



# Local Government Priorities for the 2022 Provincial Election

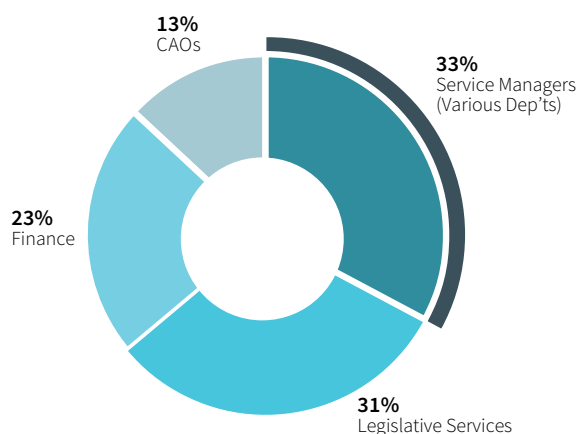
*At your service, in support of our diverse communities.*

# AMCTO at your service

As a vital municipal association with membership roots that reach deep into every part of Ontario, we know the challenges facing communities. We know how hard our communities, our residents, our businesses have been hit over the last two years during the COVID-19 pandemic. Municipalities have been greatly impacted while continuing to provide essential municipal services and doing more to support their communities. Municipal professionals across the entire province have stepped up too and have been at the forefront of service delivery, applying their knowledge and skills to innovate to meet the evolving needs of residents and businesses. **AMCTO members are therefore uniquely positioned to offer non-partisan, expert advice, and support to whichever party forms the next Ontario Government.**

As the province's largest voluntary association of municipal professionals, AMCTO members are on the front lines of local government policy and management across a range of service areas (see Figure 1). They are frequently called upon by members of council and their communities to provide advice and develop solutions to some of the province's most difficult problems.

**AMCTO Membership (2019)**



As demonstrated throughout the COVID-19 pandemic, municipalities have been supporting residents and businesses including adjusting programs such as recreation, libraries and transit, and leading enforcement efforts of Provincial orders to ensure physical distancing and the proper closure and safe re-opening of public spaces. Local public health units have led the way in managing the pandemic through providing additional health measures such as setting up COVID-19 testing and

vaccine clinics with local stakeholders, not-for-profits and other community organizations.

As an association of and for municipal professionals, we know the administrative and operational 'ins and outs' of local government, what works and what does not, and what statutory requirements can be a burden to effective service delivery. We also know where duplicative efforts of reporting back to the Province means valuable staff time spent away from supporting residents and making continuous community improvements.

In that spirit, to address the challenges facing Ontario residents, **AMCTO offers the below recommendations for building a strong and resilient municipal sector from an administrative and operational perspective.** We want to see a sector that can continue to support workers, families, and businesses as our province recovers from the pandemic and beyond. It is our mission to ensure municipal politicians and public servants maintain and acquire the resources and tools they need to do their jobs effectively and to make their communities safer, stronger, and more vibrant.

**AMCTO is at your service, to lend our key local intelligence-based, authentic and non-partisan advice and expertise as key government partners.**



### **Priority 1: Municipal resilience requires stable, predictable funding and investment**

1. Stabilize and, if possible increase the funding allocation for Ontario Community Infrastructure Fund (OCIF) and the Ontario Municipal Partnership Fund (OMPF); avoid cuts to cost sharing arrangements.
2. Continue investing in important infrastructure projects, including broadband expansion and local accessibility projects.
3. Commit to meaningful joint and several liability reform and work with the sector to investigate increasing costs to municipal insurance rates.

### **Priority 2: Support continuous improvement through strengthened Municipal-Provincial Partnership**

4. Engage municipal partners to tackle areas of significant burden that are detrimental to local government administration and service delivery.
5. Reduce provincial red tape on municipally provided services.
6. Collaborate with and consult AMCTO on core legislation.
7. Ensure digital government policy and implementation work seamlessly, municipal impacts are reduced, and the best outcomes for service delivery to our residents are achieved.

### **Priority 3: Invest in skills development and training for the next generation of municipal professionals to lead innovation**

8. Support the next generation of municipal leaders by reinvesting in an expanded Municipal Management Internship Program (MMIP) delivered by AMCTO.





Priority 1: Municipal resilience requires stable, predictable funding and investment

**Recommendation 1:**  
*Stabilize and, if possible, increase the funding allocation for Ontario Community Infrastructure Fund (OCIF) and the Ontario Municipal Partnership Fund (OMPF) and avoid cuts to cost sharing arrangements.*

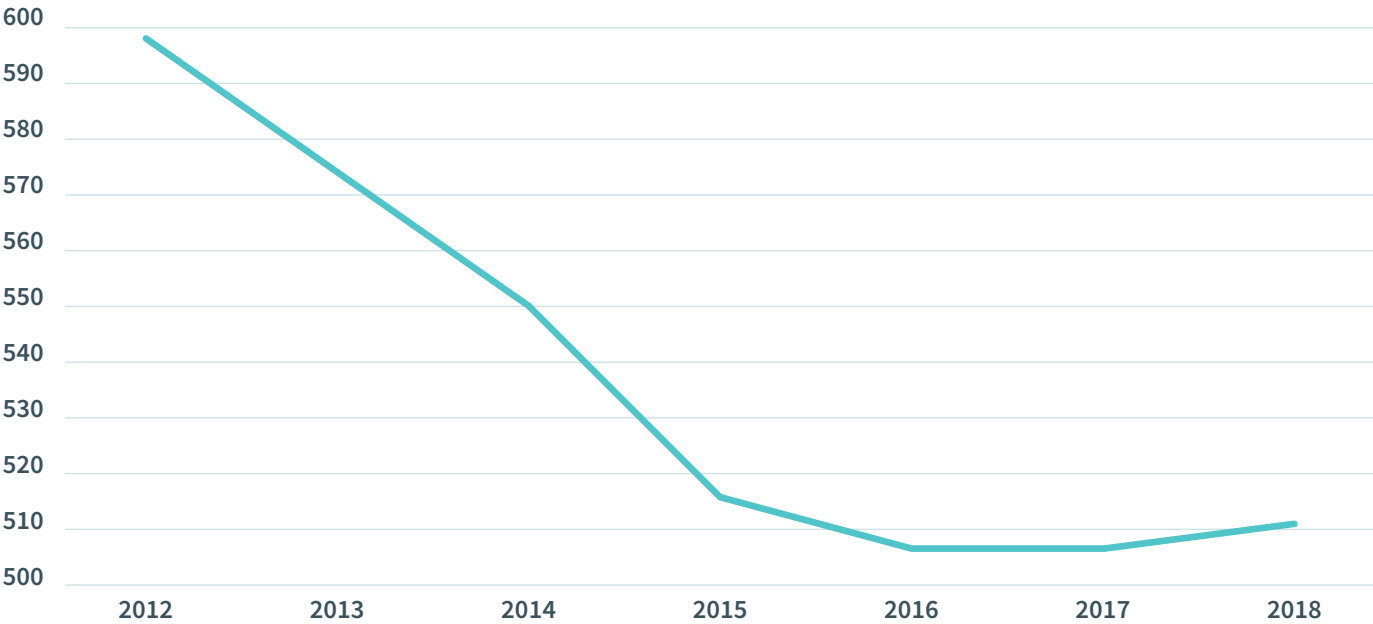
Ontario municipalities of all sizes are facing a challenging fiscal situation that has been exacerbated by the COVID-19 pandemic. From increased costs of public health services, to managing long-term care homes, and lost revenues from property tax deferrals and reduction of services, municipalities have taken a hard financial hit. This, in addition to significant transferring of responsibilities and services over time, has resulted in increasingly complex and costly services being offered and administered at the local level, and paid for by property taxes. As a result, it has been challenging for many communities to finance these services for their residents.

While we understand that the Provincial treasury is also overdrawn, savings must come from other sources than cuts to services, transfer payments, grants or cost-sharing arrangements with municipalities and their related agencies and boards. To find savings, we have to look beyond cuts to cost-sharing programs.

Rural and northern Ontario communities are particularly challenged because low population growth means a small property tax base and increased dependency on transfer payments, notably, through the Ontario Municipal Partnership Fund (OMPF). Any further reductions to OMPF will be severely damaging to many of the 389 of 444 municipalities who rely on this funding to service their respective communities. Reductions in OMPF funding will vary across municipalities and will require a tax levy increase to compensate. These communities are also reliant on the Ontario Community Infrastructure Fund (OCIF) to make necessary community improvements and to maintain their roads, bridges, facilities etc.

It is also important to note that at the current time, provincial and municipal budget cycles do not align. In order to plan for future investments, allocations of OMPF, OCIF and other funding programs should return to multi-year allocations to ensure effective financial management and planning. Funding programs should also be announced well in advance of municipal budget planning and approvals.

Table 1: Historical OMPF Allocation by Grant (in millions of \$) Over Time

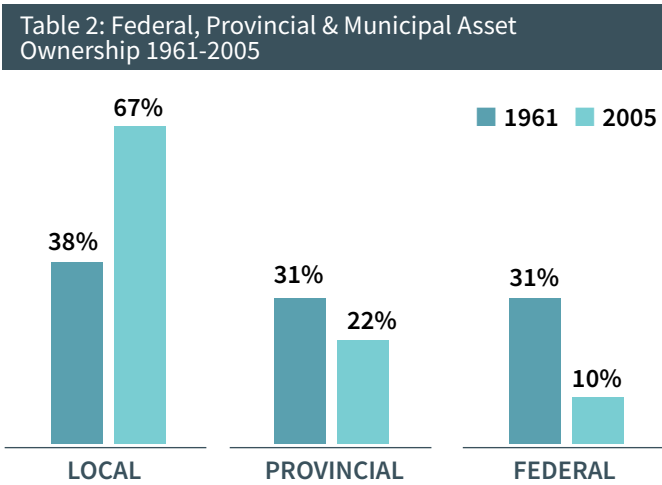


Source: Association of Municipalities Ontario, 2016

**Recommendation 2:**

**The next government should continue to invest in important infrastructure projects including broadband expansion and accessibility projects through simplified and streamlined grants processes to reduce the application and reporting burden on municipalities.**

While we appreciate the investments made by the federal and provincial governments in the last several budgets, there remains an immense infrastructure gap in Ontario largely due to the significant transferring of asset ownership to the local level over several decades (see Table 2).



The Association of Municipalities of Ontario (AMO) has calculated that for municipalities to confront the \$60 billion-dollar infrastructure gap, while also maintaining current service levels, municipalities would have to increase property taxes by 8.35% every year for the next ten years (AMO 2017, 5). In August 2021, the Financial Accountability Office (FAO) released a report on municipal infrastructure. It noted that municipalities in Ontario own more infrastructure in Ontario than the Provincial and Federal government combined, the value of these infrastructure assets is \$484 billion (FAO, 2021). Raising property taxes is not a sustainable solution to address Ontario’s infrastructure gap and the government should grow infrastructure investment as a funding priority moving forward.

As communities also need to meet the with Provincially imposed standards under the Accessibility for Ontarians with Disabilities Act (AODA), smaller municipalities

relying on smaller property tax bases require support to ensure their local facilities comply with these standards. Continued support through financial investments provided through a simplified and streamlined grant process whether through the Inclusive Communities Grants Program or some other program is needed.

**Recommendation 3:**

**The next government should commit to meaningful joint and several liability reform and work with the sector to investigate increasing costs to municipal insurance rates.**

Often referred to as the ‘one percent rule’, Ontario’s Joint and Several Liability tort system requires that defendants in civil suits who are found to be as little as 1% at fault can still be required to pay 100% of the damages. With the presumption that local governments have substantial financial resources, municipalities have become the targets of litigation and are being forced to offer generous out-of-court settlements to avoid extensive and expensive litigation due to high costs associated with lawyers and insurance companies. Reforming joint and several liability could save the municipal sector \$27 million in insurance costs and ensure that taxpayer money is being spent in financially strapped areas (AMO 2017, 28).

As noted by our colleagues at AMO, Joint and Several has exacerbated already high municipal insurance costs (AMO 2021, 9). This is not sustainable for municipalities and ultimately the taxpayer who must pay for these costs through the only significant revenue source available to municipalities - property taxes. Our Chief Administrative Officers (CAOs) and Treasurer members have expressed concerns about the long-term sustainability of bearing these costs while continuing to provide services at the same standards.

**Insurance Rates Increase**

**For smaller communities alone, the average rate of increase is 20% (LAS, 2021).**

## Priority 2: Support continuous improvement through strengthened municipal-provincial partnerships

### **Recommendation 4:**

***The next government should continue engaging AMCTO and municipal partners to tackle areas of significant burden that are detrimental to local government administration and service delivery.***

Municipalities report to the Province on a range of programs and policy initiatives to help ensure accountability, that funding is being spent appropriately, and to monitor performance. However, municipalities are having to provide a greater number of reports on a range of new areas (Côté and Fenn, 2014). With new reporting requirements being added and without enough being taken away, Ontario's municipalities are facing a sizeable reporting burden.

A recent example of this is the COVID-19 Relief Funding: In order to receive funding, municipal treasurers were required to send a sign-back to the Province. Municipalities were told they would be required to submit detailed reports about their use of the funds, however, had not been provided with a template early in the process for what specifically they would be asked to report on, or guidance on what would be considered eligible expenses.

The Province should consider streamlining such processes by providing lump-sum funds and allowing municipalities to report back on how the funds were spent in a standardized way that compliments existing financial reporting requirements.

***Recommendation 5: The next government should reduce provincial red tape on municipal service delivery by avoiding unnecessary prescriptive command-and-control policy-making that limits the ability of local governments to experiment, innovate, and ultimately improve program and service delivery.***

Local governments in Ontario currently operate within a very restrictive legislative and regulatory environment. The Province should view municipalities as responsible governments in order to promote effective governance and management at the local level.

Municipalities are responsible for a substantial and growing range of public services (see Table 3) and if they

are driven strictly by compliance and routine functionality, they will struggle to truly become modern, fiscally sustainable agents of good governance that promote professionalism, ethics, and accountability.

The next government should increase collaboration and outcome-orientated policy to give municipalities the ability to meet provincially-set targets in a way that is most effective and appropriate for them.

While the Province is the regulator of local government and there is a role for it to play in guiding policy and practice within the municipal sector, regulation should focus on outcomes and not behaviours. Unfortunately, policy from the Province and its agencies has been far too prescriptive and is developed without a concrete understanding of the factors that affect local implementation. Local governments have the best access to local information and are better positioned to respond to local needs than the provincial or federal government (Côté and Fenn, 2014, 20). With this in mind, municipal and provincial leaders should work together to achieve better outcomes.

### ***Did You Know?***

***In 2017 AMCTO published Bearing the Burden: An Overview of Municipal Reporting to the Province. The report revealed that the Province collects hundreds of reports from municipalities every year. AMCTO conservatively estimates that the Province collects at least 422 reports from municipalities every year - this is 225 separate reports, collected monthly, quarterly, biannually, and annually.***

Table 3: Federal-Provincial-Municipal Division of Responsibilities

MUNICIPAL GOVERNMENT	PROVINCIAL GOVERNMENT	FEDERAL GOVERNMENT
<ul style="list-style-type: none"> <li>• Airports</li> <li>• Animal Control</li> <li>• Building Code</li> <li>• By-law Enforcement</li> <li>• Arts and Culture</li> <li>• Cemeteries</li> <li>• Children's Services</li> <li>• Economic Development</li> <li>• Fire Services</li> <li>• Garbage Collection and Recycling</li> <li>• Electric Utilities</li> <li>• Library Services</li> <li>• Long Term Care and Senior Housing</li> <li>• Road Maintenance</li> <li>• Paramedics</li> <li>• Parks and Recreation</li> <li>• Public Transit</li> <li>• Planning</li> <li>• Police Services</li> <li>• Property Assessment</li> <li>• Public Health</li> <li>• Social Housing</li> <li>• Social Services</li> <li>• Tourism</li> <li>• Water and Sewage</li> </ul>	<ul style="list-style-type: none"> <li>• Administration of Justice</li> <li>• Education</li> <li>• Hospitals</li> <li>• Natural Resources and the Environment</li> <li>• Property and Civil Rights</li> <li>• Social Services</li> <li>• Provincial Highways</li> <li>• Culture and Tourism</li> <li>• Prisons</li> <li>• Post-Secondary Education</li> </ul>	<ul style="list-style-type: none"> <li>• Citizenship</li> <li>• Criminal Law</li> <li>• Copyright</li> <li>• Employment Insurance</li> <li>• Foreign Policy</li> <li>• Money and Banking</li> <li>• National Defence</li> <li>• Trade and Commerce</li> <li>• Post Office</li> </ul>

**Recommendation 6:**

***The next government should continue to collaborate with and consult AMCTO on the Municipal Elections Act, the Municipal Act, and the Municipal Freedom of Information and Protection of Privacy Act, Municipal Conflict of Interest Act, among others.***

AMCTO believes in the principle of maintaining a mature and respectful relationship with senior orders of government. Local government professionals appreciate that they serve the same citizens as other orders of government and appreciate the opportunity to work collaboratively. Our members and other municipal professionals are willing and able to provide insight into the opportunities and challenges that exist across Ontario communities to ensure that a diversity of perspectives and expertise is leveraged to benefit local residents and to support provincial policy priorities. This is best achieved when the Province respects the scope of municipal government and includes municipal staff in policy decisions at the provincial level.

The experience with Bill 5 and the City of Toronto (City of Toronto, 2021), serves as a lesson – making decisions that impact local governments without consulting them and their administrators is ineffective. A more positive example of collaboration is the work that has been undertaken during the COVID-19 pandemic. AMCTO has long believed that providing the appropriate amount of time to ensure that public policy implementation is effective at the local level is key to public policy success. There is value to effective consultation and engagement with local governments and municipal associations are prepared to establish a collaborative and cooperative relationship to advance public policy.

#### **Recommendation 7:**

***The next government should bring municipalities and their administrators to the table to ensure that digital government policy and implementation work seamlessly, municipal impacts such as administrative burden are reduced, and the best outcomes for our residents are achieved.***

Without a doubt, governments of every order should move towards the modernization of processes and approaches to service delivery. The Province's Ontario Onward plan (Government of Ontario, 2020) with commitments to digital government transformation is an example of the provincial effort to do this with a user-centred lens. Municipal administrators are users as well. We are here to be of service to our communities and we can do that most effectively when we are involved right from the start.

Often in Provincial transformational projects, the design and implementation of frameworks only consider interests of the Province. However, municipal service delivery is heavily intertwined with Provincial processes and requirements. Working together on modernizing government, integrating processes and sharing lessons learned can support innovation and continuous improvement. A wide-angled, integrated lens should be applied to the development, design, prototyping, implementation and review of these important endeavors.

### **Priority 3: Invest in skills development and training for the next generation of municipal professionals to lead innovation**

#### **Recommendation 8:**

***The next government should support the next generation of municipal leaders by reinvesting in an expanded Municipal Management Internship Program (MMIP) delivered by AMCTO.***

Successive governments have rightly promoted skills development and on-the-job training, particularly for young people. Applying this approach to municipal management can create a culture of transformation for the next generation of municipal public servants.

Every year there are recent graduates looking for opportunities to gain experience that allows them to put their education, talents, digital and customer-centred mindsets to work. Municipalities have a diverse range of job functions available making them the opportune place to gain work experience.

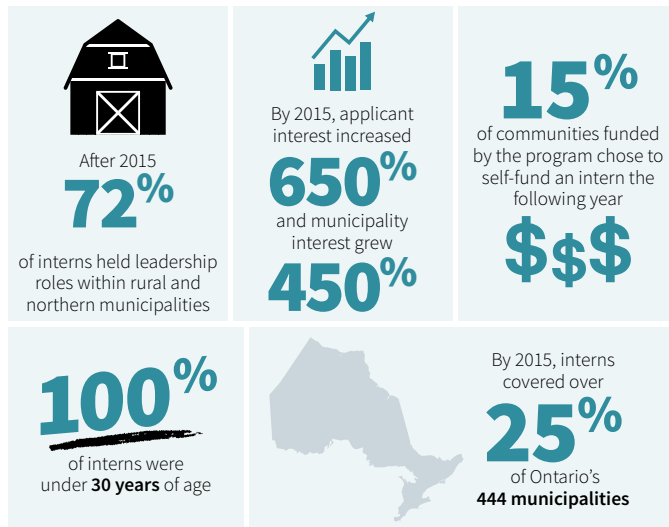


The Municipal Management Internship Program (MMIP) can bring new, diverse, innovative, thoughtful practitioners to municipalities – allowing for a mutually beneficial transfer of knowledge, lived experiences and skills between more experienced, senior leaders and new professionals.

With a high number of senior municipal professionals retiring (or soon to be) from the sector, we recognize that there is a need to fill a knowledge gap and create a bridge between those experienced professionals with municipal expertise and know-how and recent graduates or those new to the sector who offer diverse and innovative ways of thinking. We believe that by bringing back the MMIP, there is the opportunity to empower the next generation of municipal leaders while inspiring creativity and customer-centered perspectives on service delivery.



## AMCTO Internship Program Outcomes

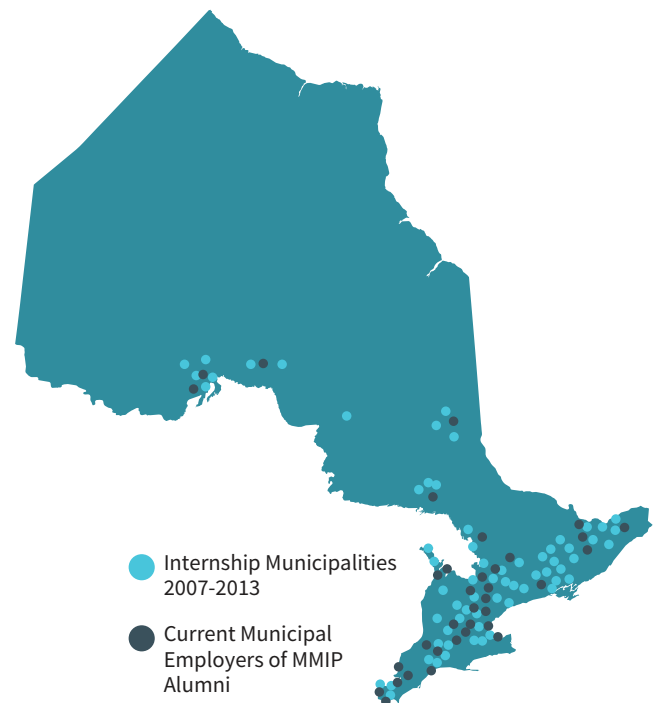


Source: AMCTO, Municipal Management Internship Program Evaluation Report, 2015

As Ontario's economy continues to recover, it is more important than ever to help job seekers find employment opportunities and this internship program is a smart asset and a small investment with significant returns. The MMIP has a track record of providing small, rural and northern municipalities with interns – many of whom later held leadership positions in rural and northern municipalities.

As an association that continues to operate with a strong and growing staff team and with over 2,000 members, AMCTO welcomes the opportunity to once again deliver the MMIP. In doing so, we can continue to be an influential voice for the sector while enriching our mission to deliver exceptional professional development programs, services and opportunities to all Ontario municipal professionals.

## Geographical coverage of the 2008-2015 AMCTO Internship Program



***“It’s no exaggeration for me to say that I wouldn’t be where I am today without the Municipal Management Internship Program.”***

– Karen Martin, Director of Corporate Services, Township of Zorra



## Final Thoughts: Considerations in Provincial Policy-Making

The relationship between the Province and its municipalities is especially important for local government professionals, who are subject to provincial policies, laws, regulations and financial transfer arrangements. A strong relationship is also critical for the residents we serve. Certainly, provincial laws and regulations impact almost every aspect of municipal business.

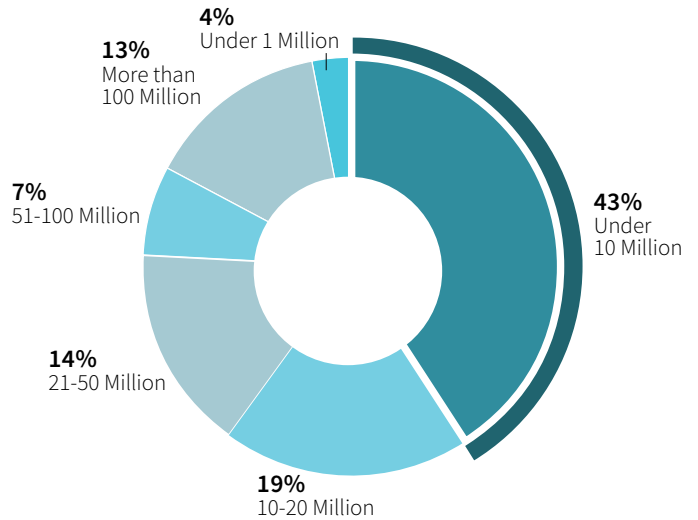
It is therefore a worthy reminder that **any discussion about improving governance at the local level must begin with principles for improving and maintaining a strong provincial-municipal relationship.** This includes utilizing opportunities to collaborate, co-design and share best practices and lessons learned to inform legislation, policies, programs and services. This means relying on municipal public servants who have the knowledge and expertise of what is happening ‘on the ground’ in neighbourhoods across the province. Doing this will lead to improved outcomes for our communities.

Historically, the Province developed policy based on the assumption that all municipalities are the same. **Yet the challenges and strengths of each local government are different**, especially in rural vs. urban areas, small vs. large populations, and north vs. south regions. It is important to recognize that some municipalities have fewer than five employees who are deeply connected to the local community with duties that oversee administrations that are larger than some provincial governments with robust financial controls, rigorous accountability regimes, and sophisticated policy-making functions (Côté and Fenn, 2014, 25). This is a key consideration to be aware of when it comes to provincial decision-making.

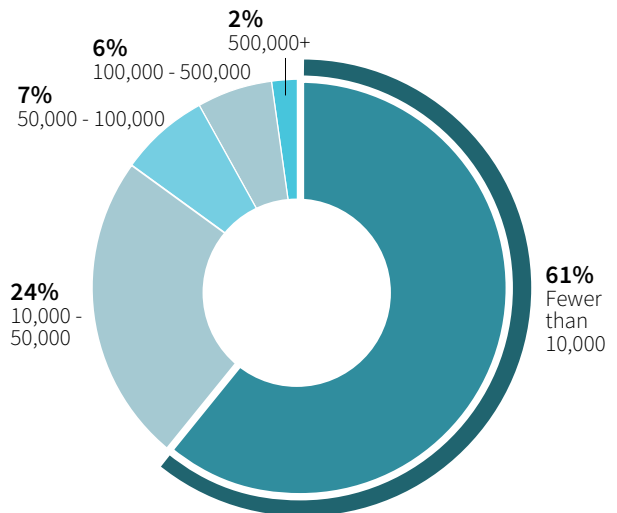
Finally, while the Province and municipalities may provide different services and have different perspectives, we serve the same people and businesses. **At the end of the day, our goal is one in the same: we want to see positive outcomes for communities across Ontario.** To do this effectively and efficiently, it’s important that we work together to ensure we are operating in the best interests of those we serve.

**Let AMCTO and our members be of service to the next government, in support of Ontario’s diverse communities.**

### Percentage of Ontario Municipalities by Revenue Size



### Percentage of Ontario Municipalities by Population Size



Source: Ministry of Municipal Affairs and Housing, Financial Information Returns, 2018

Sources:

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The Association of Municipal Managers, Clerks and Treasurers of Ontario (AMCTO) represents excellence in local government, management and leadership. Over the past 80 years, AMCTO has provided education, accreditation, leadership, and management expertise for Ontario municipal professionals. With 2,000+ members working in municipalities across the province, AMCTO is Ontario's largest association of local government professionals, and the leading professional development organization for municipal professionals.

Our mission is to strengthen and support the capabilities and performance of Ontario municipal professionals by providing professional development and engagement opportunities, advocacy and leadership in the sector.

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