



Hamilton

# INFORMATION UPDATE

<b>TO:</b>	Mayor and Members City Council
<b>DATE:</b>	November 21, 2018
<b>SUBJECT/REPORT NO:</b>	Ontario Government Fall 2018 Economic Statement (City Wide)
<b>WARD(S) AFFECTED:</b>	City Wide
<b>SUBMITTED BY:</b>	Brian McMullen Acting General Manager Finance and Corporate Services
<b>SIGNATURE:</b>	

This Information Update provides a high-level summary of the 2018 Ontario Economic Outlook and Fiscal Review released on November 15, 2018. The following is a summary of "A Plan for the People" which is being referred to as the Fall Statement.

Provided here is a link to the Province of Ontario's website and the Fall Statement:  
<https://www.fin.gov.on.ca/fallstatement/2018/fes2018-en.pdf>

## Budget Deficit and Fiscal Outlook

The Province's 2018 Budget Deficit has been restated due to recommendations of the Independent Financial Commission of Inquiry. The Deficit, initially increased to \$15 Billion from \$6.7 Billion, has been reduced by \$0.5 Billion to \$14.5 Billion due to shifting spending priorities.

Ontario's economy is expected to grow over the 2018 to 2021 period, with rising employment, higher incomes, improved business investment and gains in exports. Inflation is expected to reach 2.5% in 2018. Long-term interest rates are expected to rise from 2.3% in 2018 to 3.4% in 2021.

## Impact on Municipal Governments

The impact of this Economic Statement on municipal governments includes:

- Amendments to "enable municipalities to employ full-time firefighters who volunteer in their own or other communities".

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- Intention to "reform collective bargaining arbitration between municipalities and firefighting associations to make it more transparent, efficient and accountable".
- Review of provincial transfer payments to all partners, including municipalities, "the government is committed to driving greater efficiencies and value for money. This commitment will also be required from all partners, including municipalities".
- Launch of a Housing Supply Action Plan in the Spring of 2019 by the Ministry of Municipal Affairs and Housing to address barriers that inhibit the development of ownership and rental housing.
- Amendments to the Metrolinx Act, 2006 to enhance the agency's focus on regional transit delivery along with work by the Ministry of Transportation on a broader transportation plan for the Greater Golden Horseshoe.
- Consultation followed by release of an environmental plan to fight climate change.
- Amendments to the *Municipal Act, 2001* and the *City of Toronto Act, 2006* to further clarify municipalities' authority to further restrict rules around the consumption of cannabis, similar to the rules already in place for tobacco.
- References to the potential consolidation of electricity distribution, rent control exemptions for new units, and the cancelling of the Development Charges Rebate Program saving \$100 Million, for which the City was to receive \$6.85 Million over the next 5 years to assist with the construction of new rental housing.

### **Other Highlights**

- Investing \$1.9 Billion in mental health and addiction services over the next decade, matching the federal government's commitment.
- Creating new or expanded Rapid Access Addiction Medicine clinics, so that people with addictions have access to the specialized treatment they need.
- Investing an additional \$90 Million in 2018–2019 to build 1,100 beds and spaces in hospitals and the community, including over 640 new beds and spaces to prepare for the flu season.
- Investing more than \$300 Million to support the addition of 6,000 new long-term care beds — the first wave of more than 15,000 new long-term care beds over the next five years.
- Reforming social assistance to improve outcomes, break the cycle of poverty and cut red tape.

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- Removing many provisions of the Fair Workplaces, Better Jobs Act, 2017 (Bill 148), as previously announced, including:
  - the scheduled increase of the minimum wage to \$15 per hour;
  - advanced notice for scheduling changes and on-call pay;
  - provision of three sick days, two bereavement days, and three family responsibility days;
  - provisions for equal pay for equal work.
- Exploring additional opportunities to expand collective bargaining oversight to other areas of the broader public sector.
- Reviewing the worker compensation system following recent reductions in employer paid WSIB rates

Our affiliated associations, including AMO (Association of Municipalities of Ontario) and MFOA (Municipal Finance Officers Association), continue to provide updates on Provincial Policy and announcements which City staff review for implications.

#### **Appendices and Schedules Attached**

Appendix "A" MFOA Summary 2018 Provincial Economic Statement.