

Commission on the Reform of Ontario's Public Services –Drummond Report

**Provincial Municipal Relations
General Committee**

March 5, 2012

Drummond Report

Agenda

1. Background
2. Areas Covered in the Report
3. Provincial – Municipal Relations
4. Next Steps

Drummond Report

Background

The Chair of the Commission on the Reform of Ontario's Public Services Mr. Don Drummond has submitted his review and recommendations for improving the effectiveness and efficiencies with which public services can be delivered

At the 2012 combined Rural Ontario Municipal Association (ROMA) and Ontario Goods & Roads Association (OGRA) conference the Premier stated that he was prepared to engage in a conversation with municipalities regarding the Drummond report recommendations about creating efficiencies in the delivery of public services

Drummond Report

Background Cont'd

1. The Budget Deficit for the Province is expected to \$16B in the 2011-12 fiscal year and will double by year 2017-18.
2. Ongoing support to the municipalities from the Province in 2012 is \$3.2B and is projected to increase to \$4B in 2018 (a projected annual average increase from 2010 until 2018 of 5.2%).
3. The support to municipalities include Social Assistance Benefit Programs, Court Security, Prisoner Transportation costs, Provincial Gas Tax Funding, Public Health and Land Ambulance
4. The report recommends that transfers to municipalities should increase less than 5.2% per year

Drummond Report

Background Cont'd

There are 361 recommendations and some of these may have an impact on municipalities

The Drummond report suggests that if all the recommendations are implemented it could enable balancing the budget by year 2017-18

Provincial – Municipal Relations

Areas Covered in the report:

Health	Elementary & School Education
Post Secondary Education	Social Programs
Employment & Training	Immigration
Business Support	Infrastructure, Real Estate & Electricity
Environment	Justice
Labour Relations	Operating & Back Office Exp.
Govt. Business Enterprise	Revenue Integrity
Liability Management	Intergovernmental Relations

Provincial – Municipal Relations

Provincial – Municipal issues and recommendations are found throughout the report and those that may affect Markham are provided below for information.

Infrastructure, Real Estate & Electricity Chapter 12

12-1

Place more emphasis on achieving greater value from existing assets in asset management plan reporting requirements than is currently proposed in the Long-Term Infrastructure Plan for certain organizations (e.g., universities, municipalities, etc.).

12-2

Implement full cost pricing for water and wastewater services

Provincial – Municipal Relations

Infrastructure, Real Estate & Electricity – Cont'd

12-11

Review all other energy subsidy programs against measures of value for money and achievement of specific policy goals.

12-13

Consolidate Ontario's 80 local distribution companies along regional lines to create economies of scale.

Provincial – Municipal Relations

Infrastructure, Real Estate & Electricity – Cont'd

12-14

As part of the review of the feed-in tariff (FIT) program, take steps to mitigate its impact on electricity prices by:

Lowering the initial prices offered in the FIT contract and introducing degression rates that reduce the tariff over time to encourage innovation and discourage any reliance on public subsidies; and

Making better use of “off-ramps” built into existing contracts.

Provincial – Municipal Relations

Environment & Natural Resources - Chapter 13

13-7

Rationalize and consolidate the entities and agencies involved in land use planning and resources management

Labour Relations & Compensation – Chapter 15

15-5

Provide zero budget increase for wage costs in the Ontario government so any increases must be accounted for within the respective growth rates recommended in this report (0.8% annual growth target for total program spending)

Provincial – Municipal Relations

Labour Relations & Compensation – Cont'd

15-6

Bumping provisions (i.e. seniority) in collective agreements are unduly impeding the move towards a progressive and efficient public service. The government needs to work with bargaining agents and employers to explore options for modifying these provisions and monitor progress towards fixing this problem

15-10

The government should facilitate a voluntary movement to centralized bargaining for municipalities — particularly in relation to police and firefighting bargaining

Provincial – Municipal Relations

Labour Relations & Compensation – Cont'd

15-13

Ensure that leaders in the Ontario Public Service and broader public sector are held to account and that they are adequately compensated and encouraged through incentives to lead and excel.

15-14

Ensure that the job descriptions and collective agreement provisions defining management's ability to organize work are flexible enough to allow for the movement of people to ensure that the best people are in the right places at the right time.

Provincial – Municipal Relations

Operating & Back-Office Expenditures – Chapter 16

16-14

The government should consolidate information and information technology (I&IT) services throughout the broader public sector.

16-15

Significant savings and efficiencies can be achieved by further coordinating existing horizontal supply chains across the broader public sector.

Provincial – Municipal Relations

Revenue Integrity – Chapter 18

18-10

The Ministry of Finance should take the lead by providing assistance to municipalities in developing policy for the collection of unpaid Provincial Offences Act fines in the province

18-12

Allow fines to be added via the property tax roll by adding Provincial Offences Act fines to the offender's property tax bill, even if the property is jointly owned

Provincial – Municipal Relations

Revenue Integrity – Chapter 18 Cont'd

18-24

Instead of user fees remaining in fixed nominal terms, they should be updated using a blend of full cost recovery and indexation and be phased in over the next two years.

18-25

Conduct a review of education tax rate-setting policies for residential and business tax rates to maintain a stable level of education tax revenues in real terms

Provincial – Municipal Relations

Liability Management – Chapter 19

19-9

The government should accelerate work on the design of public-sector benefits and make containing the growth in the cost of benefits part of the broader public-sector compensation negotiation strategy.

Next Steps

Staff will continue to monitor these developments and provide updates to Council when additional information is received

