

# Local Government Priorities for the 2022 Provincial Budget

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# Introduction



As the Province enters the last few months before the Provincial election on June 2nd, the 2022 Pre-Budget submission process provides an opportunity to highlight some of the opportunities and challenges that continue to affect municipal administrators' work as they support elected officials and community members in continued recovery from the COVID-19 pandemic.

Each of Ontario's 444 municipalities has been affected in different ways, but we have all faced common challenges including incurring additional costs that were not previously anticipated or budgeted for as a result of needing to adapt our services. We recognize that in the face of these challenges, the primary focus of all provincial political parties is economic recovery and supporting Ontarians. Municipalities, and their administrators, have the same goal and therefore should be considered as key partners in serving the residents of Ontario.

We appreciate the commitments made by the Government in the 2021 Fall Economic Statement, particularly those made to infrastructure funding and stabilization of the Ontario Community Infrastructure Program envelope. We have been encouraged by the Government's efforts to reduce red tape and their confirmation that internships can be an eligible expense under the Implementation Stream of the Municipal Modernization Program.

Looking ahead, we would like to see the Government build on the positive changes it has made thus far and commit to investments that ensure a resilient municipal sector. As this Budget provides a set-up for the next four years, AMCTO's submission focuses on asks that speak to providing meaningful commitments to be ready for the future.

## **Our recommendations for the 2022 Provincial Budget:**

- 1. Ensure that Provincial digital government policy and implementation initiatives work seamlessly for municipalities and support municipal administrators in the transition.**
- 2. Continue to support municipalities in modernizing local service delivery.**
- 3. Commit additional resources to support the important and ongoing work to build accessibility into government information assets such as records and websites.**
- 4. Re-invest in a strong, innovative municipal administration by re-establishing the Municipal Internship Program delivered by AMCTO.**
- 5. Commit to working with the sector to investigate increasing costs to municipal insurance rates.**
- 6. Promote municipal financial sustainability through protecting municipal transfer payments and ensuring municipal recovery from the COVID-19 pandemic.**

# Recommendations

## **1. Ensure that Provincial digital government policy and implementation initiatives work seamlessly for municipalities and support municipal administrators in the transition.**

Municipalities deliver many services on behalf of the government. AMCTO continues to advocate for the modernization of Provincial processes that are administratively and operationally burdensome and impact municipal service delivery.

We have been pleased to see the Government's commitment to digital identity and its initiatives to modernize and are anticipating the launch of the new Electronic Death Registration System. It is our hope that this will reduce some of the administrative challenges our members face when completing Provincially required data collection.

Since municipal service delivery is so heavily intertwined with Provincial processes and requirements, an integrated lens should be applied to the development, design, prototyping, implementation and review of modernization initiatives. Municipalities and their administrators should be brought 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 service delivery to residents can be achieved.

Despite the desire to move towards digitization, many municipalities do not have dedicated Information Technology (IT) departments and staff responsible for this often hold multiple roles. The Government should support municipalities' digital maturity to ensure that they are future-ready and can support the diverse needs of their residents.

## **2. Continue to support municipalities in modernizing local service delivery.**

Our members have been pleased to see the Government's investment in municipal modernization through the Municipal Modernization Program (MMP) and the Audit and Accountability Fund (AAF).

Both programs provide funding for municipalities to



reduce costs through finding efficiencies; however, only MMP provides funding for municipalities to implement recommendations. AAF eligible municipalities would like to see the program expanded to include an implementation stream so that the value of projects completed through AAF are not lost. MMP eligible municipalities would like to see commitment that the program will continue so that Review Stream projects can be implemented, and small, rural municipalities can continue to plan for the future.

Part of modernizing local service delivery requires continued modernization of legislation and regulations impacting municipalities. There are hundreds of legislation and regulations impacting municipalities, however, modernization of the *Municipal Freedom of Information and Protection of Privacy Act, 1990* (MFIPPA), is critical for ensuring municipal administrators can do their jobs efficiently. MFIPPA in particular, is 30-year-old legislation that has not been comprehensively reviewed to keep pace with societal and technological changes or with its original intent. This poses a number of operational and administrative challenges. As a result, the legislation needs to be comprehensively reviewed and updated in collaboration with AMCTO and other municipal partners.

## **3. Commit additional resources to support the important and ongoing work to build accessibility into government information assets such as records and websites.**

Municipal administrators are working hard to ensure their websites comply with *Accessibility for Ontarians with Disabilities Act* (AODA) requirements that came into

# Recommendations



effect in January 2021. This task is extremely resource-intensive for municipalities as they work to not only be in compliance with the Act, but to continuously improve to meet the needs of their residents. This includes ensuring website content is accessible going back 10 years – this means applying proper captioning to recorded council and committee meetings – a resource and cost-intensive investment. As noted above, technical compliance can often be difficult when the people doing the implementation work are not necessarily IT or accessibility experts. Often these individuals are tasked with trying to ensure compliance while also carrying out their duties as clerks, directors of finance or administrators.

Providing financial implementation support to municipalities to help them comply with Provincially imposed AODA standards is a win-win. It would support job-creation that would introduce a broad range of professionals to the municipal sector, while at the same time, ensuring that municipalities are able to comply with their statutory responsibilities. This outcome would also support municipalities being able to continuously improve their services to ensure that persons with disabilities' needs are met to always be provided equal opportunities.

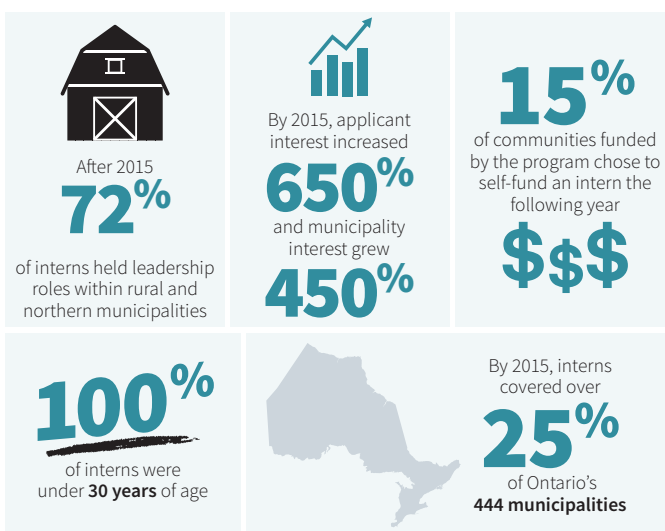
#### **4. Re-invest in a strong, innovative municipal administration by re-establishing the Municipal Internship Program delivered by AMCTO.**

The Government has 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 to allow them to put their education, talent and innovative approaches to work. Municipalities have a diverse range of job functions available making them opportune places to gain work experience. There needs to be a bridge between experienced professionals who have the expertise and know-how and recent graduates or those new to the sector who offer diverse and new ways of thinking.

#### **AMCTO Internship Program Outcomes**



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

This year we were pleased to see the Government confirm that municipal internships can be considered an eligible expense under the Municipal Modernization Program (MMP) and under the Streamline Development Approval Fund (SDAF). However, these programs have limitations with MMP only available to 405 municipalities and SDAF limited to projects related to streamlining development. Furthermore, without commitment for multi-year intakes, this is not a suitable long-term solution.

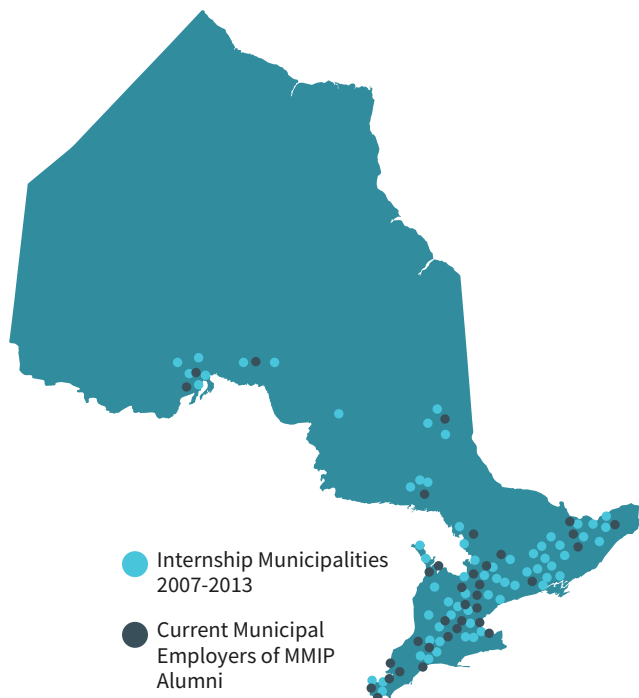
The Municipal Internship Program can bring new, innovative, thoughtful practitioners to municipalities where there can be a mutually beneficial transfer of knowledge and skills, inspiring creativity and customer-centred perspectives on service delivery.

As Ontario's economy continues to recover, it is more important than ever to help job seekers find employment



# Recommendations

Geographical coverage of the 2008-2015 AMCTO Internship Program



opportunities and this internship program delivered by AMCTO is a smart asset and a small investment with significant returns. The Municipal Internship Program had a track record of providing small, rural and northern municipalities with interns — many of whom later held leadership positions in rural and northern municipalities. It is a proven way to continue to advance the municipal profession while providing opportunities for people to grow in the sector and serve their communities.

## ***5. Commit to working with the sector to investigate increasing costs to municipal insurance rates.***

AMCTO members have expressed concerns about increasing insurance premiums. In many cases, costs have increased anywhere between 10% and 75% with some municipalities facing even higher costs, and there are few alternative service providers to turn to (LAS 2021).

AMCTO, along with our colleague municipal associations, has raised issues with Ontario's Joint and Liability tort system for years. Reforming joint and several liability could save the municipal sector \$27 million in insurance costs (AMO 2017). However, there are other factors at play such as the rise in claims related to natural disasters (TVO 2021).

The current system 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 members are concerned about the long-term effects of bearing these costs while continuing to provide community services at the same quality standards.

## ***6. Promote municipal financial sustainability through protecting municipal transfer payments and ensuring municipal recovery from the COVID-19 pandemic.***

It continues to be challenging for many communities to maintain or enhance service levels for their residents, while dealing with decreasing revenue streams and additional expenses. This is especially true for rural and northern Ontario communities that experience low or no-growth, making them increasingly dependent on transfer payments, especially the Ontario Municipal Partnership Fund (OMPF).

Our members were pleased to see additional investments made to the Ontario Community Infrastructure Fund (OCIF); however, the program continues to have its limitations given that it is not available to all municipalities and that the infrastructure deficit in many municipalities is so significant that OCIF is not sufficient.

We understand that the Provincial treasury is overdrawn, but we urge the Province not to look to recover through cutting services, transfer payments, grants or cost-sharing arrangements with municipalities and their related agencies and boards. Stabilizing and increasing support for municipalities will allow them to plan for the future and ensure services to their residents are sustainable in the long-term.

Furthermore, the COVID-19 pandemic is far from over and municipalities will continue to face obstacles in recovering from the economic effects of new variants. Municipalities have been grateful for the support provided to them through the Safe Restart Agreement and additional COVID-19 funding from the Provincial Government. Going forward, the Province should continue to work with the Federal Government to ensure this support continues so that municipalities have the funding and tools they need to secure resilient futures for their residents.

# A Stronger Ontario Through Partnerships



As the province's largest voluntary association of municipal professionals, AMCTO members are on the front lines of local government policy and management issues. Our members are the leaders who provide advice and develop

solutions to some of Ontario's most burdensome and challenging problems.

The recommendations contained in this submission reflect knowledge and advice that will make Ontario's communities more efficient, safer, and stronger. It is our mission to ensure municipally elected officials 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.

These recommendations reflect opportunities where the Province can work with us and our members can work with us, allowing municipal administrators to focus on supporting the immediate needs of their residents. With this, we can all work together to ensure the resiliency of our communities.

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

## Sources:

Association of Municipal Managers, Clerks and Treasurers of Ontario (AMCTO), Local Government Priorities for the 2022 Provincial Election, 2021

Association of Municipalities of Ontario (AMO), Local Share: Imagining a prosperous future for our communities, 2017.

Local Authority Services (LAS), Joint and Several Liability & Rising Municipal Insurance Costs, February 2021

Television Ontario (TVO), Why are municipal insurance rates skyrocketing in Ontario? 13 April 2021.

### **About AMCTO**

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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