



ISSN 1181-6465

Legislative Assembly
of Ontario

First Session, 39th Parliament

Assemblée législative
de l'Ontario

Première session, 39^e législature

Official Report of Debates (Hansard)

Wednesday 30 September 2009

Journal des débats (Hansard)

Mercredi 30 septembre 2009

**Standing Committee on
Estimates**

Ministry of Municipal Affairs
and Housing

**Comité permanent des
budgets des dépenses**

Ministère des Affaires municipales
et du Logement

Chair: Garfield Dunlop
Clerk pro tem: William Short

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Room 500, West Wing, Legislative Building
111 Wellesley Street West, Queen's Park
Toronto ON M7A 1A2
Telephone 416-325-7400; fax 416-325-7430
Published by the Legislative Assembly of Ontario



Service du Journal des débats et d'interprétation
Salle 500, aile ouest, Édifice du Parlement
111, rue Wellesley ouest, Queen's Park
Toronto ON M7A 1A2
Téléphone, 416-325-7400; télécopieur, 416-325-7430
Publié par l'Assemblée législative de l'Ontario

LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
ESTIMATESCOMITÉ PERMANENT DES
BUDGETS DES DÉPENSES

Wednesday 30 September 2009

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The committee met at 1627 in room 151, following a closed session.

MINISTRY OF MUNICIPAL AFFAIRS
AND HOUSING

The Chair (Mr. Garfield Dunlop): Okay, we'll reconvene the meeting. Thank you very much for your patience, everyone. We'll spend one hour with the three parties and have a round, and we are going to go back in camera at 5:30. So with that, we'll start with the government members and Mr. Delaney or—

Mr. Lou Rinaldi: Mr. Chair, just before the first question, if I may: As you know, I'm taking the minister's position today and I was appointed as parliamentary assistant just over a week ago. The minister had a previous commitment he just could not get out of, so I ask your indulgence to be kind. I know that I have really good ministry staff; they spent a couple of hours on Friday telling me everything I need to know. But I know I'm going to rely on them fairly heavily.

The Chair (Mr. Garfield Dunlop): Thank you. Deputy?

Mr. Fareed Amin: If I can raise one issue, Mr. Prue asked a question yesterday of the minister as to whether or not the minister was in receipt of any correspondence from Toromont. We did a search and we found that there was no correspondence between Toromont and the minister.

Mr. Michael Prue: No?

Mr. Fareed Amin: No, the minister did not receive any correspondence from Toromont.

The Chair (Mr. Garfield Dunlop): Okay. We'll now proceed to Mr. Delaney and the government members for 20 minutes.

Mr. Bob Delaney: Thank you very much, Chair. All right, Rinaldi, now I'm going to get you.

Mr. Lou Rinaldi: Good.

Mr. Bob Delaney: Parliamentary assistant, we've had some announcements of budget money for affordable housing, and I know in our case—again, I'm going to speak personally about western Mississauga, where I hail from—we had had some housing that had been built back at the time when interest rates were peaking. This would be the early 1980s. They peaked around 21%, and for years thereafter interest rates were very high. So regardless of the actions of governments of the day, of all

stripes, in order to cope with interest rates that were way higher than they were when builders originally made the quotes, a lot of the housing that was built circa that era was built with as many shortcuts as the builders could take.

Housing of that era is now coming up on 25 years old. I know last year, when the minister was out in western Mississauga, we had a few million dollars for Peel region to upgrade a number of projects. We walked through a lot of the housing in this one particular place, Fletcher's Creek Co-op, which is a very well-managed complex. But what we were looking at was the result of 25 years of wear and tear on housing that had been built with as many shortcuts as the builders could get away with in that era. It was kind of surprising to look at it, in what was then the middle of the summer, and realize how easily air went through the windows, what rough shape the roofs were in, what kind of condition the insulation was in and so on and so forth. Out in Peel, where they really managed the housing stock extremely well—whatever structural problems may have existed in other areas, Peel region, for a whole host of reasons, had done a very good job in looking after its social housing stock.

So at that time it was pretty easy, because it was the government of Ontario unilaterally providing a grant to Peel region and to Peel housing to upgrade housing. But today, what we find across the province is that we need governments at all levels to work together to deliver funds in combination to projects and to communities that need it.

Times are different. You know, at the moment, even though governments are running budget deficits, there's this very strong understanding that things that we needed to do anyway, which is upkeep on affordable housing, also represent stimulus to an economy that very desperately needs exactly that type of stimulus.

What I'd like you to discuss for a few minutes would be how the Ministry of Municipal Affairs and Housing has worked with other levels of government to deliver those funds to those who need it most.

Mr. Lou Rinaldi: Thank you. I'm going to try to quickly bring your attention—and then maybe I'll pass it on to the deputy for some detail. As you know, the \$1.2-billion commitment that we made together with the federal government is starting to pay some dividends, I guess. It's been a 50-50 share. Certainly, even in my riding there's some new housing that has been announced

and some that's going to be announced, from my understanding, from the agreements we made with the federal government. So we've made, I think, some huge progress. We do have the challenge of a short time frame, but I know that the ministry is working together with its partners to make sure that does happen.

At this time, maybe I'll ask the deputy for some detail.

Mr. Fareed Amin: Thank you, Mr. Delaney. We've actually worked collaboratively with the federal government and with the municipalities and service providers to develop the parameters for the program. As the PA mentioned, we have \$1.2 billion, half of which is federal and half of which is provincial. We have a commitment to spend that money over this fiscal and next fiscal, which required us to, in short order, consult with our municipal partners, because as you know, we deliver housing programs through the service managers and municipalities.

We've had discussions with CMHC, for example, on the policy parameters of the program. We have had extensive discussions with our service managers and municipalities, and part of that discussion was to ensure that municipalities are ready and understand the importance of getting these projects up and running fairly soon. Municipalities are in charge of the requisite planning approvals, and we wanted to make sure that those approvals were in place.

We've also done a fair bit of work, I think, trying to profile these programs with our stakeholders. For example, we did work with the Ontario Municipal Social Services Association. We've also done consultation with a number of social housing stakeholders, as well as people who are involved in homelessness.

We've worked federally, provincially and municipally and with the service managers to ensure that we get a program that could be rolled out fairly quickly and that addresses the elements that the different levels of government are interested in.

Mr. Bob Delaney: All right. Does anybody else have a question? Chair, how are we doing on time?

The Chair (Mr. Garfield Dunlop): Fourteen minutes.

Mr. Bob Delaney: Okay. I'd like to talk a little bit about the different types of affordable housing programs. Perhaps you could compare and contrast the old and the new ones, particularly whether they're kept separate, or discuss whether there are any merits in an effort to integrate them. I think it's a question that bears some explanation and that I think often confuses people. I think you could shed some very useful light on it.

Mr. Fareed Amin: Thank you. We have a number of transfer payment programs under the housing initiative. We have the affordable housing program, which is federal and provincial, and we've got the social housing reform program as well. We've got a program to assist low-income seniors as well as persons with disabilities. There is funding allocated to these different projects.

Perhaps what I'll do is to ask one of the housing directors to give us examples of the specific allocations under these different programs.

The Chair (Mr. Garfield Dunlop): What's your name, please?

Mr. Randy Hodge: Randy Hodge.

The Chair (Mr. Garfield Dunlop): Thank you.

Mr. Randy Hodge: As the deputy was saying, we've actually had the affordable housing program, which has been operating for the past four years and is a joint federal, provincial and municipal program.

We now have the new affordable housing program, which is the \$1.2 billion, and the social housing repair program combined. The affordable housing component of that is \$540 million over two years. The component to repair existing social housing is \$704 million over two years.

The Chair (Mr. Garfield Dunlop): Mr. Ramal.

Mr. Khalil Ramal: We heard a lot about affordable homes and the investment the government is making in order to deal with affordable home issues across Ontario, and the waiting list. As has been mentioned over and over, this is a partnership between municipal, provincial and federal.

As you know, as a parliamentary assistant—you have been the mayor of one of our cities in Ontario. For some reason, some municipalities cannot afford to meet the criteria, so they cannot participate and pay their share. I'm wondering if the ministry has some kind of strategy to avoid those problems and help all the municipalities which cannot meet the financial requirement. They'll still be able to participate in affordable homes, because as you know, those are affordable homes, not just catering to rich municipalities or a municipality that has a special way to deal with financial issues but for all the people across Ontario, all the communities, all the municipalities.

How can we deal with this issue? This was brought to our attention many different times during the consultation meetings which I attended with the minister in London.

Mr. Lou Rinaldi: Thank you very much, Mr. Ramal. That is certainly an issue. I too attended some of those consultation meetings, and that was one of the things that came up on a regular basis, plus other issues.

I maybe will ask staff to once again give us an update on how we're doing with those specific issues where municipalities already have some challenges to keep the stock that they have in good repair plus to move forward.

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Mr. Fareed Amin: Unlike most infrastructure programs, this is not a one-third, one-third, one-third funding arrangement. This is a federal-provincial program, and we have no requirement that municipalities match the federal or provincial investment. So this is money that the federal government and Ontario are making available to our service providers. We don't require matching dollars from them. So that's the first point I would make in response to your question, Mr. Ramal.

The other issue is that we're also trying to work with municipalities on the cost per unit. Previously, we had a cost per unit that was fairly restrictive. What we've done is work with our federal colleagues to ensure that the per

unit cost that the province can fund is more flexible to allow for different costs across Ontario municipalities. As you know, it costs more to build a unit in London than it would in parts of rural or northern Ontario, so we have that flexibility in the program to ensure that we can deliver the program in a fair manner across the province. This funding does not require a municipal contribution.

Mr. Khalil Ramal: Okay. Another question came to our attention while we were in a meeting, that it's so good that the governments, federal and provincial, are coming together to support those affordable homes and build them across the province, or fix them. But they had a great concern about the operating costs of those units, so whether the provincial and federal will get together in this area, and are they going to help the municipalities to also continue the support in order to operate those units?

Mr. Fareed Amin: Yes, we did hear the concerns expressed by municipalities about the operating costs for these new units. What we're doing, as you know, is we are in the process of conducting consultations with our municipal partners on a long-term affordable housing strategy. We're going to look at some of the comments we heard back on operating costs as part of that agreement. The minister also mentioned yesterday that he is quite eager to work with his federal colleague on a national housing strategy, and we're hoping that as a part of that strategy we can also discuss the operating costs associated with these new units. So we're working with our federal colleagues and also, as part of our consultation strategy, with our municipal partners to come up with an approach that works for us and the feds as well as our municipal partners.

The Chair (Mr. Garfield Dunlop): Mr. Levac?

Mr. Dave Levac: I believe we have about seven or eight minutes left? Thank you.

I want to dig a little deeper on the uptake. It's my understanding that the minister has even gone so far as to communicate with municipalities that they have not participated in the next round or the uptake, that that sparked some of the response that Mr. Ramal was talking about and then sparked the next reaction, which was to have the minister say: "Let's sit down and talk. We'll negotiate this; we'll talk about this; we'll work with the federal partners." So there is an ongoing dialogue to alleviate some of the concerns that municipalities are expressing, not on the federal-provincial capital side but on the disposition of the units afterwards and the cost per unit, that this would be a discussion that would be ongoing with the municipality. So it would not negate the capacity for the municipality, once the negotiations and the discussions go on about a process—would not stop the municipality from ultimately getting the units they so desperately need. So that's a clarity question.

Tied to that would be, how does that fit into the targets that have been established in order for us to fulfill the requirements and to help us reduce those wait times for the units and the production of the units, along with the municipalities and both the federal and the provincial governments. So if you can address that, I think it would

bode well for anybody that has, in any of the municipalities in anyone's riding, addressed the letters that were sent out to say, "We want to put you on notice that we noticed you have not applied for a unit." So if you can deal with that.

Mr. Fareed Amin: We have actually done a lot of work in aggressively pursuing a strategy with our municipal partners. In fact, in many instances what we've done is provided them with a notion allocation to say that you can get X amount if you can demonstrate to us that you have the capacity to deliver that within a certain time period. So we've done a fair bit of work in that regard to make sure that municipalities are on track to receive the federal and provincial stimulus money. You are right, Mr. Levac, that the minister will continue to have conversations with his federal colleague to ensure that we can find ways of addressing or mitigating some of the operating concerns that they have right now. Also, as I mentioned earlier, as part of our long-term affordable housing consultation, we're looking at ways of ensuring that there are innovative finance tools that we can look at to try to ensure that some of these concerns are addressed. In fact, I'm very pleased to report that on the affordable housing program itself, we have allocated close to \$173 million, which represents close to 2,000 units that have been approved for rental homeownership and northern components.

We understand and realize that we've got to spend this money in two years, and we're aggressively working with them to ensure that any concerns that they might have on the operating side don't detract them from actually taking us up on our offer to spend the money on building the new affordable housing now. I think that's a commitment the minister has made to municipalities, and that's a commitment that he is keen on ensuring that we proceed with.

Mr. Dave Levac: As a follow-up to that particular piece—and I don't want to go over. Am I okay, Chair?

The Chair (Mr. Garfield Dunlop): Yes, you've got four minutes.

Mr. Dave Levac: Okay. That piece kind of entices me to ask this question—and it's not a challenge; it's more, is it doable? When you talk about the next round of funding, we're talking about the taps eventually being turned off. So there is an urgency to make sure that those discussions take place, so that during the time in which a municipality may say, "Right at this time, because of the way things are, we might not be applying for it"—will there be some, shall I call it, wiggle room for the municipalities to come back in, if immediately they say it's because of their present circumstances, because of the discussions that are going on between the municipalities, the province and the federal government; that if something does get worked out to help mitigate that concern, the municipalities will not be told, "Sorry about your luck. You didn't apply when we told you you had to"? I'm looking for some wiggle room, if there is such a thing, inside of what you're talking about.

Mr. Fareed Amin: On the two-year stimulus money, there is little wiggle room. We've got to make sure that we spend the money year over year according to the federal guidelines. But I think it is fair to say that the minister is aggressively pursuing further conversation with our federal colleague on an extension of the AHP program. The AHP program has been extended for a couple of years. We're looking at further extensions of that program, and I think it is fair to say we're getting some receptivity at the federal level. So that might also be an opportunity for municipalities to get into the program with the extension, if that's what the federal government decides to do on the AHP.

Mr. Dave Levac: And that drills down to the capacity of the municipality to address the unit problem that they have in terms of the wait list and the amount of units that they can provide for their municipalities. Regardless of whether or not they meet that deadline of the two years, there's still an ongoing conversation to provide them with an opportunity to get more affordable housing in their communities.

Mr. Fareed Amin: We're very hopeful that we will successfully negotiate an extension of the AHP program.

Mr. Dave Levac: Thank you very much.

The Chair (Mr. Garfield Dunlop): Okay, you've got about a minute and a half left for the government caucus.

Mr. Khalil Ramal: I want to thank the parliamentary assistant and the deputy minister for answering all these questions. My question is about the private sector, or community organizations. I'm wondering if community organizations can participate in this endeavour, and can they then participate and get funding provincially and federally?

Mr. Fareed Amin: The decision as to who participates in the program resides with the service managers and the municipalities. They have the authority to decide who can apply and who's eligible. Because the programs are delivered at the local level by the service managers, they would have the decision as to whether or not community organizations can participate in them. There's nothing that we've put in place to prevent that from happening, but I think the final decision would reside with the service managers.

Mr. Khalil Ramal: I heard it needs approval from municipalities first before it's submitted to—is that correct?

Mr. Fareed Amin: That's my understanding as well, that the service managers would require the approval of the municipality. But—

The Chair (Mr. Garfield Dunlop): I think that's good. Thank you very much to the government members. Now to the official opposition. Ms. Savoline?

Mrs. Joyce Savoline: Yesterday, when I opened, I talked about the 2008 AMO conference and the fact that when the Premier spoke to the delegations, he said that there would be some difficulty in moving as quickly as originally hoped with the uploading. So I just want to go through those time frames again. Because there was some indication that there would be a more delayed time frame

than originally planned, could the parliamentary assistant please confirm that it is still the government's intent to have Ontario Works uploaded by 2018?

1650

Mr. Lou Rinaldi: Thank you, Ms. Savoline. I think what the Premier did say is that because of the circumstances we find ourselves in—and I was at the convention as well—there may be some challenges in trying to meet those. But he also qualified that we will try to maintain the schedule to the best of our ability, and if something can be uploaded earlier, because it is a fairly long process, then we would do that.

I think, if you remember correctly, during the consultation process with AMO and the city of Toronto on the uploading—coming to that document—some of those services were uploaded even before the final document because the municipality, at that time, stressed that those were some of the things it really needed help with. So I think the Premier's very, very clear: Yes, there might be some delays, but to my understanding, and maybe the deputy can clarify, the schedule's still on, and we will try to do the best we can.

As you know, a year and a half ago or a year ago, I don't think anybody would have guessed what the world would look like today or what we just went through although, we think that we're in a rebound, and it all depends on that rebound and the flexibility. With all fairness, I think folks from the municipal sector that I've had the opportunity to speak with on the issue all understood that and I think they were very appreciative.

Mrs. Joyce Savoline: Just for my sake, then, when is the target for court services? Can you confirm what that date is going to be for uploading?

Mr. Lou Rinaldi: The target for that is 2012. And that was to a maximum of \$125 million.

Mrs. Joyce Savoline: And just one more question about the Ontario municipal partnership fund, the OMPF: Your government has indicated that the level of OMPF funding is going to decline and it'll be around \$500 million by 2016. That's supposed to reflect the lower social service costs because of the uploading of programs like ODB and ODSP and Ontario Works. In 2008, the records show that there was \$870 million that went out the door. So the change to OMPF is of particular concern to the rural municipalities, and you would know that because you represent a fairly rural municipality. What percentage of municipalities would be worse off as a result of this new funding arrangement?

Mr. Lou Rinaldi: I just want to clarify the previous question, Ms. Savoline. For court security, it would start in 2012; it wouldn't be completed until some time after.

Your OMPF question: That's really a Ministry of Finance responsibility, although we at municipal affairs take some responsibility for municipal issues. What we've been saying all along, I think, is that the OMPF funding was sort of a rebalance from the old CRF funding, where municipalities, frankly—and I know you were there and I was there—were having a hard time understanding how one would come up with those

numbers. So we redefined the OMPF funding to have a formula that municipalities could understand. They might not be happy or they might be happy, but at least they knew how they got there.

Also, during the negotiations with the uploading piece, AMO and the city of Toronto—well, the city of Toronto really didn't get OMPF funding, so it was really AMO. As we shifted responsibility—and some of that OMPF funding was to address some of the social services shortfalls—those numbers will be readjusted. That's the process that I believe you're going to see in the next fiscal, and I believe that's the indication of the Minister of Finance.

I'm not so sure I'm prepared, unless the deputy is, to speak about specific numbers, but obviously it's not about more money; it's about being fair and equitable for some of the services that municipalities really should never have had to pay for in the first place.

If you have anything to add—

Mrs. Joyce Savoline: Will—I'm sorry. Deputy?

Mr. Fareed Amin: No, I don't have anything further to add.

Mrs. Joyce Savoline: I guess my concern is that municipalities—whenever there's talk about “Oh, it's another ministry's responsibility,” these silos start to grow, and the place where all these municipalities come together is in your ministry. So I would like you to confirm that should there be discrepancies and municipalities find that they are receiving less money in this exchange that's going to be taking place, they can come to the Ministry of Municipal Affairs and have you go to bat for them so that they're not financially challenged because we tried to set the record straight.

Mr. Lou Rinaldi: Well, I think the minister made it very clear yesterday that our responsibility within this ministry is to respect municipalities and bring their issues forward.

I can tell you, outside of the ministry I do help with—I have eight municipalities that I represent and one upper tier. Certainly, in a conversation with them—and I think the minister made it very clear that we respect municipal concerns. I think we built that relationship in the last few years and I think that there's mutual respect from both sides.

So to say that—I guess when I made the comment about that being the responsibility of finance, I meant that in the sense of the specifics on how that formula is.

I know that the minister, coming from a municipal background, like some of us here, gets those things. One of the comments I make when I meet with my municipal representatives is, “Cut the preamble. I was there and I understand that. Now let's see what we need to do to move forward tomorrow.” Not that I want to put words in the minister's mouth, but I think that's the way he operates with the municipalities as well. So we will do whatever we possibly can, because—

Mrs. Joyce Savoline: But coming from a municipality, as you and I have, we've been caught between ministries, so that's why I asked that question again.

Mr. Lou Rinaldi: Sure. That's a fair question.

Mrs. Joyce Savoline: I want to now turn to another subject and that is expenses, something that we've been talking about in the House in the last few days, and that we spent a little bit of time on last spring. I'd kind of like to jump to that.

According to the 2009-10 results-based plan briefing book, some of the ministry's communication and transportation expenses are increasing quite significantly. The land use planning and building regulation operating expenses have seen more than a 17% increase in transportation and communications over the last year.

Can you, parliamentary assistant, explain why this \$112,000 increase was required, and perhaps what is categorized as a communications cost? Is it outside consulting, perhaps? I just need a clarification for what it might be.

Mr. Lou Rinaldi: Thank you. Maybe what I'll do is turn that to the deputy or staff to get specific with those numbers.

Mr. Fareed Amin: I'm just looking at the page you're referring to, Ms. Savoline, so if you could point me to the—

Mrs. Joyce Savoline: I don't have the book in front of me. I'm sorry, I didn't bring it down.

Mr. Fareed Amin: Because I have the—

Interjection.

Mrs. Joyce Savoline: It isn't my marked-up copy. Under the yellow tab—

Mr. Fareed Amin: I'm just trying to find the relevant section here in the binder.

1700

Mrs. Joyce Savoline: It's on page 93. Transportation and communications, the third line down in the graph.

Mr. Fareed Amin: There were a number of things that resulted in that increase, including some work we did for the Accessibility for Ontarians with Disabilities Act. We had some activities in that regard. We also did a fair bit of work on looking at the requirements for the 2011 building code development, as well as building some capacity in the ministry on aboriginal awareness. We did a fair bit of work with our colleagues in the Ministry of Aboriginal Affairs, as well as within the ministry, looking at how we could build aboriginal capacity and awareness within the ministry and with our stakeholders. So that, I think, would account for the increase in the communications and transportation line item that you identify in the results-based planning briefing book.

Mrs. Joyce Savoline: And the operating expenses for the affordable housing program: There's an increase in transportation and communication costs again. This is an increase of almost \$400,000. So again, if the parliamentary assistant could explain why this very large increase?

Mr. Fareed Amin: Can you repeat the figure that you—

Mrs. Joyce Savoline: It's \$376,267.

Mr. Fareed Amin: I'll have to get back to you on that question.

Mrs. Joyce Savoline: I can't spot my graph right now either.

I'd like to talk about the public accounts that were released last Friday. Could the parliamentary assistant provide all expense claims, contracts, per diems that were applicable for Karen Rodman?

Mr. Fareed Amin: Those were costs associated with relocation costs for one of our employees who was recruited from outside of the GTA. All the expenses incurred in that regard were in compliance with Management Board directives.

Mrs. Joyce Savoline: Again from last Friday's public accounts, could you provide all expenses and contracts for Ryerson University for the 2008-09 fiscal year?

Mr. Fareed Amin: This is the \$109,000 that was provided to facilitate an annual foundation level membership with the Ryerson Centre for the Study of Commercial Activity for 2008-09 and 2009-10. Here is where we partner with Ryerson University to do a study of commercial activity and also to undertake an assessment of brownfield redevelopment. This was a partnership with the university in doing some work on commercial activities as well as looking at some work associated with Brownfield Redevelopment.

Mrs. Joyce Savoline: With their planning department?

Mr. Fareed Amin: I'm not sure if it was with their planning department per se. I can get that information for you. No, it was the Ryerson Centre for the Study of Commercial Activity.

Mrs. Joyce Savoline: For commercial activity?

Mr. Fareed Amin: Yes, that's correct.

Mrs. Joyce Savoline: Could you provide a list of all consulting contracts under \$25,000?

Mr. Fareed Amin: Yes, I can provide you with it. I have a list that I could read into the record, if you wish. But if you would like me to provide you with a copy of that, subject to—

Mrs. Joyce Savoline: A copy would be fine.

Mr. Fareed Amin: Subject to whatever freedom-of-information requirements that might exist, I can provide you with that information.

Mrs. Joyce Savoline: And also a list of all sole-source contracts over \$25,000.

Mr. Fareed Amin: I can provide you with that as well, subject to whatever FOI restrictions may exist.

Mrs. Joyce Savoline: And the last on the contracts: Could you provide contracts with EllisDon?

Mr. Fareed Amin: I will do a search. I don't recall us having any contract with EllisDon, but I will do a search and double-check.

Mrs. Joyce Savoline: Could you provide me, then, parliamentary assistant, with the amounts spent on contracts for external consultants as well as the names of the consultants? External.

Mr. Fareed Amin: Again, what I can provide to you, I will, subject to, again, the caveat I made earlier, that if there is any protected information, I will comply with the

FOI provisions. But subject to that, I will provide you with that information as well.

Mrs. Joyce Savoline: So names of companies—

Mr. Fareed Amin: Is that for 2008-09?

Mrs. Joyce Savoline: Yes. Would that be names of companies that would be protected under FOI?

Mr. Fareed Amin: There might be some other sensitive information in there. I just use that caveat, Ms. Savoline, so that I don't mislead the committee inadvertently.

Mrs. Joyce Savoline: So what I'm looking for is the amount spent on the contract, the total, and the name of the company that is associated with that amount.

Mr. Fareed Amin: Yes.

The Chair (Mr. Garfield Dunlop): You have two minutes.

Mrs. Joyce Savoline: All right. I'll ask this last question, then: Could you, parliamentary assistant, provide all the expenses—that would be including the expenses for travel, meals, accommodations and per diems—for the chairs of the Ontario Building Code Commission, Mr. Antonio Chow; the Building Materials Evaluation Commission, Mr. Edward Link; and the Ontario mortgage board, Mr. John Burke; and the CEOs, for the past two years?

Mr. Fareed Amin: Again, subject to what I'm permitted to disclose, I will endeavour to provide that information to you.

Mrs. Joyce Savoline: Thank you. I'll stop there.

The Chair (Mr. Garfield Dunlop): Thank you very much. Will Mr. Bailey give a minute question?

Mr. Robert Bailey: No.

The Chair (Mr. Garfield Dunlop): Okay, then we'll move over to the third party. Mr. Prue?

Mr. Michael Prue: On the last occasion I was asking the minister a question about sub-metering. I have some more questions on that. I did ask a question in the House which was answered by the Deputy Premier today. But as the parliamentary assistant knows, electricity sub-metering in the residential apartment building sector proceeded unlawfully and without regulation for many years. Because of consumer complaints, the Ontario Energy Board issued a compliance bulletin in March 2009 to draw attention to the situation and to try to stop the activity. In August 2009, the Ontario Energy Board held a hearing on this matter, issuing a decision that it characterizes as an interim one, given the lack of a legislative response from the provincial government on this issue and the pressing need for such action. The OEB's view is that the best mechanism for authorizing discretionary metering is legislative, specifically developed and enacted by government following consultation of the issues. The Ontario Energy Board decided that all agreements that had been made between tenants, landlords and smart sub-metering providers from November 2005 to August 2009 were unenforceable, and they upheld the rights of tenants to refuse sub-metering being imposed upon them. That's the situation that exists today.

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Will the ministry review whether sub-metering is the most effective and fair way to reduce energy use in the rental sector? Is the ministry planning a review of that?

Mr. Lou Rinaldi: Mr. Prue, I believe the minister—I stand to be corrected—indicated yesterday that there's a review taking place. I think the minister indicated yesterday—once again, I stand to be corrected—that the minister will certainly take an active role from the housing perspective of the ministry. I'm not sure that I could add any more to that. I'll ask if the deputy can.

Mr. Fareed Amin: The only comment I would make, Mr. Prue, is that we are actively working with our colleagues at the Ministry of Energy and Infrastructure on sub-metering, and that the minister has made a commitment to ensure that whatever policy he implements is fair both to tenants as well as landlords. But this is an issue that he is seized with and working on with our colleagues from MEI.

Mr. Michael Prue: Will this study include an independent analysis about the financial impact of electricity sub-metering on tenants and verify claimed energy savings?

Mr. Lou Rinaldi: Mr. Prue, I'm not sure that we have the details to address what you're asking. All I can say is that action was taken to do the review and to report. I think one needs to give a fair opportunity for that process to take place. I'm confident that the minister will work with his colleagues to address that.

If I might just add, on the whole conservation piece, as you know, we've made some huge strides both in green renewable energy and in conservation. For example—I forget the date now—we're going to be outlawing incandescent bulbs, and actions as such, that certainly conservation is part of the mix as we move forward.

Mr. Michael Prue: What are the timelines the ministry has set for this study? When can tenants expect an answer?

Mr. Fareed Amin: We're actively working with our colleagues at MEI, Mr. Prue. I don't have the specific timeline attached to it, but I can endeavour to discuss that with my colleagues at MEI. If there is an expected timeline, I will provide that information to the committee.

Mr. Michael Prue: In the interim, what should tenants be doing? Refusing to pay?

Mr. Lou Rinaldi: I really can't answer that question. Can you—

Mr. Michael Prue: They need an answer. If they refuse to pay, what's going to happen? If they pay and it's being collected illegally, what's going to happen?

Mr. Lou Rinaldi: Why don't we endeavour to get the current status of where the review is and what the process is? We'll certainly endeavour to—I'm sure that, as part of the process, we'll be able to address your question. If you could bear with us, we'll get you that answer.

Mr. Fareed Amin: The other suggestion I would have, Mr. Prue, is that if tenants feel that the money that they are paying for the consumption of electricity is

unusually high, they can file an application with the Landlord and Tenant Board.

We're going to try to make sure that whatever regime is implemented is fair to both tenants and landlords. In the interim, that option does exist for tenants.

Mr. Michael Prue: The OEB was quite clear, though, that the landlords have acted beyond the scope of the law and the sub-metering companies beyond the scope of the law. Why would you be seeking to protect the landlords who acted in that capacity?

Mr. Lou Rinaldi: Well, Mr. Prue, I think the ministry—not this ministry, MEI—has certainly taken quite an interest in intervening, to do this study and report to see how we can best handle the situation. I do believe that—and I can only speak about myself; I'm sure we're all equal, the same as you—when we have means of measuring things, we're more cognizant of the use of those services that we use, in this case hydro, and if there was some kind of an arrangement or a process in place where tenants were able to physically see the cost of energy that they use, they would possibly think of other ways of accomplishing whatever their goal is. I think the ministry has acted, but we're committed to get you that time frame and what other options tenants have, besides going to the board.

Mr. Michael Prue: Well, I would be in full agreement if it was just the tenants having the authority to monitor how much electricity they're using, but how do they control factors such as leaky roofs, leaky basements, leaky airflow through windows, improper insulation? I know of many tenants who have no option in the winter except to turn on the oven and open it up in order to heat their apartment, and now they're being metered. What am I supposed to tell them?

Mr. Lou Rinaldi: You make a valid point. I don't think we're arguing that. This is why we are taking some action to see how we can best address this. The minister indicated yesterday that he's committed to act responsibly from both ends, landlords and tenants. It's certainly something that has created an issue of sorts, and the ministry is trying to deal with it and we will commit to have that information for you.

Mr. Michael Prue: The—

Mr. Fareed Amin: They're also—if I may, Mr. Prue—some conditions attached to the OEB order, which includes an energy audit, consent from the landlord, as well as a number of other conditions that the landlord would have to meet before the imposition of sub-metering in these apartments. So we're hopeful that some of those conditions attached to the OEB order could, to some extent, mitigate the impact that this would have on tenants.

Mr. Michael Prue: Just while you're on that point, if tenants' informed and voluntary consent is required for sub-metering, what conditions will the ministry set to ensure this is the case? Because right now the OEB is very clear: The OEB said that even though landlords would go, and even though the tenant would sign the form, that did not constitute informed consent because

they really had no idea of what they were getting into. How is the ministry going to ensure that every single tenant who is sub-metered will have the wherewithal to understand?

Mr. Lou Rinaldi: I think, if I may, Mr. Prue, not to belabour the point, you do bring a really good question. I think what we need to try to do, and what we're trying to accomplish—we know that that's an issue, but we also have to look for a long-term solution to this, because it's not one time as we move forward. I know that the minister and staff are working very hard with MEI to address that issue, but on an equal basis with the move forward for the long-term.

Mr. Michael Prue: My next set of questions has to do with the relationship between the ministry and municipalities. First are just a couple of general questions. The former minister had extensive dealings with the city of Kawartha Lakes in its effort to dissolve itself; as well, some reference was made on occasion to Essex county trying to get out of its forced amalgamation. Does the ministry have any plans, any new documentation or any new set of guidelines to deal with municipalities who are unhappy with their forced amalgamation, of which there are many?

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Mr. Lou Rinaldi: I'm not specifically aware, but I think both the previous minister and this minister have made it fairly clear that the amalgamations or de-amalgamations would have to come within, from the bottom up. I believe that's still roughly our policy, if I'm not mistaken. Deputy, do you have anything to add?

Mr. Fareed Amin: No, nothing to add to that.

Mr. Michael Prue: The minister said that it had to be requested by the council, not by the people, so that even if the people wanted it, it didn't matter; they weren't going to listen to referendums. The council itself would have to make a determination, and even when they did so, they'd have to show financial reasons why it was—there's a whole bunch of conditions. None of that happened in the reverse; nobody was questioned in the reverse. Why does the ministry think that it's necessary to make it so onerous to de-amalgamate when it was so easy to amalgamate?

Mr. Lou Rinaldi: Well, Mr. Prue, I think to say that the public doesn't have a say is not quite correct. You've been in this business probably longer than I have been, and the public has a lot to say when it comes to election time. I'm a little bit familiar with—well, not familiar; being in proximity to—the Kawartha Lakes, and councils of the day and councils of today possibly, I'm not sure, paid the price for the decisions they made. The people spoke at election time—municipally, I'm referring to. So people do have a say through that democratic municipal election process when it comes to that sector.

Mr. Michael Prue: They have a say in who they vote for, but they don't have a say in how the town is structured anymore.

Mr. Lou Rinaldi: I would argue with you, because in many cases on any issue, whatever level of government,

candidates will put forward their platform, whether it's municipally, provincially or federally, and people, I would hope, would vote for what those folks stand for. So just to reiterate, the minister would, as stated in the past, consider a request for restructuring that is locally driven and meets the following criteria: approval and submissions of the proposal by local council or the appropriate councils in two-tier municipalities, demonstrate fiscal self-sustainability for all proposed new municipalities and demonstrate property tax fairness for all residents.

So, once again, the referendum is at the ballot box. I'm a strong believer that democracy does work.

Mr. Michael Prue: Getting off the amalgamation issue and onto what I think is probably the most thorny issue for municipalities, and certainly must be for the minister, is the ongoing saga of the city above Toronto. I know that I have a fairly extensive file—people sending me e-mails, correspondence, letters, magazine articles, newspaper stories—and it never seems to end. Is the ministry at all involved in the ongoing saga of what the residents like to call “the city above the law”?

Mr. Lou Rinaldi: My understanding is that the city of Vaughan is in the process of adopting a new municipal code of conduct for members of council and then also establishing a code of conduct for its staff. I think within, that municipality recognizes some of the shortfalls, and as you're aware—and I'm sure the minister, although I can't reflect his thoughts specifically here today—local solutions normally work best for the local communities. The city of Vaughan is making an effort to put processes in place, and I think that's been widely reported in the media. I believe that at the end of the day they'll come up with solutions that best fit their community.

Mr. Michael Prue: Can the ministry explain to me why the government of the province of Ontario has on several occasions, and most recently with the Toronto Catholic District School Board, walked in with far less information than you have for the city of Vaughan? You put in a supervisor. Why is the ministry reluctant to take the same action for a municipality?

Mr. Lou Rinaldi: Mr. Prue, I think we need to compare apples with apples, to be fair. The school boards, the same as hospitals, are 100% funded by the province. We're responsible for some of the decisions those school boards make and the money that they spent. Municipalities set their budgets and their governance structure. So I don't think it's a fair assessment, why we do it with the school boards and not with the municipalities.

I must say, from my experience in municipal council, there are avenues that one could pursue. But maybe the deputy could add to that piece a little bit.

Mr. Fareed Amin: Yes. In fact, we've had senior staff from the ministry meet with officials from the city of Vaughan. We also, as we do with all municipalities across Ontario, monitor their financial situation and look at their FIR on an ongoing basis. I think it is fair to say that at this juncture in time we are satisfied that on the financial side the municipality is not at risk. To intervene in the

manner you describe, at this stage, Mr. Prue, may not be the optimum solution. But we are monitoring their situation very actively, and as I mentioned earlier, our staff had several meetings with senior officials from the city of Vaughan.

Mr. Michael Prue: The ministry must be aware of all of these things and what the ministry did, if anything. There were financial audits in 2006 of the municipal elections, requested by the taxpayers of Vaughan and conducted by Ken Froese, identifying 200 Municipal Elections Act contraventions for three of the elected members. The Ministry of Municipal Affairs must be aware that that took place and that the information is readily available.

Mr. Fareed Amin: Yes.

Mr. Michael Prue: Did the ministry do anything?

Mr. Fareed Amin: As I said, we're monitoring the situation. Some of the information we have received is information that we monitor and review on an ongoing basis. If we feel that there is a situation in which the minister needs to intervene, we will look at that and make a recommendation to the minister.

Also, as you probably know, under the Municipal Elections Act, concerns about candidates' election finances are matters to be dealt with locally. The act does not provide for the ministry to conduct a review or do a compliance audit. This is all done locally. The obligation resides with the local council. Compliance with the legislation is done through the courts.

The Chair (Mr. Garfield Dunlop): Just a minute left, gentlemen.

Mr. Michael Prue: Thank you. If the local council is unwilling or unable to conduct or to do what is necessary, the ministry then washes its hands of it?

Mr. Fareed Amin: We would continuously monitor what's happening, as we do with every single municipality across Ontario. I think it is fair to say that if at the staff level we deem anything to be a risk or a financial risk, we would make recommendations to the minister. In the case of Vaughan, we are doing that through a review of their FIR returns. As I mentioned earlier, we're also having our staff meet with senior officials. We are actively ensuring that the municipality is not at financial risk, and if it is, I think at that point in time we'll make the appropriate recommendations to the minister.

Mr. Michael Prue: Thank you very much. Mr. Chair, I will be continuing on this line, so we can bring that file back when we return.

The Chair (Mr. Garfield Dunlop): That finishes the third party's rotation. We agreed that at 5:30 we would go into an in camera session. I want to thank the ministry staff for being here this afternoon. We'll see you again next Tuesday morning at 9 o'clock. If you could excuse us, we'll stay in committee from this point on. Thank you.

The committee continued in closed session at 1730.

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