



## **TOWN OF MINTO**

**DATE:** June 12 2018

**REPORT TO:** Mayor and Council

**FROM:** Bill White, CAO/Clerk

**SUBJECT:** Delegations 2018 AMO Conference; Charting a New Provincial Municipal Relationship

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### **STRATEGIC PLAN**

5.1 Actively and professionally seek out Federal and Provincial grants and revenue-sharing programs, and promote sustainable and equitable funding programs that require a minimal amount of reporting and promote local accountability.

### **BACKGROUND:**

The 2018 AMO Conference is August 19-22 in Ottawa. In the last two terms of Council the Town had 12 delegations at the major municipal conferences as follows:

- February 2011 OGRA/ROMA Minister of Infrastructure Bob Chiarelli access to Provincial Gas Tax
- August 2011 AMO Rick Bartolucci Ministry of Municipal Affairs downtown incentives
- February 2012 OGRA/ROMA then Minister of Municipal Affairs Kathleen Wynn Source Water Protection integration with Provincial Policy; Attorney General John Gerretson Joint and Several Liabilities
- August 2012 AMO Minister of Environment James Bradley Source Water Protection Implementation
- February 2013 OGRA/ROMA Minister of Environment James Bradley Source Water Protection Implementation, Town of Minto Resolution; Minister of Transportation Glen Murray Connecting Link Funding
- August 2013 delegation Parliamentary Assistant to Minister of Transportation jointly with Wellington North and North Perth regarding restoration of the connecting link program
- February 2014 Minister of Municipal Affairs Linda Jeffrey Streamlining Municipal Reporting
- August 2014 Parliamentary Assistant to Minister of Municipal Affairs regarding streamlining reporting and Public Sector and MPP Accountability and Transparency Act; Deputy Premier Deborah Matthews Public Sector and MPP Accountability and Transparency Act; Minister of Agriculture Jeff Leal Rural Ontario Municipalities Economic Development Update; Minister infrastructure Sustainable Infrastructure Funding Model
- February 2015 Minister of Municipal Affairs Ted McMeekin Streamlining Municipal Reporting; Associate Minister of Health with responsibility for Long-Term Care Hon. Dipika Damerla, Strong Health Care Options Rural Ontario
- February 2016 Minister of Environment and Climate Change Glen Murray Regarding Infrastructure Resiliency, Climate Change Funding ("cap and trade")

- August 2016, Yvan Baker, Parliamentary Assistant to Minister of Finance, Tax Rebate Municipal Act Section 364; Yasir Naqvi, Attorney General, Harriston Lawn Bowling Transfer
- February 2018 Ministry of Agriculture and Rural Affairs, Municipal Drain Approvals and Delays due to Department of Fisheries

The 2018 AMO conference will be the first for delegations before a Conservative Government in 15 years. Since 2011 Minto has expressed concerns with some of the previous government's legislative initiatives. The foundation of these concerns is ever increasing regulatory and reporting obligations on municipalities. There are still significant new mandates from that government that extend into this next term. Hopefully some initiatives can be repealed or postponed and a new Provincial-Municipal relationship formed.

## COMMENTS

This report identifies key policy concerns out of the last several years where the Province substantially increased municipal legislative and bureaucratic obligations. None of these policy areas will be a surprise to the Province since Minto has commented directly on all six of them over the years.

The six areas identified below are by no means complete. Changes to the Municipal Elections Act, the Green Energy Act, Source Water Protection and others along with firefighter certification or asset management planning have also increased Town costs, causing increased need for staff and consultants to fulfill new mandates. The issue of joint and several liability received some support as a result of an initiative of our MPP Randy Pettapiece back in 2014 before the previous Premier abruptly ended any reform.

Now is an opportunity for the Province to recognize municipalities as a mature level of government able to make decisions that sustain and improve the community so long as funding tools are in place. Council is aware municipalities have 80% of the services, two thirds of the infrastructure and only 9 cents on every taxpayer dollar. Along with sustained and responsible funding, municipalities need relief from the ever increasing burden of reporting and monitoring imposed by the Province. The new government may be willing to look at these issues and the others summarized below:

### **1. *Bill 148 Fair Workplaces, Better Jobs Act***

Council had expressed concerns with added reporting, flexibility around winter snow removal staff, part time worker obligations, and potential rule changes around frustrated employment, notice and termination without cause. This law was supposed to address "vulnerable employees". Few municipal employees would be classified as "vulnerable" when compared to many workers in the private sector.

The Province already had to reverse the legislative requirement on pay for statutory holidays. One of the largest financial concerns is minimum three hour call in periods as it pertained to

volunteer firefighters and public works staff. This could be a huge cost to Minto in the future depending on how the law is interpreted.

**Recommended delegation request:**

Minister of Municipal Affairs to obtain an immediate exemption for all municipal workers and volunteer firefighters from obligations under Bill 148

**2. *Bill 68 Modernizing Municipal Legislation***

During its review of this wide ranging legislation Council supported elements that streamlined or reduced costs, clarified rights and decreased bureaucracy such as shortening the tax sale process, increasing municipal investment options, allowing electronic meeting participation, election timing matters, and parental/pregnancy leave for councillors.

Council did not oppose parts of Bill 68 imposing climate change mandates and tree planting policies since Minto is well positioned in these areas, but objected to decreased local autonomy and increased oversight, reporting and bureaucracy brought on by requiring an integrity commissioner be hired, and granting that position authority and responsibility already incumbent upon staff, all members of Council and local boards, Ministry of Municipal Affairs staff and the Ombudsman.

As of March 1, 2019 new requirements are imposed regarding codes of conduct, integrity commissioner, conflict of interest, mandatory policies and other provisions. This includes the requirement for a policy regarding the relationship between members of council and the officers and employees of the municipality. There is an opportunity to eliminate or postpone the new mandates pending further review.

**Recommended delegation request:**

Minister of Municipal Affairs to postpone March 19, 2019 implementation of provisions of Bill 68 for at least two years until the Province repeals sections that decrease municipal autonomy and increase Provincial reporting, oversight and bureaucracy

**3. *Ontario Municipal Partnership Fund (OMPF), Ontario Community Investment Fund (OCIF), Connecting Link Fund, Provincial Gas Tax and others.***

AMO identified a 10 year shortfall between revenues and expenses for municipal operations across the Province. Even though infrastructure spending increased \$2 billion between 2003 and 2013, \$4.9 billion more is needed between 2016 and 2025. Without another revenue source property taxes will need to increase 8.35% annually to meet the shortfall.

Despite a decrease of over \$172,000 in OMPF funding, Minto still receives \$1.63 million in annual operating funds from the Province. Rural municipalities rely heavily on OMPF to support provincially mandated programs and other operations. The Province should not permit further reductions in OMPF funding for the next five years, and allow for an annual cost of living increase so that funding levels do not slip.

The Town was successful securing grant funding under Connecting Link and OCIF “merit based” programs. However significant staff and consultant costs are imposed on municipalities to apply for and administer “merit based” grants. This does not include Provincial costs to review, award and monitor these grants.

The Town consistently supported eliminating “merit based” funding in favour of sustained “formula based” funding. The Province should consider making the Connecting Link program entirely formula based, and distributing all future funds in the OCIF “merit based” program to a sustained and increased “formula based program”. In Minto “formula based” funding will grow to \$506,543 by 2020. If that could grow to \$1 million annually and be sustained by the Province at that level, Minto could better plan for long term capital needs.

While Minto receives \$260,000 in Federal Gas Tax annually, rural municipalities do not have access to Provincial Gas Tax as this fund is targeted to transit initiatives. The Province could add to the “formula based” funding for rural municipalities by opening the Provincial Gas Tax to non-transit projects. If the Province matched the Federal Gas Tax amount, and the same limited oversight and reporting applied, Minto could better plan in the long term to meet its capital needs as upwards of \$2 million sustained funding would be available.

**Recommended delegation request:**

Minister of Municipal Affairs or Minister of Finance to request 2018 OMPF be set as the base amount increasing by cost of living over the next five years, that OCIF and Connecting Link programs be entirely “formula based” and supplemented by Provincial dollars in the “merit based” fund, and that rural municipalities have access to Provincial Gas tax for non-transit activities at the same amount and reporting obligation as the Federal Gas Tax.

**4. Building Code Amendments Energy Efficiency, Climate Change**

The Ministry of Municipal Affairs has been increasing building code requirements for several years, which consistently drove up construction costs in Ontario. More changes are proposed as the Province drives its climate change agenda. No longer is the Building Code a document to ensure buildings are safe and secure, the Province is dictating costly upgrades to enforce changes in National Energy Policy.

Beginning in January 2019 energy efficiency requirements will apply to renovations. Electric vehicle charging stations are required for apartment buildings, while green roofs, grey-water re-use, solar ready roofs, and hurricane straps are proposed. In 2020 increased insulation and window specifications apply, while in 2022 a 20% decrease in energy use in homes and large building is directed by “mandatory air tightness testing without concern for results”. The Town has seen energy efficiency savings quickly absorbed by higher electricity prices. The cost-benefit of more changes to the Code on top of those already imposed is not proven.

**Recommended delegation request:**

Ministry of Municipal Affairs to postpone or delay further amendments to the Building Code for at least five years until the cost benefit of imposed energy requirements is re-assessed.

**5. Growth Plan for the Greater Golden Horseshoe 2017 and Provincial Planning Policy**

Town staff has commented at length to Council about the impact of the Growth Plan for the Greater Golden Horseshoe on local planning as of July 2017. Council is aware that the process to expand Palmerston's urban area is now the same as for Mississauga, Guelph or other large municipalities. Urban boundaries are frozen at current levels until the County completes a comprehensive review of growth needs including a hierarchy of settlement areas and many other studies during its five year review of their Official Plan. This will see small communities across Wellington County competing for a fair share of growth.

Council is also aware that the Growth Plan applies in Wellington County but not in areas north and west. This means Provincial planning rules are different from one side of the highway to another. The Growth Plan of 2017 should be repealed as Provincial Policy and considered a guideline only. The Provincial Planning Policy Statement of 2014 would return as the governing document for local planning matters, creating a level playing field across Ontario. That 2014 document had already been significantly enhanced from previous versions to increase central planning control.

If the Province still sees fit to keep the Growth Plan as policy for that specific section of Ontario, municipalities under 10,000 in population more than 50 km from an urban center over 50,000 people should be exempt.

**Recommended delegation request:**

Ministry of Municipal Affairs to request the Growth Plan for the Greater Golden Horseshoe be declared a guideline and that the Provincial Policy Statement of 2014 be applicable across the Province to maintain a level playing field.

**6. *Drainage Act of Ontario, Municipal Drains, Department of Fisheries***

Minto has 115 consecutively named municipal drains and 30 - 40 named drains. Many were damaged by the June 23, 2017 flood. Council received a number of complaints about how long municipal drains take to go through the Drainage Act process. The reasons for these delays are changing, unreliable or unreasonable comments from some agencies, in particular the Department of Fisheries.

At a delegation with the Ontario Ministry of Agriculture their staff was apparently unaware of the major delays caused by some agencies. Other branches of the Ministry are valued advocates and support the Drainage Act which for decades has allowed for practical and reasonable agricultural drainage solutions for farmers.

Minto Council has asked for expedited commenting on municipal drains from Department of Fisheries and other agencies. Now is the time to exempt municipal drains from DFO approval and allow good engineering to ensure appropriate drainage is installed. The Drainage Act has public processes that have stood the test of decades for projects and that ensure landowners and Council have input into the process.

**Recommended delegation request:**

Ontario Ministry of Agriculture to exempt municipal drains from Department of Fisheries review or approval.

**FINANCIAL CONSIDERATION:**

Delegations are at no additional cost to the Town. Deadline for requests is July 3.

**RECOMMENDATION:**

THAT Council receives the June 12, 2018 report from the C.A.O. Clerk regarding delegation requests 2018 AMO Conference Charting a New Provincial Municipal Relationship, and that Council provides direction on issues of concern that may warrant a delegation request.

Bill White, C.A.O. Clerk