

**Ministry of Finance**  
Deputy Premier  
Office of the Minister

**Ministère des Finances**  
Vice-premier ministre  
Bureau du ministre



7<sup>th</sup> Floor, Frost Building South  
7 Queen's Park Crescent  
Toronto ON M7A 1Y7  
Telephone: 416 325-0400  
Facsimile: 416 325-0374

7<sup>e</sup> étage, Édifice Frost Sud  
7 Queen's Park Crescent  
Toronto ON M7A 1Y7  
Téléphone : 416 325-0400  
Télécopieur : 416 325-0374

**To: BPS Employers**

**RE: Provincial Compensation Framework**

In March, when I tabled the 2012 Budget, Strong Action for Ontario, I laid out a plan to keep Ontario on track to balance the budget by 2017-18. I indicated then that eliminating the deficit was the single most important step the government could take to grow our economy, and protect and create jobs. I said the government was committed to getting its fiscal house in order while protecting the services that matter most to Ontarians: health care and education.

That strong action includes a plan to transform the broader public sector (BPS).

Our partners in the BPS play critical roles in providing services to Ontarians and the McGuinty government has always valued, and will continue to value that work. Compensation for the BPS accounts for more than 50 per cent of all Ontario government spending.

The government is asking all Ontarians to do their part in returning the budget to balance.

As you know, we have asked teachers and doctors to hit the pause button for two years. And now we are asking others in the BPS to do the same.

To meet the government's fiscal targets, the fiscal plan provides no funding for incremental compensation increases for new collective agreements.

The government respects the collective bargaining process and will leave existing agreements intact. The government will also insist that its partners continue providing high-quality health care, education and other key public services to Ontario families.

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Ontario is expecting its bargaining partners to meet the following criteria:

- For two years, collective agreements should not allow for increases in compensation. This includes wages, performance pay and benefits. Any movement through an established grid must be fully offset from within the total compensation package. Should parties wish to enter contracts of more than two years, those contracts should contain no increases in compensation during the additional period.
- The *Broader Public Sector Accountability Act, 2010*, implements compensation restraint measures for designated executives at hospitals, universities, colleges, school boards and designated organizations. The restraint measures are effective March 31, 2012, and are in place until the province ceases to have a deficit.
- Decisions related to compensation for non-executives who are not governed by collective agreements should live within fiscal targets.

These criteria are consistent with the approach the government is taking with teachers' compensation and doctors' fee for service arrangements.

In addition, there should be no agreement to terms that impose longer-term costs or restrictions on service delivery.

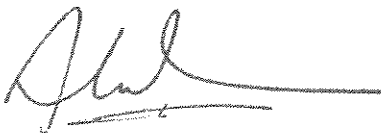
You, as an employer, are expected to share these parameters with your bargaining agents. The McGuinty government believes being transparent about our expectations will support the collective bargaining process and good-faith bargaining.

As the 2012 Budget states, where agreements cannot be reached that are consistent with the government's plan to eliminate the deficit, the government is prepared to propose necessary administrative and legislative measures.

In addition, the 2012 Ontario Budget announced a number of initiatives intended to improve the sustainability, affordability and efficiency of pension plans in the Broader Public Sector. The government is currently conducting consultations on the affordability and sustainability of public sector pension plans.

Ontario is facing some challenges. Strong action is required to eliminate the deficit, protect jobs and encourage the creation of new jobs as well as economic growth. I know I speak for my Cabinet colleagues when I say that we appreciate everything that all parties are doing to help move Ontario forward.

Sincerely,



Dwight Duncan  
Deputy Premier  
Minister of Finance

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**Ministry of  
Municipal Affairs  
and Housing**

Office of the Minister

777 Bay Street, 17<sup>th</sup> Floor  
Toronto ON M5G 2E5  
Tel. 416-585-7000  
Fax 416-585-6470  
[www.ontario.ca/MAH](http://www.ontario.ca/MAH)

**Ministère des  
Affaires municipales  
et du Logement**

Bureau du ministre

777, rue Bay, 17<sup>e</sup> étage  
Toronto ON M5G 2E5  
Tél. 416-585-7000  
Téléc. 416-585-6470  
[www.ontario.ca/MAH](http://www.ontario.ca/MAH)



12-4257

July 19, 2012

Dear Head of Council:

I am enclosing a copy of a letter that the Minister of Finance sent earlier this week to the Broader Public Sector setting out the government's collective bargaining expectations as outlined in the 2012 Budget.

As described in Minister Duncan's letter, no form of increased compensation should be allowed in all new Broader Public Sector collective agreements. Given that municipalities are separate governments, which have their own duly elected representatives, the government's approach does not apply to municipalities and municipal entities including police, fire and land ambulance. However, it does apply to municipal long-term care homes and public health units because of the significant funding and oversight provided by the provincial government for these entities. In regards to bargaining not covered by this approach, the government continues to expect municipalities to follow our lead and conduct their bargaining with due regard for their own budgets.

Minister Duncan also notes that the 2012 Ontario Budget announced a number of initiatives intended to improve the sustainability, affordability and efficiency of pension plans in the Broader Public Sector. The government is currently consulting on a proposed framework for jointly sponsored public sector pension plans such as the Ontario Municipal Employees Retirement System to ensure that measures used to improve plan funding do not add to employer and taxpayer expense, beyond what has already been agreed to. The government will also consider a variety of tools to enhance the sustainability of broader public sector single-employer pension plans, and expects that these plans will move to a 50-50 cost sharing formula for ongoing contributions within five years.

As well, the government has stated its intention to re-introduce a focused, balanced package of reforms that would, if passed, increase the accountability of interest arbitration proceedings.

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I trust you have found this information helpful and I appreciate your co-operation as we move towards building a stronger Ontario.

Sincerely,

A handwritten signature in black ink, reading "Kathleen Wynne". The signature is written in a cursive, flowing style.

Kathleen Wynne  
Minister

Enclosure

c: Gary McNamara  
President  
Association of Municipalities of Ontario



Renfrew County  
**United Way**

FOR IMMEDIATE RELEASE

2012 July 19

### **Renfrew County United Way's 211 Partnership a Success! Annual Report for Province-Wide Operations in 2011 Released**

Since Renfrew County United Way launched the 2-1-1 non-emergency telephone service in Renfrew County just over a year ago, people have increasingly found that this free information and referral hotline is just what was needed to link them to available human services in their community.

According to the just-released 2011 Annual Report, the Ontario-wide 211 service is becoming widely known and used throughout the province and is rated among one of the top information and referral services in North-America. With a 92% satisfaction level for call-centres, the seven 211 phone centres (including the one that services Renfrew County from the Community Information Centre of Ottawa) have received a much-coveted award for top customer service satisfaction.

Calling 211 connects the caller quickly and effectively, with minimal stress, to a full range of community, social, government and health services in the county and throughout Ontario. 211 is a 24-hour, 7-day, multi-lingual telephone service that offers support to the public in times of difficulty or during non-life-threatening emergencies. All calls are held in the strictest of confidence. By offering a real caring person on the other end of the phone who is a licensed information and referral agent, 2-1-1 assists callers in finding professional help locally and quickly. For Renfrew County residents, 211 relies on County Connections, an information source of human services available in the county that is managed by Community Resource Centre (Killaloe) Inc.

Since first launched in Toronto in 2003, the 211 service has worked at creating one of the largest databases of community, social, government and health services contact information in Ontario and has accomplished their goal of being accessible to 100% of Ontario. 211 service is also being introduced across Canada through the efforts of United Way of Canada autonomous regions. United Way of Canada has been assigned the privilege of sponsoring 211 services by the Canadian Radio-television Telecommunications Commission.

United Way's across Ontario, including our local Renfrew County United Way, are proud to be a financial partner and lead agency for this program, along with the provincial and federal governments. The ability to work with 211 in offering access to information on affordable housing, support for families in crisis, services for seniors, aid for school supplies, government assistance or just a friendly ear is just what the Renfrew County United Way is all about!

The Ontario-211 annual report for 2011 is available on the Renfrew County United Way website at <http://renfrewcountyunitedway.ca/>.

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For further information, please contact:

David Studham  
Executive Director  
Renfrew County United Way  
(613) 735-0436

