 1996, and the debt issuance and investment provisions were proclaimed on March 5, 1997.

The changes relating to municipal debt issuance and investment fall into three categories:

- new provisions, consolidation of provisions and housekeeping, which includes removing unnecessary Ontario Municipal Board (OMB) references;
- clarification of wording and authority; and
- removal of archaic and redundant provisions and wording.

New provisions include a new regime for investment and authority to issue variable rate debentures and permit flexibility in the frequency of interest payments. The main borrowing provisions, including foreign currency borrowing, have been consolidated. References to the requirement to obtain prior OMB approval for various financing and financial management matters are no longer necessary, due to changes brought about in 1992 to the capital project approval process. Inconsistent, unclear and archaic provisions have been rewritten, updated, and standardized.

With the new legislation (section 167 *et al.*), municipalities will be permitted to invest in a range of instruments which are prescribed in regulation. The new provisions also permit the province to restrict through regulation investment in securities deemed to be inappropriate.

The joint investment provisions (section 167.4) have also been amended to provide through regulation that local boards can become potential investment partners.

In order to promote strong and effective financial management and encourage municipalities to monitor their own investment practices,

municipalities are required to prepare a *Statement of Investment Policies and Goals* and to report periodically to council on their compliance.

O. Reg. 438/97, respecting municipal eligible investments, was filed on December 5, 1997. O. Reg. 76/97, permitting local boards to participate in investment pools, was filed on March 6, 1997.

Municipal powers to incur debt and borrow, including borrowing in a foreign currency, which were scattered in various sections and sub-sections of relevant Acts, have now been consolidated in the new sections 146 and 147 of the *Municipal Act*. Regulatory authority is provided to prescribe rules respecting borrowing limits and foreign currency borrowing.

O. Reg. 75/97 was filed on March 6, 1997, to amend the previous debt limits regulation to provide for the consolidation of exceptions to the borrowing limits rules and to permit municipalities to approve classes of projects if they are within their limits. An amendment to the borrowing in a foreign currency regulation

O. Reg. 643/93, as amended, is yet to be made to allow municipalities to borrow in additional foreign currencies.

Section 140 now allows municipalities to make interest payments more frequently as long as they make at least one payment annually. This feature allows municipalities to offer investors more attractive products.

The housekeeping amendments fall into two major categories: 1) updating the current provisions to clarify wording and authority to remove archaic terms and provisions, and to make the various provisions more consistent; 2) removing unnecessary references to the requirements for OMB approval. These amendments affect not only the *Municipal Act* and the *Ontario Municipal Board Act*, but also a series of related Acts, such as the *Conservation Authorities Act*, the *Public Utilities Act*, the *Trees Act*, the *Tile Drainage Act*, and the *Telephone Act*.

Other amendments cover provisions relating to activities such as signing and executing of debentures, replacing debenture certificates and making the wording of similar provisions in various Acts consistent, and to deleting provisions which became redundant because of the *Better Local Government Act, 1996*.

Some OMB amendments are retroactive (e.g., *Conservation Authorities Act*) to January 1993. This is necessary in order to avoid private legislation to deal with those instances where a municipality borrowed on behalf of a local board without the local board having received explicit OMB authority to do so.

O. Reg. 438/97, which modified eligible municipal investments, was filed on December 5, 1997. Municipalities may now invest in debentures issued or guaranteed by selected financial institutions. A municipality may also invest up to twenty-five percent of the total amount in sinking funds in debentures of the municipality. This regulation also provided details of what is required in the Treasurer's report.

In addition, the *Electricity Act* requires municipal electrical utilities to become corporations under the *Ontario Business Corporations Act*. Municipalities may hold shares in these corporations.

Governance

The municipal debt issuance and investment provisions of the *Better Local Government Act, 1996*, represent the first part of the rewriting and consolidation of those provisions which aim at providing more flexibility to municipalities in their borrowing and investment activities.

Other goals are to simplify and clarify rules relating to borrowing and investment, and to allow municipalities to have a greater role in debt and investment management while maintaining fiscal integrity, accountability, and prudence.

Implementation: Options + Requirements

When availing themselves of the more flexible debt issuance and investment powers, municipalities must comply with rules and conditions specified in the statute and the relevant regulations.

Administration + Process

The Ministry will continue to calculate and send to each municipality its respective annual repayment limit. This limit allows the municipality to decide whether it can approve its own capital projects and related long-term financial obligations without having to seek OMB approval.

Implementation Issues

Regulations relating to variable debentures and borrowing in additional foreign currencies have yet to be passed.

2.5 Development Charges

Legislative Framework

A new development charges framework has been established under the *Development Charges Act, 1997* (DCA) (Bill 98). It replaces the former legislative framework: the *Development Charges Act, 1989*, as amended by the *Land Use Planning and Protection Act, 1995*.

Key elements of the legislation include:

- reducing the scope of services for which municipalities may impose development charges by eliminating services which are not required in order for growth to occur and which benefit the entire community (e.g., museums, art galleries, cultural facilities, hospitals, parkland acquisition);
- requiring municipalities to reduce the amount recoverable from growth by ten percent for services like transit, arenas, libraries, and parkland improvements;
- new measures that will require municipalities to ensure that the development charge accounts for any excess infrastructure capacity, reflects the ten-year average service level and is applicable only to that portion which will benefit new growth;
- provisions to encourage expansions of industrial facilities and the establishment of new ones;
- more flexible and permissive authority for developers and municipalities to enter front-end financing arrangements; and
- transition provisions.

The new DCA came into effect in March 1998, along with O. Reg. 82/98. The Regulation covers certain details related to definitions, rules for determining charges, municipal reporting, transitional matters, notice and other procedures to be followed.

Governance

The DCA ensures that municipalities are able to recover the growth-related costs for eligible services. Municipalities are responsible for deciding whether or not to impose development charges, to what services these charges should apply, and what exemptions, if any, are required to stimulate local economic development activity.

Implementation: Options + Requirements

When developing a local development charge by-law under the new DCA, municipalities are required to take into account where new development will occur, at what pace it will occur, the need for new infrastructure required to facilitate growth, and the long-term operating costs of building new growth-related infrastructure.

It is up to municipalities to determine their growth-related needs and what they need to recover from development charges financing. Ultimately, decisions are subject to appeals to the Ontario Municipal Board (OMB) from existing residents of the municipality and land holders responsible for paying the development charges.

Administration + Process

Municipalities continue to be responsible for the administration of development charge by-laws, including reporting and accounting of development charge revenues and expenditures. Some of these matters are now subject to Minister's regulation.

Examples of administration and process requirements include:

- administrative procedures relating to notice provisions for by-laws;
- administering appeals and complaints about development charges;
- reporting on the use of development charge revenues and expenditures; and
- informing the public about development charges.

Financing

There is no LSR financial exchange between the province and municipal sector relating to development charges. Under the new DCA, municipalities are

required to reduce by ten percent the amount that they can recover from the imposition of development charges for all services other than roads, water, sewers, fire, police, and hydro. In addition, municipalities are no longer able to use the Development Charges scheme to recover the growth related costs for: parkland acquisition, administrative headquarters, waste management, hospitals, cultural or entertainment facilities (e.g. museums, theaters, art galleries), and tourism facilities. New growth cost allocation rules are also set out, covering such aspects as service standards applicable to new facilities to be financed from development charges, that will affect the amount of charges that can be collected.

Implementation Issues

The new legislation allowed municipalities to continue to collect development charges under the authority of the existing legislation for up to 18 months after the proclamation date, that is, August 31, 1999.

After August 31, 1999, municipalities that want to collect development charges may only do so under the new DCA. The 18-month time frame was intended to allow municipalities time to review and amend their existing by-laws to reflect the new provisions.

Qs + As

Will there be “best practices” or other guidelines to assist municipalities in implementing the new DCA?

A committee of stakeholders was formed to determine the usefulness of issuing best practices guidelines. It proved quite difficult to reach a consensus on any best practices which could be applied across the province in sufficient time to be useful in 1999. Local municipal practice and negotiation will be relied upon to implement these details which are left to local discretion within the new DCA legal framework.

Can municipal restructuring orders issued by the minister override the provision of the new DCA that sets an August 31, 1999, termination deadline for any development charge by-law under the old Act?

While this is a matter of legal interpretation, making such an assumption could lead to appeals. Restructuring boards may be able to coordinate the necessary studies and by-laws meeting the requirements of the new Act where it is desired to continue to impose development charges in areas being restructured after the August 31, 1999, deadline.

Will the province monitor the impact that the new DCA is having on the amount of charges as new by-laws are brought in?

Yes, the province is monitoring changes.

2.6 LSR Tax Rebate Programs

Legislative Framework

Under the government's property tax reform initiative, tax rebate programs for farmland, managed forests and conservation lands were eliminated after the 1997 tax year. A new taxation policy for eligible farmland, managed forests and outbuildings was implemented, based on twenty-five percent of the municipal residential tax rate on eligible farm lands and managed forests. Conservation lands were exempted from tax.

These new policies are included in the *Fair Municipal Finance Act, 1997*, (Bill 106) which was passed on May 26, and received Royal Assent on May 27, 1997. As well, a separate property class is established under the Act for eligible Managed Forests and for Conservation Lands.

Governance

The elimination of the tax rebate programs affects municipal taxation policy responsibilities. See Section 2.2 Municipal Assessment.

Implementation: Options + Requirements

Amendments were made to the *Assessment Act* to allow the Ministry of Agriculture, Food and Rural Affairs (OMAFRA) and the Ministry of Natural Resources (MNR) to make decisions on eligibility for farmland, managed forests and conservation land, and also to handle the appeal process on such eligibility. Under this appeal process, the ministries will hear the appeals from clients and municipalities, and render decisions on whether a property owner meets the requirements under the regulation. All other assessment issues will continue to be handled by the Assessment Review Board (ARB) and the Ontario Property Assessment Corporation (OPAC).

Value-added activities on **farm property** will be classified by OPAC on an individual basis. Land used for value-added activities that are determined to be an extension of the farm operation will be assessed using farmland rates, but buildings will be taxed at the appropriate tax rate (i.e., commercial, etc.). The treatment of value-added activities are outlined in regulations under the *Assessment Act*.

Managed forests must be a minimum of four hectares in size and contain a minimum number of trees to qualify. The landowner is responsible for managing

according to a Managed Forest Plan approved by an MNR-designated approver. The Managed Forest Plan must be updated and re-approved every five years.

The purpose of the Conservation Land Tax Incentive Program (CLTIP) is to recognize, encourage and support the long-term stewardship of Ontario's significant conservation lands by providing property tax relief to those landowners who agree to protect the natural heritage values of their property. **Conservation lands** are those lands that have been identified by the Ministry of Natural Resources (MNR) as being significant natural heritage areas.

There are five categories of eligible conservation land, namely: provincially significant wetlands; provincially significant areas of natural and scientific interest (ANSI), endangered species habitat, escarpment natural areas as designated in the Niagara Escarpment Plan and other conservation lands (currently under review). As of 1998, Conservation Authorities are eligible to participate in both the managed forests and conservation lands programs.

Administration + Process

For the farm program, landowners are still required to obtain a Farm Business Registration Number to remain eligible. Alternately, if the land is rented to a farming tenant, the tenant will still be required to provide the landowner with their Farm Business Registration Number so that the landowner can apply for the reduced tax rate.

OMAFRA will identify Class 6 properties (those eligible for the twenty-five percent tax rate) and inform the Ontario Property Assessment Corporation, which will send roll information to municipalities. OPAC will send out local assessment notices and municipalities will levy taxes.

Properties will be classified as of October 31 each year for assessment and taxation for the following tax year. Properties that have a change in property status (i.e., lose eligibility for either assessment at farm productivity rates or the reduced tax rates during the taxation year) can be reassessed using the supplementary assessment provisions. Changes in assessment value due to a change in ownership will be handled by the supplementary assessment provisions.

Landowners wishing to participate in the Managed Forest Tax Incentive Program (MFTIP) must submit an application, with a copy of the approved Managed Forest Plan, to either the Ontario Forestry Association or the Ontario Woodlot Association by August 31st. The Association sends the eligible roll number, eligible Managed Forest area and map to the appropriate Regional Assessment Office by September 15th. The Assessment Office reclassifies the eligible

portion of land to Managed Forest and values the land similar to farmland. The municipality applies twenty-five percent of the tax rate to the assessed portion which has been classified as Managed Forest for the following taxation year.

Managed Forest participants do not re-apply each year, but rather must update their Managed Forest Plan and have it re-approved and submitted by August 31st before the fifth year after submitting their last Managed Forest Plan.

No changes to the Managed Forest classification are to be made unless the Ministry of Natural Resources advises the Regional Assessment office to do so.

The CLTIP requires that landowners apply each year by August 31 to qualify for the following municipal tax year. Under the CLTIP, applications are forwarded annually by MMAH to all eligible landowners. The applications are based on information provided by OPAC. Applications are returned to MMAH. MMAH, in turn, advises OPAC regional offices of participants for the following municipal tax year. OPAC returns the roll, including the exemptions, to municipalities for taxation purposes.

Requests for reconsideration of eligibility for either MFTIP or CLTIP after the application deadline are directed to the MFTIP or CLTIP administrator respectively, as provided by regulation.

Appeals on eligibility of land to be covered by the Managed Forest and Conservation Lands programs can be made to the Assessment Review Board (ARB). Such appeals are then forwarded to the Ontario Mining and Lands Commissioner for a decision regarding eligibility. The decision is returned to the ARB which then deals with any outstanding issues pertaining to assessed values.

Implementation Tools + Supporting Information

Information on Farm Tax Reform is available from the Farmlands Property Tax Class Program at 1-800-469-2285. Information on the Managed Forest Tax Incentive Program is available from the Ontario Forestry Association (416) 493-4565, the Ontario Woodlot Association (613) 258-0110, and MNR. Information on the Conservation Land Tax Incentive Program is available from MNR (705) 755-1230 and MMAH (416) 585-6181.

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**Emergency
Services**

3.1 Police

Legislative Framework

The *Police Services Act* (PSA), which is under the jurisdiction of the Solicitor General, governs policing in Ontario. Key provisions in the PSA deal with the following areas:

- policing responsibility;
- core functions;
- service delivery;
- civilian governance;
- financing; and
- police oversight.

Amendments were made to the PSA in November 1997 by the *Police Services Amendment Act, 1997* (Bill 105).

Policing Responsibility

The PSA anchors responsibility for policing at the municipal level. All municipalities are required to provide adequate and effective police services in accordance with their needs. The PSA provides municipalities with various service delivery options for discharging this responsibility (see sub-section below on Service Delivery for details).

Policing in unincorporated communities in Northern Ontario is a provincial responsibility. The Ontario Provincial Police (OPP) is currently responsible for providing police services to the residents of these communities. If unincorporated communities merge with an incorporated municipality, that municipality becomes responsible for police service delivery.

Core Functions

Under the PSA, all municipalities are required to provide adequate and effective police services, which, at a minimum, must include all of the following functions:

- crime prevention;
- law enforcement;
- assistance to victims of crime;
- public order maintenance; and
- emergency response.

Municipalities are also required to provide the necessary infrastructure and administration to support the five core functions (e.g., vehicles, boats, equipment, buildings, etc.).

Service Delivery

Under the PSA, municipalities have options for how they deliver police services. The selection of the police service delivery option is a local responsibility. The PSA provides that a municipal council must choose only one method of policing from the options available. A municipality can:

- maintain its own police service;
- contract with an adjacent municipality for police services;
- contract with the OPP, either alone or jointly with one or more municipalities;
- amalgamate its existing police service with one or more municipal police services;
- form a joint police service with one or more municipalities; and
- adopt another method approved by the Ontario Civilian Commission on Police Services.

If a municipality does not exercise one of the above options, then the OPP will provide policing without a contract to the municipality and the municipality will be required to pay for this service.

Police Services Advisors are available to answer questions and provide municipalities with advice with respect to meeting their responsibilities under the PSA.

Migration of Policing to Upper-Tier Municipalities

Under section 209.2(1) of the *Municipal Act*, an upper-tier municipality may pass a by-law, despite any Act, to assume a local power to provide a prescribed service or facility for all of its local municipalities.

However, under section 209.2(2), the above by-law shall not come into force unless:

- majority of all votes on the council of the upper-tier municipality are cast in its favour;
- majority of the councils of all the local municipalities in the upper-tier municipality pass resolutions giving their consent to the by-law; or
- the total number of electors in the local municipalities in the upper-tier which have passed the resolutions approving the by-law, represent the majority of all the electors in the upper-tier municipality.

O. Reg. 408/97 adds police services to the list of prescribed services, which can migrate to the upper-tier. Once the responsibility for policing is transferred, it cannot revert back to the lower-tier at some later date.

Civilian Governance/Police Service Boards

The 1997 amendments to the PSA resulted in substantial changes to the governance of police services. Although police services boards remain the civilian governing authority for police services in Ontario, changes in the composition and roles and responsibilities of police services boards reflect the principle of “say for pay” and recognize the importance of local decision-making. For example:

- municipal council decides what policing option will be chosen to police the municipality;
- municipalities now appoint the majority of members while the province appoints the minority;
- municipal appointees must include a community representative who is not a member of council or an employee of the municipality; and
- municipal council now approves the total budget envelope and the police services board is responsible for administering, allocating and monitoring funds.

The size of a police services board is directly related to population as follows:

- three member board for municipalities whose population does not exceed 25,000 people, or
- five member board for municipalities whose population exceeds 25,000 people.

In cases where the population of a district, regional or metropolitan municipality exceeds 300,000, the municipality may apply to the Lieutenant Governor in Council to have the board size increased from five to seven members.

Key roles and responsibilities of police services boards include, among others, the following:

- appointing members of the municipal police service;
- generally determining, in consultation with the chief of police, objectives and priorities for policing in the municipality;
- establishing policies for the effective management of the police service;
- recruiting and appointing the chief of police and any deputy chief of police;
- directing the chief of police and monitoring his/her performance;
- establishing guidelines for dealing with public complaints; and
- reviewing the chief of police's administration of the complaints system and receiving regular reports from the chief of police on his/her administration of the complaints system.

Police Services Boards are now required in all municipalities which contract for OPP service. The 1997 amendments to the PSA clarified their role to make it closer to the role of a board in a municipality which maintains a municipal police service.

O. Reg. 421/97 (Members of Police Services Boards – Code of Conduct) was developed to coincide with the 1997 amendments to the PSA. The *Code of Conduct* for members of Police Services Boards was developed in consultation with the Ontario Association of Police Services Boards to provide clear guidance to police services board members as to how they conduct themselves in carrying out their duties and responsibilities.

Financing

The 1997 amendments to the PSA corrected longstanding inequities in the financing of police services where some municipalities were paying for policing while others were policed by the OPP at no cost to the municipality.

As of January 1, 1998, all municipalities are required to directly finance the cost of providing police services in their communities.

O. Reg. 420/97 (Costs of Ontario Provincial Police Services to Municipalities under section 5.1 of the Act) was developed to coincide with the 1997 amendments to the PSA. OPP staff are available to explain the formula used to calculate the costs for each municipality.

Unincorporated communities in Northern Ontario are policed by the OPP. The province currently funds the cost of providing OPP service in these areas.

The PSA also allows for the cost recovery of OPP services (e.g., specialized investigative services) provided to municipalities or other law enforcement agencies. This cost recovery is at the discretion of the Solicitor General to ensure that police services are not prevented (because of cost) from seeking the assistance of the OPP when required.

Oversight of Police Services

The 1997 amendments to the PSA significantly changed the existing system of civilian oversight of the police with respect to public complaints and internal discipline matters. Public complaints (complaints about policies and services of a police service as well as complaints related to officer conduct) and internal discipline matters are now dealt with under a restructured and streamlined complaints system.

The Ontario Civilian Commission on Police Services (OCCPS), which reports to the Solicitor General, is responsible for overseeing the restructured and streamlined system for the handling of public complaints about police policies, services, or officer conduct.

With respect to the handling of public complaints, the OCCPS may, at any stage in the complaints process, act on its own initiative and direct a chief of police how to process a complaint, or, assign the investigation to another police service. The complainant also has the right to request that the OCCPS review local decisions about police conduct made at different stages in the complaints process. In addition to the above, the OCCPS also carries out adjudicative and decision-making duties.

These include:

- conducting investigations into the administration of police services;
- hearing police officer appeals from disciplinary penalties;
- adjudicating budget disputes between police services boards and municipal councils; and
- deciding if a police service will be disbanded in order to allow a municipality to initiate another option for police service delivery.

The Special Investigations Unit (under the jurisdiction of the Attorney General) is responsible for overseeing police conduct, which has resulted in serious injury or death. O. Reg. 673/98 (Conduct and Duties of Police Officers Respecting Investigations by the Special Investigations Unit) became effective January 1, 1999.

Implementation Supports for the 1997 Amendments to the PSA

Ministry staff are available to provide information and advice respecting the management and operation of police services. As part of a continuing implementation strategy for the 1997 amendments to the PSA, Police Services Advisors are available to provide stakeholders (i.e., municipal councils, police services boards, chiefs of police and police associations) with information on the amendments to the PSA and new regulations.

In addition, *Restructuring Police Services in Ontario: A Guidebook & Resource Kit for Municipalities from Ontario's Police Community* was released in December 1998. The Guidebook contains three protocols, which have the support of the: Ontario Association of Chiefs of Police (OACP), Ontario Provincial Police (OPP), Ontario Provincial Police Association (OPPA), Ontario Association of Police Service Boards (OAPSB), Association of Municipalities of Ontario (AMO), Ontario Senior Officers - Police Association (OSOPA), Ontario Provincial Police Commissioned Officers Association (OPPCAO), and, Ontario Public Service Employees Association (OPSEU). The Guidebook outlines the recommended processes for developing costing proposals for contract policing by the OPP, contract policing by a municipal police service, and amalgamation of police services.

The Ministry of the Solicitor General has formally endorsed the guidebook with the expectation that the protocols will be followed when municipalities examine their policing options.

The guidebook is available on the Association of Municipalities of Ontario's MUNICOM network at: www.municom.com and on Ontario Association of Chiefs of Police's website at www.oacp.on.ca, or by contacting the Policing

Services Division at (416)-314-3000.

Adequacy and Effectiveness Standards

In May 1997, the ministry established an Adequacy Standards Steering Committee to guide the development and to make recommendations to the Solicitor General regarding the content of a new regulation. The Committee is comprised of representatives from the Association of Municipalities of Ontario, the Ontario Association of Police Services Boards, Ontario Association of Chiefs of Police, Ontario Senior Police Officers' Association, Police Association of Ontario, the Ontario Provincial Police, and the Ontario Provincial Police Association. The Committee was instrumental during the development of the Adequacy Standards Regulation and continues to provide advice on the ministry's implementation process.

O. Reg. 3/99 (Police Adequacy and Effectiveness Standards Regulation) was filed January 8, 1999.

The Regulation is part of the government's overall strategy to provide police services boards and police services the structure and tools they need to ensure the effective delivery of policing services. This strategy also includes the announcement of 1000 new front-line officers, the rural crime prevention strategy, \$5 million for forensic sciences, the establishment of the anti-biker squad and recent legislative changes to enhance community and road safety.

The Adequacy Standards address six core policing areas, necessary to ensure the delivery of adequate and effective police services. The six areas are:

- crime prevention;
- law enforcement;
- victim assistance;
- public order maintenance;
- emergency response services; and,
- administration and infrastructure

The Regulation requires all police services to be in compliance by January 1, 2001. Additionally, the regulation requires Police Services Boards to develop a plan, setting out the steps needed to be taken by the Board and the police service in order to meet the requirements of the regulation by January 1, 2001. The current *Ontario Policing Standards Manual* will remain in effect until January 1, 2001.

Implementation: Options + Requirements

Phase I Information and Education (January - June 1999)

Phase I focuses on understanding the provisions of the Adequacy Standards. Policing Services Division has developed an Information Package explaining the requirements of the regulation. In addition, the Division will conduct regional information and training sessions for interested members of Municipal Councils and Police Services Boards, and Chiefs of Police during Phase I.

Information packages were distributed to Heads of Council, Chairs of Police Services Boards and Chiefs of Police in February 1999.

Phase II Self-Assessment (June - November 1999)

In *Phase II*, Police Services Boards and police services will undertake a self-assessment of their current policies, procedures and functions/services against the requirements of the Regulation to identify areas where they are in compliance and areas that will require additional work in order to achieve compliance.

Phase III Planning (December 1999)

Based on the self-assessment undertaken in Phase II, Police Services Boards will develop a plan setting out the steps needed to be taken by the Board and the police service in order to achieve full compliance.

Phase IV Implementation (January - December 2000)

Police Services Boards and police services will implement their plan in order to be in compliance with the Adequacy Standards Regulation by January 1, 2001.

Implementation Tools + Supporting Information

Implementation Supports for the Adequacy Standards

Over the next two years, Policing Services Division will be providing ongoing support to municipal councils, police services boards and chiefs of police to assist them with implementation of the requirements of the *Adequacy Standards Regulation*. This support will include information sessions, advice, guidelines, and sample board policies. What follows is a brief overview of the implementation supports that the ministry will be providing.

Information Sessions

Policing Services Division intends to organize training sessions for council members, board members and chiefs of police on the regulation. In addition, Policing Services Division is planning to provide information sessions for members of boards and municipal councils, chiefs of police and members of police services on key topics, such as business and resource planning.

Further details on the training and information sessions will be provided in 1999. If you are interested in participating in an information session, please contact your Police Services Advisor.

Questions and Advice

Policing Services Division will be providing ongoing advice and guidance to police services boards and police services on the requirements of the adequacy standards regulation.

A general introduction to the requirements of the regulation, in the form of questions and answers, has been developed for members of boards and municipal councils, chiefs of police and members of police services. This document, *Guide to Questions and Answers on the Adequacy Standards Regulation*, was included in the information package that was distributed to Heads of Council, Chairs of Police Services Boards and Chiefs of Police in February 1999. In addition, your Police Services Advisor is available to answer any additional questions.

Preliminary Self-assessment Tool

The adequacy standards regulation requires police services boards to undertake a self-assessment of their organization to assess their level of compliance and identify any areas that will have to be addressed in order to achieve full compliance. Based on the self-assessment undertaken, police services boards will develop and implement a plan setting out the steps to be taken by the board and the police service in order to be in compliance with the regulation by January 1, 2001.

Policing Services Division is providing police services boards and chiefs of police a preliminary self-assessment tool for the adequacy standards regulation that may be used by boards and chiefs to undertake the compliance review.

The self-assessment tool is divided into three parts. *Part A* focuses on an analysis of the core function/service delivery requirements of the regulation and should be completed by the board and the chief of police. *Part B* focuses on an analysis of the policy requirements of the regulation for police services boards. *Part C* sets out the procedure and process requirements for the chief of police. This document, *Self-Assessment Tool for the Adequacy Standards Regulation*, is included in the package released with the Regulation.

Guidelines

Policing Services Division will produce guidelines that can be used by police services to understand and interpret the requirements of the Regulation. It is anticipated that police services board and police services may use the guidelines when developing local policies and procedures to implement the adequacy standards regulation. In addition, police services boards and police service will find the sample policies beneficial as they prepare their own policies and procedures.

The content of the guidelines will focus on:

- functions that reflect the critical provincial interest;
- subjects integral to the successful implementation of the adequacy standards;
- providing maximum flexibility and local decision-making;
- assisting with interpreting the requirements of the adequacy standards, and be a tool for assessing adequate and effective police services;

- guiding the development of policy and procedures by boards and chiefs of police; and
- provide sample board policies.

The guidelines are being developed with police stakeholder involvement through the Adequacy Standards Steering Committee and it is expected that they will be ready for release to police services in the fall of 1999.

Ministry Accredited Training and Equivalent Competencies

The Ontario Police College (OPC) will begin working with police stakeholders in early 1999, and in particular with police in-service training representatives, to review and establish the ministry accredited training and equivalent core competency requirements for:

- criminal investigation
- tactical units
- containment teams
- hostage rescue
- major incident command
- communicators, dispatchers and those supervising them
- crisis negotiation
- scenes of crime analysis
- forensic identification

The ministry-accredited training and equivalent core competency standards will generally reflect existing training and police practices in the province.

Additionally, training on these issues may be delivered by non-OPC institutions, including police in-service training, and public and private sector learning institutions, for example, community colleges, who meet the training standards established by the OPC.

It is expected that the standards will be ready for release to police services by the Fall of 1999.

Other Support Tools

In addition, the ministry will continue to provide, through the OPP, the support and specialized services it has made available historically (e.g., major crime and emergency response), especially to smaller rural and Northern communities.

Policing Services Division also intends to provide municipal councils, police services boards and chiefs of police other implementation supports, including resource material that address key topics.

Finally, the regulation allows the Solicitor General to designate:

- specific occurrences for which the police service shall notify another police service, unit or task force;
- the need for procedures and processes for undertaking and managing investigations for other types of crime not currently listed in section 12 of the adequacy standards regulation; and
- a federal or provincial counter-terrorism plan.

If the Solicitor General decides to use this authority, in any of the three areas identified, the ministry will provide an information package to boards and police services at that time.

Changing Roles + Responsibilities

| Roles and Responsibilities: Police | | | | |
|---|---|---|--|---|
| | | Province | Municipalities | Police Services Boards |
| Strategic Planning | <ul style="list-style-type: none"> • establishes legislative and regulatory framework setting out provincial interest • establishes program standards | <ul style="list-style-type: none"> • plan for local service system management | <ul style="list-style-type: none"> • determine objectives and priorities with respect to police services in the municipality | |
| | Service System Management | <ul style="list-style-type: none"> • monitors and reviews police services and police services boards • develops and promotes programs that enhance professional police practices, standards, and training • makes appointments to police services boards | <ul style="list-style-type: none"> • select service delivery option • makes appointments to police services boards • approves total budget envelope | <ul style="list-style-type: none"> • appoint members of the police service • establish management policies • recruit chief, deputy chief and determine their remuneration and working conditions • direct and monitor chief's performance • receive reports from the chief under section 49 • establish guidelines regarding indemnification of members for legal costs under section 50 • establish guidelines for handling complaints under Part V • review administration of complaints system |

| Roles and Responsibilities: Police | | | |
|------------------------------------|---|--|------------------------|
| | Province | Municipalities | Police Services Boards |
| Service Delivery | <ul style="list-style-type: none"> advises police services boards and chiefs of police issues directives and guidelines respecting policy matters | <ul style="list-style-type: none"> provide and fund adequate and effective police services, including: crime prevention; law enforcement; assistance to victims of crime; public order; emergency response provide all the infrastructure and administration necessary for providing police services, including vehicles, boats, equipment, communications devices, buildings and supplies | |

Qs + As

Why a regulation on adequate and effective police services?

In 1996, the *Who Does What Report* included several recommendations relating to policing that were addressed by the government as part of the amendments to the PSA in 1997. The *Who Does What Report* recommendations included: municipalities should deliver adequate and effective police services; municipal councils should have greater say in police budgets; and the Province should set standards on adequate and effective police services.

The amendments to the PSA also set out that adequate and effective police services must include: crime prevention; law enforcement; assistance to victims of crime; public order maintenance; and emergency response services. Furthermore, the PSA specifies that municipalities are also responsible for providing the necessary administration and infrastructure for delivering adequate and effective police services.

As part of the amendments to the PSA in 1997, section 135(1) was amended to provide the authority to the Lieutenant Governor in Council to establish standards governing the adequacy and effectiveness of police services.

Consistent with the recommendations in the *Who Does What Report*, the government decided to develop a regulation on adequate and effective police services.

One of the purposes of the regulation is to provide boards, chiefs of police, and members of councils with a tool that can guide them in making decisions concerning the service delivery options for policing, and to address issues that are arising as a result of municipal restructuring. The regulation is also intended to clarify the obligations under the Act in relation to the five core policing services referred to in section 4(2), and to address issues relating to the critical provincial interest in policing.

How was the regulation developed?

The Ministry of the Solicitor General has undertaken extensive consultations with police stakeholders on the content of the regulation. Since May 1997, the ministry has hosted numerous sessions of the Adequacy Standards Steering Committee in order to review the proposed content of an adequacy standards regulation. The stakeholders consulted are the Ontario Association of Chiefs of Police, Police Association of Ontario, Ontario Association of Police Services Boards, Ontario Senior Officers' Police Association, the Ontario Provincial Police, the Ontario Provincial Police Association, and the Association of Municipalities of Ontario.

What is the critical provincial interest in policing?

During the consultation process, one of the key issues that emerged related to the definition of the "critical provincial interest in policing" and the importance of an adequacy standards regulation focusing on matters that fall within the parameters of the provincial interest in policing.

Generally, it was agreed that matters of critical provincial interest will involve significant issues of:

- public safety;
- police officer safety;
- the administration of justice; and
- police accountability.

3.2 Fire

Legislative Framework

The *Fire Protection and Prevention Act, 1997* (FPPA), was proclaimed on October 29, 1997. While this legislation was initiated prior to the LSR initiative, it creates significant changes to the manner in which fire protection services are delivered throughout Ontario. It also replaced 10 previous pieces of fire protection legislation and combines all fire protection legislation in one statute.

Under the *Fire Protection and Prevention Act, 1997*, municipalities continue to be responsible for funding and delivering fire protection services in the province. The Office of the Fire Marshal (OFM) is responsible for protecting the provincial interest, namely, to ensure that public fire safety is not seriously jeopardized. For the first time, the duties, powers and responsibilities of the OFM are clearly delineated in the legislation.

In the past, municipalities have been permitted to create fire departments under authority granted in the *Municipal Act*. The FPPA will require that municipalities establish a program which must include public education with respect to fire safety and certain components of fire prevention, and provide other fire protection services that may be necessary in accordance with their needs and circumstances.

Governance

There is no change in local authority. Municipalities continue to be responsible for the delivery of fire protection services. It must be clearly understood that while there may be no need to operate a fire department, there is still a responsibility to provide public fire safety education and fire prevention programs.

The Fire Marshal may monitor and review the fire protection services provided by municipalities. Where necessary, the Fire Marshal may make recommendations to the Council to improve the delivery of fire protection services. Where a serious threat exists and a municipality fails to adhere to the recommendations made by the Fire Marshal, the minister may recommend to the Lieutenant Governor in Council that a regulation be made.

Upon the recommendations of the minister, the Lieutenant Governor in Council (Provincial Cabinet) may make regulations establishing standards for fire protection services in municipalities and requiring municipalities to comply with the standards. The regulation may be general or specific in its application and may be restricted to those municipalities specified in the regulation. To date,

municipalities have dealt with potential threats as soon as they have been identified. There has been no need to request a regulation since proclamation of the Act.

Implementation: Options + Requirements

Municipalities continue to have a number of options in service delivery. Fire services may be delivered by a single municipality (including upper-tier municipalities), be shared, or be operated jointly by a number of municipalities. Municipalities may seek the advice of the Fire Marshal when determining service delivery options.

Administration + Process

Municipalities determine the level of service provided. The role of the OFM is to monitor, review and advise municipalities respecting the provision of fire protection services and to make recommendations.

Financing

The method of financing the delivery of fire protection services continues to be the sole responsibility of municipal government. The *Savings and Restructuring Act* (Bill 26), allows for additional cost recovery methods and fees for some services. Municipalities contemplating the use of fees for the delivery of public fire protection services are encouraged to consult with the OFM prior to establishing the necessary bylaws. The OFM is consulting with stakeholders on the development of Public Fire Safety Guidelines which would include a discussion on user fees.

Implementation Tools + Supporting Information

To date, the OFM has developed and distributed 48 Guidelines for the Delivery of Public Fire Protection Services. The Guidelines are available online at www.gov.on.ca/OFM/guidetec/munguide/index.html. Minimum requirements for Fire Prevention and Public Education are included in the guidelines.

OFM fire protection advisors are generally available to assist municipalities with advice on fire protection services.

Implementation Issues

Part IX of the FPPA governs labour relations in the fire sector. It also prescribes certain standard working conditions, such as hours of work, and sets up a termination process.

Management exclusions

The current legislation ensures that any member of a fire department who functions as a manager, is a manager and is therefore subject to exclusion. Previous legislation stated that only the Fire Chief and Deputy Chief of the fire department were excluded from representation by the local fire fighters union. Section 54(8) of the FPPA provides each fire department with a maximum of five discretionary exclusions based on the number of firefighters in the department, i.e:

- two managers for fewer than 25 persons
- three for 25 or more, but fewer than 150 persons
- four for 150 or more but fewer than 300 persons
- five for more than 300 persons

Sections 54(5) and (6) of the FPPA require employee consent for the employer to designate them as excluded from the bargaining unit. Salaries of employees who do not consent to the exclusion must be red-circled if they are moved to another lower-paying bargaining unit position. Section 54(2) allows an employer to apply to the Labour Relations Board for additional exclusions and clarifies that firefighters will remain in the bargaining unit while the issue of additional exclusions is being adjudicated.

Right to Strike

The *Fire Protection and Prevention Act, 1997*, removed the right to strike/lockout by employer.

Under the former legislation, a potential strike situation never occurred because every collective agreement remained in force until a new one was established, either through bargaining or through arbitration.

When the new legislation updated collective bargaining for firefighters to bring it more in line with that of other workers, the new process could have placed firefighters in a strike disposition. It is important that public safety be protected by ensuring that this essential service is always available. In prohibiting strikes/lockouts in the fire service the province has, for the first time, officially recognized fire protection as an essential service.

Conciliation/Arbitration

Conciliation is designed to help bring the parties of a dispute together and negotiate a solution without the need for arbitration. Most other binding arbitration systems include some form of conciliation or mediation, and it has helped to ensure more negotiated settlements and more positive labour-management relations. Furthermore, achieving a negotiated settlement through conciliation may shorten the process by removing the need for arbitration.

The Ministry of Labour provides conciliators to assist the parties and each side is responsible for its own legal costs. Where the parties are unable to reach a collective agreement, the dispute is resolved by arbitration.

The parties may agree to have a single arbitrator or may each appoint a member to a board of arbitration. Under the latter option, the two members appointed by the parties shall jointly appoint a third member as the chair or, where they cannot agree, the chair is appointed by the Minister of Labour. Each side is responsible for its own legal costs and both sides will share the cost of the arbitrator or board or arbitration.

Once the parties have reached a collective agreement, section 53 provides for the appointment of a single arbitrator to resolve any disputes that may arise concerning the interpretation of that agreement. Arbitration under this section is also available where there is a dispute as to whether the terms and

conditions of employment have been altered during bargaining. If the parties cannot agree on an arbitrator, the Minister of Labour will appoint one.

Hours of Work

The FPPA prescribes specific requirements for work schedules, including a requirement that no firefighter shall be required to be on duty on average in any work week more than 48 hours. The requirements for work schedules are subject to an exception whereby the fire chief may call in off-duty firefighters in a major emergency.

Bargaining Rights

The FPPA deems the existing associations to be the bargaining agent for the firefighters. This provision “grandparents” the existing fire associations so that they will be recognized as the current bargaining agents.

The FPPA also clarifies that existing collective agreements will remain in place during the transition period after the new legislation is enacted. The transitional provision recognizes agreements, awards and decisions under the *Fire Departments Act* for the balance of their term. A statutory freeze on working conditions and wages protects firefighters during the negotiation of a new collective agreement. Any disagreement as to whether a change has occurred is subject to arbitration. This provides for less disruption in the workplace during collective bargaining.

The FPPA clarifies that Ontario Municipal Employees Retirement System (OMERS) pensions (including firefighter pensions), covered under the *Municipal Act*, are not affected by the new legislation.



**Social +
Community
Health**

4.1 Consolidated Municipal Service Management

Legislative Framework

Local Services Realignment announced by the government in January 1997, outlined new directions for the delivery of social assistance, child care, and social housing. These changes have created the opportunity to implement a more integrated system of social and community health services under municipal leadership.

Consolidation of municipal service management has resulted in the management of the delivery of social assistance, child care, and social housing by 36 municipalities in Southern Ontario and by 10 District Social Services Administration Boards as well as the Regional Municipality of Sudbury in Northern Ontario.

Authority to require consolidation of municipal service management is provided by the *Services Improvement Act* and the *Social Assistance Reform Act*.

Implementation: Summary of Progress To-Date

Establishing Consolidated Municipal Service Managers

Local Services Realignment created the opportunity to build a more effective system of social and community health services under municipal leadership. One of the important steps in establishing a more effective service system has been to reduce the number of municipalities and service boards managing social services.

Municipalities were asked in September 1997 to develop locally agreed plans to consolidate management of social and community health services to approximately fifty municipalities and Northern service boards.

Consolidated Municipal Service Managers (CMSMs) are responsible for managing the delivery of social assistance, child care, and social housing. CMSMs may also assume responsibility for the management of land

ambulance services and public health, with the approval of the Ministry of Health.

Two *Consolidation Planning Frameworks* were provided: one for Northern Ontario and another for Southern Ontario. A copy of the applicable document was sent to municipalities in January 1998, to assist with their consolidation planning.

Local and provincial decisions regarding service management consolidation were finalized in June 1998, resulting in ministerial approval of 47 CMSMs across the province for Ontario Works, child care, and social housing. In 20 cases out of the 47, no consolidation was required (e.g., where regional governments existed).

As a result of consolidation, the number of municipalities and boards responsible for managing the delivery of social assistance was reduced from 196 to 47. The 47 consolidated service managers and the geographic areas they serve are listed in the following chart.

Consolidated Municipal Service Managers Ontario Works, Child Care and Social Housing

| Service Manager | Area Served |
|--------------------------------------|---|
| SOUTHERN ONTARIO | |
| 1. Brantford C | Brant CO, Brantford C |
| 2. Bruce CO | Bruce CO |
| 3. Chatham-Kent M | Chatham-Kent M |
| 4. Cornwall C | Cornwall C, Stormont, Dundas & Glengarry CO |
| 5. Dufferin CO | Dufferin CO |
| 6. Durham RM | Durham RM |
| 7. Grey CO | Owen Sound C, Grey CO |
| 8. Haldimand-Norfolk RM | Haldimand-Norfolk RM |
| 9. Halton RM | Halton RM |
| 10. Hamilton-Wentworth RM | Hamilton-Wentworth RM |
| 11. Hastings CO | Belleville C, Quinte West C, Hastings CO |
| 12. Huron CO | Huron CO |
| 13. Kingston C | Kingston C, Frontenac CO |
| 14. Lambton CO | Lambton CO |
| 15. Lanark CO | Smith Falls ST, Lanark CO |
| 16. Leeds & Grenville CO | Brockville C, Gananoque ST, Prescott ST, Leeds & Grenville CO |
| 17. Lennox & Addington CO | Lennox & Addington CO, Prince Edward CO |
| 18. London C | London C, Middlesex CO |
| 19. Muskoka DM | Muskoka DM |
| 20. Niagara RM | Niagara RM |
| 21. Northumberland CO | Northumberland CO |
| 22. Ottawa-Carlton RM | Ottawa-Carlton RM |
| 23. Oxford CO | Oxford CO |
| 24. Peel RM | Peel RM |

| Service Manager | Area Served |
|---|--|
| 25. Peterborough C | Peterborough C, Peterborough CO |
| 26. Prescott & Russell CO | Prescott & Russell CO |
| 27. Renfrew CO | Pembroke C, Renfrew CO |
| 28. Simcoe CO | Barrie C, Orillia C, Simcoe CO |
| 29. Stratford C | Stratford C, St. Mary's ST, Perth CO |
| 30. St. Thomas C | St. Thomas C, Elgin CO |
| 31. Toronto C | Toronto C |
| 32. Victoria CO | Haliburton CO, Victoria CO |
| 33. Waterloo RM | Waterloo RM |
| 34. Wellington CO | Guelph C, Wellington CO |
| 35. Windsor C | Windsor C, Essex CO |
| 36. York RM | York RM |
| NORTHERN ONTARIO | |
| 37. Algoma DSSAB | Algoma District, excluding Sault Ste. Marie C, Prince TWP and Sault North Planning Board |
| 38. Cochrane DSSAB | Cochrane District |
| 39. Kenora DSSAB | Kenora District, excluding areas north of the 11 th Baseline |
| 40. Manitoulin & Sudbury DSSAB | Manitoulin District, Sudbury District |
| 41. Nipissing DSSAB | Nipissing District |
| 42. Parry Sound DSSAB | Parry Sound District |
| 43. Rainy River DSSAB | Rainy River District |
| 44. Sault Ste. Marie DSSAB | Sault Ste. Marie C, Prince TWP and Sault North Planning Board |
| 45. Sudbury RM | Sudbury RM |
| 46. Thunder Bay DSSAB | Thunder Bay District |
| 47. Temiskaming DSSAB | Temiskaming District |

Abbreviations:

| | | | |
|----|-----------------------|----|-----------------------|
| C | City | M | Municipality |
| CO | County | RM | Regional Municipality |
| DM | District Municipality | ST | Separated Town |

DSSAB District Social Services
Administration Board

TWP Township

In Northern Ontario, ten District Social Services Administration Boards (DSSABs) and the Regional Municipality of Sudbury were approved as CMSMs. DSSABs are responsible for serving both municipalities and territories without municipal organization.

The nine southern Ontario regional municipalities plus the City of Toronto are, by legislation, boards of health for their region, as well as CMSMs. As of May 1, 1999, no other CMSMs have applied to become boards of health under the criteria established by the Ministry of Health in November 1998.

Designation under the *Ontario Works Act, 1997*, and the *Day Nurseries Act*.

On February 1, 1999, ten CMSMs in Southern Ontario were designated as delivery agents for Ontario Works: City of Brantford, City of Kingston, Hastings County, Lanark County, Leeds & Grenville County, Lennox & Addington County, City of Stratford, City of Peterborough, Grey County, and Wellington County.

The remaining six CMSMs were designated on April 1, 1999: City of London, City of St. Thomas, Simcoe County, City of Cornwall, Victoria County, and City of Windsor.

Seven DSSABs were designated as delivery agents for Ontario Works on February 1, 1999: Cochrane DSSAB, Nipissing DSSAB, Parry Sound DSSAB, Timiskaming DSSAB, Algoma DSSAB, Sault Ste. Marie DSSAB, and Rainy River DSSAB. The remaining three DSSABs were designated on April 1, 1999: Kenora DSSAB, Manitoulin and Sudbury DSSAB, and Thunder Bay DSSAB. The Regional Municipality of Sudbury was also designated on April 1, 1999.

The transfer of responsibility for the management of child care services requires that CMSMs be designated as child care agents under the *Day Nurseries Act*. The first designations occurred on April 1, 1999, and will be completed by January 1, 2000.

Northern Ontario

In June 1998, the Minister of Community and Social Services and the Minister of Northern Development and Mines approved 10 DSSABs plus the Regional Municipality of Sudbury as the consolidated service managers.

They are responsible for managing the delivery of Ontario Works, child care, and social housing, as well as for administering cost sharing between the municipalities and the province for social assistance (including Ontario Works, Family Benefits, and the Ontario Disability Support Program), child care and social housing.

District Social Services Administration Boards Act (DSSAB Act)

On July 1, 1998, as a result of proclamation of Schedule C of the *Social Assistance Reform Act*, the *District Welfare Administration Boards Act* (DWAB Act) was renamed the *District Social Services Administration Boards Act* (DSSAB Act). The DSSAB Act created a legislative mechanism for the creation of ten consolidated District Social Services Administration Boards.

Regulations under the DSSAB Act which took effect July 1, 1998, for the most part replicated the regulations under the DWAB Act.

O. Reg. 278/98:

- defined the social services that will be managed by the DSSABs provided for the provision of grants for the first year of operation of the DSSAB;
- established that the district for each board, its membership and manner of appointment would be described in schedules attached to the general regulations;
- defined the parameters for the term of office of members and chairs of the boards;
- defined the parameters for the apportionment of cost amongst the members; and
- provided for the apportionment of costs based on estimates and the requirement for boards to reconcile estimated annual costs based on actual expenditures.

The existing six District Welfare Administration Boards in place at the time were renamed DSSABs. They continued until replaced by the consolidated DSSABs which were established either February 1, 1999, or April 1, 1999.

On February 1, 1999, further regulations (O. Reg. 37/99) under the DSSAB Act became effective which:

- defined qualifications of board members representing one or more municipalities or territory without municipal organization;
- provided authority to appoint board members to replace members who become ineligible to hold office or who fail to attend three consecutive board meetings without authorization, or who resign or die;
- provided for the attribution of costs between municipalities on the one hand and territory without municipal organization on the other hand based upon actual costs, and for the approval of this attribution of costs by the Director of Ontario Works. Costs are to be allocated among the municipalities based upon weighted assessment;
- provided for the establishment by the DSSAB of an alternative method for apportioning costs which does not require the approval of the Director of Ontario Works; and
- provided that the board must inform the minister responsible for each social service of the costs attributable to the territory without municipal organization before a set date to facilitate one hundred percent provincial funding of costs to territory without municipal organization.

This regulation also established seven consolidated DSSABs with expanded geographic areas (Cochrane, Nipissing, Parry Sound, Timiskaming, Algoma, Sault Ste Marie, and Rainy River).

On February 1, 1999, these seven consolidated DSSABs were also designated under the *Ontario Works Act, 1997*.

On April 1, 1999, regulations were put in place which provided that:

- the board may attribute only the costs of social services which are the responsibility of the board;
- each DSSAB, created April 1, 1999, must inform municipalities in its district by June 30, 1999, of the amount that it estimates will be required to defray the expenditures for social services in 1999/2000; and
- provided for a more detailed definition of weighted assessment' in accordance with the *Municipal Act*.

This regulation established the three remaining consolidated DSSABs (Kenora, Thunder Bay and Sudbury-Manitoulin). At the same time these three consolidated DSSABs were designated under the *Ontario Works Act, 1997*. The Regional Municipality of Sudbury was also designated on April 1, 1999.

Financing

One of the principles of the consolidation policy was that municipalities have

flexibility to work out local arrangements for apportioning costs among the partners in a geographic area.

Southern Ontario

In Southern Ontario, division of costs between the partners in a geographic area is to be determined by mutual agreement. The method of dividing costs may be different for each program.

The following regulations set out rules for voluntary agreements for the division of social assistance, child care, and social housing costs and establish a system for arbitrating social service costs where local agreement on apportionment cannot be achieved:

- O. Reg. 135/98 made under the *Ontario Works Act, 1997*;
- O. Reg. 225/98 made under the *Ontario Disability Support Program Act, 1997*;
- O. Reg. 137/98 made under the *Social Assistance Reform Act, 1997*;
- O. Reg. 262 R.R.O. 1990 made under the *Day Nurseries Act*; and
- O. Reg. 488/97 under the *Social Housing Funding Act, 1997*.

The Regulations also provide for agreements and arbitrations in future years as agreements and arbitration awards expire or are terminated. The rules governing the arbitration are generally left to the *Arbitrations Act, 1991* with certain exceptions (i.e., a three month deadline for the initial arbitration decision) designed to ensure an expedited process.

The Regulations apply to consolidated municipal service managers designated under the *Ontario Works Act, 1997*, excluding District Social Services Administration Boards.

Northern Ontario

In Northern Ontario, Regulations under the *District Social Services Administration Boards Act* (DSSAB Act) provide direction related to the apportionment of social service costs in the board's geographic area. O. Reg. 278/98 made under the DSSAB Act provides that the actual cost of social services including the cost of administration, for which the board is responsible, be attributed amongst municipalities and territory without municipal organization within a board's district. The attribution must be approved by the Director of Ontario Works.

The costs attributed to municipalities are subsequently apportioned among individual municipalities using weighted assessment. The costs attributed to territory without municipal organization are to be borne by the province and the board must inform the minister responsible for each service of this amount.

O. Reg. 278/98 also provides that a board may apportion costs in its district in a manner other than what is provided in the regulation where such agreement is supported by a double majority as prescribed.

An agreement requires double majority consent of the board as prescribed (i.e., majority of the municipalities in the geographic area of the board and members of the board from territory without municipal organization, representing the majority of the electorate).

The government decided to not proceed with reform of the Provincial Land Tax (PLT) in 1999. As a result it was decided that, in 1999, the Province would continue to pay one hundred percent of the costs of social services, including cost of administration, attributed to territory without municipal organization. Regulations under the *Ontario Works Act, 1997*, *Social Assistance Reform Act, 1997*, *Ontario Disability Support Program Act, 1997*, and *Day Nurseries Act*, effective February 1, 1999, provide for such funding.

Implementation Tools + Supporting Information

The Province, through the Ministry of Community and Social Services, provided funding to municipalities to assist them with one-time costs associated with the consolidation of service management. The funding was announced in December 1998 and made available to CMSMs in fiscal year 1998/99.

In order to assist Northern municipalities and communities, a DSSAB Toolkit was distributed in July 1998 to provide direction related to the establishment of the DSSABs. The Toolkit outlined the organizational development issues to be addressed and the steps required to create the new boards and detailed the DSSABs' program management responsibilities. Information on the two optional services, land ambulance and public health, was also provided.

In April 1998, the province released an Implementation Toolkit to assist in planning for provincial/municipal case integration for Ontario Works, and transfer of responsibility for managing child care delivery. This was followed in May 1998 by a supplementary child care directive.

The province will also be providing training to DSSAB members to assist them in undertaking their new roles and responsibilities as directors of a DSSAB.

Qs + As

What is a District Social Services Administration Board?

In Northern Ontario, consolidation has taken the form of District Social Services Administration Boards (DSSABs). DSSABs have the mandate to manage the delivery of social services – social assistance, child care and social housing – in Northern Ontario, on behalf of the municipalities and residents of unincorporated territory in a defined geographic area. Like Consolidated Municipal Service Managers (CMSMs) in southern Ontario, DSSABs can opt to include land ambulance and public health services with the approval of the Minister of Health.

The board of the DSSAB is comprised of representatives of the municipalities and the unincorporated territory in its geographic area.

What is the government's vision for the local systems of services that are managed by CMSMs?

As the system managers for a range of human services, CMSMs will have the opportunity to take a leadership role in the integration of human services.

An integrated system is one in which policies, programs and services are coordinated and complementary, and serve common goals that address the well being of individuals, families and communities.

At the local level, the integration of programs and services can be thought of as stages along a continuum. At one end, programs may be managed and services delivered independently of one another at different locations and through separate organizational entities. At the other end, there would be a highly inter-related set of programs and services that may be co-located and may share resources, administrative structures, staff, and information systems and technology.

4.2 Ontario Works**Legislative Framework**

With the passage of the *Social Assistance Reform Act* (SARA) (Bill142) in November 1997, the government created the *Ontario Works Act, 1997* and the *Ontario Disability Support Program Act, 1997*. SARA is the first major reform of social assistance legislation in 30 years.

The *Social Assistance Reform Act* replaced:

- the *General Welfare Assistance Act*;
- the *Family Benefits Act*; and
- the *Vocational Rehabilitation Services Act*.

The *Ontario Works Act* was proclaimed May 1, 1998. The Ontario Works program ensures that financial and employment assistance are available for people in need, while encouraging self-sufficiency. As a condition of eligibility for Ontario Works, people are expected to take part in programs designed to help them obtain a paid job. Ontario Works ensures that support is available for those in need, while encouraging people to get the experience, contacts and the skills they need to become self-sufficient. Municipalities are delivering Ontario Works.

The *Ontario Disability Support Program Act*, which was proclaimed June 1, 1998, introduced a new program of income support and employment supports designed to meet the unique needs of people with disabilities. The Ontario Disability Support Program (ODSP) moves people with disabilities off the welfare system. The province is delivering the ODSP.

New Business Practices

In January 1997, the Ministry of Community and Social Services (MCSS) entered into a partnership with the private sector to gain access to leading technology and business practices for the delivery of social assistance and employment programs. The Business Transformation Project (BTP) will replace outdated mainframe technology, reduce social assistance overpayments and fraud, and eliminate duplications and inefficiencies in business practices through implementation of the new Service Delivery

Model (SDM). Once implemented, the SDM will improve client service, standardize and streamline administration processes, and reduce program cost.

Municipal input is a vital part of the BTP work in the development and implementation of a new Service Delivery Model. Staff from municipalities work full-time on the BTP. Municipal staff also contribute to the BTP's work through the Municipal Reference Group, the Quality Council and the BTP Steering Committee. In addition, municipal staff contribute regularly in BTP user and focus groups.

Social Assistance Programs

The Ontario Works program helps people in financial need become employed and help them achieve self-sufficiency. Eligible participants have the responsibility to participate in program activities as a condition of eligibility for financial assistance. The Ontario Works program has a responsibility to offer employment assistance to participants to enable them to become self-sufficient.

The Ontario Disability Support Program has two components:

- Income Support which provides financial assistance and benefits to eligible people with disabilities; and
- Employment Supports which provides goods and/or services to remove disability-related barriers to competitive employment, and assists people with disabilities in attaining competitive employment goals.

There has been considerable progress since the initial implementation of Ontario Works and the ODSP. To support the management and delivery of Ontario Works, the number of municipalities delivering "welfare" has been reduced from 196 to 47 consolidated municipal service managers (CMSMs). In addition, work is underway in the following areas:

Ontario Works

- Integration of sole support parent cases from provincial delivery into the Ontario Works program will be completed by the end of 1999, thereby eliminating the two-tiered delivery system;

- Review of Ontario Works funding of program administration and employment assistance is under way with input from municipal stakeholders;
- Enhancement to Ontario Works job placement to provide additional tools to help people access employment and receive needed training to remain employed;
- Implementation of Learning, Earning and Parenting (LEAP), a targeted strategy of Ontario Works employment assistance that will assist young parents to complete high school and develop parenting skills;

Ontario Disability Support Program (ODSP)

- Improvement in customer service at the Disability Adjudication Unit, including distribution of the Disability Determination Package by OW and ODSP offices, and a 1-888 number which provides clients with information on the status of their applications.
- The Implementation of the Employment Supports component of ODSP in January 1999.
- The implementation of a new staffing model for the income support component of the ODSP in June 1999.

Governance

For a discussion of broader governance issues relating to the consolidation of municipal services management, see Section 4.1: Consolidated Municipal Service Management.

Implementation: Options + Requirements

Municipalities and First Nations are the service delivery agents for Ontario Works, based on approved business plans. The legislation provides Ministry of Community and Social Services (MCSS) with the option to name an alternative service delivery agent. It also makes provision for municipalities to contract out prescribed functions relating to the delivery of Ontario Works. (MCSS) is the delivery agent for ODSP.

MCSS announced enhancements to employment placement activities in December 1998. Implementation proposal guidelines were distributed in Spring 1999. Additional tools are being made available to help Ontario Works

participants get jobs and keep them. These enhancements include follow-up human resources services to employers during the placement period, financial incentives to offset employer costs, including training and assistance with workplace safety and insurance coverage (WSIB).

Implementation proposals by Ontario Works delivery agents should have been submitted to MCSS regional offices by September 30, 1999.

Learning, Earning and Parenting (LEAP) is a targeted strategy of Ontario Works Employment Assistance that focuses on parents between the ages of 16 and 21 and their children. This program will assist young parents to complete high school and develop parenting skills.

Established Ontario Works delivery agents who are either consolidated service delivery managers or First Nations will implement LEAP. Implementation guidelines were shared with MCSS Area Offices at that time for distribution to Ontario Works delivery agents. All Ontario Works delivery agents must have LEAP fully operational by December 31, 1999.

Administration + Process

Ontario Works was fully implemented by municipalities and District Social Services Administration Boards during 1998. As of April 1, 1999, all CMSMs have been designated. The ODSP was implemented June 1, 1998.

Financing

Percentages are expressed as a provincial:municipal ratio. For example, 80:20 reflects an eighty percent provincial share and a twenty percent municipal share of costs.

In the North the province is responsible for 100% of Ontario Works costs attributed to territory without municipal organization.

| Ontario Works | | | |
|---|--------------------------|---|-------|
| 1997 GWA/ONTARIO WORKS | | As of 1998 ONTARIO WORKS | |
| Allowances / Benefits | 80:20 | Assistance: • Financial benefits • Employment (employment support services, community placement, job placement including enhanced job placement, Learning , Earning and Parenting Access for people with disabilities | 80:20 |
| Early Implementation of Ontario Works (employment support services, community placement, job placement) | 80:20 and/or 100:0 | | 80:20 |
| Administration | 50:50 | Administration | 50:50 |

| Ontario Disability Support Program | | | |
|------------------------------------|-------|---|-------|
| 1997 FBA | | As of 1998 ODSP | |
| Allowances / Benefits | 100:0 | Income Support | 80:20 |
| Administration | 100:0 | Administration | 50:50 |
| VRS | 100:0 | Ontario Disability Support Program - Supports to Employment Funding | 100:0 |

Municipalities are also funding twenty percent of Ontario Drug Benefit costs for people on social assistance.

Implementation Tools + Supporting Information

The following tools have been developed and distributed to assist municipalities delivering Ontario Works:

- Ontario Works Policy Directives;
- Ontario Works Transition Directives and Bulletins;
- *Implementation Tool Kit* To Assist in Planning for Provincial/Municipal Case Integration for Ontario Works and Transfer of Responsibility for Managing Child Care Delivery;
- Ontario Works Technology;
- 1999 Service/Budget Submission Package;
- Provincial/Municipal Training manuals: LSR Cost Sharing Implementation;
- Directive package dated December 23, 1997: January 1998 Program and Cost Sharing Changes;
- LEAP Transition Funding Guidelines and the LEAP Planning Support Package; and
- Implementation Proposal Guidelines for Employment Placement.

Ontario Works Technology

The Ministry of Community and Social Services, through the Automating Social Assistance Project (ASA Project), has been working with SHL Systemhouse in the development and delivery of Ontario Works Technology (OWT).

OWT has been developed to assist municipalities in meeting the administrative and reporting requirements of the Ontario Works program. OWT was implemented in 168 municipal sites and 4715 staff were trained.

Ontario Works technology is an interim technology designed to use the same hardware and technology architecture as the Ministry's Caseworker technology. Ontario Works technology is offered to municipalities as a complete package.

Municipalities receiving OWT will receive ASA Project developed software, leased computer equipment to run the software, installation of equipment, staff computer application training, and ongoing technical support.

MCSS is providing the same financial and cost-sharing arrangements to municipalities implementing Ontario Works technology as provided for its other major technology initiative – Caseworker Technology.

Changing Roles + Responsibilities

| Roles and Responsibilities: Ontario Works | | |
|---|--|---|
| | Province | Municipalities |
| Strategic Planning | <ul style="list-style-type: none"> establishes policy objectives, legislation, regulation and cost sharing establishes audit framework sets standards | <ul style="list-style-type: none"> business planning for local service systems plan for funding responsibilities allocate resources consult with province |
| Service System Management | <ul style="list-style-type: none"> provides directives and guidelines provides technology support systems monitors and endorses program standards | <ul style="list-style-type: none"> program management establish local / discretionary practices consult with province |
| Service Delivery | <ul style="list-style-type: none"> cost sharing | <ul style="list-style-type: none"> cost sharing direct service delivery responsibility |

Qs + As**What is a balanced Ontario Works program?**

Ontario Works delivery agents must provide a range of employment assistance strategies to address the diversity of participant needs. The core range of employment assistance strategies should include the following:

- supports for independent job search, i.e. resource center services;
- structured job search activities, including job clubs, job seeking and job retaining workshops;
- referral to basic education or literacy;
- referral to job specific skills training and some direct support for short-term job specific training, i.e. occupational training directly linked to a job;
- community participation, including self-initiated and a broad mix of delivery agent initiated placements to enable good matching to individual participant's skills and experience, as well as providing positive experiences; and
- job placement, including job placement services and self-employment development.

What changes to Ontario Works are planned or underway for 1999?

Job placement has been enhanced to create more employment opportunities by providing incentives to employers to hire Ontario Works participants directly onto their payroll. Enhanced job placement is being implemented in the few first phase sites in early 1999, with full implementation across the province by the end of 1999.

During 1999, the Ministry is undertaking a review of Ontario Works funding. A joint provincial-municipal advisory group will advise the project. The purpose of the project is to review and reformulate funding of the Ontario Works program in the areas of administration and employment assistance. For administration, a performance-based funding model will be developed that is based on service units and linked directly to employment outcomes and program integrity. For employment assistance, the purpose is to streamline funding and strengthen the focus on performance outcomes.

4.3 Child Care

Legislative Framework

The *Day Nurseries Act (DNA)* was amended by Schedule C of the *Services Improvement Act*, which came into effect January 1, 1998. This legislative amendment, together with amendments to associated regulations, will implement the child care portion of the government's Local Services Realignment decisions.

The DNA amendments relate to a shift in provincial and municipal roles and responsibilities, including cost-sharing. However, standards for licensed child care specified in the DNA regulations before January 1, 1998 have been maintained. Furthermore, the role of child care services as an important support to employment, a component of integrated services for children, and a vital support to families is not affected.

Child Care Before January 1, 1998:

To have a better understanding of the child care changes made through amendments to the DNA and its regulations, it is useful to describe the child care program before these changes came into effect (i.e., before January 1, 1998).

Municipal involvement in child care was discretionary, and was limited to the management of fee subsidies, either delivered directly by the municipality or through purchase of service agreements with other agencies.

Where municipalities chose to participate, the DNA and its regulations provided for the cost-sharing of fee subsidies on an eighty percent provincial and twenty percent municipal basis. In 1997, 94 municipalities cost-shared fee subsidies with the province.

Where there were gaps in fee subsidy delivery, the Ministry of Community and Social Services (MCSS) entered into agreements with "approved corporations". The province paid eighty percent of the cost of fee subsidies and the approved corporations paid the remaining twenty percent through parent fees, fund raising etc. In 1997, there were ninety two approved corporations delivering fee subsidies in Ontario.

MCSS entered into agreements directly with service providers to deliver other child care services (resource centres, special needs resourcing, wage subsidies). These services were funded one hundred percent by the province.

DNA Amendments: Child Care After January 1, 1998 :

A variety of changes have been made to the management of the delivery of child care services as a result of amendments to the DNA and its regulations (through O. Regs. 482/97, 139/98, 231/98, 277/98, 38/99, and 130/99).

Delivery Agents

The province is transferring responsibility for the management of the delivery of child care services (fee subsidies, Ontario Works child care, resource centres, special needs resourcing, and wage subsidies) to 47 Consolidated Municipal Service Managers (CMSMs) – see sub-section on Governance.

Cost-Sharing

The amendments to the DNA and its regulations provide for new child care cost sharing arrangements:

Program costs

- Beginning January 1, 1998, program costs related to Ontario Works child care, resource centres, special needs resourcing, and wage subsidy have been cost shared on an eighty percent provincial and twenty percent municipal basis. Cost sharing is administered by the Ontario Works delivery agent, which bills individual municipalities. CMSM operate as Ontario Works delivery agents upon being designated under the *Ontario Works Act*.
- Prior to the designation of a CMSM as a child care delivery agent, fee subsidy program costs will continue to be shared with individual municipalities and approved corporations which have entered into agreements with the province (i.e., municipalities which do not have a fee subsidy contract with the province are not responsible for cost sharing).

- Following child care designation, all program costs related to child care services will be shared on an eighty percent provincial and twenty percent municipal basis.

Administrative costs

Prior to child care designation:

- Administrative costs related to fee subsidy administration (i.e., the cost of needs testing) are shared with participating municipalities on a eighty percent provincial and twenty percent municipal basis;
- Ontario Works child care administrative costs are shared on a fifty percent provincial and fifty percent municipal basis; and
- The province is responsible for one hundred percent of child care administrative costs related to resource centres, special needs resourcing, and wage subsidies.

Following child care designation, but prior to July 1, 1999 (applies only to those CMSM's designated April 1, 1999):

- The cost of fee subsidy administration was shared on an eighty percent provincial and twenty percent municipal basis;
- Ontario Works child care was cost shared on a fifty percent provincial and fifty percent municipal basis; and
- Municipalities were responsible for one hundred percent of the administrative costs related to resource centres, special needs resourcing, and wage subsidies.

After child care designation and effective July 1, 1999:

- Administration costs for managing the delivery of child care services are shared on a fifty percent provincial and fifty percent municipal basis.

Territory without Municipal Organization

- Through to the end of 1999, the province will continue to be responsible for one hundred percent of child care costs attributed to territory without municipal organization. This includes administrative costs approved by a Director under the DNA. The DNA regulations have been amended to reflect this policy; and
- The actual apportionment of social service costs between municipalities and territory without municipal organization is governed by the regulations under *the District Social Services Administration Boards Act* (see Section 4.1: Consolidated Municipal Service Management).

Licensing

The province retains responsibility for licensing. The transfer of licensing to CMSMs will be dealt with at a later date.

Governance

The amendments to the DNA provide the authority for the Minister to designate delivery agents (municipalities or prescribed boards) for a geographic area. Delivery agents are designated by Minister's Regulation, and manage the delivery of child care services for all municipalities and unorganized territories within its boundaries. Delivery agents operate within a framework of comprehensive provincial standards.

The Ministry could act as a delivery agent or enter into an agreement with a person to act as a delivery agent if required, in a geographic area. In the unlikely event that this occurs, municipalities would remain responsible for cost sharing child care services.

As noted above, the province intends to designate 47 CMSMs as child care delivery agents. A CMSM can be a regional municipality, single tier municipality, county, district municipality, separated city, or District Social Services Administration Board (DSSAB).

Implementation: Options + Requirements

The transfer of responsibility for managing the delivery of child care services is being phased in, and depends on municipal capacity and readiness.

There are two stages:

- Stage 1 Becoming a Consolidated Municipal Service Manager.
- Stage 2 Becoming a designated child care delivery agent for child care.

Stage 1 involves the identification of CMSMs as the organizations which are to assume responsibility for the delivery and management of child care, Ontario Works and social housing (see Section 4.1: Consolidated Municipal Service Management). Stage 1 is now complete. All consolidations have been achieved, and all CMSMs have begun to assume service management responsibilities (in that they have been designated as Ontario Works delivery agents). This subsection will describe Stage 2 - the process for becoming a designated child care delivery agent.

CMSMs have worked with MCSS Area Offices to develop Joint Implementation Plans, which must include a child care component. The primary objective of the child care component is to ensure that the transfer of responsibility for managing the delivery of child care services is handled smoothly and without service disruption. An Implementation Toolkit and a Child Care Directive to assist with the preparation of Joint Implementation Plans were released in April 1998, and May 1998 respectively.

Following submission to the Area Office, the Joint Implementation Plan is reviewed corporately. The MCSS Area Office signs off on the plan (and recommends a designation date) when it is satisfied that all concerns have been addressed.

Six CMSMs were designated as child care delivery agents on April 1, 1999, and eight more on July 1, 1999. Further designations will occur on October 1, 1999 and January 1, 2000. All designations will be complete by the latter date.

Administration + Process

Between January 1, 1998 and the designation of a CMSM as a child care delivery agent:

Fee subsidies continue to be managed by municipalities and approved corporations which have entered into service agreements with the province.

The management of Ontario Works child care is the responsibility of the Ontario Works delivery agent. CMSMs operate as Ontario Works delivery agents upon being designated under the *Ontario Works Act, 1997*.

Other services (resource centres, special needs resourcing, and wage subsidies) continue to be managed directly by the province, through agreements with individual agencies.

Following designation of a CMSM as a child care delivery agent:

Upon designation, the CMSM assumes responsibilities for managing the delivery of the full range of child care services (fee subsidies, Ontario Works child care, resource centres, special needs resourcing, and wage subsidies). The province enters into a service agreement with the CMSM, which in turn enters into agreements with individual agencies.

Following designation, CMSMs will develop local service plans and identify new service targets and service levels, according to provincial guidelines on local service planning to be released in the fall of 1999. Approval of Delivery Agent service contracts will be based on local service plans and budget submissions.

Financing

Between January 1, 1998 and the designation of a CMSM as a child care delivery agent:

With respect to fee subsidies, the province maintains existing contracts with municipalities and approved corporations which have agreed to serve as fee subsidy managers. The province flows its eighty percent share of the assistance provided for in these agreements directly to municipalities and

approved corporations. It is possible for CMSMs to operate as fee subsidy managers prior to child care designation.

For Ontario Works child care, the province flows to the Ontario Works site its eighty percent share of program costs assistance and its fifty percent share of administrative costs assistance. As noted previously, CMSMs operate as Ontario Works sites upon being designated under the *Ontario Works Act, 1997*.

In the case of resource centres, special needs resourcing, and wage subsidies, the province provides program funding to individual agencies with which it has service agreements. A bill for twenty percent of costs related to these programs is sent to the Ontario Works delivery agent, which in turn collects from individual municipalities.

Following designation of a CMSM as a child care delivery agent:

Upon designation, the province enters into a service contract with the CMSM, which includes the total amount of the child care assistance to be managed by the CMSM. The province flows to the CMSM the provincial share of this assistance:

- Eighty percent of child care program costs and fifty percent of child care administrative costs attributed to municipalities; and
- One hundred percent of child care program and administrative costs attributed to Territory Without Municipal Organization.

The CMSM, in turn, provides funding to service providers through contracts with those agencies.

Territory Without Municipal Organization

In the North, child care costs attributed by the ten DSSABs to territory without municipal organization will be funded one hundred percent by the province through to the end of 1999 (see Financing Section under 4.1 - Consolidated Municipal Service Management).

Implementation Tools + Supporting Information

MCSS has developed an *Implementation Tool Kit* to assist CMSMs in drafting their Joint Implementation Plans. This document, which was released in April 1998, covered provincial/municipal case integration for Ontario Works, and the transfer of responsibility for managing child care delivery. The Child Care Directive, which serves as a supplement to these guidelines, was released in May 1998.

Two documents were released in March 1999:

- Direction on the Attribution of Child Care Costs to Territory Without Municipal Organization; and,
- Child Care Administrative Guidelines were released in March 1999.

The Ontario Child Care Service Management Guidelines were released in July 1999.

A Local Child Care Service Planning Framework is being prepared for release in the Fall of 1999. This document will assist the CMSM in preparing a child care service plan following designation as a child care delivery agent.

A Provincial/Municipal Implementation Group is providing input into the development of the majority of the above implementation tools.

The province, in consultation with municipalities and the Ontario Municipal Social Service Association (OMSSA), is developing the Ontario Child Care Management System. This computerized system will help CMSMs manage the child care system, and provide various types of information required by both the CMSM and the province. Development of the Service Manager's Module of this system is expected in the fall of 1999.

Implementation Issues

MCSS and its regional offices are working closely with CMSMs to address implementation issues that arise during the transfer process.

Changing Roles + Responsibilities

| Roles and Responsibilities: Child Care | | |
|---|--|---|
| | Province | Municipalities |
| Strategic Planning | <ul style="list-style-type: none"> sets legislative framework, standards, policy objectives and policy directions/priorities | <ul style="list-style-type: none"> participate in policy forums and joint working groups provide information, consultation and advice |
| Service System Management | <ul style="list-style-type: none"> issues directives and guidelines reviews delivery agent's budget and enters into service contract with delivery agent monitors: budget; service contract; compliance with directives develops child care service planning framework (including performance measures) and approves local child care plans promotes linkages to other children's services funds development of the Ontario Child Care Service Management System | <ul style="list-style-type: none"> enter into service contracts with MCSS manage implementation of service contracts manage the delivery of child care services consistent with MCSS directives and guidelines develop local child care plans install and maintain an information technology system required for service management, and to meet provincial reporting requirements |
| Service Delivery | <ul style="list-style-type: none"> continues to licence, inspect and enforce standards funds 80% share of program costs and 50% share of administrative costs attributed to municipalities funds 100% of costs attributed to territory without municipal organization | <ul style="list-style-type: none"> fund 20% of program costs and 50% of administrative costs attributed to municipalities enter into agreements with service providers for child care services manage fee subsidies (take client applications, administer eligibility test, place children, manage waiting list) |

Qs + As**Do LSR reforms mean that the province will no longer have any role in managing child care?**

No. MCSS will still be funding eighty percent of child care program costs and fifty percent of delivery agent administrative costs. CMSMs will operate within a framework of provincial legislation, regulations, standards, and policies. MCSS regional offices will still be playing an important management role in the child care system through negotiating service contracts with delivery agents and on-going monitoring.

The province will also be responsible for funding child care services delivered on First Nations territory.

Why hasn't licensing been transferred to municipalities?

The transfer of licensing will be dealt with at a later date. The licensing function is critical to a safe, quality child care system. More time is needed to work with municipalities to look at changes to the licensing system before licensing is transferred.

4.4 Public Health

Legislative Framework

Public health focuses on the determinants of health rather than the treatment of illness and disability. Public health is involved in health protection and promotion from a population based perspective. This means that it seeks measures that do the most good for the most people.

By focusing on prevention and promotion, the public health system reduces the expensive health and disability costs associated with medical treatment, chronic disability and lost productivity. It has been repeatedly shown that an up-front effort to prevent or reduce health-related problems is more cost-effective than attempting to deal with health problems after they have occurred.

The *Health Protection and Promotion Act (HPPA)*, 1997 sets out the legislative framework for public health (includes the Act, regulations and mandatory guidelines). The Province sets minimum province-wide public health standards. A local board of health, consisting primarily of a majority of municipal elected officials and municipal appointees, is responsible for the delivery of public health programs and services. In regional municipalities, the regional council is deemed to be the board of health. In other parts of the Province, boards of health boundaries are not necessarily co-terminus with an upper-tier boundary (i.e. county).

The HPPA was amended by the *Services Improvement Act, 1997*. Guidelines under the HPPA as amended specify mandatory programs which may be broken down into three broad areas:

- chronic disease prevention, including heart disease, cancer and prevention of injuries;
- family health, including child health, nutrition, and sexual and reproductive health; and
- infectious disease control, including AIDS and sexually transmitted diseases, vaccine preventable diseases and the control of outbreaks of infectious diseases.

It also:

- requires municipalities to provide adequate funding to maintain minimum provincial standards and provisions on how municipalities will contribute to overall board of health expenses;
- establishes the Ministry of Health and Long-Term Care authority to monitor and enforce program standards; and
- provides Ministry authority to intervene in emergency situations where a board or municipality is not adequately addressing a risk to health.

The HPPA provides for the Minister of Health and Long-Term Care to set minimum standards through the issuance of guidelines. These minimum standards are contained in a document entitled *Mandatory Health Programs and Services Guidelines* (MHPSG). The MHPSG are considered the minimum program standards that must be followed by all boards of health in the Province. The standards were revised in December 1997 to bring them up to date with current knowledge in public health practice, to ensure consistency and accessibility of programs across the Province, and to facilitate effective monitoring. Copies of these guidelines are available from the government bookstore and are also posted on the Ministry of Health's and Long-Term Care's Website and Municom, AMO's intranet site www.municom.com.

Governance

Governance of public health continues to be through local boards of health, with composition primarily from municipal appointees. The provincial government reserves the right to appoint additional members to the board at their discretion, but the number of provincial appointments must be less than the number of municipal appointments on any given board. In regional municipalities, the regional council continues to be deemed the board of health.

The *Services Improvement Act, 1997* modified the HPPA so that other entities such as county councils and District Social Services Administration Boards may become boards of health on approval by the Ministry of Health and Long-Term Care, on a case-by-case basis, through a regulation change. After discussions with representatives from the Association of Municipalities of Ontario (AMO), the Ministry of Health and Long-Term Care in November 1998 issued guidelines as to the process and requirements that must be met and followed before Cabinet would consider an application to become a board of health. These guidelines were sent to all boards of health and all obligated municipalities across the Province. A copy of the guidelines is available from the Public Health Branch. AMO and the Ministry of Health and Long-Term Care are monitoring the use of the Guideline and will review the guidelines as necessary.

The *Northern Services Improvement Act* was fully proclaimed April 1, 1999. This Act allows for the creation of Area Services Boards (ASBs). An ASB must be responsible for six core social service and community health services, one of which is public health. The ASB may apply to take on additional program responsibilities if desired. The Minister of Northern Development and Mines is responsible for designating an area as an ASB. Included in the order creating an ASB will be a statement that deems the ASB to be a board of health under the HPPA, or the order will state under which board of health the ASB is to be assigned.

Implementation: Options + Requirements

Public health services will continue to be delivered by local boards of health, employing the services of appropriate staff, such as a medical officer of health, public health nurses, inspectors, epidemiologists and nutritionists.

While staff are performing duties related to the delivery of public health programs or services, they must be under the direction of the medical officer of health. The medical officer of health is responsible to the board of health for the management of public health programs and services, and reports directly to the board on issues relating to public health concerns and programs.

There is a need to ensure adequate public health medical expertise in all boards of health.

Administration + Process

Revised *Mandatory Health Programs and Services Guidelines, December 1997* were made available in February 1998. These guidelines provide the minimum expected level of public health programs and services for all boards of health.

The Ministry of Health and Long-Term Care, in consultation with AMO, health professional organizations, and public health organizations, is developing an accountability framework to ensure compliance with the guidelines. This framework is expected to be completed by December 1999.

The government intends to continue to work together with public health and municipal partners to implement this shift in roles. Consultations will continue with AMO, the Association of Local Public Health Agencies (ALPHA), medical officers of health and boards of health to study and resolve outstanding issues.

Financing

As of January 1, 1998, municipalities were responsible for one hundred percent of public health funding, with the following exceptions which continued to be funded one hundred percent by the Province: Healthy Babies/Healthy Children, Vaccines, Speech and Audiology, Genetics, Provincial Sexual Health Resources (Toronto only), Provincial Health Research, Evaluation and Development Program (PHRED), and program delivery in unincorporated areas.

On March 23, 1999, the government announced that the Province will, on a 50/50 basis, cost-share Ministry-approved public health budgets including the PHRED program. All other programs that were previously funded one hundred percent by the Province will continue to be one hundred percent funded by the Province.

How the costs are apportioned among upper tier and single tier municipalities is a local decision. In situations where local agreement cannot be reached, the apportionment will be according to O. Reg. 489/97. This regulation states that in the absence of a local agreement, the proportion of board of health expenses paid by each obligated municipality shall be in direct proportion to their population.

The Province has the authority under the *Municipal Act* to issue a regulation specifying that certain public health services are not subject to user fees.

Implementation Tools + Supporting Information

Because of the need for centralized monitoring, MOH has already specified data standards, definitions, and software requirements for some programs.

Implementation Issues

Public health units exist throughout the province. If the health unit boundaries are going to be changed, then relevant regulations will have to be amended. As well, human resources issues and a division or consolidation of assets will have to be addressed.

If a different entity is to become the board of health for an area, but the boundaries of the health unit remain unchanged, the process outlined in the joint MOH/AMO “Planning Framework - Governance of Public Health” needs to be followed. All obligated municipalities have copies of this document, as do boards of health.

MOH will continue to meet with boards of health and municipalities, to orient them to the revised mandatory programs and services, and to provide and/or seek advice and consultation as new implementation issues arise.

Changing Roles + Responsibilities

| Roles and Responsibilities: Public Health | | | | | |
|--|---------------------------|---|---|--|--|
| | | Province | Municipalities | Boards of Health | |
| Strategic Planning | | <ul style="list-style-type: none"> • sets minimum standards and requirements for each mandatory program and service • establishes linkages with other programs at the provincial level • appoints provincial members | <ul style="list-style-type: none"> • plan for new financial responsibility • appoint/nominate board of health members | <ul style="list-style-type: none"> • establish local procedures and protocols • establish linkages with other local agencies | |
| | Service System Management | | <ul style="list-style-type: none"> • monitors and enforces standards • provides professional expertise and consultation to boards of health • disseminates epidemiological information and recommendations on disease control measures • allocates funds for 50% of service cost, except for 100% funding of a few programs | <ul style="list-style-type: none"> • allocate funds for 50% of service costs | <ul style="list-style-type: none"> • establish annual budgets • ensure provincial standards are met • create local governance policies, by-laws, reporting systems, etc. • ensure that staff are trained and qualified |
| | | Service Delivery | | <ul style="list-style-type: none"> • provides provincial systems/dedicated equipment, e.g., reportable diseases, for access by health units | <ul style="list-style-type: none"> • direct service responsibility • input to provincial reporting systems • comply with mandatory programs |

Qs + As**How will the Province ensure standards are maintained for public health?**

Under the HPPA, the Province has the authority to monitor compliance and enforce mandatory public health program standards.

What are the mandatory public health programs that the municipalities will be required to deliver?

Municipalities will be required to deliver mandatory programs in three key areas. They are:

- chronic disease prevention;
- infectious disease control; and
- family and child health.

These mandatory program guidelines were updated in December 1997 to reflect current knowledge in public health practice, to ensure consistency and accessibility of programs across the Province, and to facilitate effective monitoring. They have been distributed to all obligated municipalities and local boards of health. This information is also on the Ministry of Health and Long-Term Care's website, <http://www.gov.on.ca/health/index.html>

Who delivers these mandatory public health programs now, and are there any changes in who delivers them in the new legislation?

Mandatory public health programs will continue to be delivered by boards of health. The Province will continue to set minimum standards for each program. Municipalities will now pay half the costs of these programs.

When municipalities are paying fifty percent of the costs for public health programs, why should the Province be setting standards and telling municipalities how to spend their funds?

It is important that public health programs are consistent and accessible to all Ontarians. The Province is working with municipalities and public health groups to ensure that the mandatory programs are up-to-date and appropriate.

Municipalities will have added flexibility in delivering mandatory public health programs as long as provincial standards are met. Municipalities will also have the discretion to deliver extra services as they see fit.

What will happen if a board of health does not provide a mandatory public

health program (e.g., sexual health)?

The Minister of Health and Long-Term Care could direct the board of health to do so. If the board still fails to provide the program, the Province could take remedial action. In highly unusual circumstances, the Province could also step in and provide the program itself and recoup the costs of doing so from the municipality.

Will vaccines be issued when necessary?

The Province will retain responsibility for the purchase and distribution of vaccines to boards of health and other health professionals.

Immunization programs will remain mandatory for boards of health.

What will happen if an infectious disease outbreak occurs in a health unit and the board is not responding appropriately?

A board of health must deal with emergency situations immediately. In the unlikely event that a board of health is not responding appropriately to an emergency situation, the Minister of Health and Long-Term Care may apply for a court order to get the board to respond or to order the Ministry to deliver necessary services and bill the municipality.

4.5 Land Ambulance

Land ambulance is a health care service that is also an emergency service.

Ambulance services operate without boundaries or consideration of jurisdiction. The closest available ambulance is always dispatched to an emergency call regardless of home location. To be effective, ambulances need to be able to cross municipal, provincial and international boundaries to respond to requests for assistance.

All ambulance services are part of existing provincial and federal joint response and contingency planning efforts for mass casualty incidents, hospital evacuations, health facility relocations, exotic infectious disease transport management, hazardous/nuclear incident patient transport management, airport incident response events, tiered response programs with police, fire, coast guard, First Nations, parks services, armed forces, and ambulance service to military facilities, services and staff.

The province retains responsibility for funding and service delivery to First Nations. It has similar responsibilities for unincorporated areas until a service delivery agent is in place. The province will ensure continuation of service throughout Ontario until the service is transferred to upper tier municipalities or designated delivery agents.

Legislative Framework

The *Ambulance Act*, as amended by the *Services Improvement Act*, 1997, and the *Tax Credit and Revenue Protection Act*, 1998, sets out the legislative framework for the funding and delivery of land ambulance services under municipal jurisdiction.

On January 1, 1998, each upper tier municipality (regional and county governments or their municipal equivalent) became responsible for funding all costs associated with the provision of land ambulance service within its area. The legislation required the transfer of the service from the Province to a designated municipality or delivery agent by January 1, 2000.

On March 23, 1999, the government announced its intention to extend the deadline for municipalities to assume responsibility for land ambulance to January 1, 2001. The government also announced that the province would share the approved cost of land ambulance with municipalities on a 50/50 ratio beginning January 1, 1999.

In areas of the province where an upper tier municipality or delivery agent has

not assumed responsibility, the Ministry of Health and Long-Term Care will continue to ensure the provision of land ambulance services until December 31, 2000 or until they assume responsibility. Where the Ministry is responsible for the provision of land ambulance, fifty percent of the costs paid by the Ministry for the service is billed to the relevant municipality.

The Transition Period

The government has indicated its intention to introduce legislation that will extend the two-year land ambulance service transition period for upper tier municipalities and designated delivery agents (January 1, 1998 - December 31, 1999) by an additional year to December 31, 2000. This provides additional time for those municipalities that require it.

By January 1, 2001, all upper tier municipalities and designated delivery agents will assume full responsibility to contract for, or to directly deliver, land ambulance services in their area. However, a service may be assumed at any time during the transition period with the approval of the Minister and assumption of service will require appropriate notice to current operators. For those not assuming full responsibility on January 1, 2000, the time frame for giving notice will be dependent on the passage of upcoming legislation and legislated length of notice for current operators.

By January 1, 2001, for those areas that do not form part of an upper tier municipality, delivery agents will be designated to ensure continued service. The legislation provides that an approved service delivery board, commission, agency or a municipality may be designated by the Minister to provide land ambulance service.

The status and specific provisions to implement the government's extension to the transition period will be updated on AMO/MOHLTC's joint Website (www.amo-ehs.com). Reference to this site and each group's own Website for new and additional information is encouraged.

The Protection Period

As part of the LSR initiative, a two-year (commenced January 1, 1998) protection period was provided to allow current licenced operators and upper tier municipalities the opportunity to work together, ensuring a smooth transition of the land ambulance service within their area. During the protection period, current licenced operators are entitled to continue to operate an ambulance service, to provide the same type of service in the same manner as the service was provided before that day and to be compensated on a similar basis. The protection period is to terminate on December 31, 1999.

Regulations

Regulations impact on program and policy decisions dealing with the assumption of responsibility for land ambulance by municipalities. These include the interaction with existing operators, ambulance coverage and workload requirements, the role of the ministry, ambulance service roles and responsibilities in relation to other health care and emergency services clients and stakeholders.

O. Regulation 501/97, dealing with licensing service operators, qualifications of persons employed in ambulance and communication services, standard of care, and operational requirements, has been extended until December 31, 1999.

O. Regulation 129/99, deals with the apportionment of costs between delivery agents and the sharing of costs between counties and separated municipalities.

Co-payment

Co-payment fees for land ambulance service will continue to be set and regulated by the province through legislation. Co-payment fee is a fee shared by hospitals and the province to cover some of their respective costs.

Vehicles and Equipment

Ownership of existing ambulance vehicles and equipment will be transferred to municipalities or delivery agents when they assume full responsibility. However, as of January 1, 1998, municipalities assumed responsibility for one hundred percent of the replacement costs for ambulances and emergency patient care equipment. As of January 1, 1999 the Ministry is sharing fifty percent of cost of replacing ambulance vehicles and equipment. During the transition period, the Ministry will continue to work with upper tier municipalities and delivery agents on the technical aspects of purchasing and operational maintenance of vehicles and equipment.

Governance

In preparation for assuming full responsibility for land ambulance services, municipalities will be making decisions about the consolidation of services, designation of delivery agents, and apportionment of costs.

Implementation: Options + Requirements

By January 1, 2001, upper tier municipalities and designated delivery agents will assume full responsibility for the delivery of land ambulance.

Assumption of full responsibility for the service prior to the termination of the transition period is an option that upper tier municipalities or their equivalents may choose with Ministry approval. In the event that a municipality assumes responsibility prior to January 1, 2000 they must contract with the current operator until at least December 31, 1999, due to the protection period given to present ambulance operators in the *Ambulance Act*.

The Ministry will, until an upper tier municipality or delivery agent assumes responsibility, ensure the provision of ambulance service. The Ministry will bill municipalities for fifty percent of the approved cost of the service until the upper tier municipality, or equivalent, assumes operational responsibility, or until the end of the transition period on December 31, 2000. Following assumption by a municipality or delivery agent the Ministry will continue to share the approved cost on a 50/50 basis.

The *Ambulance Act* provides for three options for the provision of land ambulance services. Upper-tier municipalities and designated delivery agents may:

- enter into an agreement with one or more existing land ambulance operators if they meet licensing requirements;
- provide the service directly; or
- conduct a Request for Proposals to select the best quality, best price provider of service.

The *Ambulance Act* currently requires that this decision must be made and the Ministry informed of the decision by September 30, 1999. If a municipality did not select an option for the provider of land ambulance services by September 30, 1999, the Act currently states that the incumbent ambulance operator or operators are entitled to continue to provide ambulance services in that area for an additional one year period. The government intends to seek amendments to

the current legislation in order to make changes arising from the announced extension of the transition deadline to January 1, 2001. The Ministry will communicate the details of its plans regarding these amendments as soon as possible.

The Ministry is undertaking further discussions and consultations with municipal representatives and other ministries before decisions are taken on designation of delivery agents for land ambulance.

Administration + Process

The Ministry of Health and Long-Term Care will continue to ensure through legislation and regulations that minimum standards are maintained for all aspects of land ambulance service and that service providers meet required service quality and delivery requirements. Subsequent to December 31, 2000, all upper tier municipalities and delivery agents will have to deliver service directly or enter into an agreement with an operator who can be licensed by the Ministry.

Financing

During the transition period, the Ministry will, except where an upper tier municipality or delivery agent has assumed responsibility, fund ambulance service directly and bill each municipality for one-half of the approved costs.

Implementation Tools + Supporting Information

The Ministry of Health and Long-Term Care has provided a variety of planning and evaluation tools to assist upper tier municipalities and service delivery boards or agents in Northern Ontario. These tools are catalogued in the Ministry's *Land Ambulance Practical Guide* released in the summer of 1999 and available on request from the Emergency Health Services Branch.

Implementation Issues

The province and the Association of Municipalities of Ontario (AMO) collaborate through the Land Ambulance Implementation Steering Committee to facilitate the transfer of land ambulance service from the province to the municipalities. The Steering Committee ensures that issues and needs are identified early and resolved in a timely manner. The Committee, with members from the AMO, the Ministry of Health and Long-Term-Care and the Ministry of Municipal Affairs and Housing was jointly established by the Ministry of Health and Long-Term Care and AMO in February of 1999. The Committee is co-chaired by elected representatives from both levels of government. Sub-committees of the Steering Committee have been established to deal with Labour, Purchasing and Funding issues, and other committees will be struck as the need arises.

A joint Website established by AMO and the Ministry, under the auspices of the Land Ambulance Implementation Steering Committee, provides municipalities with current information on a number of land ambulance transition issues.

The Land Ambulance Transition Taskforce (LATT), with representatives from service operators, base hospitals, dispatch, AMO, and the Ministry of Health and Long-Term Care, has been meeting since October 1997 to deal with a wide variety of technical issues.

Key issues addressed by the LATT include:

- service delivery types and levels;
- support to integrated health services and hospital restructuring initiatives;
- support to the rural health initiative;
- support for patient care, vehicles and equipment and response time standards;
- quality-based credentialing of land ambulance service operators;
- maintenance of seamless accessibility to service delivery;
- ensuring universality of service, regardless of residency or ability to pay;
- funding and provision of service to First Nations;
- working relationships between pre-hospital care partners; and

- accountability frameworks.

There are a number of private, hospital-operated, and volunteer ambulance services that may be taken over by municipalities. Such situations may require mergers between the labour forces of the involved agencies.

Ownership of ambulances and other emergency and direct support vehicles, allocated to ambulance services at the time of transition from provincial to full municipal responsibility will be transferred to upper-tier municipalities and delivery agents.

Current safety certificates will be provided at the time of transfer. As of January 1, 2001, or when an upper-tier municipality or delivery agent assumes responsibility, it will become the responsibility of the municipality or delivery agent to license these vehicles.

An inventory of patient care and other accessory equipment held by ambulance services has been completed. These materials will be transferred at no cost to the municipality or delivery agent at the same time as vehicle ownership is transferred.

The Ministry will work with upper-tier municipalities and delivery agents to encourage vehicle and equipment vendors to continue to honor both basic and any extended warranties that have been negotiated. During the transition period, the Ministry will continue to provide technical assistance and support for vehicle and equipment matters. Ambulance stations currently occupied by Ministry operated ambulance services are either owned or leased by the Ontario Realty Corporation (ORC) on behalf of the Ministry. Should a municipality be interested in the continued use of such facilities after December 31, 2000, it will need to arrange appropriate terms and conditions with the ORC.

Throughout the remainder of the transition period, the Ministry will continue to work with municipalities and other key participants in the emergency health services system.

Changing Roles + Responsibilities

The following reflects Strategic Planning, Service System Management and Service Delivery Responsibilities of the Province and municipalities for ambulance service.

| Roles and Responsibilities: Land Ambulance | | |
|---|--|--|
| | Province | Municipalities |
| Strategic Planning | <ul style="list-style-type: none"> ensures the integration of land ambulance service with all other emergency health care initiatives e.g., rural health and hospital restructuring legislates, sets standards, establishes guidelines, protocols and best practices | <ul style="list-style-type: none"> plan for funding and service delivery land ambulance consult with neighbouring municipalities on ambulance service delivery, issues, problems, and planning consult with health facilities and planners regarding future needs and trends |
| Service System | <ul style="list-style-type: none"> ensures the provision of land ambulance services within the provincial emergency health services system licensing of services and staff | <ul style="list-style-type: none"> develop methods for cost sharing review contracts with service providers consult with province |
| Service Delivery | <ul style="list-style-type: none"> co-share land ambulance funding responsibility with municipalities (50%) responsibility for funding and service delivery of land ambulance for First Nations responsibility for funding and service delivery of land ambulance to unincorporated areas until suitable delivery agent is in place | <ul style="list-style-type: none"> full responsibility and accountability for land ambulance service delivery co-share land ambulance funding responsibility with Province (50%) ensure essential linkages with clients, customers and service providers public and client education |

Qs and As

Transition Issues

Will the new transfer deadline of January 1, 2001 change the options regarding the choice of ambulance provider(s)?

No, the upper tier municipalities and designated delivery agents will use one of the following options as set out in legislation:

- Continue with existing operators;
- Become the service providers;
- Run a request for proposal to obtain the best price, best quality service

How is the 50/50 cost sharing arrangement going to be implemented?

Effective January 1, 1999, the province assumed responsibility for fifty percent of approved land ambulance costs. This matter is now being discussed at the Land Ambulance Implementation Steering Committee. In the meantime, the province will be sharing one-half of the land ambulance costs estimated in the 1999 CRF announcement.

Do all municipalities need to be concerned about the September 30, 1999 deadline in the *Ambulance Act*?

No. Only upper tier municipalities, such as counties and regions, and designated delivery agents are affected by the September 30, 1999 deadline in the *Ambulance Act*. (To date, the Ministry has not designated any delivery agents for land ambulance services.)

Under what circumstances should a municipality provide the name of a selected operator to the Ministry by the September 30, 1999 deadline?

Any municipality with firm plans to assume full responsibility for land ambulance on January 1, 2000 must select and provide the Ministry with the name of its operator(s) by the September 30, 1999 deadline.

Under what circumstances would a municipality not have to provide the Ministry with the name of its selected operator(s) by the September 30, 1999 deadline?

A municipality would not have to provide the Ministry with the name of its selected operator unless it wishes to assume full responsibility for the provision of land ambulance services as of January 1, 2000.

What are the consequences for a municipality that fails to name an operator by September 30, 1999?

Under the current provisions of the *Ambulance Act*, if a municipality does not select and provide the Ministry with the name of an operator by September 30, 1999, the existing operator shall continue to provide services in the municipality for the entire year 2000. However, the government intends to introduce an amendment to the Act that would establish new rules allowing a municipality that did not meet the September 30 deadline to select an operator to begin providing services during 2000.

What new rules is the government intending to introduce regarding the selection of operators during 2000?

The government will seek an amendment which will allow a municipality to request permission of the Minister of Health and Long-Term Care to select an operator or to begin providing the services itself; once the Minister gives permission, the municipality would then be required to give notice to the existing operator. The minimum length of notice will be confirmed in the legislation

Now that the time frame for municipal assumption of responsibility is to be extended to January 1, 2001, how will this affect the protection period of the existing operators?

The protection period for currently licensed land ambulance operators will remain in effect until December 31, 1999.

Patient Care Providers

Who will determine the qualifications for patient care providers in ambulance services?

The province will continue to set qualifications for competency levels and continuing education for patient care providers, including paramedics.

Standards

How will the province ensure that standards and service levels are maintained for land ambulance services?

In addition to sharing in the funding, the province licenses (and, pending legislative approval, will certify) land ambulances and continue to monitor and enforce standards of operation (e.g., vehicles, equipment and paramedic qualifications).

Why is the province setting standards?

The province has a responsibility to ensure that land ambulance services remain accessible, seamless, responsive, integrated and accountable for all Ontarians.

Cost Recovery

How will ambulance calls be handled when an ambulance from one municipality is required to cross a boundary into another municipality?

Central Ambulance Communications Centres (CACCs) will continue to assign ambulance calls to the closest available ambulance vehicle irrespective of municipal boundaries. The Ministry will provide information to municipalities so they can reconcile the cost of cross-boundary service.

Will municipalities be able to recover the cost of providing ambulance services to patients whose residences are outside the municipality that provides the service?

Each municipality will provide ambulance service as directed by ambulance dispatch regardless of the residency of the user. Municipalities may well develop a cost-sharing agreement with other municipalities or delivery agents to recover service costs when the ambulance from one municipality provides service to another municipality. If municipalities cannot agree on an equitable method, the Minister has the legislative authority to set a cost sharing formula between municipalities.

Ambulance Dispatching Function**How are municipalities going to control the costs of land ambulance service in their jurisdictions, if the Ministry retains the ambulance dispatching function?**

Dispatch in itself does not control the costs of land ambulance service. Cost and use of land ambulance service are driven by user demand and the costs for land ambulance service and dispatch are proportional to that demand. Centralized dispatch covering several upper-tier municipalities or districts deploys available ambulance resources in the most efficient manner possible. The current centralized dispatching for land ambulance (19 dispatch centres) provides a highly efficient and economical dispatching system over a number of upper-tier municipalities.

Will the Ministry consider some form of partnership with municipalities in the dispatching of land ambulance services?

The Ministry of Health and Long-Term Care is working with the Land Ambulance Implementation Steering Committee to determine the future governance and operation of Central Ambulance Communications Centres (CACC).

Consolidated Municipal Services Management**What does Consolidated Municipal Services Management (CMSM) mean for land ambulance services?**

Consolidated Municipal Services Management (CMSM) creates an opportunity to implement a more integrated and effective system of social and community health services. CMSM may well be the most appropriate entity to operate or fund land ambulance services, but the Ministry is open to exploring other options that improve the efficiency and effectiveness of land ambulance service.

Is land ambulance included in the plans for consolidation?

The first step in the implementation is consolidating the management and delivery of Ontario Works, childcare, and social housing at the municipal level. That means reducing the number of delivery organizations. Consolidation provides a basis for exploring further integration of services, including land ambulance services.

How will land ambulance services be integrated with other emergency services if ambulance service is managed under CMSM?

Decisions regarding integration of land ambulance with other emergency services will be the responsibility of the consolidation manager. Integration of such services could occur if other member municipalities sought to have all emergency services become the responsibility of the Consolidated Municipal Services Management structure. Integration of all emergency services at the county, regional or CMSM level may be in some instances a better idea than integration of land ambulance with local community health and social services programs.

Co-payments**Who will be setting the co-payments for ambulance services?**

Co-payments for the use of ambulance will continue to apply consistently across Ontario. Fees relating to the provision of land ambulance service are set through the *Ambulance Act* or *Health Insurance Act* by the Ministry of Health and Long-Term Care.

Severance Liability**Has the issue of severance liability for employees of current ambulance services been resolved?**

The government has committed to paying one hundred percent of all employee severance costs accruing to the end of December, 1999. One-hundred percent of the severance costs accruing to the end of 1999 will be paid by the government whether or not the municipality assumes responsibility for the service on January 1, 2000. The government and the municipalities will each pay fifty percent of all employee severance costs that continue to accrue on and after January 1, 2000.

4.6 Social Housing**Legislative Framework**

A three-stage process is underway for the transfer of social housing to municipalities:

1. Transfer of financial responsibility as of January 1, 1998;
2. Reform and simplify administration of the social housing system in Ontario; and
3. Transfer of responsibility for administration to Consolidated Municipal Service Managers (CMSMs).

The *Services Improvement Act, 1997* came into force on January 1, 1998. It sets out legislative authority for new provincial and municipal funding responsibilities effective January 1, 1998.

Schedule F of the *Services Improvement Act, 1997* contains the *Social Housing Funding Act, 1997* which provides the province with the authority to recover from the municipal sector the province's costs of administering and funding social housing programs, including programs for non-profit corporations, non-profit housing co-operatives, and the Ontario Housing Corporation. This applies to costs incurred on or after January 1, 1998.

Provincial housing costs do not include the federal share of social housing funding.

Section 4 of the *Social Housing Act, 1997* allows for costs to be allocated to regional municipalities, counties, separated municipalities, district municipalities, the restructured County of Oxford, cities, towns, townships and villages in territorial districts and prescribed boards and agencies such as District Social Services Administration Boards (DSSABs).

As of July 1, 1998 five sets of regulations have been passed into law which provide more detail about how the new funding arrangements are to be implemented. Key regulation references are:

- O. Reg. 488/97 was the first regulation and describes the billing process, allocation factors etc. Subsequent regulations are amendments to this regulation;
- O. Reg. 101/98 amended the cost allocation tables to reflect updated assessment information;
- O. Reg. 170/98 amended the requirements for timing of the Notice;

- O. Reg. 267/98 excluded costs attributable to certain non-profit housing which provides dedicated supportive housing to its residents. It also amended the cost allocation tables to reflect some municipal reorganizations; and
- O. Reg. 281/98 enables counties and separated municipalities to have alternate cost-sharing arrangements, through negotiated agreements, or where there is no agreement, made arbitration available. It also provided for the billing of DSSABs.

Municipal Funding

The funding responsibilities of the regional municipalities and the City of Toronto in the Greater Toronto Area (GTA) are established in regulations along with a table of percentage values allocated to each. The regulations also do the same for DSSABs.

For the GTA, each of the four regional municipalities and the City of Toronto receives a separate billing notice but each will share a portion of the cost of all social housing programs within the GTA.

Generally, costs will be shared based on weighted assessment. Alternative arrangements, including a different tax rate for each affected lower-tier municipality, are permissible if they are unanimously agreed upon by all lower-tier municipalities comprising the upper-tier. The regulations make arbitration available if there is no agreement among the parties regarding the division of social housing costs.

Background: The Social Housing System

The Social Housing System:

The subsidized social housing system has approximately 225,000 units.

Federal and provincial roles:

Social housing is funded and administered by both the federal and provincial governments under the following categories:

- Ontario Housing Corporation (OHC) is administered by the province and cost-shared between the province and the federal government (84,000 units).
- Federal-provincial non-profits and co-operatives are administered by the province and cost-shared between the federal and provincial governments (49,000 units).
- Provincial unilateral non-profits and co-operatives are administered and funded solely by the provincial government (51,000 units).
- There are approximately 35,000 non-profit and co-operative units funded and administered solely by the federal government (48,000 units).
- The remaining units include rent supplement in federal non-profits, privately owned rent supplement, rural and native and urban native programs, Metro Toronto Housing Company Limited (14,000 units).

The difference between public housing and non-profit and co-operative housing:

Local Management:

Non-profit, co-operative and OHC units are all managed within the community through community-based boards of directors and Local Housing Authorities (LHAs). This means that day-to-day decisions about how local housing projects are managed are currently made by local community representatives.

Different ownership:

Public Housing:

Public housing is owned and operated by the provincial government through the Ontario Housing Corporation and 54 Local Housing Authorities (LHAs). Each LHA consists of a board of directors and staff.

Non-Profit:

Non-profit and co-operative housing is owned and operated by non-profit corporations and subsidized by the government. Both non-profits and co-operatives have boards of directors. Co-operatives are corporations owned by

their members (i.e., residents) and the board of directors is made up of members of the co-op.

Different histories:

Public Housing:

Public housing was first built by municipalities between the early 1960s and late 1970's. In the 1960s, the Ontario Housing Corporation was created and took over title of the municipal projects and the management role.

Non-Profit:

Non-profit housing was first sponsored by the federal government in the 1970s (federal unilateral programs). In 1986, the provinces began participating (federal-provincial programs), and Ontario began sponsoring non-profit housing unilaterally in 1987 (provincial unilateral).

Different debt:

Because public housing is older and was built when land prices were lower, the debt is moderate - much less than the value of the projects. Non-profit housing was built more recently when land and construction prices were high. The debt is significantly greater than the value of the projects. Ontario is responsible for ensuring payment of the loans for this debt. Thirty-five-year operating agreements govern both the federal and provincial funding obligations.

Different condition of stock:

OHC has spent over \$500 million on capital improvements to the housing stock in the past five years. Recent surveys indicate public housing stock to be in good condition.

The provincial government recently invested \$172.5 million in 1997 in the non-profit and co-op reserve funds. Major capital expenditures are not anticipated due to the fairly recent construction of non-profit housing.

Social Housing Subsidy Model:

Basically, the province pays the difference between costs such as: mortgages, operating costs; maintenance and capital repairs; taxes; and revenues or rents. Subsidy is paid to the "social housing provider" - the local housing authority in public housing, or the non-profit or co-operative housing organization.

There are actually two different subsidies within the social housing subsidy

model:

- **Rent Geared-to-Income (RGI) Subsidy and Occupancy Charge Geared-to-Income Subsidy**

Most of the people who live in social housing pay a "rent-geared-to-income" or RGI or an occupancy charge geared-to-income. For these people, the government is subsidizing the difference between thirty percent of their income and the rent they would have to pay in the private sector (market rent). Some tenants/residents pay "market rent".

- **Bridge Subsidy (bricks and mortar)**

In non-profit housing, much of the government subsidy goes to pay for the buildings themselves, i.e., the difference between the market rent for a unit and the actual financing and operating costs of that unit (the economic rent). This is in addition to helping people pay their rent. There is no bridge subsidy in public housing; most of the subsidy is to help people pay their rent.

Operating agreements between the province and the non-profit housing providers determine and set out the subsidy levels.

The Report of the Social Housing Committee, released November 3, 1998, provides a proposed framework for a reformed social housing system. The report recommendations will be taken into consideration before making decisions on implementation of social housing program reform. For a copy of the Report, please call the Ministry of Municipal Affairs and Housing, Communications Branch at (416) 585-7041.

Social Housing Funding:

The total cost of housing assistance in Ontario is \$1.3 billion, which is cost-shared with the federal government. The breakdown is based on the most recent complete provincial and federal figures as follows:

- In 1999 it is estimated that OHC and Local Housing Authority administered rent supplement programs cost \$390 million, of which the federal government contributed \$195 million and Ontario municipalities \$195 million.
- In 1999, it is estimated that provincially-administered non-profit housing, including the pre-73 stock of the Toronto Housing Company cost \$733 million, of which the federal government contributed \$170 million and Ontario municipalities \$563 million.
- The federal government is planning to devolve more than 31,000 units of federally-administered housing to the province. The most recent available information indicates that this housing costs about \$125 million, of which the federal government contributes \$98 million and Ontario municipalities \$27 million.
- In addition, the federal government has decided to retain the administration of more than 16,000 units of co-op housing. These unit cost \$57 million, of which the federal government contributes \$45 million and Ontario municipalities \$11 million.

Social housing tenants:

- The profile of occupants of social housing is reflective of the broader community including families, singles, seniors and people with special needs.
- In the Ontario Housing Corporation, about fifty percent of the tenant households are families; about thirty-three percent are seniors and approximately fifteen percent are singles. In non-profit housing, the estimated proportion of families is even higher - about sixty-five percent of the units; seniors make up twenty percent and singles less than fifteen percent.
- Approximately 60,000 tenants (thirty-six percent) in social housing who receive a RGI subsidy also receive social assistance.
- Up to ten percent of units in social housing are occupied by special needs tenants which include frail elderly, physically disabled persons and consumers of mental health services.
- These tenants require some level of essential support services to live in the community instead of an institution.

Legal and financial commitments:

Discussions with the federal government continue in 1999 in order to establish a new federal/provincial agreement which would:

- transfer administration of federal unilateral programs to the province;
- “anchor” federal dollars by establishing what level of continued financial support will be provided by the federal government; and
- provide the flexibility to devolve administration of federal-provincial non-profit projects to municipalities.

It should be noted that non-profit housing is owned by the non-profit and co-operative groups.

Currently, there is approximately \$1 billion in debentures against OHC property.

Governance

The *Services Improvement Act*, which implemented the first stage of social housing devolution (interim billing), did not lead to any changes regarding municipal governance.

Implementation: Options + Requirements

There is no proposed change in service delivery for the first stage of social housing devolution.

Administration + Process

There is no change during the first stage of social housing devolution, other than the development of a charge-back billing process to recover the provincial cost of social housing from municipalities as of January 1, 1998.

Upon completion of a federal-provincial agreement, the second stage of the transfer of social housing involves reforming social housing programs to simplify administration of several social housing programs all with slightly different requirements.

In January 1998, the Minister of Municipal Affairs and Housing appointed a Social Housing Committee and three working groups to build on the Advisory Group's recommendations and work out the details of reform. The committee released a discussion paper for comment in August 1998. The committee's final report, *Report of the Social Housing Committee*, was released on November 6, 1998. The province is in the process of reviewing the report before making decisions on implementation of social housing program reform. For a copy of the report, call the Ministry of Municipal Affairs and Housing, Communication Branch at (416)-585-7041.

The third and final stage of social housing devolution that will transfer administrative responsibility to the municipalities will follow decisions on program reform and the signing of a new federal-provincial agreement on social housing.

Financing

As of January 1, 1998, municipalities were responsible for the provincial cost of social housing.

In the first stage, there are no financing changes affecting social housing providers, tenants or members of non-profit housing co-operatives. The Ministry will collect money from municipalities and will continue to flow money to providers.

Supportive Housing

In June 1998, the province announced that most dedicated supportive housing (housing entirely occupied by tenants who require support services to live independently in the community, where providers also get funding for support services from another provincial Ministry) will be transferred to the appropriate support service Ministry, either the Ministry of Community and Social Services

or the Ministry of Health.

As of April 1, 1999 the Ministry of Community and Social Services and the Ministry of Health have taken over the responsibility for the dedicated supportive housing projects.

This decision affects approximately 550 projects with approximately 5,400 units operated by more than 200 providers.

The first municipal bill associated with these projects was adjusted. The change was retroactive to January 1, 1998 which meant that the previous cost estimates for dedicated supportive housing in the affected municipalities were reduced by the appropriate amount.

The authority for this is subsection 5(2) of O. Reg. 488/97, as amended, which excludes the costs of certain housing projects owned by non-profit corporations where the corporation is receiving funding for support services from the government.

Domiciliary Hostels

In June 1998, the province announced that it will fund eighty percent of domiciliary hostel costs, with municipalities funding the remaining twenty percent. (Domiciliary hostels are permanent residences for people with special needs where hostel operators have entered into agreements with the municipality and receive a per diem to provide residents with permanent accommodation and some supports to daily living.)

This change was retroactive to January 1, 1998 which meant that municipalities were reimbursed for eighty percent of domiciliary hostel costs for 1998 at year-end.

Implementation Tools + Supporting Information

Details of the billing process are contained in *The Ontario Social Housing Billing Process: A Guide*, published in August 1998 by the Ministry of Municipal Affairs and Housing. This Guide provides municipalities with comprehensive information about how the social housing billing process and how the costs of Ontario's social housing programs have been allocated.

Implementation Issues

The operational and implementation details of a billings process to implement the first stage of the transfer of social housing have been completed.

As of February 1, 1999, and April 1 1999, Consolidated Municipal Service Managers (see Section 4.1: Consolidated Municipal Service Management) replaced the original social housing billing entities.

The Ministry of Finance issued the first bill based on actual social housing costs in June 1998 for January to March 1998.

Changing Roles + Responsibilities

| Roles and Responsibilities: Social Housing | | |
|---|--|---|
| | Province | Municipalities |
| Strategic Planning | <ul style="list-style-type: none"> • consults with municipalities and other stakeholders on devolution process | <ul style="list-style-type: none"> • consult with province and other stakeholders on devolution process |
| Service System Management | <ul style="list-style-type: none"> • transition planning • manages current programs pending devolution of system management responsibilities | <ul style="list-style-type: none"> • plan for the devolution of social housing responsibility • plan for apportionment of costs in 1998 |
| Service Delivery | <ul style="list-style-type: none"> • manages billing process • manages current programs in conjunction with current service providers | <ul style="list-style-type: none"> • provide 100% of social housing funding |

Qs + As

What is the status of negotiations with the federal government?

Formal negotiations are continuing between the federal government and the provincial government.

The Federal government has announced that the federal co-operative projects will not be part of the federal-provincial housing negotiations.

When will the transfer of administration of social housing to the

municipalities take place?

Municipalities may take on the administrative responsibility of delivering social housing programs only after decisions on program reform have been taken and after a new federal/provincial agreement on social housing has been signed.

The government anticipates, however, that most municipalities will need assistance from the Ministry to take on program administration. It is expected that the transfer will take place over two to three years as each municipality is ready for the responsibility.

What is the role of the local housing authorities?

Fifty-four local housing authorities located throughout the province are responsible for the day-to-day management of OHC's housing communities, including Metro Toronto Housing Authority in Toronto. These housing authorities are OHC's agents. The *Services Improvement Act* does not change the relationship between the OHC and the local housing authorities.

The 54 LHA's are being realigned, in 1999, to better correspond to the 47 new Consolidated Municipal Service Managers and District Social Service Area Boards.

How is public housing different from non-profit housing or co-ops?

OHC's public housing is owned and managed by the province, while non-profit housing and co-ops are owned and managed by community-based or municipal providers.

What is OHC's current focus?

In the past few years, OHC has focused on taking a more businesslike approach to its assets and service delivery. While there is still work to be done, OHC has been getting more value for each taxpayer dollar by finding efficiencies within the organization.

When the government decided that the delivery of public housing would be administered at the municipal level, OHC began refocusing its internal restructuring initiative on streamlining operations to prepare for this transition.

What is OHC doing to maintain its housing stock?

Since 1992, \$630 million has been spent on capital improvements to OHC's public housing stock. OHC has developed an asset management system to assess the general condition of its housing stock and project its five-year capital funding requirements. A total of \$117 million was spent on capital improvements for OHC's buildings in 1998.

What about the MTHA stock in particular?

Following the consultants (KPMG) review of the Metropolitan Toronto Housing Authority (MTHA) assets, immediate steps were taken by MTHA to prioritize work and remedy the identified problems. The high priority work has been completed.

Five million dollars was spent to accelerate fire code retrofit work and to replace elevators, one of the major deficiencies identified in KPMG's report. A total of \$26 million was spent on capital improvements to the MTHA portfolio in 1996. For 1999, MTHA has a budget of \$42 million, including its share of the additional \$42 million allocated to OHC for capital work in the 1997 Provincial Budget.



5

**Transportation
+ Utilities**

5.1 Municipal Transit

Legislative Framework

The municipal authority to provide transit services is set out in the *Municipal Act* or individual municipal legislation. As well, the *Public Transportation and Highway Improvement Act* establishes the Minister of Transportation's authority to prescribe the provincial subsidy rate for municipal transit capital and operating costs.

Regulations set out accessibility standards for special purpose vehicles designed to carry disabled travelers. Transit operators, like other commercial vehicle operators, are governed by the *Highway Traffic Act*.

Governance

Municipalities are already responsible for delivering municipal transit services. The Local Services Realignment (LSR) change makes them fully responsible for funding the service.

Administration + Process

With the termination of the provincial subsidy program, the Ministry of Transportation no longer collects municipal transit operating or financial data. The exception is the Orion contractual obligation, which involves a continued, but more focused, management role for the Ministry. The terms and conditions of the associated reporting and other process requirements are set out in the contractual agreement.

Financing

Provincial subsidy support for municipal transit ended on January 1, 1998. Municipalities are fully responsible for operating transit services. As a result of LSR, municipalities are also responsible for transit funding.

The province fulfilled transit-related contractual obligations as follows:

- (a) paid out \$829 million under the Toronto Transit Commission's capital subsidy
- (b) purchased new Orion buses for municipal systems throughout the province.

To assist with capital reserves and help maintain the infrastructure transferred, an

transit systems in 1998/99 from the Municipal Capital and Operating Restructuring Fund (MCORF). The municipal transit allocation was based on

municipal transit systems.

Changing Roles and Responsibilities

| Roles and Responsibilities: Municipal Transit | | |
|---|---|---|
| | Province | Municipalities |
| Strategic Planning | <ul style="list-style-type: none"> ongoing commitment to: transit safety, outstanding contractual obligations, and analysis of transition funding allocation proposals | <ul style="list-style-type: none"> plan for the coordination of municipal transit systems forecast for future service and financing needs |
| Service System Management | <ul style="list-style-type: none"> Ministry is evaluating the need for province-wide accessibility standards | <ul style="list-style-type: none"> plan for delivery and financing of local and inter-community transit systems |
| Service Delivery | | <ul style="list-style-type: none"> have full service delivery and funding responsibility |

5.2 GO Transit**Legislative Framework**

Effective January 1, 1998, financial funding responsibility for GO Transit was transferred to the City of Toronto and the Regional Municipalities of Halton, Peel, York, Durham and Hamilton-Wentworth.

GO Transit (Toronto Area Transit Operating Authority) was a Schedule II Crown Agency administered and regulated through the *Toronto Area Transit Operating Authority Act* (TATOA).

GO Transit provides interregional transit services (both rail and bus) in the five GTA regions and Hamilton-Wentworth. The province provided capital and operating subsidies to GO Transit. This funding was recovered from the above noted regions and city through the LSR billing process administered by the Ministry of Finance.

The Greater Toronto Services Board (GTSB) and the Greater Toronto Transit Authority (GT Transit) were established under the authority of the *Greater Toronto Services Board Act* in 1999.

Governance

Effectively, GO Transit, in its entirety, was transferred to the GTA upper-tier municipalities and the Regional Municipality of Hamilton-Wentworth, through the GTSB with full implementation (i.e. operation of the regional transit system) on August 7, 1999.

Administration + Process

Administration of GO Transit, renamed the Greater Toronto Transit Authority (GT Transit) effective March 22, 1999, is conducted through the Greater Toronto Services Board. GT Transit supervises the day-to-day operations of the regional transit system under the direction of its own board of directors. The GTSB is responsible for approving GT Transit's operating budget, major service changes, expansion, fare increases and determining the formula by which GT Transit's costs are apportioned among the GTSB municipalities.

Financing

The initial cost allocation formula for GO Transit’s capital and operating subsidies was determined by the province in consultation with the affected regions. The GTSB, with a two-thirds majority vote, has the authority to revise the cost allocation formula as it sees fit.

Changing Roles + Responsibilities

| Roles and Responsibilities: GO Transit | | |
|--|--|--|
| | Province | GTSB |
| Strategic | <ul style="list-style-type: none"> devolution of strategic planning functions to the GTSB is proposed | <ul style="list-style-type: none"> plan for interregional transit provision in the GTA |
| Service System Management | | <ul style="list-style-type: none"> GTSB assumes responsibility for service system management |
| Service Delivery | | <ul style="list-style-type: none"> direct and full service delivery and financing responsibilities through the GTSB |

5.3 Airports

Overview

In November 1995, the province announced the withdrawal of subsidies for municipal airports starting in 1997/98. On January 15, 1997, the province announced that municipalities will be fully responsible for funding municipal airports.

Municipal airport operating subsidies for 1996/97 amounted to \$660,000 dollars; there were no operating subsidies for 1997/98. Capital subsidies amounted to \$2.962 million dollars in 1997/98 and \$882,000 in 1998/99.

The estimated operating and capital cost impact on municipalities for municipal airports is \$3.6 million dollars. The estimated impact has been determined on the basis of the 1996/97 provincial operating subsidy amount and the annualized capital replacement needs based on multi-year planning estimates.

To assist with capital reserves and help maintain the infrastructure transferred, an additional \$6.3 million dollars was provided to municipalities with municipal airports in 1998/99 from the Municipal Capital and Operating Restructuring Fund (MCORF). The municipal airport allocation was based on five-year runway rehabilitation needs identified by municipal airport operators.

The province will continue to support the system of remote airports across Northern Ontario.

Governance

The Municipal Airports Program was discontinued on December 31, 1998, upon completion of former contractual commitments.

Implementation: Options + Requirements

Municipalities, or their Authorities/Commissions, continue to have responsibility for the ownership and operation of airports.

Administration + Process

Municipal airport development and operation is administered locally. There are no policy issues to resolve with the provincial government with respect to the termination of the Municipal Airports Program.

Financing

The province has terminated both operating and capital subsidies for municipal

airports.

Where applicable, municipalities should apply for federal funding assistance under the Airport Capital Assistance Program (ACAP). Municipalities are also encouraged to seek greater private sector participation in airport development or improvement projects.

Municipalities are encouraged to set aside funds on an annual basis for future major rehabilitation initiatives.

Municipalities may wish to review whether users are contributing adequately to the cost of airport improvements and operations.

Implementation Tools + Supporting Information

To assist municipalities with the transfer, the Ministry of Transportation, the Canadian Aviation Institute, and Georgian College held a three-day aviation forum in May of 1997 called *2001 - Strategies for Change*.

Changing Roles + Responsibilities

| Roles and Responsibilities: Airports | | |
|--------------------------------------|---|---|
| | Province | Municipalities |
| Strategic Planning | <ul style="list-style-type: none"> provincial planning will be limited to strategically supported airports | <ul style="list-style-type: none"> plan and coordinate the development and financing of the public airport system |
| Service System Management | | <ul style="list-style-type: none"> develop and manage the public airport system the role of the Airport Management Conference of Ontario (AMCO) could be strengthened to provide technical advice and assistance to member municipalities and to promote public awareness |
| Service Delivery | | <ul style="list-style-type: none"> municipalities and/or the private sector will be responsible for funding of local airport development and operations |

5.4 Roads + Bridges

Legislative Framework

Section 54 of the *Better Local Government Act* (Bill 86) amended the *Municipal Act* and other related legislation and received Royal Assent on December 19, 1996. The amendments responded to some of the liability-related concerns raised by municipalities.

The legislative changes relating to municipal roads and bridges are as follows:

- The statutory duty to keep roads and bridges in reasonable state of repair is made explicit;
- Municipalities can have regard to a number of factors in keeping their roads and bridges in repair, including the character of the road and bridge and where they are located;
- The changes clarify that a municipality is not liable if it did not know of the disrepair and could not reasonably be expected to have known;
- Similarly, the municipality would reduce its exposure to liability if it takes reasonable steps to prevent the state of disrepair from arising, or to remedy it; and
- It gives the Minister of Transportation the authority to set minimum standards by regulation, which, if met, would provide municipalities with a new defence against liability claims.

Final standards in regulation are expected to be in place by late 1999. Municipalities that choose to follow the standards will have to revise their operating policies and practices accordingly, if necessary. The standards are designed to help minimize municipal financial liability.

Implementation: Options + Requirements

How municipalities choose to meet standards is their responsibility. The Ontario Good Roads Association (OGRA) is developing best practices guidelines to assist municipalities with implementation issues.

Administration + Process

On matters of liability for roads and bridges, the legislation has been worded to give municipalities the choice of following the minimum standards and using the new defence in the *Municipal Act* or to continue to use their own standards. If a municipality does not have minimum standards or a risk management plan, the judicial process will determine what constitutes a reasonable standard during the course of a lawsuit.

The province will not enforce compliance with the standards. Monitoring will be undertaken jointly with the municipal sector to determine the use and effectiveness of the standards.

Implementation Tools + Supporting Information

The Ministry of Transportation (MTO) will work closely with the municipal sector, primarily through the Ontario Good Roads Association (OGRA) to assist municipalities as they adopt the new standards. OGRA will be implementing training courses for municipal engineers and roads superintendents.

Implementation Issues

A project steering committee is guiding the project. The final decision on the standards rests with the Ministry since the Minister has the authority under the *Municipal Act* to regulate minimum standards. However, municipal support from associations such as the Association of Municipalities of Ontario and the Ontario Good Road Association will be essential to pass this regulation.

The standards represent minimum levels of maintenance with safety as the paramount concern. The standards are not intended to address preservation of infrastructure or to correct existing geometric deficiencies. Consequently, these standards do not cover all aspects of highway maintenance. Municipalities are encouraged to consider all other issues to ensure proper risk management and to take into consideration other objectives such as infrastructure preservation.

TRANSPORTATION + UTILITIES

5

If consultation results in a positive municipal response, a regulation may be approved and passed by the end of 1999. Municipalities may want to consider the latest draft in proceeding with their own winter maintenance plans.

Changing Roles + Responsibilities

| Roles and Responsibilities: Roads + Bridges | | |
|---|--|---|
| | Province | Municipalities |
| Strategic Planning | <ul style="list-style-type: none"> establishes legislative framework | <ul style="list-style-type: none"> consult with province on legislation and regulations (key role for OGRA) |
| Service System Management | <ul style="list-style-type: none"> establishes minimum standards monitors the effectiveness of standards | <ul style="list-style-type: none"> determine what standard approach is needed determine what operational practices will be used to meet standards monitor the effectiveness of standards |
| Service Delivery | | <ul style="list-style-type: none"> maintain and fund roads and bridges under municipal jurisdiction |

Qs + As**Are municipalities required to follow the standards?**

No. Municipalities are not required to follow the standards. However, to make use of the new defence in the *Municipal Act* against liability claims, they must meet or exceed the standards. Since the courts will likely use the minimum standard to determine whether the standard of repair provided by the municipalities is reasonable, municipalities are encouraged to meet the minimum standard.

Who will enforce the standards?

Since the standards are voluntary, the province will not enforce compliance. The courts will determine if the municipality met the standard related to the alleged default.

5.5 Highway Transfers**Legislative Framework**

As of January 1, 1998, municipalities are responsible for 3,400 kilometers of highways that serve primarily local needs, including 160 kilometers of related connecting highways. Another 1,775 kilometers were transferred in 1997.

Subsection 29(7) of the *Public Transportation and Highways Improvement Act* (PTHIA) already gives the Minister of Transportation authority to revoke the designation of a “Kings Highway” upon the transfer of a highway.

Since the PTHIA is silent on notification of the highway’s adjacent land owners, permit holders and potential developers, the onus is on the municipalities to provide such notice and make any modifications to the terms and conditions of permits.

Municipalities have passed new by-laws to replace the Ministry’s current Regulations (speed limits, no-parking, stop signs, etc.) to ensure that traffic control on the roadway continues to be enforceable. Municipalities may set up their own traffic control measures. However, as a starting point, the Ministry’s regional offices have provided copies of the regulations that relate to the existing traffic signs and speed zones.

The Ministry has repealed regulations that are no longer relevant to the province.

The Ministry is preparing official surveys, land transfers and regulations, and final Orders-in-Council, to effect each transfer formally.

Governance

The province transferred highways primarily to the upper-tier municipal level. Some upper-tiers have elected to transfer their highways, in turn, to lower-tier municipalities.

Administration + Process

The Ministry provided municipalities with the following types of information on every section of highway to be transferred:

- road inventory data sheets on pavement condition, existing and future traffic volumes, and accident information;
- bridge inventory sheets with condition, size and dimension information; and
- Ontario Regulations, permits, surveys, signing and corridor controls.

Although the Ministry advocated that existing highway numbers be retained, the municipality has ultimate jurisdiction in this matter.

Financing

The province has provided municipalities with a one-time \$275 million dollar compensation package to address capital and maintenance needs associated with the 3,400 kilometers of highway transfers. Compensation was based on:

- a contribution of three year maintenance needs;
- a contribution to five year capital needs; and
- additional compensation for municipalities affected by a disproportionately large increase to their existing road system.

Implementation Tools + Supporting Information

The Ministry and municipalities have set up a joint steering group to develop minimum maintenance standards for municipal roads and bridges (see Section 5.4 Roads + Bridges).

Implementation Issues

At the time of the highway transfer, the Ontario Provincial Police (OPP) also transferred policing responsibility to the corresponding municipal police service in areas where municipal police services exist. Where the OPP was the police agency of jurisdiction, the responsibility for policing remained with the OPP. The OPP was responsible for ensuring a smooth transition of policing took place in the affected municipalities.

Advance notice signs were put up by the Ministry of those highways to be transferred, to inform the traveling public in the area.

Changing Roles + Responsibilities

| Roles and Responsibilities: Highways | | |
|--------------------------------------|--|---|
| | Province | Municipalities |
| Strategic | <ul style="list-style-type: none"> MTO will focus its resources on the remaining provincial highway system | <ul style="list-style-type: none"> plan for the management of new local highways consult with province on transportation system planning issues |
| Service System Management | <ul style="list-style-type: none"> the Highway Traffic Act will continue to regulate the safe operation of vehicles across the provincial and municipal highway systems | <ul style="list-style-type: none"> work toward uniform minimum maintenance standards for municipal roads and bridges with MTO advice |
| Service Delivery | <ul style="list-style-type: none"> the government will continue to be responsible for provincial highways in sparsely populated areas | <ul style="list-style-type: none"> direct and full responsibility for service delivery and funding |

5.6 Septic Systems**Legislative Framework**

As of April 6, 1998, the regulatory authority for smaller on-lot sewage systems (septics) was transferred to the *Building Code Act, 1992* (BCA). The transfer of this authority, previously found in the *Environmental Protection Act* (EPA), was accomplished through the *Services Improvement Act, 1997*. Responsibility for approving larger or communal sewage systems remains the responsibility of the Ministry of the Environment (MOE).

Responsibility for septic tank inspection and approvals is now under the jurisdiction of municipalities, unless they delegate this authority by agreement to health units, conservation authorities or upper-tier municipalities. In municipalities and territory without municipal organization Boards of Health and one conservation authority have been prescribed by regulation as septic enforcement agencies.

One of the most significant aspects of the legislation is that septic inspectors and installers must meet certain qualifications under section 2 of the Ontario Building Code (OBC). Where boards of health or conservation authorities enforce septic standards, they appoint inspectors who have the same powers as municipal chief building officials.

New regulations (effective April 6, 1998) contained in the Ontario Building Code (OBC):

- establish qualifications for septic inspectors and installers and create the administrative framework for certifying these individuals (e.g., examination requirements, appeals procedures, etc.);
- identify which areas of Northern Ontario are assigned to boards of health and conservation authorities for septic enforcement;
- establish transitional requirements (e.g., approvals in process, transfer of records); and
- establish standards for the design, construction, operation and maintenance of small on-lot septic systems.

Governance

As a result of the transfer, in many parts of the province, responsibility for enforcing septic standards has moved from public health units (which acted on behalf of MOE) to area municipalities, which are required to enforce the BCA and the OBC. In the North, previous delivery agents (boards of health and one conservation authority) have been assigned septic standards enforcement responsibilities by regulation.

Implementation: Options + Requirements

The *Building Code Act, 1992* makes municipal councils responsible for enforcing the Act and the Building Code, and as such, they are responsible for the new provisions related to septic systems. Municipalities can enter into agreements with upper-tier municipalities, public health units or conservation authorities to carry out septic inspections and approvals. Municipalities make the decision as to which of these options is best suited to their local situation.

Administration + Process

Municipalities are familiar with the regulatory framework for the BCA and the OBC. The inclusion in the OBC of new standards related to septic systems has required municipal staff to become familiar with system design issues, technologies, construction/installation methods, inspection timing and septic operation/maintenance issues. Municipalities have passed or amended existing building by-laws to deal with different administrative aspects associated with enforcing septic standards, e.g., new permit categories and fees.

Other administrative or process issues which municipalities have had to address include: making decisions about whether to delegate septic delivery to other agents, management of septic records and files and ensuring that inspectors are adequately trained and certified.

Financing

The enforcement of septic standards is carried out on a cost-recovery basis with fees set at the municipal level.

Implementation Tools + Supporting Information

The Ministry of Municipal Affairs and Housing (MMAH) developed a septic installer and inspector training program (including a learner's manual and examination) which has been delivered in over 100 locations in 1998/99 and has covered approximately 3,500 individuals.

The Ministry has also published and distributed:

- a consolidated version of the OBC's septic provisions titled "Code and Guide for Sewage Systems 1997"; and,
- "frequently asked questions" material: branch opinions about technical matters and general information about risk management involving administration and enforcement of the BCA and the OBC.

The Ministry also publishes authorizations from the Building Materials Evaluation Commission for innovative septic system technologies and decisions of the Building Code Commission, which resolves disputes about technical issues. These can be found on the Ministry's website: www.mmah.gov.on.ca

The Ministry is currently developing information to assist local planning approval authorities better understand the linkages between septic issues and land use planning decision making.

Implementation Issues

Key implementation issues which decision-makers need to be aware of include:

- meeting requirements for inspectors to be certified;
- having a strong understanding of design and construction standards related to septic;
- making provision for the enforcement of terms and conditions or prohibitions on the operation and maintenance of sewage systems (including consideration

of the necessity for re-inspection services);

- providing, where requested by planning approval authorities, comments on land use planning applications which relate to septic issues; and
- obtaining information and records from existing delivery agents (where municipalities take on septic standards enforcement).

Municipalities have a number of options for service delivery, including the development of agreements with boards of health to perform septic standards enforcement on their behalf or using staff from boards of health to perform inspections and/or investigate complaints (with decision-making remaining a municipal function).

Municipalities or planning boards with planning approval authority have, in the past, relied on advice and comments from health units or conservation authorities when considering site specific planning applications which involve servicing by on-site septic systems. With the transfer of legislative authority for septic systems, some health units and conservation authorities may not continue to provide this service. As a result, local planning approval authorities may need to develop alternative means of ensuring that local and provincial land use policy interests are met by development proponents, e.g., through the use of third party peer review of proponent-generated technical studies or reports.

Changing Roles + Responsibilities

| Roles and Responsibilities: Septic Systems | | |
|--|---|--|
| | Province | Municipalities |
| Strategic Planning | <ul style="list-style-type: none"> creates regulatory framework which ensures appropriate standards related to public health and environmental protection | <ul style="list-style-type: none"> determine the appropriate septic delivery mechanism in their jurisdiction determine who should be certified as a septic inspector |
| Service System Management | <ul style="list-style-type: none"> sets standards for the construction, operation and maintenance of septic systems establishes qualifications for septic inspectors develops curriculum and exam standards develops the administrative framework for ensuring that inspectors become certified establishes appeal mechanisms for resolving disputes related to interpretation of the Building Code, suspensions/revocations of certifications, the use of new technologies, etc. develops requirements for dealing with transitional matters | <ul style="list-style-type: none"> where possible, provide one-window service to the development industry and the public provide cost-effective inspection and approval services ensure that staff are qualified set appropriate fee structure develop agreements with upper-tiers, public health units or conservation authorities, and/or staff from these bodies to enforce septic standards |
| Service Delivery | <ul style="list-style-type: none"> assigns septic standards enforcement responsibilities to municipalities and public health units and unorganized territories in the North | <ul style="list-style-type: none"> enforce the provisions of the <i>Building Code Act</i> and the Building Code address complaints related to septic systems impose terms and conditions related to the proper operation and maintenance of septic systems |

Qs + As**Why did the government transfer responsibility for delivery of the septics program to municipalities in southern Ontario but assign it to previous agents in the north?**

The decision to assign septic standards enforcement to previous delivery agents in the north was made to minimize disruption while broader northern service delivery options are being worked out. This direction reflects the fact that final decisions had not yet been made on northern service delivery when the septic regulations were transferred and was done to avoid the need for multiple transitions should changes be made to service delivery in the future.

With the April 1, 1999 proclamation of the *Northern Services Improvement Act*, (Bill 12), there is an opportunity to consolidate the delivery of services in the north, including septics, while maintaining provisions for municipal delivery since the bill would permit an area services board to enter into an agreement with a municipality for service delivery within the municipality's jurisdiction. Any realignment of septic delivery in the north would have to ensure an effective delivery strategy for both organized and unorganized areas.

The BCA does not currently allow planning boards to enforce the BCA or the OBC.

Why have permit fees for septic inspections increased so much since the transfer?

In the past, the Ministry of the Environment provided a subsidy of approximately fifty cents on the dollar to septic delivery agents who did septic inspections, issued permits and administered the septic program. In some parts of the north, the subsidy covered up to ninety percent of the cost of program delivery.

On the advice of the Who Does What panel, the government decided to have the septic program run on a cost recovery basis. Under the *Building Code Act*, municipalities or other delivery agencies, not the Province, have the authority to set fees. With the move to cost recovery, septic fees are now being set at the municipal level to reflect service delivery costs.

The OBC's septics regulations were recently changed. What impact will this have on municipal enforcement?

The amendments should improve environmental protection by ensuring that raised leaching beds are constructed with sufficient material to ensure proper treatment of effluent; that effluent loading rates are based on the quality of soil in which the system is constructed and that more complex septic systems are properly designed, maintained and serviced.

At the same time, the regulations will permit increased design flexibility and servicing options, especially for smaller or constrained lots. Concerns about the impact of the regulations on the size of lots and development costs have been addressed by changes which will permit variable loading rates; relax side slope standards for raised leaching beds; allow greywater systems to be used with pressurized water supply; and reduce design flows for certain occupancies, especially houses with large floor areas.

How will the expanded use of shallow buried trenches impact land use planning decisions?

Shallow buried trenches are a proven technology which can provide a cost-effective alternative to a conventional septic system, especially on existing smaller or constrained lots. In the case of new development, despite the need for smaller areas for shallow buried trench construction, municipalities are still required to ensure adequate lot sizes to address the full range of planning interests.

Municipalities must have regard to provincial planning policy interests in making decisions on development applications. MMAH will be working with municipalities to ensure an adequate understanding of the implications of these systems.

5.7 Water + Sewage

Legislative Framework

The *Water and Sewage Services Improvement Act, 1997* (Bill 107) clarifies roles and responsibilities for providing water and sewage services and establishes the most efficient way to run Ontario's water and sewage infrastructure. The Act received Royal Assent on May 27, 1997.

The Act transfers ownership of all provincially-owned water and sewage facilities to the municipalities they serve. Previously, municipalities owned seventy-five percent of the water and sewage facilities in Ontario, while the province held title to the remaining twenty-five percent.

As part of the transfer process, thousands of properties associated with provincially owned water and sewage facilities will be conveyed to the new municipal owners. Transfers, which began in late 1997, are being phased in over a two-year period.

Governance

The transfer of the remaining twenty-five percent of provincially-owned water and sewage facilities to municipalities will consolidate ownership and control of the infrastructure at the municipal level of government in Ontario.

Implementation: Options + Requirements

Municipalities will control their water and sewage infrastructure and have the flexibility to make sound decisions for efficient service delivery. Municipalities selling water or sewage works to the private sector will be required to repay all provincial construction grants for the works since 1978.

Administration + Process

The legislative and regulatory requirements for the operation of water and sewage facilities have not changed as a result of the transfer of ownership.

Financing

Municipalities remain, as they have always been, responsible for the financing and delivery of water and sewage services to their communities.

Implementation Tools + Supporting Information

Transfer orders are used to convey ownership of water and sewage works from the province to municipalities.

For area systems (where water or sewage facilities serve more than one municipality and where serviced municipalities are jointly responsible for capital debts), the Ministry of Environment (MOE) has provided a framework to assist municipalities in developing joint ownership and management arrangements to best meet the needs of the communities involved. Ministry staff work with area system municipalities prior to transfer, to refine these arrangements.

Implementation Issues

For facilities that service only one municipality, the transfer order will specify the assets that are being transferred. Supplementary transfer orders will also be filed at local land registry offices to confirm the transfer of interests in land.

Area system transfer orders will be similar to those that service a single municipality, but will also define how the system will be jointly owned and managed. For these systems, the minister will initially provide municipalities with a formal notice including a proposed framework for joint ownership and management of the system. Municipalities will then have six months in which to submit alternatives or improvements. During the notice period, Ministry staff will continue to assist municipalities to refine the framework. The minister will then finalize the transfer order, with an effective date of the order to be no sooner than nine months from the initial notice.

Changes in municipal structures are being taken into consideration in the development and scheduling of the transfer orders.

Changing Roles + Responsibilities

| Roles and Responsibilities: Water + Sewage | |
|--|----------------|
| Province | Municipalities |

| | | |
|---------------------------|--|---|
| Strategic Planning | <ul style="list-style-type: none"> • provides legislative framework • establishes performance standards | <ul style="list-style-type: none"> • plan for the transfer of provincially owned sewer and water properties • plan for full responsibility for sewer and water services |
| Service System Management | <ul style="list-style-type: none"> • proposes framework for joint ownership where services cross municipal boundaries • enforces performance standards | <ul style="list-style-type: none"> • plan and establish water and sewer facilities • plan for joint ownership where appropriate |
| Service Delivery | | <ul style="list-style-type: none"> • own and control the management of water and sewer, and sewage facilities |

Qs + As

What is the status of the transfer of provincially-owned water and sewage infrastructure to municipalities?

The majority of transfers have already been made. The Ministry expects that all water and sewage facility transfers will be completed by the end of 1999.

⑥

**Northern
Service
Delivery**

6.1 Area Service Boards

Legislative Framework

Local Services Realignment (LSR) creates the opportunity to build more effective local service delivery systems. There will be many opportunities across transferred programs to simplify access to services and serve clients better, while improving cost-effectiveness through clearer accountability, better co-ordination, innovation, sharing of resources, and economies of scale.

Consolidation and streamlining of service management and delivery in Northern Ontario must take into account the challenges of geography, population distribution, and municipal governance characterized by single-tier governments and unincorporated areas.

Two models for service management and delivery have been identified for the consolidation of social and community health services in Northern communities, District Social Services Administration Boards (DSSABs) and Area Service Boards (ASBs). In June 1998, the Ministers of Community and Social Services and Northern Development and Mines approved 10 DSSABs plus the Regional Municipality of Sudbury as the Northern consolidated service managers. By April 1, 1999, all 10 DSSABs had been established by regulation under the *District Social Services Administration Boards Act* (see Section 4.1 Consolidated Municipal Service Management).

ASBs are a made-in-the-north optional model developed by the Ministry of Northern Development and Mines (MNDM) after extensive consultation with Northerners.

Legislation to create ASBs, a new model of governance and taxation, came into force on April 1, 1999 under the *Northern Services Boards Act* (NSBA). ASBs are an optional and permissive model that allows for the management of delivery of a broad range of local services across large geographic areas in Northern Ontario, and the recovery of service costs from all property owners receiving such services.

ASBs would be required to deliver the following core services:

- Childcare (core service in DSSABs) - see Section 4.3: Child Care;
- Assistance under the *Ontario Works Act, 1997*, (core service in DSSABs) - see Section 4.2: Ontario Works;
- Public health under the *Health Protection and Promotion Act* (optional under DSSABs) - see Section 4.4: Public Health;
- Social housing (core service in DSSABs) - see Section 4.5 Social Housing;
- Land ambulance service under the *Ambulance Act* (optional under DSSABs) - see Section 4.6: Land Ambulance; and
- Homes for the Aged (not applicable under DSSABs).

In addition, the Board may choose to provide one or more of the following services:

- Economic Development;
- Airports;
- Land use planning under the *Planning Act*;
- Administrative functions under the *Provincial Offences Act*;
- Waste management;
- Emergency preparedness and response;
- Policing;
- Roads and bridges; and
- Any other service that may be designated by the minister if requested by an ASB.

Governance

Proposals to create an ASB must be developed and agreed to locally. Northern municipalities and residents of unincorporated communities may submit a proposal to the Minister of Northern Development and Mines to create an Area Services Board. The proposal would be required to specify:

- the boundaries of the proposed Board area;
- the name of the proposed Board;
- the number of Board members and the communities to be represented, the names of the proposed members for unorganized territory to be appointed to the first Board;
- the additional services that the Board wishes to provide, if any, and;
- a demonstration of local consent to the creation of the ASB.

A Statement of Principles to which ASB applications should conform was sent to all municipalities and unincorporated groups on April 23, 1999. A Planning Framework including an Application Package to guide communities in the

development of ASB proposals is being prepared by MNDM in conjunction with an Area Services Board Inter-Ministry Committee and is anticipated to be available in the fall of 1999.

Implementation: Options + Requirements

Currently, northern communities are consolidating the management of services within a framework developed jointly by the Ministry of Community and Social Services (MCSS) and MNDM. With the passage of the *Northern Services Board Act* (NSB Act), communities would have the ability, through an ASB, to take on the management/delivery of a broader choice of services resulting in further service management consolidation.

Administration + Process

An ASB proposal will be considered only after the DSSAB in that geographic area has been designated as a delivery agent under the *Ontario Works Act, 1997*, has assumed responsibility for sole support parent cases transferred to Ontario Works from the Family Benefits program, and has developed a plan for child care services.

Municipalities and unincorporated areas wishing to proceed with the establishment of an Area Services Board would be required to submit their proposals to the Minister of Northern Development and Mines prior to April 1, 2002.

All Area Services Board proposals would be reviewed against the NSB Act and any applicable principles and guidelines, and would be subject to review by the ASB Inter-Ministerial Committee comprised of all ministries affected by LSR transfers. ASBs would be established by Order of the Minister of Northern Development and Mines.

The Minister's Order would implement the proposal by setting out the Board's responsibilities, composition and the other matters referred to in the NSB Act. The overall implementation of an ASB may require that other ministries referred enact concurrent regulations in order that the ASB have the formal legal authority required to implement specific programs.

Financing

ASBs would be given authority to charge fees and levy taxes in respect of the approved services they would provide in the Board area. Two taxation models are provided in the NSB Act to fund the cost of providing services. The Act follows the principles of taxation that apply to municipalities. For the purpose of financial management, the Board is a corporation that has responsibilities similar to those of a municipality under the *Municipal Act* with regard to debt, annual estimates, reserves, and audit.

Model 1

Boards would function under Model 1 until a date to be determined by the Minister by regulation.

The ASB would use a provincially supplied apportionment formula to requisition funds. Municipalities would use their own tax ratios to calculate taxes, and would remit the ASB's portion to the Board.

In unincorporated areas, the apportionment formula would be used to requisition funds from the Province. The Province would set tax ratios and rates for ASB purposes. The Province would collect the taxes in unincorporated areas under the Provincial Land Tax (PLT), and would remit the ASB's portion to the Board.

Model 2

ASBs would set their own tax ratios which would be used to calculate tax rates to set taxes for ASB purposes. These tax ratios are also used to calculate municipal tax rates for own-purpose spending. By agreement with the ASB communities, municipalities could be permitted to set their own rates for municipal purposes. Municipalities would collect the amounts required by the ASB and remit them to the Board.

Also, in unincorporated areas, the ASB would fund and tax for all non-education local services outside municipal boundaries. Local Services Boards (LSB) and Local Roads Boards (LRB) would requisition the ASB for funding, which would be collected by the ASB from residents of the LSB or LRB area. The Province would bill the ASB for any services the Province delivers in the Board area.

Implementation Tools + Supporting Information

A manual for the development and implementation of successful applications will be prepared by MNDM to support ASBs with their startup.

Further information about ASBs, the *Northern Services Boards Act* and other Northern LSR issues can be found on the Ministry of Northern Development and Mines's Northern Services Implementation Project website at:
www.gov.on.ca/MNDM/nordev/NSIP/index_e.htm

Implementation Issues

To ensure a smooth transition, the implementation of an ASB proposal will proceed only after the DSSAB(s) covering the area under consideration has been designated under the *Ontario Works Act, 1997*, has assumed responsibility for sole-support cases transferred from the province, and has developed a plan for child care services.

Qs + As

Why is the *Northern Services Boards Act* necessary in Northern Ontario?

Northern communities have an excellent opportunity to achieve greater efficiencies and reduce costs. To do this, they require mechanisms by which they can deliver services on an area-wide basis.

They also require a tax levying authority that ensures all property owners in the area share the costs of those services fairly. The NSB Act will allow for the creation of Area Services Boards (ASBs). A single service delivery agency for the area would be more efficient and cost-effective than each community supporting a number of single-purpose bodies.

How do ASBs fit into the government's plans for the rationalization of service delivery?

The realignment of Ontario's relationship with local governments involves an exchange of service responsibilities. The objective is to reduce costs while increasing efficiency and accountability. One of the tools that the North, with its smaller population base, can use to achieve this is to consolidate service management/delivery on an area-wide basis.

How can we move from a DSSAB to an ASB, and how long will it take?

An ASB can replace a DSSAB if the area communities decide they would be better served by the options offered by an ASB. Communities have up to three

years following the April 1, 1999 proclamation date to make application to create an ASB.

An ASB proposal will be considered only after a DSSAB has been designated as a delivery agent under the Ontario Works Act, 1997, has assumed responsibility for the sole support cases transferred to Ontario Works from the Family Benefits program and has developed a plan for child care services. To move from a DSSAB to an ASB, a seamless transition of uninterrupted service to clients must be ensured.

Is this creating another layer of local government? How does it cut costs for taxpayers?

An ASB is not another layer of local government. It is a legal cooperative arrangement among communities to consolidate service management/delivery and recover costs on an area-wide basis.

The board members will come from the local municipal councils already in place. The unincorporated areas will elect representatives directly.

The cost savings for the taxpayer will come from the efficiencies gained from area-wide delivery and administration of selected services, and more equitable tax allocation. The number of single-purpose bodies, each with its own administration costs, will be reduced.

What does Local Services Board (LSB) reform achieve?

LSBs exist in some unincorporated areas. Reforms to the *Local Services Board Act* will add local roads and libraries to the powers they can assume. This could reduce the number of single-purpose bodies in some unincorporated areas.



7

**Other
Related
Issues**

7.1 Provincial Offences

As a Local Services Realignment (LSR) initiative, the Ministry of the Attorney General (MAG) is transferring the administration and selected prosecutorial responsibilities for provincial offences to the municipal sector. This reflects an enhanced partnership with municipalities by transferring certain responsibilities for minor offences which proceed under the *Provincial Offences Act* (POA). Once the transfers are complete, municipalities will collect all POA fine revenue, pay operating costs such as facility leases and staff, remit a surcharge to the Victim's Justice Fund, and pay for the Ministry of the Attorney General's ongoing POA related costs (i.e. adjudication and some prosecution costs). Municipalities will keep the net revenue that remains after these costs are covered

Legislative Framework

The *Streamlining of Administration of Provincial Offences Act* (Bill 108) received Royal Assent on June 11, 1998, and provides the framework for the POA transfer.

The responsibilities that are being transferred include:

- administrative functions, court support and most prosecutions for Part I offences, which are regulatory ticket offences. These offences have a maximum fine penalty of up to \$500.00 upon conviction;
- administrative functions for the remainder of Part II offences, which are parking tickets and not previously administered by municipalities (ninety-five percent of parking tickets are already handled by municipalities), and on-going court support for Part II trials and prosecutions; and,
- administrative and court support activities for Part III offences (regulatory, but arising from more serious circumstances or where no set fine exists for the offence). The province will continue to prosecute its own Part III offences.

Agreements will be made with one municipal partner per court service area. Agreements will take the form of a transfer agreement between the province and the municipal partner.

The purpose of this transfer is three-fold:

- it moves matters that have a local impact into the control and accountability of local authorities, while ensuring that there are clear and consistent provincial standards for the administration of justice;
- it enables the province to focus on prosecuting serious criminal offences by allowing municipalities to prosecute minor “ticket type” offences; and
- it meets a commitment the government has made to eliminate waste and duplication by bringing administrative functions together under one level of government.

Actual performance standards are set out in the transfer agreements between the Attorney General and municipal partners.

The province is constitutionally responsible for setting standards and monitoring justice and will continue to do so.

Section 165 of the Act sets out the municipal partner’s authority to collect and enforce fine payments and its obligations to remit certain amounts to the province and other municipalities.

Governance

Under the *Provincial Offences Act* (POA), the municipal sector assumes major responsibilities for staffing and operating POA courts. The Attorney General, constitutionally responsible for the administration of justice, remains responsible for setting and monitoring program standards. The province continues to be responsible for appointing Justices of the Peace, thereby ensuring independent adjudication of POA matters.

Implementation: Options + Requirements

The POA transfer is a phased transfer that occurs as municipalities demonstrate readiness.

The transfer was designed based on consultations with municipal stakeholders as well as a range of other stakeholders. Stakeholders felt that phasing the transfer over two years would result in a smoother, easier transition. The two-year implementation period started with the first transfer (to North Bay) in March 1999. Municipalities taking on the transfer as they are ready. Seven municipal sites, called demonstration sites, are mentoring other municipal sites that transfer after them.

In court service areas where POA functions have not been transferred at the end of the implementation period, the responsibility for those areas may be offered to municipal groups that are already partners with the Ministry.

The process is as follows:

- Submissions from municipalities are reviewed quarterly during the next two years. The deadline is spring 2001.
- A selection panel considers the municipal submissions.
- Municipalities sign a transfer agreement with the province. The agreement consists of a memorandum of understanding (MOU), which is the same in all cases, and a local side agreement (LSA) covers site-specific arrangements, such as facility and asset arrangements (e.g., office equipment).

Submission Criteria

Some criteria that must be met in order for municipalities to be considered ready to take on POA responsibilities include:

- an ability to maintain the existing range and level of services within the court service area as set out in an MOU between the province and the municipal partner; and
- council resolutions from each municipality within the court service area to demonstrate that each municipality approves the POA cost, revenue and responsibility arrangements.

OTHER RELATED ISSUES

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Demonstration Sites

The first seven demonstration sites for the POA transfer, representing about 70 municipalities, are:

| Demonstration Site | Court Service Area |
|-------------------------------|---------------------------|
| City of North Bay | North Bay/Nipissing |
| Town of Caledon | Orangeville/Dufferin |
| City of Brampton | Brampton |
| Regional Municipality of York | Newmarket |
| City of Mississauga | Mississauga |
| City of Barrie | Barrie and Orillia |
| Municipality of Muskoka | Bracebridge |

Financing

Costs and revenue are transferred to municipalities when they take on POA responsibilities. In March 1999, the Minister of Finance announced that the Government would pay upper-tier municipalities approximately \$67 million dollars in one-time POA grants before most of the transfer agreements were signed. The grants were paid in accordance with the amounts and distribution of POA net revenues that were used to determine municipalities March 1998 Community Reinvestment Fund (CRF) allocations.

Revenue payments for the transfers are made on completion of the external audits. At the time of transfer, if actual POA revenues for 1998 are above the amount sent out by the Ministry of Finance in June 1999, the difference is provided to the POA municipal partner to distribute as outlined in their inter-municipal agreement.

Grants relating to POA net revenues from January 1, 1999 are paid to municipalities following the transfer, on completion of an internal audit. The province conducts audits at the time of the transfer in each court service area to verify financial data and determine existing levels of service, which must be maintained after the transfer.

Detailed financial data were made available in profiles of each court service area -

“court profiles” - provided at municipal information planning sessions. These court profiles also contain details of current courtroom, office and equipment needs and costs for each court service area.

Implementation Tools + Supporting Information

The Ministry of the Attorney General has developed a standard transfer agreement in the form of a generic Memorandum of Understanding (MOU) and a Local Side Agreement (LSA). The MOU describes the roles and responsibilities of the municipal partner and the Attorney General and sets out provincial standards. The LSA spells out site-specific issues particular to a court site. A Guide to the MOU for all municipal partners provides a user-friendly introduction to the transfer agreement approach. These documents were provided to municipalities during municipal information planning sessions and are part of the submission package.

The Ministry will also provide access to and use of a common database. The current information management system is the Integrated Court Offences Network (ICON).

Located and used at every court office throughout the province, ICON is a province-wide computer based system that manages financial tracking, trial scheduling and statistics.

ICON is in the process of being replaced by a new POA case management system. This new system - provided through the Integrated Justice Project (IJP) - is being designed specifically to meet municipal needs.

The IJP is designing a dedicated system that will allow municipal POA managers to track and manage their case volume quickly, securely and cost-effectively. The system is expected to be completed in 2001.

Tailored to municipal requirements, IJP system will improve tools for cost and revenue analysis and will have the ability to integrate with other local systems, such as financial information.

Both ICON and IJP systems will provide key linkages to other systems such as the Ministry of Transportation and the Defaulted Fines Control Centre (DFCC).

Implementation Issues

The Ministry of the Attorney General has established a *Provincial Offences Act* Transfer Project and an interministerial Transfer Team that is responsible for

implementation and transition strategies. The Team is working closely with municipal partners in order to effect a smooth transition and minimize disruptions to the public and the justice system.

Changing Roles + Responsibilities

| Roles and Responsibilities: Provincial Offences | | |
|--|--|--|
| | Province | Municipalities |
| Strategic Planning | <ul style="list-style-type: none"> develops and monitors justice program standards establishes policy and monitors to ensure MOU requirements are met | <ul style="list-style-type: none"> operational planning / program development |
| Service System Management | <ul style="list-style-type: none"> establishes partnerships and mentoring relationships continues to appoint and support independent adjudication delivers training for new service providers on legislation, program delivery and standards transition planning ensures transfer of equipment, operational, administrative and financial processes | <ul style="list-style-type: none"> build capacity for transfer of responsibilities establish relationship with stakeholders implement new technology process ensure that justice program standards are met implement and comply with POA procedures support training for municipal staff designate management staff |
| Service Delivery | <ul style="list-style-type: none"> manages program transfer to ensure continuous quality service delivery establishes Review Committee to monitor service delivery | <ul style="list-style-type: none"> manage program implementation to ensure continuous service delivery provide quality services during implementation period and beyond |

Qs + As

Why is the government transferring responsibility for Provincial Offences?

This transfer, which gives municipalities new responsibilities under the *Provincial Offences Act*, is consistent with the province's commitment to strengthening local

justice by giving local government more control and accountability for justice issues that mainly impact the community.

The transfer of justice responsibilities under the *Provincial Offences Act* provides a new net revenue source for municipalities which can be spent on further improving local services, even after POA costs are taken into account.

What has to happen if more than one municipality is located within one court service area?

There are 61 court service areas in the province that serve a defined geographical area that match, with some exceptions, the geographical boundaries of a county, district or regional municipality.

However, only one submission will be accepted for each court service area. A council resolution from each municipality within the court service area is required to demonstrate that each municipality approves the POA cost, revenue and responsibility-sharing arrangements. Council resolutions must be in place before a group of municipalities makes its submission to become a municipal partner with the Ministry.

What problems are anticipated during the transition period?

The Ministry is phasing in the transfer to avoid any problems. The Ministry is making the transfer only with municipalities that can demonstrate readiness. That includes the ability to maintain the existing range and level of services within the court service area as set out in the memorandum of understanding. The council resolution(s) represents a formal agreement on how POA functions will be administered and how revenues will be distributed.

What is the status of the transfer?

The first transfer of POA responsibilities took place on March 15, 1999, in the North Bay/Nipissing court service area. The Town of Caledon became the second demonstration site for the POA transfer on March 29, 1999.

Additional transfers were completed to the City of Brampton for the Brampton court service area (June 28, 1999), to York Region for the Newmarket court service area (July 12, 1999), to the City of Mississauga for the Mississauga court service area (July 26, 1999) and to the County of Prince Edward for the Picton court service area (August 9, 1999). The transfers to the remaining demonstration sites are scheduled for completion by the end of October 1999.

Pre-implementation preparations are underway at the following sites:

- Regional Municipality of Hamilton-Wentworth, representing the Hamilton court service area;
- County of Lambton, representing the Sarnia court service area;
- County of Lennox and Addington, representing the Napanee court service area;
- Town of Parry Sound, representing the Parry Sound court service area;
- City of Brantford, representing the Brantford court service area;
- Town of Espanola, representing the Espanola court service area;
- City of Kingston/Frontenac Management Board, representing the Kingston court service area;
- Regional Municipality of Waterloo, representing the Kitchener and Cambridge court service areas;
- County of Perth, representing the Stratford court service area; and
- County of Oxford, representing the Woodstock court service area.

Submissions from municipalities wishing to assume responsibility for POA functions are reviewed on a quarterly basis. The next submission review dates are December 17, 1999 and March 17, 2000.

OTHER RELATED ISSUES

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How can a submission package be obtained?

To request a submission package, contact Inez Diamond-Gleeson, POA
Municipal Coordinator, phone: (416) 326-4551 or fax: (416) 326-2592 or write to:

POA Transfer Project
Ministry of the Attorney General
1st floor, 724 Bay Street
Toronto ON M5C 2K1

Attention: Inez Diamond-Gleeson

Legislative Framework

In January 1996, the government passed the *Savings and Restructuring Act, 1996* (the Act). Part of the Act included amendments to the *Municipal Act*. These amendments provided permissive restructuring powers to counties, municipalities in counties, separated municipalities, municipalities in the north and unorganized territory. Specifically, sections 25.1 to 25.4 of the *Municipal Act* set out these permissive restructuring powers. Restructuring is just one tool that municipalities can use to deal with the changing provincial-municipal relationship.

The main goal of the legislation is to provide municipalities with the authority to come up with locally developed restructuring proposals, which, if they achieved the prescribed level of local support, would be submitted to the Minister of Municipal Affairs and Housing for implementation.

In instances where that local support could not be achieved, a municipality, or a group of 75 inhabitants in unorganized territory, could request that the minister appoint a commission. In that case, the commission would develop and implement a restructuring proposal.

Governance

As indicated above, before a local restructuring proposal can be implemented, it must receive the required level of local support. The support mechanism is set out in O. Reg. 216/97, as amended by O. Reg. 422/96. In general, the level of support required is a triple majority. For example, if three municipalities in a county decide they want to amalgamate, the following support criteria must be met:

- support of County Council;
- support of a majority of the affected municipalities (two of three); and
- the two of three area municipalities which support the proposal must represent a majority of the electors in the entire affected area.

Implementation: Options + Requirements

When developing a local restructuring proposal, municipalities are to take into consideration the following principles:

- less government;
- effective representation system;
- best value for tax payers' dollars;
- ability to provide municipal services from municipal resources; and
- a supportive environment for job creation, investment and economic growth.

In addition, when developing a proposal, consideration must be given to the powers available to the minister in implementing a proposal. O. Reg. 143/96 as amended sets out the powers of the Minister or a commission when implementing a proposal through an Order. If the power is not set out in the regulation, the minister cannot implement that part of a local proposal.

Included in O. Reg. 143/96 are powers around council composition, name of the new municipality, boundaries, wards, services to be provided, and financing issues as well as transitional powers.

The Province had two programs to assist municipalities with transition costs related to restructuring: The Municipal Restructuring Fund (MRF) and the Northern Transition Assistance Fund (NTA). Both programs were available to municipalities for which restructuring orders were signed by the Minister by March 31, 1999.

User Fees

The Act also provided municipalities and their local boards with substantially broadened authority to establish fees for municipal services and activities to help them adjust to lower provincial funding levels without necessitating property tax increases.

Section 220.1 of the *Municipal Act* as amended by the *Savings and Restructuring Act, 1996*, provides a broad general user fee power which permits municipalities to charge a fee in the nature of a direct tax for any municipal service or activity. The municipality determines the level of the fee and who pays the fee.

However, the legislation contains provisions which prevent municipalities from imposing gasoline, sales, income or poll taxes. It also gives the Minister of Municipal Affairs and Housing the authority, by regulation, to restrict services for which user fees under this section may be imposed or the manner in which they are imposed.

Examples of restrictions imposed under this authority to-date are:

- a municipality or local board may not impose user fees for things which could be charged for under the framework of the *Development Charges Act*;
- a municipality or local board may not charge fees for processing applications respecting planning matters under the *Planning Act* (note: a fee may be charged under the *Planning Act*);
- a municipality or local board may not impose fees on another municipality or local board for the costs of conducting an election under the *Municipal Elections Act*; and
- a municipality or local board may not impose user fees on the Crown as a separate class.

Licensing

The Act also provides municipalities with general authority to license a broad range of businesses, other than business dealing with manufacturing, selling or goods by wholesale and commercial activities related to natural resources. Under the licensing provisions, municipalities have the authority to impose conditions as a requirement for obtaining a licence and set license fees. In setting fees, municipalities are required to take into account the cost of administering the licensing system.

The Minister may pass regulations exempting a business or a class of business from a municipal licensing by-law. To-date, regulations exempting the following businesses from municipal licensing have been passed:

- courier companies;
- transportation businesses; and
- real estate agent and brokers.

Implementation Tools + Supporting Information

The permissive legislative authority to restructure is just one tool that has been made available to municipalities to reduce duplication and overlap with a resulting reduction in costs.

Staff from the Ministry's municipal services offices are available to assist municipalities interested in using the permissive restructuring powers.

7.3 Labour Relations

Legislative Framework

The *Public Sector Transition Stability Act, 1997*, (Bill 136) was proclaimed on October 29, 1997. It consists of two new Acts:

- the *Public Sector Labour Relations Transition Act, 1997*, which provides employers, employees and unions in the broader public sector with processes to resolve complex labour relations issues resulting from restructuring; and
- the *Public Sector Dispute Resolution Act, 1997*, which reforms the interest arbitration processes that apply to police, firefighters and hospital employees.

The Act also makes related amendments to the *Employment Standards Act* and the *Pay Equity Act*.

Restructuring Issues: The *Public Sector Labour Relations Transition Act, 1997*

If the workplace parties are unable to deal with the labour relations issues that result from restructuring, the Ontario Labour Relations Board (OLRB) has new powers to deal expeditiously with issues such as:

What is the make-up of the **new bargaining units**?

- Bargaining agents for the new employer may be defined by agreement between the new employer and the affected unions, or by order of the OLRB.

Which **bargaining agent** will represent the employees in each bargaining unit?

- Decided by a mandatory secret ballot vote except where the unions involved agree among themselves.

- If forty percent or more of the employees in the new bargaining unit were not previously members of a union, the decision must be made by a vote and an option of no union representation must appear on the ballot.

How are **service and seniority** treated?

- Where non-union employees are included in a bargaining unit after the restructuring event, their past service may be recognized in determining their position on the seniority list.
- Where two or more bargaining units are merged, the seniority of all members of the bargaining unit is calculated in accordance with a common measure (“dovetailing”).

How do the parties reach a **new collective agreement**?

- For a period of up to one year from the date that the new bargaining unit structure is determined, the old collective agreements continue to apply.
- The parties may select, and amend, one of the existing collective agreements, or they may mutually request that the OLRB select one of the existing collective agreements.
- In the alternative, the parties can negotiate a new post-amalgamation collective agreement. This first post-amalgamation contract is covered by the provisions of the *Labour Relations Act* that normally apply to a first contract situation. These provisions allow the OLRB, under certain conditions, to order binding arbitration to settle the first contract. For example, the OLRB could order binding arbitration if it found that one of the parties had taken an uncompromising bargaining position without reasonable justification.

Regulations under the *Public Sector Labour Relations Transition Act, 1997*

- O. Reg. 10/99 came into force on January 18, 1999. It provides seniority protection to former Crown employees who are transferred to a municipality or hospital under the OPSEU “reasonable efforts” framework.

- O. Reg. 11/99 came into force on January 18, 1999. It makes the Act apply to the merger of Crown psychiatric hospitals and public hospitals thereby providing former Crown employees with greater ability to choose which bargaining agent will represent them.
- O. Reg. 132/98 is retroactive to March 9, 1998. It provides seniority protection to former Crown employees of the Queen Street Mental Health Centre transferred to the Addiction and Mental Health Services Corporation, a non-Crown hospital.
- O. Reg. 457/97 came into force on December 27, 1997. It ensures that, following a municipal or school board amalgamation, bargaining rights for a construction union are maintained, but not extended beyond the geographic area of the pre-amalgamation employer for whom the union held those rights, unless the parties agree otherwise.
- O. Reg. 458/97 came into force on December 27, 1997. It brings under the Act a number of specific restructurings in the municipal sector that were not automatically covered by the Act.

Further regulations may be required to extend the Act's application to future restructuring events.

Arbitration Issues: The *Public Sector Dispute Resolution Act, 1997*

The Public Sector Dispute Resolution Act, 1997, makes changes to the interest arbitration systems set out in the *Fire Prevention and Protection Act*, the *Police Services Act*, the *Public Service Act* and the *Hospital Labour Disputes Arbitration Act*, which deal with collective bargaining in the police, fire and hospital sectors, where strikes are not permitted.

The interest arbitration reforms stress negotiated settlements instead of arbitrated contracts, and provide for expedited timelines to ensure prompt resolution of disputes and the use of alternate dispute resolution processes such as mediation-arbitration or final offer selection. Also, arbitrators appointed in the police, fire and hospital sectors are required to consider criteria such as the employer's ability to pay, the economic situation in the province and municipality, and the extent to which services may have to be

reduced if current funding and taxation levels remain unchanged. In addition, arbitrators must consider the following:

- to ensure the expeditious resolution of disputes during collective bargaining;
- to encourage settlement of disputes through negotiation; and
- to encourage best practices that ensure the delivery of quality and effective public services that are affordable for taxpayers.

Amendments to the Pay Equity Act

The Act amends the sale of business provisions of the *Pay Equity Act* to remove the prohibition on reducing adjustments if a pay equity plan needs to be redone following a sale, amalgamation or changeover. This amendment applies to both public and private sector.

Amendments to the Employment Standards Act

The Act amends the *Employment Standards Act* (ESA) to eliminate the taxpayer-funded Employee Wage Protection Program (EWPP). The EWPP compensated employees for wages and vacation pay owed by employers. Ontario was the only province in Canada with a program of this kind that used taxpayer funds to cover the obligations of private sector employers.

The Act also amends the ESA to ensure that the parties to a sale of a business, including the Crown, have the flexibility to decide whether the seller employer will pay severance to employees when they move to the new employer, or whether the obligation to pay will transfer to the new employer.

Educational and Training Supports related to New Municipal Labour Roles and Responsibilities

In 1998, the Provincial-Municipal Education and Training Secretariat, Ministry of Municipal Affairs and Housing (MMAH), held 20 seminars across the province for new and returning municipal council members on the subject of employee and labour relations.

Feedback from the more than 850 municipal politicians who attended these seminars indicated that it would be useful to have this information available in a permanent format to access as issues arose.

As a result MMAH developed a CD-ROM based on the seminar materials. Called *Workshift: New Municipal Labour Roles and Responsibilities*, the CD-ROM is designed to broaden the user's knowledge of human resources and labour relations issues associated with LSR and municipal restructuring. The information is targeted to

OTHER RELATED ISSUES

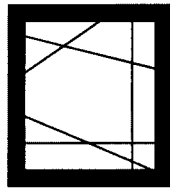
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municipal leaders, including elected and non-elected senior staff.

The CD-ROM is available from the Municipal Services Offices of MMAH.

8

Questionnaire



LOCAL SERVICES realignment

a user's guide evaluation form

Please take the time to complete the following evaluation form and
fax back your responses to: (416) 585-7292.

Did you find *Local Services Realignment – A User's Guide*, helpful in implementing LSR reforms?

very somewhat not at all

Did you think it was comprehensive?

yes somewhat not at all

Do you find this document a valuable tool/resource?

yes somewhat no

If no, what additional information would you find helpful?

Tell us about yourself (Optional)

Name

Organization

Position

Address

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