Strong Mayor Powers and the Municipal Budget Process

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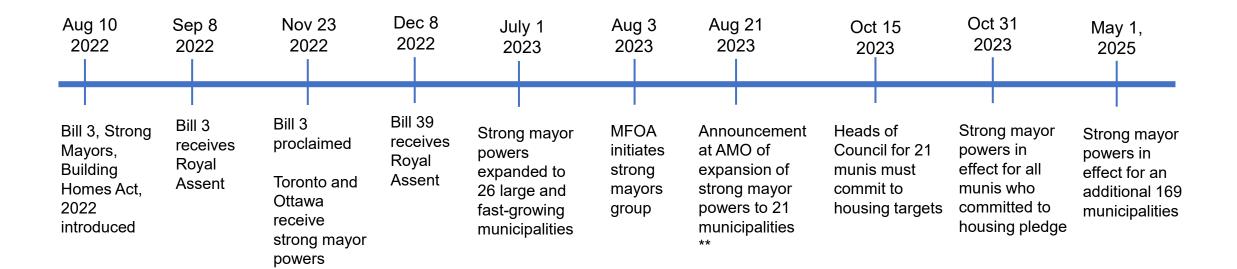


Agenda

- Overview of Strong Mayor Powers
- Budget Changes and Considerations
- Challenges and Opportunities



Timeline





Legislation

- Strong Mayors, Building Homes Act, 2022
- Municipal Act, 2001
 - Part VI.1 Special Powers and Duties of the Head of Council
 - 284.2 284.17
 - Section 284.16 Powers and duties re. budget
- O. Reg. 530/22: PART VI.1 OF THE ACT
 - Section 7 Annual budget
 - Section 8 Conflict of Interest
 - Section 9 In-year budget amendments
- Note: legislation now applies to all municipalities with a council size of 6 or greater



Then and Now

Weak Mayor System

- Heads of Council seen as figurehead
- Does not have authority to unilaterally make decisions for the municipality
- Collaboration and compromise to achieve agenda

Strong Mayor System

- Heads of Council given powers beyond other members of Council
- Executive authority to make unilateral decisions in some areas

Given veto power over some areas



Strong Mayor Powers - Overview





Strong Mayor Powers - Overview

- 2023 applied to 49 municipalities across Ontario
- May 2025 applies to 216 municipalities
- Powers to further "prescribed provincial priorities":
 - Building 1.5 million new residential units by December 31, 2031
 - Constructing and maintaining infrastructure to support housing, including:
 - Transit
 - Roads
 - Utilities
 - Servicing



Overview cont'd - New Authority

- Heads of Council have the authority to shape municipal government through:
 - Hire and fire CAO
 - Hire and fire Department Heads with exclusions of statutory provisions
 - Treasurers and Clerks are excluded
 - Appoint Chair and Vice Chair of local boards
 - Establish or dissolve committees
 - Determine organizational structure of municipality



Overview cont'd - New Authority

- Delegation of Authority re: Strong Mayor Powers
 - To Council only:
 - Appointing a CAO
 - Creating, assigning functions and appointing chairs of committee
 - To Council or the CAO:
 - Hiring certain municipal division heads
 - Changing the organizational structure of a municipality
- The mayor cannot delegate budget authority (technically)



Overview cont'd - Veto Powers

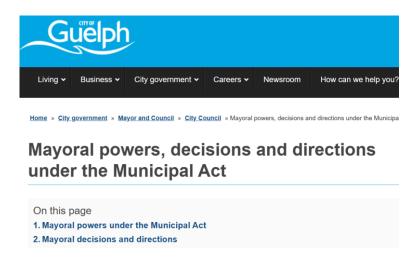
- Focuses on prescribed provincial priorities
- Veto applies to:
 - the Municipal Act, and the regulations, other than under any prescribed section;
 - the Planning Act and its regulations, other than any prescribed section;
 and
 - any other prescribed Act or regulation or prescribed section of an Act or regulation. Ontario Regulation 530/22, section 5(2) includes by-laws under section 2 of the Development Charges Act, 1997.
- Mayor can override decisions by Council with 1/3 support Council can override Mayor's decision with 2/3 votes



Exercising the Powers

- When exercising the powers:
 - Provide a written document to Clerk and Council by next business day
 - Make the written record available to the public
- When directing employees
 - Provide a written direction to Clerk and the CAO by the next business day





Municipal Budget Implications



Strong Mayor Powers - Budget

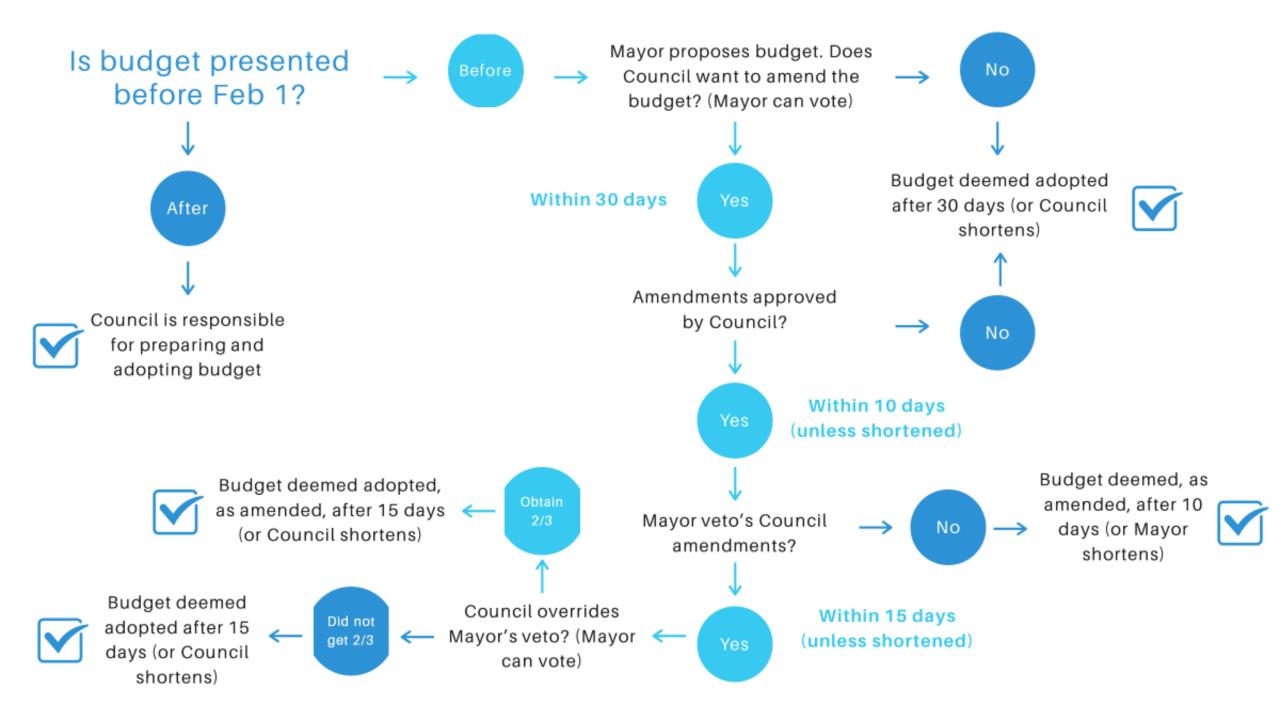
Head of Council proposes the budget

- Head of Council must table a budget by February 1
 - If not, process defaults back to Council



- Council has 30 calendar days to pass a resolution to make an amendment
 - Mayor can veto the resolution within 10 calendar days of passing it
 - Council can override budget veto with 2/3 votes within 15 calendar days





Budget Timeline



Head of Council Head of Council Budget Council may Council deemed meets and may override as passed amends veto proposes budget budget amendments veto

Note: Council and mayors can shorten their timelines with a resolution, or in the Head of Council's case, a written letter to council members and the Clerk.



- Potential changes to regular timelines for budget cycle
 - February 1 deadline
 - Clerk departments are setting up processes to shorten the amendment and veto periods
 - Timelines are based on calendar days



- Earlier involvement and more communication with Head of Council
 - Finance staff are now meeting with their Head of Council to discuss priorities for 2026
 - Setting up regular check-ins with Head of Council to ensure staff are aligned
 - Must clearly communicate the impact of changing priorities in the budget



- Revised role of the Budget Committee
 - Can no longer direct staff to make changes to the Budget can recommend amendments that the Head of Council will consider
- Public consultations
 - Once the "mayor tabled budget" is public, the 30-day clock starts
 - If staff want to present budget to the public earlier, it will need to clearly be a staff proposed budget



- Changes to nomenclature
 - IE/ Staff recommended budget vs. Mayor tabled budget
 - IE/ Approved budget vs. Adopted budget
 - Will require upfront administrative work from Finance and Clerk departments
 - Currently not much consistency between municipalities



- In-year budget adjustments
 - No changes for technical amendments
 - For the purpose of raising an additional levy (i.e. general local municipality levy or a special local municipality levy), the Head of Council can prepare an in-year budget amendment starts a clock





Note: Council can shorten their timelines with a resolution, or in the Head of Council's case, a written letter to council members and the Clerk.

- Conflict of Interest
 - Council can pass a resolution to amend budget with respect to matter of interest
 - Mayor cannot vote on the resolution
 - Head of Council loses the power to veto the resolution



Budget - The Disconnect?

- Council retains rate setting (revenue) authority
- Mayor has budget (expense) authority
- City of Toronto split rate setting and budget for its 2023 budget ensuring rates were approved prior to tabling of the budget



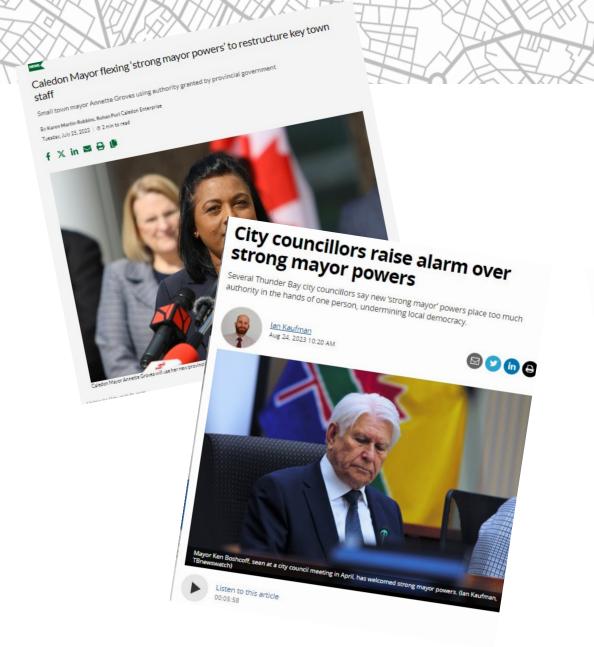
Budget - Unintended Consequences

- Interim spending for capital
 - In-between budgets, municipalities still need to pay for items like multiyear capital projects
 - Municipalities need to develop an interim spending authority process to maintain status quo until the budget can be approved



Challenges and Opportunities







Aurora Council, but likely coming anyway

Aurora lawmakers have rejected Strong Mayor powers on paper, but the decision is not

Last week, Council, upon a motion from Ward 1 Councillor Ron Weese, formally rejected Strong Mayor powers, which could be a significant shift in how municipal decisions could be

This fall, Heads of Council in nearly 30 Ontario municipalities – in Aurora's case, the Mayor – are set to receive the new powers, which will give them the authority to override Council decisions that are deemed not in line with the Province's housing goals, but also the power to hire and fire municipal staff, reorganize municipal powers, and more.

Premier Doug Ford announced Strong Mayor's power formalize a Housing Pledge to the Pro-

from the Provincial goverbackburner

h a call for municipalities to 3, there has been no indication ong Mayor powers on the

ese's motion more symbolic

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Mayor Ellis won't oppose new strong mayor powers

Published Sep 25, 2023 * Last updated Sep 26, 2023 * 3 minute read



Believille Mayor Neil Ellis broke ranks Monday with city council which voted 6-2 to oppose new strong mayors powers offered by the Ontario government to expedite the construction of 1.5 million hornes by 2031 across the province.

Belleville Mayor Neil Ellis broke ranks Monday with city council which voted 6-2 to oppose new strong mayor powers offered by the Ontario government to expedite the construction of 1.5 million homes by 2031 across the province.

Examples from U.S. Cities

- Strong mayor powers in Chicago, New York City, San Francisco, etc.
- US cities shifting away from strong mayors system
- Potential for budget staff to be attached to Office of the Mayor





Opportunities

- Heads of Council role more aligned with public perception
- Heads of Council empowered to enact platform they are elected on
- Accountability and transparency
- Potential to reduce roadblocks towards building more housing
 - Erosion of NIMBY influence
 - IE/ Toronto Mayor Tory and multi-tenant housing or Mayor Ford and subways



Challenges

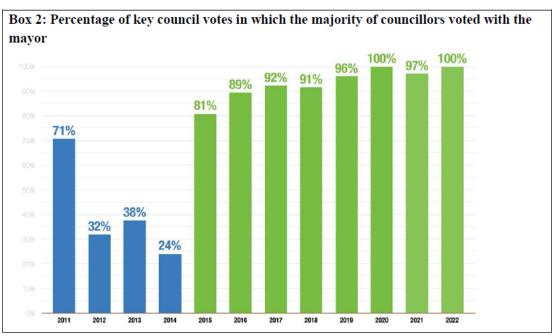
- Erodes the independence of public administration
- Minority rule provision loss of consensus building
- Staff retention and recruitment

Powers are only as good as the person wielding them



Reality

- Councils already reach consensus on most topics
 - Research on Toronto City Council found that on major issues council has generated majorities for decisions





Source: Matt Elliott (2022), "In Toronto, the Mayor Already Controls the Agenda", *Strong(er) Mayors in Ontario – What Difference Will They Make?*, IMFG, p.14

Reality

- Heads of Council are more involved in the budget process, but they don't write the budget from scratch
 - Staff maintain their integral role in developing the budget
- Many Heads of Council in Ontario have opted to maintain status quo

Impact will differ between municipalities and between elections



Reality

 Council may have opted to pass motions or by-laws to reject strong mayor powers, but the powers have still been provided to municipalities

 Treasurers, Clerks, and municipal staff must continue to follow processes under strong mayor powers even if mayors opt to forego powers by delegating to council and staff



News / Local News

Owen Sound rejects 'strong mayor' powers, gets them anyway

Lawyer laid out implications of these unilateral mayoral powers for council Monday

Scott Dunn

Published May 01, 2025 • Last updated 2 days ago • 7 minute read

Join the conversation



What MFOA is Doing

- Monthly discussion forum monthly MFOA meetings with Treasurers impacted by strong mayor powers
- FAQ on implications of Strong Mayors on Finance Departments
 - Coming soon



Common Questions

- 1. Can a Head of Council hire/fire a head of a finance department?
- 2. How to address in-year amendments that do not impact the overall levy?
- 3. As a separate plan without needing the revenues, can a "Capital Project Plan" be approved by council first, with the Operating Budget which is operating expenditures, transfer to the reserves and revenue then be approved later through the budgeting process?



Common questions continued...

- 4. What happens if the Mayor does not want to use strong mayor powers for budget purposes?
- 5. What is the new role of the budget committee?
- 6. Does council still retain the authority to approve tax rates?



Additional Resources

AMCTO

- Advocacy work on strong mayor powers
- Visit AMCTO's website to access the advocacy toolkit, or contact advocacy@amcto.com

OMAA

- Advocacy on behalf of CAOs written submission to Province available online
- Presentation from John Mascarin, Aird & Berlis LLP
 - City of Owen Sound City Council Special Meeting April 28, 2025



Questions?

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