

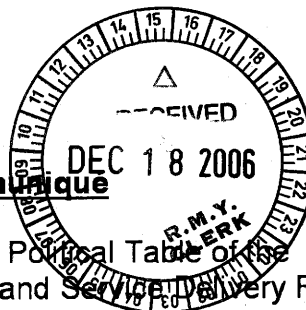
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Attention: Heads of Council and Clerks

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Communique

First Meeting of the Political Table of the
Provincial-Municipal Fiscal and Service Delivery Review
December 2006



No. -

OFFICE

Chairman
CAO
Gloyd

The members of the Political Table leading the joint Provincial-Municipal Fiscal and Service Delivery Review held their inaugural meeting on December 13, 2006, and set the course of the Review's work.

The initial meeting focused on the Review's Charter (see below).

The purpose of the Review is to build a sustainable provincial-municipal relationship in which both orders of government can meet their responsibilities.

The Review will shape the future of the provincial-municipal relationship in Ontario and demonstrate the productive and mature approach to intergovernmental cooperation that the province, the Association of Municipalities of Ontario and the City of Toronto have adopted.

In keeping with the principles and goals expressed in the Charter, the outcome will be a consensus-based report regarding a new fiscal and service delivery partnership that focuses on how the best possible services can be delivered to the people of Ontario in an affordable way.

Considering the breadth of services delivered to Ontarians and the volume of inter-jurisdictional issues, this is an undertaking of significant proportions.

The Review will be broad in scope, but will not duplicate existing initiatives and reviews being undertaken by the province and municipalities. In addition, the Review will not address program design issues.

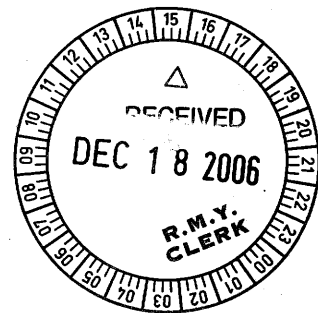
The members of the Political Table comprise municipal and provincial elected officials from across the province who, together, are providing the leadership for the Review. The members are:

- Richard Adams, Mayor, Town of Parry Sound
- Roger Anderson, Chair, Region of Durham and AMO Immediate Past President
- Eddie Francis, Mayor, City of Windsor
- John Gerretsen, Minister of Municipal Affairs and Housing
- Peter Hume, Councillor, City of Ottawa
- Hazel McCallion, Mayor, City of Mississauga and AMO Past President
- David Miller, Mayor, City of Toronto
- Michael Power, Mayor, Town of Greenstone and AMO Past President
- Doug Reycraft, Mayor, Municipality of Southwest Middlesex and AMO President
- Greg Sorbara, Minister of Finance
- Bob Sweet, Mayor, Town of Petawawa

FILE No. -

Public release of the Review's consensus report is expected in spring 2008. On some issues, there may be opportunities for earlier consensus.

The members agreed on the importance of developing and implementing a consultation plan to ensure the views of municipal governments and others interested in the Review are heard and considered.



PROVINCIAL-MUNICIPAL FISCAL AND SERVICE DELIVERY REVIEW

CHARTER DOCUMENT

Introduction

The Government of Ontario and Ontario's municipal governments, as represented by the Association of Municipalities of Ontario and the City of Toronto, have embarked on a new partnership of mutual respect and a shared objective of strong and sustainable communities. This builds on a relationship that has been characterised in recent years by consultation, significant investments, cooperation, and joint achievements.

Important progress has been made, but areas of concern remain.

In accordance with the commitment to consultation outlined in the Municipal Act, 2001 and the City of Toronto Act, 2006 the Province and its municipal partners have agreed to undertake a joint review (the "Review") of the provincial-municipal fiscal and service delivery relationship.

Each order of government recognizes this Review as a priority; and, will commit the necessary resources to facilitate its timely and thorough completion.

Purpose

The Government of Ontario and its municipal partners will embark on a review of the provincial-municipal relationship that will focus on identifying a new fiscal and service delivery partnership for the 21st century. The Review will be broad in scope, including the financing and funding relationship, as well as service delivery and service governance.

The Review shall begin in fall 2006 and be completed in spring 2008, and produce a consensus-based summary report for public release, including recommendations for next steps and implementation thereafter.

The process will not preclude other provincial-municipal discussions including those related to specific municipal governments.

Main Goal

The Review should lead to a sustainable, provincial-municipal relationship where both orders of government can meet their responsibilities and will focus on:

- Affordability and fiscal sustainability for both orders of government;
- Fairness for taxpayers and residents;
- Timely infrastructure investments;
- Provincial and municipal services effectively delivered across Ontario; and
- Long-term economic development and prosperity for Ontario and its communities.

Guiding Principles of Review

1. **Strategic and Forward-looking** - The Review will focus on a new fiscal and service delivery partnership for the 21st century.
2. **Affordable** – Solutions must work and be consistent with the fiscal plans of both orders of government.
3. **Flexible** – Arrangements should acknowledge the diversity of Ontario's municipalities (single, upper and lower tier municipalities) and areas of the province (north-south, east-west, and rural-urban).
4. **Accountable** – The roles and responsibilities of each order of government in delivery and/or funding of a given service should be clear to avoid duplication and overlap.
5. **Transparent** – To the greatest extent possible, service delivery and fiscal arrangements should be straightforward, consistently applied and not complicated by *ad hoc* adjustments.
6. **Good public and fiscal policy**– Changes in fiscal and service delivery arrangements must be driven by a clear public policy purpose and evidence that new arrangements will better achieve that purpose.
7. **Fair and Equitable** – Solutions should be fair and equitable for the Province, for municipalities, and for taxpayers.
8. **Responsive** – Delivering a high quality of service that responds to the needs of Ontarians.
9. **Sustainable** – Long term solutions should be sustainable for both the Provincial and municipal governments and recognize the ability of both orders of government to manage financial risks.

Review Structure

The Review will be guided by a **political table** of provincial and municipal elected officials leading to a final consensus-based report.

The Review process shall be conducted jointly between the Province and its municipal partners and include a common set of procedures and a communications protocol.

The joint Review will benefit from full and timely sharing of provincial and municipal information, data and analysis.

The Review will be managed by a **coordinating table** of senior provincial and municipal staff who will:

- Develop a detailed Review plan, to be approved by the political table, including:
 - timelines to spring 2008;
 - sequencing of Review issues;
 - key milestones;
 - communications and information-sharing protocols; and
 - other elements as necessary
- Coordinate financial, staff and technical resources/expertise needed to support the Review in order to provide for a wide-ranging exploration of all options.
- Advise the political table regarding the need to consult with other groups which may have an interest in the Review.