



# Pre-Budget Submission

February 11, 2021

## Introduction

The 2021 budget comes at an important time for Ontario's municipal sector as the province is making its way through another wave of the COVID-19 pandemic.

Across the province, local governments are confronted with ongoing challenges to meet the complex demands of a well-served and vibrant municipality. Many have had to also pivot sharply to more digital delivery of services as a result of the pandemic leading to additional costs they may not have previously anticipated or budgeted for.

As municipal administrators, we have been on the front lines of this pandemic from the start. Each municipality has been affected in different ways, but we have also faced common challenges. We recognize that in the face of these challenges, the Government's priorities are on economic recovery and supporting Ontarians. Municipalities, and their administrators, have the same priorities and are key partners in Ontario's economic recovery

With this in mind, AMCTO's recommendations are divided into two parts:

1. Small but impactful actions that can provide relief to overburdened administrators so that they can focus on managing the pandemic's impact on their communities and planning for an eventual economic recovery.
2. Municipal recovery and resilience actions that could have positive impacts for Provincial priorities as well as direct or residual benefits for workers, families and businesses who live, work and play in municipalities across Ontario.

At the same time, the Province can provide some needed assistance to municipalities who are at the heart of Ontario's economic recovery efforts.

## Recommendations

### Part I Small but Impactful Actions to Provide Relief

#### Deadline Extensions

Municipalities and municipal administrators have had to invest their time and resources and often redeployed staff to other immediate priorities as a result of the pandemic. The pandemic has also had a significant impact on municipal finances (FAO Report 2020) which means having to prioritize projects. Some municipalities rely either on small internal teams of less than 5 FTEs or costly outsourced providers (AMCTO Survey, 2020). Without this kind of support, municipal professionals are often faced with wearing

multiple hats and juggling increased demands in order to comply with provincial standards. They could use some relief:

Extend the deadline requiring designated public sector organizations to conform with WCAG 2.0 Level AA to at minimum to January 1 2022. As AMCTO has previously submitted to the Ministry of Seniors and Accessibility, instead mandate incremental and continuous website and web content improvements to increase accessibility with a goal of building a culture of continuous improvement in accessibility rather than a fear of non-compliance.

AMCTO has received a number of Council Resolutions from smaller communities who have asked for an extension of Accessibility for Ontarians with Disabilities Act (AODA) Ontario Regulation 191/11 (Section 14(4)) so they have more time to comply. However, it is clear that it is an issue for larger municipalities as well. Upgrades and on-going maintenance to these requirements on municipal sites requires the re-allocation of limited human and financial resources, and for many municipalities, there are few to spare, particularly as a result of the pandemic.

Municipal administrators are faced with another impending deadline directed by the Province with regard to Asset Management Plans. Ontario Regulation. 588/17 requires municipalities to submit asset management plans covering their core infrastructure by July 1, 2021. There are other milestones to follow: a requirement to submit asset management plans covering all of their infrastructure and then incorporate expanded requirements both in subsequent years. To support municipalities with this:

Extend each of the regulatory deadlines by one-year to recognize the extraordinary circumstances facing municipalities under the COVID-19 pandemic.

### **Reduce the Burden on Municipalities**

In 2017, AMCTO published [Bearing the Burden: An Overview of Municipal Reporting](#) to shed light on the sizeable reporting burden facing Ontario's municipalities.

Following the cross-ministry reporting burden initiative led by the Ministry of Municipal Affairs and Housing in 2019, the Government announced that a total of 94 reports had been eliminated and 27 reports had been consolidated and simplified. In order to further limit this administrative burden:

Release the list of reduced reports and establish a comprehensive inventory of provincially required reporting to ensure the government and municipal sector does not fall back into a similar reporting trap.

With a Provincial focus on burden reduction beyond reporting, the Government should engage AMCTO and municipal partners to tackle areas of significant burden that are detrimental to local government administration and service delivery. Improvements will help ensure movement towards enhancing the efficiency of local governments across Ontario.

## **Part II Municipal Recovery and Resilience Actions**

### **Accessibility for Ontarians with Disabilities Act Requirements**

As municipal administrators look towards 2025 as the year with which their spaces must be compliant with the AODA standards, they face a number of fiscal pressures (FAO Report), exacerbated by the pandemic:

Provide financial support for municipal accessibility projects to communities who need the additional assistance to comply with Provincially imposed standards under the AODA through a simplified process.

This is a win-win: support job creating projects that make accessibility-related improvements to local infrastructure such as arenas, municipal buildings and other facilities that are at the heart of communities and are used by local workers and families. At the same time, this support can help ensure municipalities are able to comply with their statutory responsibilities in time for 2025 while helping their communities recover.

### **Municipal Insurance Leaves Taxpayers Footing the Bill**

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. 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. To create a more sustainable solution:

In collaboration with the municipal sector, investigate spikes in municipal insurance rates and report back with policy options to support municipal affordability.

### **Protect Municipal Transfer Payments**

Ontario municipalities of all sizes are facing challenging fiscal situations, as a result of significant downsizing and now exacerbated by the effects of the pandemic. As a result, it has been challenging for many communities to finance these services for their citizens. This is especially true for rural, and northern Ontario communities that are low or non-growth making them increasingly dependent on transfer payments, notably, through the Ontario Municipal Partnership Fund (OMPF). To provide predictable and relatively stable funding for municipalities:

Maintain, if not increase, the OMPF, OCIF, and Federal Gas Tax Program allocations levels into 2022 and beyond. These are predictable and relatively stable funding for municipalities.

### **Skills Development and Training for the Next Generation of Municipal Leaders**

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 that can be built into 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, and 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. 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 innovative ways of thinking. To support the next generation of municipal leaders:

Re-invest in an expanded Municipal Internship Program (MIP) delivered by AMCTO.

The MIP can bring new, innovative, thoughtful practitioners to municipalities where there can be a mutually beneficial transfer of knowledge and skills exchange, 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 opportunities and this internship program 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.

## Remember Municipalities when Going Digital

[Ontario Onwards](#) including the Provincial commitment to digital identity can be transformational. Often in Provincial transformational projects the design and implementation of frameworks only consider impacts to the Province. However, municipal service delivery is heavily intertwined with Provincial processes and requirements.

A wide-angled, integrated lens should be applied to the development, design, prototyping, implementation and review of these important endeavors. Provincial and municipal administrators can work together towards customer-centred service delivery for better resident outcomes as both pivot to digital government and transformation. To support municipalities in the adoption and implementation of a digital-first strategy:

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 service delivery to our residents can be achieved.

Prioritizing those municipal services that are provided on behalf of the Province which also have Provincial service impacts, such as in marriage license and burial permit issuance, social services and so forth is also recommended.

## Policy Advice for a Stronger Ontario

As the province's largest voluntary association of municipal professionals, AMCTO members are on the front lines of local government policy and management. 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. They also reflect opportunities where the Province can provide assistance to municipalities in their own recovery, enabling municipal administrators to focus on supporting the immediate needs of residents and tackling the long-term effects of the pandemic.

## Sources

AMCTO, Bearing the Burden: An Overview of Municipal Reporting to the Province, 2017

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