

**TOWN OF MINTO**

**DATE:** August 24, 2016  
**REPORT TO:** Mayor and Council  
**FROM:** Bill White, C.A.O. Clerk  
**SUBJECT:** AMO 2016 Conference Summary

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**STRATEGIC PLAN:**

12.7 Demonstrate innovation in all aspects of municipal business acknowledging the importance of training, succession planning, transparency, communication and team-based approaches to municipal operations.

**BACKGROUND**

Members of Council and staff attended the 2016 Association of Municipalities of Ontario conference in Windsor August 14 to 17. With the recent split of the Ontario Good Roads Association and Rural Ontario Municipal Association conference, AMO is now the key opportunity for staff and Council to keep up to date in major trends in municipal business. There were 1900 delegates and over 400 presentations to 11 Provincial Ministries.

The conference includes plenary speakers, workshops, “bear pit” session (Minister Q & A) and speeches by the Premier and opposition leaders. The Theme of this year’s conference was “Bridging the Gap” in reference to the projected \$3.6 billion difference between estimated municipal expenses and revenues in the next 10 years. The biggest expense will be the cost of maintaining infrastructure.

AMO staff’s presentation explained the source of the \$3.6 billion shortfall between revenues and expenses and provided ideas to achieve a sustainable future for local government. To address the shortfall under the current structure municipalities can raise property taxes above inflation, increase user fees or share services. The Province can address joint and several liability, increase transfers to municipalities, and fix arbitration processes that dramatically increased police and fire wages. Delegates were encouraged to research unique revenue sources already used in Toronto and other municipal jurisdictions.

Nik Nanos of Nanos Research presented polling information on municipal services and revenue options comparing results between 2014 and 2016 with these conclusions:

- Municipal government is more responsive to the public than any other level
- Public sees infrastructure as top priority for municipalities with budget and economy next
- 67% of people think municipalities should have a greater share of the overall tax dollar
- Property tax spent on infrastructure and emergency services/social services are priorities
- More people supported a 1% increase in HST dedicated to municipal governments than did not support such an increase
- 64% of people do not support reducing municipal services to freeze property taxes
- People want police & fire wages to increase at the same rate as other municipal workers
- 76% of people are concerned property taxes will not cover future infrastructure costs
- 86% of people plan to vote in the next municipal election, up 17% from 2014

Having earlier this year announced more funding for the Connecting Link and Ontario Community Investment Fund programs, Premier Wynne announced agreement was close on implementing the Federal infrastructure fund. Both levels of government call their joint investment the biggest investment in infrastructure ever, with funds going to transit, roads, bridges, services, schools and hospitals. Details on the new Federal program will be rolled out for public transit and water/waste water early in September. Since the Town's SCF application for Brunswick Street was recently denied (despite reaching 2nd stage process), staff will aggressively pursue the new Federal program. The Premier committed to investigate alternate revenue sources for municipalities.

Patrick Brown PC spoke on lack of Provincial response to municipal issues. He expressed concern Ontario's industrial electricity rates are the highest in North America and threaten to offset local economic development initiatives. Residential hydro rates in Michigan are one-quarter of those in Ontario. Wind energy projects are being awarded in municipalities that are not willing hosts. He is concerned about forced municipal investment in health care or "downloading through stealth". Other funding shortfalls are in long term care, health unit and mental health which add to municipal costs and are not offset by the Province. He is concerned revenue from sale of Hydro One has not gone to municipal infrastructure as promised, and with the lack of shovel ready projects.

Andrea Horwath NDP talked about prosperity in rural and urban communities through a new approach to government. She pointed to municipalities' lack of trust due to the Province backtracking on promises to address joint and several liabilities. She suggests the municipal level be a more respected form of government and the relationship has been mismanaged for the past 20 years by both governing parties. There have been cuts to health care, nurses laid off, and schools closed while many rural areas have no access to proper internet. She supports hydro bills being reduced for municipalities and residents, and called for the Province to clarify its climate change program including its position on natural gas expansion into rural areas.

The Hicks Morely employment law update looked at trends in human rights and workplace law plus recent labour board decisions. Implications of Bill 132 about sexual harassment in the workplace were outlined as was presumptive legislation for post-traumatic stress for firefighters, emergency workers, and dispatchers. Wage settlements in 2016 average about 1.1% (CPI 1.9%). Police and fire increases totalled \$485 million between 2010 and 2014, far exceeding municipal and private workers. Recently police contracts are lining up with other municipal employees. It is recommended municipalities submit comments by October 14 on the 312 page Changing Workplaces Review - Special Advisors Interim Report which may fundamentally change the employee - employer relationship in Ontario.

Bill Hughes presented on asset management planning contributions to municipal financial sustainability. A fiscally sustainable municipality ensures service levels match ability to pay, service levels can adjust to meet economic changes; infrastructure is kept in good repair, reserve and debt capacity is retained to fund infrastructure, and funding for growth can be enhanced if needed. Over 50 years ago municipalities covered one-third of infrastructure costs with senior levels covering two-thirds; now municipalities cover 60% of the infrastructure cost with the Ontario and Canada supporting 40%. Municipalities hold on average \$1,800 of reserves per household; in Minto there is over \$2,000 of reserves per

household. Minto has elements of fiscal sustainability based on this research, but debt and service levels have to be controlled to manage short and long term risks.

The Municipal Employer Pension Centre of Ontario talked about OMERS 93% funded status growing closer to 100% since the 2008 economic crisis. Beginning in 2019 enhanced Canadian Pension Plan will increase employee and employer contributions to both OMERS and CPP. Contribution increases are not otherwise proposed but benefit flexibility is needed to address market conditions as another market correction like 2008 will dramatically affect sustainability. Conditional indexing is one reduced benefit being considered.

The Simcoe Medical Officer of Health, Accessibility Directorate and Winsor University Built Environment spoke on using urban design to increase physical activity, improve air quality, enhance road safety, promote accessibility, and intensify social connections. It concludes walkable communities are healthier for residents. The benefits of accessibility initiatives such as “Stop Gap” and others were highlighted along with resources and comparable programs that promote accessible communities.

There was discussion of policing in the future from Minister of Community Safety and Correctional Services David Oraziett, and an analysis of policing initiatives that reduced crime in the U.K. during an era of spending cuts. Denver Colorado’s experience with marijuana legalization was outlined. As Canada contemplates legalization, in Denver local municipalities bear the brunt of implementation due to licensing, land use and enforcement obligations. Government revenues increased 23% but so have health care interactions and crime rates. Expenditures on marijuana are less than 1% of the total Colorado economy. The link between crime rate, health care, economy and government revenues is not fully established, but at this point it is neither a “green boom” nor a community calamity.

Minister of Municipal Affairs Bill Mauro is new to the portfolio and spoke on recent initiatives of his ministry. At the Minister’s Forum Attorney General Naqvi dismissed a request for reform of joint and several liability but pledged to look for other solutions. Glen Thibeault Minister of Energy confirmed government plans to continue investing in affordable natural gas. Brad Duiguid Minister of Economic Development & Growth and trade confirmed Provincial RED funding is “not dead”. Questions on changes to the Planning Act notice procedures, policing, energy costs, industrial wind turbines in unwilling host communities, marijuana legislation, and reform of the OMB were discussed. A “guaranteed income for Ontarians” continues to be looked at, and progress on phragmites, an invasive species, is being made. There were several health care questions including a compelling one from the Mayor of Trent Hills regarding cancer treatments available in the U.S. but not in Ontario.

The final session “Municipalities and Climate Change the Path Forward” was interesting and concerning as this issue tends to be. The Canadian Cement Association, a major conference sponsor, used the session as a platform to lobby for concrete roads and buildings as a means to help reduce carbon emissions. Their argument is that considering lifecycle costs and environmental impact, concrete roads are more cost effective than asphalt; municipalities that do not price concrete roads as an alternative asphalt risk failing infrastructure due to climate change. The Association calls the Ontario Building Code the “lowest common denominator”, and that municipalities should mandate a higher standard of construction with concrete buildings.

Reid's Heritage Homes presented on five pilot homes they built with government support that have a net zero impact on the environment. They argue that homes built under the current Building Code are minimum constructed just enough to keep builders "build to stay out of jail", and that net zero homes are not only a better built home they are better for the environment. This position was at least partially offset by a speaker who tried to bring some reality to the impact of climate change initiatives might have in rural areas.

#### **COMMENTS:**

There is much discussion amongst municipal leaders about how to practically and efficiently implement climate change commitments made by Ontario and the Federal Government. Imposed solutions like those discussed at the AMO session will further drive up housing and infrastructure costs in addition to higher energy costs already being absorbed.

Higher cost will result if "dogma" presented by the two companies in the AMO climate change session is not subject to independent cost benefit review. Recent changes to the Building Code increased energy efficiency and improved many aspects of home construction; the Code is no longer the "lowest common denominator" or the minimum standard contractors "build to stay out of jail". It is irresponsible to suggest municipal councillors can require a higher standard of construction for homes beyond the Building Code when there is no legislative authority to do so. Municipalities can set higher standards for their own buildings if they are prepared to pay the higher costs (ie LEED certification), but cannot mandate that others exceed the Building Code.

Many in the field take issue with the Cement Association's position on concrete roads. While this may be an option for 400 series highways, many rural municipalities struggle to hard surface roads let alone pay for concrete. It is important that alternate design ideas be presented in a fair and reasoned way. Cement construction and zero impact homes could well be the way of the future, but the presentation by these private firms is aggressive in light of "cap and trade" dollars being available for companies with the right sales pitch.

The attached information supporting Town delegations was given to Attorney General Yasir Naqvi and Parliamentary Assistant Yvan Baker Ministry of Finance. The Attorney General promised his staff will consider the agreement presented to him by Mayor Bridge to bring the Harriston Lawn Bowling matter to reasonable conclusion. Mr. Baker is interested in the Town's proposed amendment to the Municipal Act to eliminate property tax rebates for empty buildings where a municipal Community Improvement Plan is in place. The Ministry set up a reference group on this matter and asked Treasurer Duff to participate.

There were many other sessions attendees can report on at the Council meeting if they wish. Once again the AMO conference provided opportunity for all to pursue topics of interest.

#### **FINANCIAL CONSIDERATIONS:**

The annual AMO conference cost is covered within existing budget allocations.

#### **RECOMMENDATION:**

That Council receives the C.A.O. Clerk's August 24 report AMO 2016 Conference Summary.

Bill White, C.A.O. Clerk



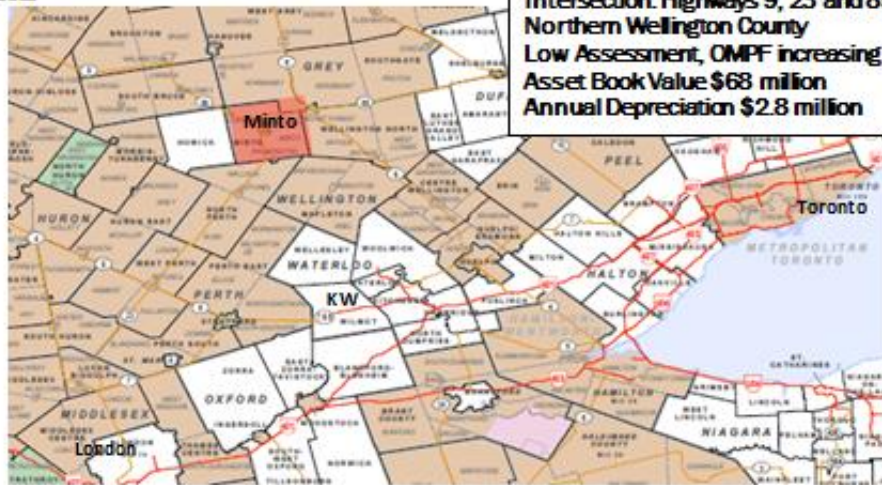
## Harriston Lawn Bowling Transfer Yasir Naqvi, MPP (Ottawa Centre) Attorney General

### Attendees

Mayor George Bridge (Warden Wellington County)  
[georgeabridge@gmail.com](mailto:georgeabridge@gmail.com)  
 Deputy Mayor Ron Faulkner  
 Councillor Ron Elliott Councillor David Turton  
 Councillor Judy Dirksen, Councillor Jean Anderson  
 CAO/Clerk Bill White ([bwhite@town.minto.on.ca](mailto:bwhite@town.minto.on.ca))

MPP Randy Pettapiece  
[randy.pettapiece@pc.ola.org](mailto:randy.pettapiece@pc.ola.org)

### Minto Facts



### Description of Issue

- October 15, 2014 the Town started process to help a few lawn bowlers in Harriston sustain their activities on a small property at the corner of Arthur Street (Highway 23) and Mill Street.
- Bowlers take care of greens and clubhouse but membership is so small insurance and annual \$700 property taxes are a burden.
- Agreement was reached to transfer the land to the Town. Minto Recreation would run a seniors lawn bowling program allowing bowlers to play.
- No property tax is payable. Town insurance covers lawn bowling program. Bowlers cut greens and take care of clubhouse at their cost





- Town lawyer Patrick Kraemer proceeded to transfer the land to the Town, but discovered Harriston Lawn Bowling Association was no longer a functioning entity even though members bowled, pay property tax and bought insurance as an organization for decades.
- Town told the Public Guardian and Trustee assumes ownership in place of the Lawn Bowling Association and transfer would be agreed to through the courts as a routine matter.
- One lawn bowler agreed to participate in the proceedings keeping the remaining member appraised and signing all the documents needed to allow the transfer.
- After several months' discussion between the Town Lawyer and Public Guardian on terms for the transfer, the Town was told it had to pay the Public Guardian and Trustee fair market value if the Town "proposes to cease using the land for public parkland".
- This negotiation resulted in over \$15,000 in legal fees being billed to the Town

#### **Town Position**

- The Town has no intention of selling the lands for any purpose; the land is in the regulatory floodplain, has no access to the highway and is not suitable for development



- The Province and Town may need the lands in the future for roadway reconstruction; if that were the case the Town has no intention of paying the Public Guardian and Trustee fair market value for the land.
- The Public Guardian did not pay market value to "assume" ownership and has taken on very little cost to assert its control of the property. The Town's legal and administrative costs are excessive
- The agreement is re-drafted for the Attorney General to sign replacing the offending clause with a clause confirming the Town's intent

#### **Minto respectfully requests**

The Attorney General consent to the transfer agreement attached to this briefing so that the Town can legally conclude this transaction.



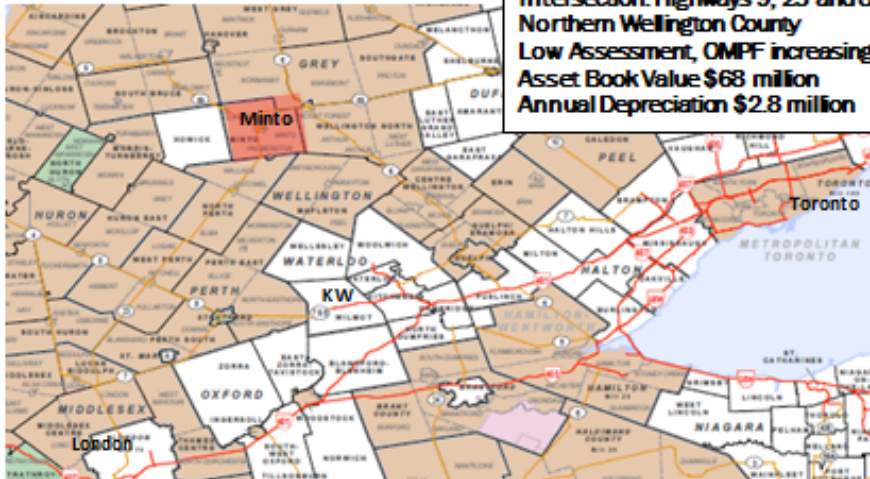
**Tax Rebate Municipal Act Section 364 Regulation 325/01**  
**Mr. Yvan Baker, Parliamentary Assistant to the Minister of Finance**

**Attendees**

Mayor George Bridge (Warden Wellington County)  
[georgeabridge@gmail.com](mailto:georgeabridge@gmail.com)  
Deputy Mayor Ron Faulkner  
Councillor Ron Elliott Councillor David Turton  
Councillor Judy Dirksen, Councillor Jean Anderson  
CAO/Clerk Bill White ([bwhite@town.minto.on.ca](mailto:bwhite@town.minto.on.ca))

MPP Randy Pettapiece  
[randy.pettapiece@pc.ola.org](mailto:randy.pettapiece@pc.ola.org)

**Minto Facts**



**Description of Issue**

- The Municipal Act Section 364 Regulation 325/01 permits owners of buildings entirely vacant for 90 days to receive a 30% property tax rebate.
- The Act and regulation set out the process an owner may use to receive the rebate and includes an appeal right in the event such a rebate is not approved.
- The Act allows landlords to receive a property tax rebate even though they have no intention of renting their building. These buildings often have significant property standards issues and are poorly kept.
- If any part of a building is leased by that landlord then the same rebate is only permitted if the rest of the space is "rentable". This would require the full building be brought up to standards
- Landlords are given an incentive not to renovate and their buildings become blight on the local community.
- The Town has approved Community Improvement Plan incentives that include grants, low interest loans, and tax increment financing to encourage buildings to be renovated.



- Recently the Town provided a direct grant of \$40,000 to support renovation of an old post office building in downtown Harriston.
- This renovated building is close to 100% occupied. Other buildings have been renovated as a result of the Town's Community Improvement Plan incentives.
- Others have chosen to abandon their building and collect a 30% rebate on their property tax.
- Despite all the Town's incentives and encouragement, the Landlord of the building below chose to remove all residential tenants and disconnect utilities so the building can sit entirely unrented with a 30% property tax rebate.
- The building has deteriorated since this picture



#### **The Town's position**

- The Provincial rebate for vacant buildings works against the Town's incentive program by rewarding landlord inactivity.
- Landlords receive a 30% discount to shut down their building, disconnect utilities, discontinue any effort to rent or renovate the building, drive the market value down and receive a rebate as a reward.
- In the meantime legitimate landlords and municipalities work together to improve the building stock and overall assessment.
- By denying a rebate under the Municipal Act Section 364 for vacant properties in a Community Improvement Project Area where there is an approved Community Improvement Plan in place, landlords will be encouraged to a renovation to gain tax relief rather than allowing their building to spiral into a community eyesore.

#### **The Town respectfully requests**

Municipal Act Section 364 and associated regulation 325/01 should be changed as follows by adding the following to Section 1(5) of the said regulation

"(d) no case shall a rebate be provided to any vacant building located within a Community Improvement Project Area as defined in the Planning Act for which there is an approved Community Improvement Plan under the Planning Act which allows tax increment financing and other incentives encouraging renovation of vacant and underused buildings."