



Municipal Inter-Governmental Relations in Ontario

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January 2019

Government Relations in a time of change

Create and maintain a set of relationships

Disrupted relationships

Such As...

Deploy relationships to **advance our** interests

Changed Definition of what is "possible"

Communications

- Celebrate successes
- Manage issues and reputation

Changed Definition of what is "good"

Policy

- Make good things happen
- Avoid problems

Main Message: The Opportunity

- **Constraint:** Money will be tight, but...
- **It is a time of Action** on potentially beneficial reforms
- **Authenticity:** Be true to your mandate.
- **Empathy:** Understand their challenges and goals.
- **The way to increase your chances of success** is to frame your goals in the context of the needs of the province

This Presentation

1. Understanding the
Provincial
Government

2. Some advice on
how to put your best
foot forward...

●●● The Ontario Government

1. All provincial governments...

- Some are easier to deal with than others, but some things never change:
 - They have 444 entities of wildly different needs
 - They respect that you must deliver your mandate, but they are accountable for delivering on theirs.
 - What they do is a mix of policy and politics.
 - Economy: “Gotta play the hand that’s dealt ya.”

All Provincial Governments: take actions that have an impact on municipal interests

For you...

- Double hatters;
- Interest arbitration
- Cuts in Red tape

With you...

- Infrastructure Funding
- Social Services delivery

To you...
(For Themselves)

- Cuts in Operating Transfers...

To you...
(For Someone Else)

- Service Standards

The Ford Government: “For the People”

- Populist appeal to the “base”:
 - “Finally, relief is here”
 - “Party with taxpayer’s money is over...”
 - “End hallway medicine”
 - Kill the carbon tax”
 - Reduce government and cut the red tape
- Bias to action
- Taking on stakeholders who enjoyed a privileged position with the previous government.

The Ford Government: a Diverse Team

- Ford Coalition
- Strong Minister of MMAH with deep Municipal Roots
- Lots of allies in caucus with strong regional representation
- Government style is still emerging

Keep and open mind



What unifies them: Shared Focus on Finance

- Relentless focus on debt & deficit
- Balance by end of Mandate
- Expect multiple rounds of cost cuts



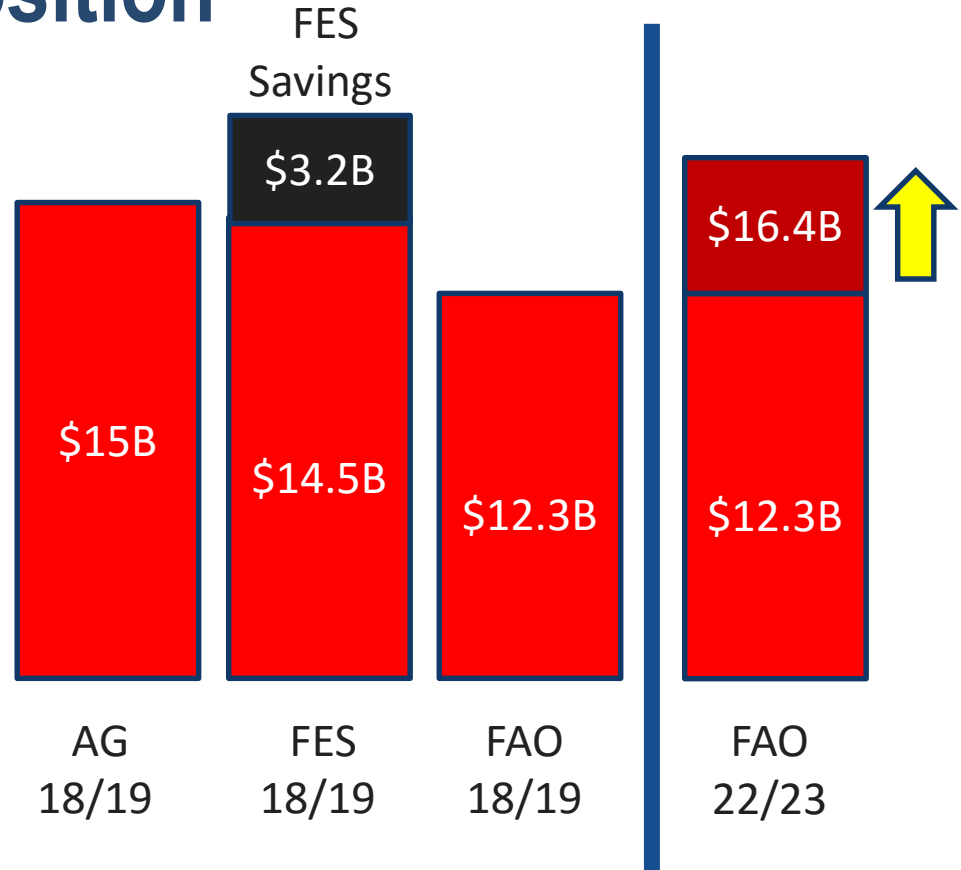
Actions Since Taking Office...

- Changes since the 2018 Budget have included:
 - cancelling the cap and trade program
 - scaling back or cancelling new spending initiatives
 - reversing tax increases introduced in the Wynne 2018 Budget
 - New tax cuts measures
- Balancing cost cutting and tax cutting:
 - the FES named \$3.2B in spending cuts, of which \$500M went to deficit reduction and \$2.7B went to tax cuts

Ontario's Fiscal Position

Duelling Projections

- Deficit of \$15B at turn of government:
 - \$1B/mo. in interest charges
- FAO warns that without further change, deficit will continue to grow.
- Government has ambitious savings targets



Just how big is the challenge of balancing?

- The Ford Government is committed to not raising taxes.
- The Financial Accountability Officer (FAO) projects that to achieve a balance without raising taxes, Ontario must limit the growth in total program spending to 1.2% per cent per year on average from 2019-20 to 2022-23.
 - Lowest since the mid-1990s.
- This would be a reduction per head of \$850 (or 8%) by 2022-23, compared to today's spending levels.

All Transfers Payments are Under Review – including OMPF

- *“while we will all be operating within a smaller funding envelope...”*
 - *“work with you to return the program to what it was originally intended to do, support the northern and rural municipalities that need it the most.”*
- Letter of the Hon. V. Fedeli to all Heads of Council, Dec. 21, 2018*

OMPF

- \$510 M

Also under review

- Policing Grants
- Public Health Grants
- Social Assistance Review

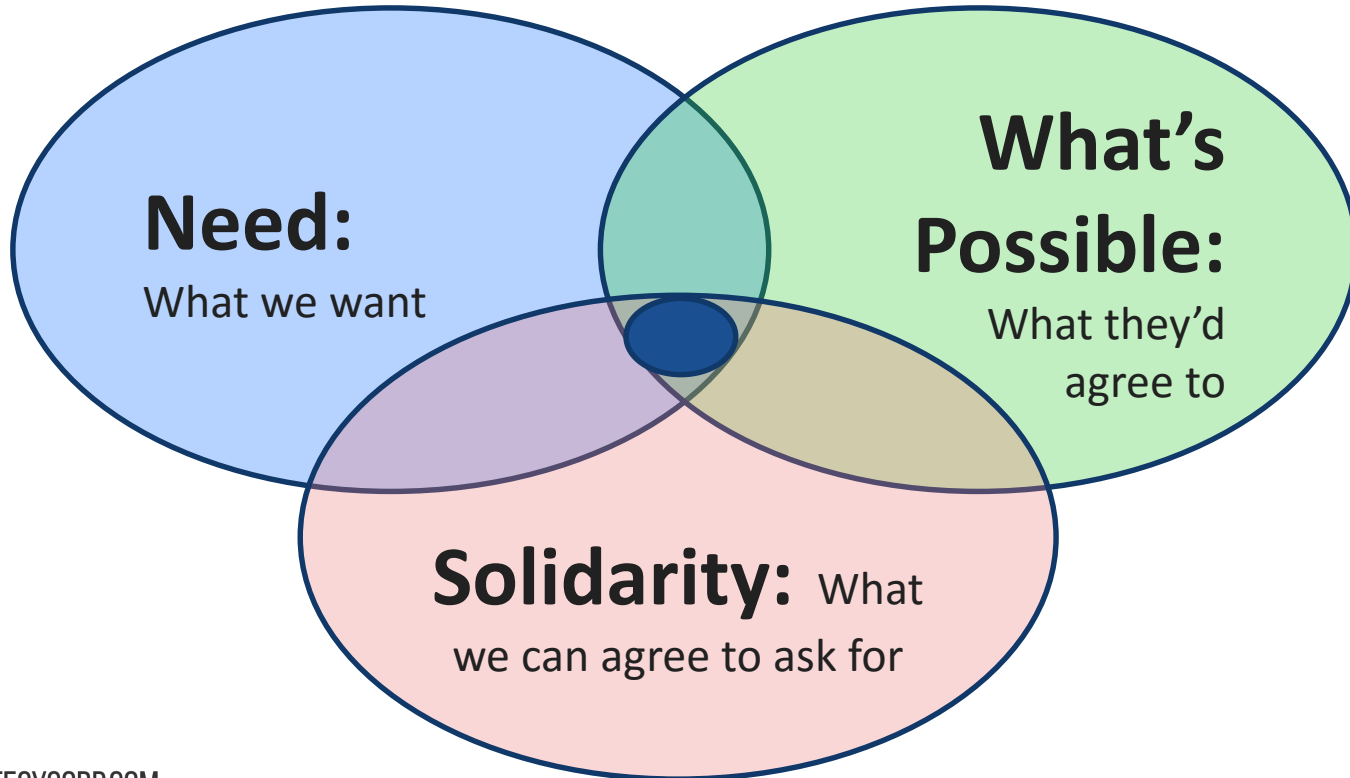
Regional Governance Review

- First time governance back on the agenda since 2003...
- Lessons from last time
 - Fiscal impacts
 - Transition costs
 - Representation issues...
- Significance for other areas



●●● **How to put your best foot forward...**

Your ask needs to combine these elements



Have some respect for their challenge

- Be empathetic to their challenges
- Watch your tone...
- Talk to them, not at them...
- Don't be the "guys who don't get it"



Empathy!

Wrong question: Why are they doing this to us?

Right question: How can they achieve what they believe they need to do without affecting the public interest in our community?

Make your best case...

1. Put the Public First
2. Update how you make your case: Business Cases
3. Better for less...not service expansion...
4. Don't assume they know your local situation... Help they know your needs

Cost Cutting

Cutting Red Tape

Housing Supply

Build Allies

- Support AMO on provincial issues
- Local coalitions for local matters
- Non-municipal allies
- Your MPP...

AMO

Regional Organizations

Other Municipalities

Your Municipality

Other Sectors

Be Realistic: what and how much you want

- Listen
- Have a Plan B
- If you can't get money, can you get policy?

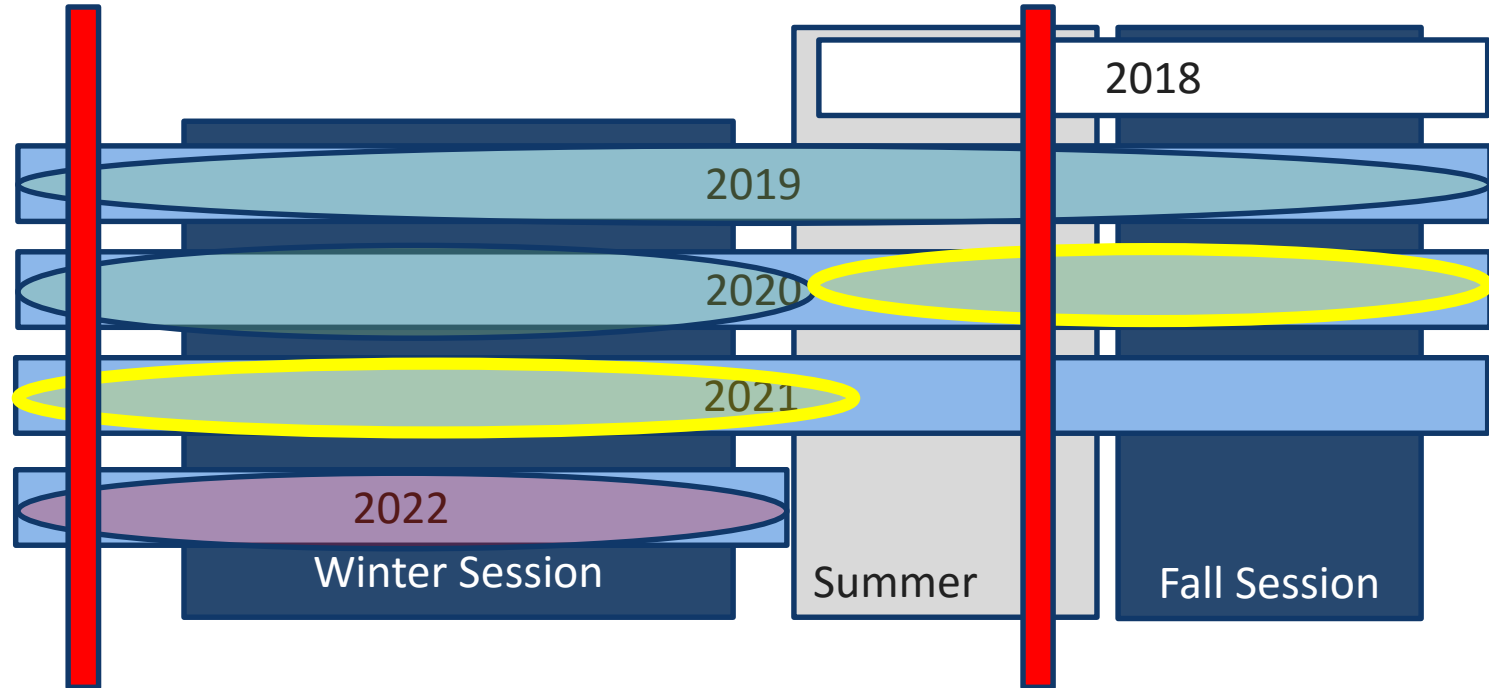
Dollars

Policy

Tools

Looking Ahead: *Political cycles are short*

- Engage early. Sustain it. Think about timing.



Keep score and improve your game

- Balanced scorecard

1. Plan &
deliver on
your strategy

2. Did we
Follow
“best
practices”

3. Success
How did we do.
How did others
do?

Key Takeaways

- 1. Empathy:** Understand their challenge and their goal.
- 2. Make your case from their perspective**
- 3. Remember to put the people first.** Broaden the coalition.
- 4. Timing:** Start now and be persistent. Educate on the issues that matter. Do not disengage.



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About the Presenter

John Matheson is Chair of StrategyCorp's Municipal Services Practice Group.

- Called to the Bar of Ontario, a lifelong political activist and advisor to Premiers, Minister, Mayors and Councils and CAOs on matters of municipal policy and inter-governmental affairs.
- Former Chief of Staff to the Minister of Municipal Affairs and Housing.
- Volunteer activist and Chair of the Board of Directors of Toronto's Power Plant Gallery of Contemporary Art.
- Delighted to be a resident of Trent Hills in Northumberland County.
- A frequent commentator in print and TV on municipal matters.

StrategyCorp's Municipal Services Practice Group provides top level strategic support to Municipalities across Canada

- Our team of professionals includes some of the best known names in Municipal Public Administration, including Michael Fenn, Shirley Hoy, Ron Shaw, and Ed Sajecki.
- Watch for StrategyCorp's Annual Survey of CAO's. Previous editions are available at: www.strategycorp.com

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