



FOR IMMEDIATE RELEASE

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**PROVINCE CAN'T FAST-TALK ITS WAY OUT OF BILL,
EASTERN ONTARIO MUNICIPALITIES SAY**

TORONTO –The Province “is trying to fast-talk its way out of paying a multi-million-dollar bill” for provincial services delivered on its behalf by municipalities, Eastern Ontario officials said today.

Bob Sweet, warden of Renfrew County and chair of the Eastern Ontario Wardens' Caucus, said that “we want payment, not more confusion” from the Province. He was responding to an announcement today by Municipal Affairs Minister John Gerretsen at the annual conference of the Rural Ontario Municipal Association.

At issue are payments owed for 2003 and 2004 under a fund created to help offset the costs of provincial downloading such provincial services as social housing, child care and ambulance services. Sweet said that “instead of doing the right thing and paying up, Minister Gerretsen announced a so-called transition fund of \$200 million for the entire province. That amount is nowhere near what they owe us for services that we paid for out of our own pockets on their behalf.”

The shortfall will affect most municipalities in Eastern Ontario, and could lead to local increases of at least 10 per cent to pay for the provincial services. “Like our counterparts in the counties, we are deeply concerned about today’s announcement,” said Peterborough mayor Sylvia Sutherland, who chairs a group representing the cities in Eastern Ontario.

While the Minister indicated that the fund would focus on the 2003 bill, Sweet noted that “the big problem is 2004, when many municipalities in Eastern Ontario incurred huge increases in delivering these services.” The wardens estimate that their municipalities are owed \$8 million for 2004.

Officials at the conference pointed to the impossibility of preparing their 2005 budgets, which they are currently trying to do, given the uncertainty around both last year’s unpaid bill and changes the Province wants to make to the funding model. “Time is running out,” Sweet said.

For the future, “Minister Gerretsen warned that there would be winners and losers as the model is redesigned,” Sweet said. “That is a huge concern for Eastern Ontario, which is already holding the Province’s unpaid bill of \$12 million for 2003 and 2004. We can’t afford to be on the losing side on this issue.”

The Eastern Ontario wardens and mayors are looking to the Association of Municipalities of Ontario, which is negotiating on their behalf, to push the Province for full payment for past years and a clear, transparent and fair model going forward. "The members of the wardens' caucus have made our position clear," Sweet said. "We will not accept any new deal until we have been paid in full for 2003 and 2004."

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For more information, contact:

Bob Sweet, Chair, Eastern Ontario Wardens' Caucus

(613) 735 7288