



Ontario Municipal Chief Administrative Officer Survey 2023

A candid look at the issues on the minds
of Ontario's CAOs

The photos in this document reflect the municipalities that [StrategyCorp](#) has served over the years. They should not be taken as an indication of the municipal representatives who participated in the survey.

Normally, we depict Town Halls. This year, we chose to highlight pride crosswalks across Ontario as our reassertion of the importance of inclusion in municipal spaces, at a time when some are choosing to question this important principle.

Dedication

As has been the case since this report was first published in 2016, we once again dedicate it to Ontario's Chief Administrative Officers (CAOs), who continue to inspire us with their steadfast commitment to good governance and professionalism under increasingly trying circumstances.

Tasked with managing both the challenges of the community and the municipal administration, the pressures facing CAOs appear to grow with each of our annual surveys. Yet CAOs continue to diligently lead, and champion, their local public service in communities big and small across Ontario.

We thank you for your service.

Note: The term CAO refers to Chief Administrative Officer, County Administrator, City Manager, and Town Manager.

**Ontario Municipal
Chief Administrative Officer
Survey 2023**



The **StrategyCorp Institute of Public Policy and Economy** provides thought leadership on important public policy issues facing Canadians and their governments across the country by combining economic and policy expertise with key political insights.

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Introduction

Since 2016, StrategyCorp has conducted an annual survey of municipal Chief Administrative Officers (CAOs) and City Managers from across Ontario, seeking their opinions on the most pressing issues in the municipal sector.

Previous editions of the report focused on:

- 2016: CAOs from Ontario's larger municipalities.
- 2017: CAOs from Ontario's smaller and medium sized municipalities.
- 2018: CAOs from across Canada.
- 2019: Ontario CAOs from northern and upper-tier municipalities.
- 2021-2022: Following a pause due to COVID, Ontario CAOs from municipalities of all sizes.

SURVEY METHODOLOGY

This year we conducted virtual interviews with 28 CAOs. Interviewees were provided with the list of 15 questions ahead of time and while they were taken through the questions in sequential order, participants were encouraged to speak openly and not feel as if they were required to spend equal time discussing each question.

As always, StrategyCorp made two promises to the participating CAOs:

- We committed to faithfully and accurately record and report what they told us.
- We assured them that their comments would remain non-attributable.

We acknowledge that there are many great ideas in this report that are worthy of attribution, but that would defeat the promise of anonymity and potentially compromise participation or candor.

It is always our intent to let the voices of the CAOs be as we heard them: honest and forthright. In some cases, quotes have been edited for brevity, readability or to protect anonymity, while remaining faithful to the sentiment expressed by the participant.

Lastly, this report should be understood as qualitative, and not quantitative, research. We do not suggest that our sample is representative or capable of scientific statistical analysis. We also acknowledge our role in collating, grouping, and analyzing the data. Nevertheless, we believe that the participants provided us with an honest look into the trends and challenges facing Ontario's municipal sector and that we have done justice to what we heard in the pages ahead.

We hope that this report will prove useful for those interested in understanding the opinions and experiences of Ontario's most senior municipal leaders at this particular moment in time. We also hope that our findings will invite further discussion about the state of Ontario's municipal sector and provide useful context and insights for decision-makers at all levels of government.

Executive Summary

FROM “ALL COVID, ALL THE TIME” TO “GROWTH, GROWTH, GROWTH”

When StrategyCorp interviewed CAOs for our 2021/2022 survey, what we heard was dominated by concerns about COVID-19. This came as no surprise.

The tensions in the provincial-municipal relationship that we documented in 2019 – the threat of forced restructuring, and of reductions in transfers to municipalities – were largely forgotten. Instead, there was overall approval of the province’s leadership during the pandemic. Indeed, we heard a lot of gratitude about the way Ontario had stepped up with financial supports for local governments during the public health emergency.

What was unique about the 2021/2022 Survey was that, for the first time, CAO concerns about post-COVID exhaustion and the resulting human resources challenges had displaced “concern about municipal financial sustainability” as the top issue “keeping CAOs up at night.”

By the time of the 2022 AMO Conference – the first in-person gathering since 2019 – there was a sense of relief in the air. The most severe health threats of COVID appeared to be behind us. Concern was brewing, however, about how the Ontario government might go about solving the housing crisis, and the answer was not long in coming.

Through the fall of 2022, the province introduced a suite of legislation that fundamentally changed key aspects of:

- Policies and processes that changed the municipal capacity to control and shape growth;
- Growth funding tools that limited the municipal capacity to fund infrastructure;
- Planning roles of upper and lower tiers in regional government settings; and
- New powers for designated Strong Mayors that changed their relationship to their Councils, administrations, and the public.*

The changes were the most sweeping in 20 years. “Growth management” was “out.” Creating more land supply for housing, even to the extent of opening up the Greenbelt, was “in.” Municipalities were to embrace a change in attitude from their traditional role as “approval authorities” to growth boosters, even to the extent of signing pledges to achieve housing targets.

As you will read, CAOs concur with the need to achieve more housing of all types. There is a high degree of support for reforms that speed up the approvals process. But most are skeptical that the province’s new measures will result in “more homes, faster.”

- There are concerns about the lack of process and consultation.
- There are concerns that Ontario focused primarily on the municipal role in the process, without regard to the reality that, for the most part, local governments grant the permits, and builders build.
- Many are concerned that limits on growth funding tools will do nothing to improve affordability for the home buyer and instead constrain municipal capacity to fund infrastructure needed to support growth.
- There are divided views on changes to the regional structure and role. Many are concerned that proposed changes to Peel specifically, and to the regional role in infrastructure planning, generally, are wrong-headed and unlikely to accelerate new housing development. Some are supportive, however.
- As for changes to mayoral powers, many are concerned that Strong Mayor powers will undermine public faith in local democracy through use of the veto power and risk politicization of the municipal public service.

* The Strong Mayors, Building New Homes Act (Bill 3), More Homes Built Faster Act (Bill 23), and the Better Governance Act (Bill 39).

Homelessness, opioids, mental health, and addictions:

CAOs are very concerned about this bundle of inter-related issues, and the effects they have on individuals and the community. Many express frustration about the need for more provincial and federal investment, and for better coordination of wraparound services to those in need.

“Long Municipal COVID”: The worst of the pandemic may be behind us for now, but many municipalities continue to manage its lingering effects. Some still face significant operating deficits on public transit, due to decreased ridership. Many have downtowns that have not returned to their pre-pandemic vibrancy. As in the last survey, most still report burnout in their workforce and problems attracting and retaining talent.

Then there are all the other “usual” issues – but with more urgency: Participants report the “usual” problems facing municipalities – fiscal sustainability, climate change, cyber-attacks, the decline in public discourse and civility. These all persist. If anything, they have gained new urgency as the problems seem to have increased in severity.

As you will read in the pages ahead, CAOs have had a wide range of experiences in the past year and hold nuanced views on these and many other issues. As always, we are impressed by their persistence, their professionalism, and their accomplishments as they navigate these uncertain times.

You will also see throughout this report that we have offered our perspective on practical solutions to the challenges raised by CAOs, including recommendations for consideration related to the province:

1. Extend funding for continued municipal revenue shortfalls and increased costs attributable to the pandemic.
2. Deliver on the Bill 23 pledge to keep municipalities whole on the reduction of growth funding tools.
3. Reconsider the Strong Mayor provisions, particularly as they related to the potential politicization of municipal administration.
4. Provide enhanced provincial funding for mental health, addictions and homelessness supports and address federal shortfalls in funding relating to refugee and immigration settlement.
5. For the longer term, convene discussions that would lead to a new assessment of “who does and pays for what” to create a new federal-provincial-municipal fiscal framework.

These recommendations are fully elaborated in the conclusion to this report.

What We Asked

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Question 01

Top Issues Facing Municipalities

What do you see as the three biggest factors affecting your community in the next five years?

What We Heard

Every year we begin our survey by asking the CAOs what they consider to be the three biggest factors impacting their communities over the next five years. This year, the answers to this question provide a striking cross-section of the broad themes and key insights of our report.

Unsurprisingly, the number one issue identified by CAOs was housing supply and affordability, followed closely by the challenges of managing growth and social inequities and issues such as homelessness, poverty, mental health and addictions. Runner-ups included ongoing pressures on the health care system and the impacts of climate change, along with internal challenges such as employee attraction and retention and financial constraints.

Much was also said this year about the provincial-municipal relationship in view of changing provincial legislation on land use planning and audits of municipal reserves, the announced dissolution of Peel Region, the uncertainty about the future of the two-tier system, and the establishment, and later expansion, of Strong Mayor powers.

The tone was markedly different than our 2021/22 survey, in which many CAOs were quick to thank the province for its COVID-relief funding. Now a year later, CAOs spoke about the province with frustration and even shock. It seems that provincial-municipal relations have returned to the somewhat tenuous and difficult status of 2019 following provincial cuts to public health (which were eventually reversed) and the review of regional government.

To introduce these themes, we let the CAOs speak for themselves.

#1: HOUSING SUPPLY AND AFFORDABILITY

“Housing, housing, housing.”

The challenge of housing supply is the top issue identified by participants. Ontario has declared a plan

to create 1.5 million new homes by 2032. Municipalities have responded to the call and, for most participants, the challenge of housing supply has displaced all other issues as the top priority.

- “Housing crisis – that is the obvious one to everyone.”

Housing affordability is part and parcel of the supply question. The challenge encompasses both market housing, and housing that meets the needs of the underhoused. Some participants noted that promoting growth on the upper end of the market can have unintended impacts on the lower end, as renewal displaces older, more affordable units.

- “We had a history of being an affordable place, but residents’ average income is lower here and before there was the ability to have housing along the continuum. This enabled flow through the system and enabled everyone to have some sense of home, be it rental or ownership. We face a bigger version of the housing crisis because [in our case] it has become so unaffordable so fast, at the same time as we are going through a renaissance as a city.”
- “There’s lots of downtown development and lots of cranes but there have been issues with rental evictions and gentrification.”

In 2022-23, Ontario introduced significant legislative change in the name of building more homes, faster. Adjusting to this new framework has been a significant burden for many municipal administrations, and most CAOs are skeptical that the legislation will bring about the outcomes all governments want to see: more housing.

- “We’ve been meeting the provincial targets for housing permits...we just need someone to put shovels in the ground.”

#2: SUPPORTING GROWTH AND MANAGING ITS IMPACTS

Related to the aggressive push on housing by the Ontario government, many CAOs are concerned about how to fund and build the infrastructure required to enable and support growth, especially in view of diminished development charges due to Bill 23. As one CAO put it, “It is simple. No infrastructure, no growth.” Water, wastewater, and roads are all critical for growth.

- “We are a settlement area. Municipalities [that neighbour us and for which we provide water and wastewater servicing] that were planning for minor growth now have 6,000 houses on cusp of approval. As a result, we need to build new water retreatment capacity. We expect our infrastructure costs to double.”

Further, the cost of building new infrastructure can constrain funding available for investments in a state of good repair, already stressed by chronic underinvestment, high interest rates, and inflation.

- “Our lack of spending in infrastructure for the last 20 years is coming back to bite us, along with so many other municipalities.”
- “We are growing rapidly, faster than any set targets. I am worried about impacts of growth on services and infrastructure, particularly health and social services.”



Growth is also inherently political. It has often been quipped the difference between a homebuilder and a developer is as follows: “A homebuilder is someone who built your home. A darn developer is one who wants to put one next door.” It is thus unsurprising that when growth comes at a rapid rate, it can bring stress to the social fabric of a community. Several participants noted the challenge of managing the pace of change in communities where residents “like it the way it is,” conceding that such problems could be described as textbook “not-in-my-backyard” thinking, or NIMBYISM.

- “There has been unprecedented growth in places that have not wanted to grow.”
- “There have been big investments in nearby communities. [This results in] big demand for bedroom housing in our smaller communities that haven’t wanted to grow.”

In other cases, local opposition to growth may be a more genuine reflection of asserting the need to protect the natural character and environmental heritage of communities facing growth pressures. For some, this might be NIMBYISM by outcome, but not by motive.

- “We are a fast-growing area [in a beautiful, rural part of Ontario.] You could dismiss opposition to growth as just ‘NIMBYISM,’ but those natural features are integral to people and their quality of life. They do not want to lose those features.”

With growth also comes diversity, and with it, both demands for service and political pressures to manage.

- “Previously, we were known for our hockey arenas. Now we are being asked for cricket pitches and other facilities for a more diverse population not anticipated in previous long-term planning.”
- “We are changing and not everyone gets it. There will be growing NIMBY conflict over accommodating the cultural infrastructure needed to support growing diversity around us.”

CAOs’ perspectives on growth management and the significant changes to Ontario’s land use planning system are described more fully in Chapter 4.

#3: MENTAL HEALTH, ADDICTIONS AND HOMELESSNESS

CAOs across the board are deeply concerned about the most vulnerable members of their communities and the reality that the strategies for dealing with contemporary social issues like homelessness and the opioids crisis have not kept pace with the gravity of these challenges. Nor are these issues limited to large, urban municipalities.

“Issues of addictions and homelessness are night and day to our social issues of 10-15 years ago, and it’s really scary stuff.”

- **“We haven’t caught up to where society is on mental health and addictions, and we haven’t figured out how to deal with the mental health and opioid crisis.”**

Similarly, participants express frustration and doubt about the institutional and intergovernmental relationships of how we address – and fund – these challenges.

- **“We are struggling specifically with who does what.”**
- **“The federal government does not provide adequate supports to our newcomers, and this contributes to our homelessness problem.”**

For more on the social challenges facing Ontario municipalities and the Community Safety and Well-Being Plans designed to address them, see Chapters 11 and 12.

#4: THE GROWING PRESSURE ON MUNICIPALITIES TO FUND HEALTH CARE SERVICES

Health care is a provincial responsibility, except when it isn’t. And except that it has been an enumerated municipal area of jurisdiction since the *Municipal Act* was amended in 2006 to give municipalities broad powers to pass by-laws in a range of areas including safety, well-being and health. Perhaps it is more accurate to say that most CAOs think health care ought to be a provincial responsibility or, at least, that municipalities should be cautious about growing their footprint in health care spending and service delivery.

- **“We are spending too much on long-term care and it really should be a provincial responsibility.”**

- **“We spend more than a quarter of a million on physician recruitment.”**
- **“Hospital funding. We are looking to spend a huge amount on the local share for our new hospital.”**

#5: GOVERNANCE ISSUES ARE BACK

Having both raised and put governance issues to rest in 2019, provincial legislation in 2022 and 2023 revived them with changes to the jurisdiction of regional governments in relation to planning, the promised appointment of facilitators to consider further structural change to the two-tier system, and the institution of Strong Mayor powers.

Many CAOs are split on the issue of regional restructuring. As the adage attributed to Graham T. Allison goes, “Where you stand depends on where you sit.” It is perhaps not surprising that those who sit at regional governments express considerable concern about proposed changes to regional structures. We heard some contrary views from lower tiers. Nor were these mixed opinions limited to the regions. In any case, no one is pleased with the instability and uncertainty inherent in the process so far. Facilitators have been announced but not appointed, which makes it difficult to plan and retain and recruit staff.

- **“Governance changes inflicted by the province and their impacts on the region and its communities.”**
- **“Amalgamation or lack thereof – we can’t get our act together on anything.”**
- **“We had a community infrastructure project on the books for 20 years but couldn’t agree. If we were one municipality, this would have been done by now.”**

By contrast, there was formidable consensus among CAOs that the Strong Mayor powers place the professionalism of the municipal public service at risk.

- **“I am concerned about Strong Mayor powers eroding the integrity of the public service. It is about how it has been implemented, it’s about hiring and firing of staff, and the risk that in a more politicized municipal service some reports may not even be brought forward.”**

For more on municipal governance and Strong Mayor Powers, see Chapters 4 and 5.

#6: CLIMATE CHANGE AND ENVIRONMENTAL PRESSURES

At the time of our interviews, most Ontario residents could see and smell the smoke of distant forest fires burning across the country. So, it comes as no surprise that the impact of climate change was top of mind. There was a striking focus on moving from Declarations of Climate Emergency to implementing action plans.

- “Climate change and its impacts, along with necessary actions to mitigate the impacts.”
- “Now we’re implementing those actions, and implementing things comes with the questions of, ‘Are they still operationally effective?’ Again, it is essential to operationalize the great ideas that come from these plans and make them feasible.”

For more on climate change and municipal energy conservation and long-term planning, see Chapters 8 and 9.

#7: FINANCIAL SUSTAINABILITY

The challenge of financial sustainability is a perennial one for CAOs. Many noted the lack of fiscal tools available to municipalities, along with the challenge of finding the “political will” to maintain tax increases sufficient to offset inflation and preserve the buying power of the municipality.

- “So many costs are out of our control. There are things we’d love to do, but we have two hands tied behind our back. How do we best provide service to the community at an affordable rate?”
- “Implementing great ideas with challenged financial resources.”

“The 1-2% increases that Council has been funding are not even close to what we are experiencing in actual cost pressures.”

Many stressed the need for a new fiscal framework and funding model with senior governments, including enhanced revenues, to support them in meeting the priorities of all orders of government.

- “Need to look at revenue generation, and if it’s not property tax, what revenue tool will it be?”
- “How the municipality plays its roles within the three levels of government. For example, accepting immigration levels, we are going to need to discuss how all those factors like immigration are shared. We need the other levels to step up and fund areas that are their responsibility.”

For more on municipal financial conditions, see Chapter 3.

#8: HUMAN RESOURCES

Consistent with our last survey, CAOs remain concerned about the health and well-being of their teams, as well as ensuring they have the right people in the right positions.

- “The human resources problem for us is a whole bag of things – staffing, workforce development, and it’s all a problem, generally.”
- “I worry about the workforce: health, safety, attraction.”

For a detailed discussion of municipal human resources challenges and strategies, see Chapter 2.

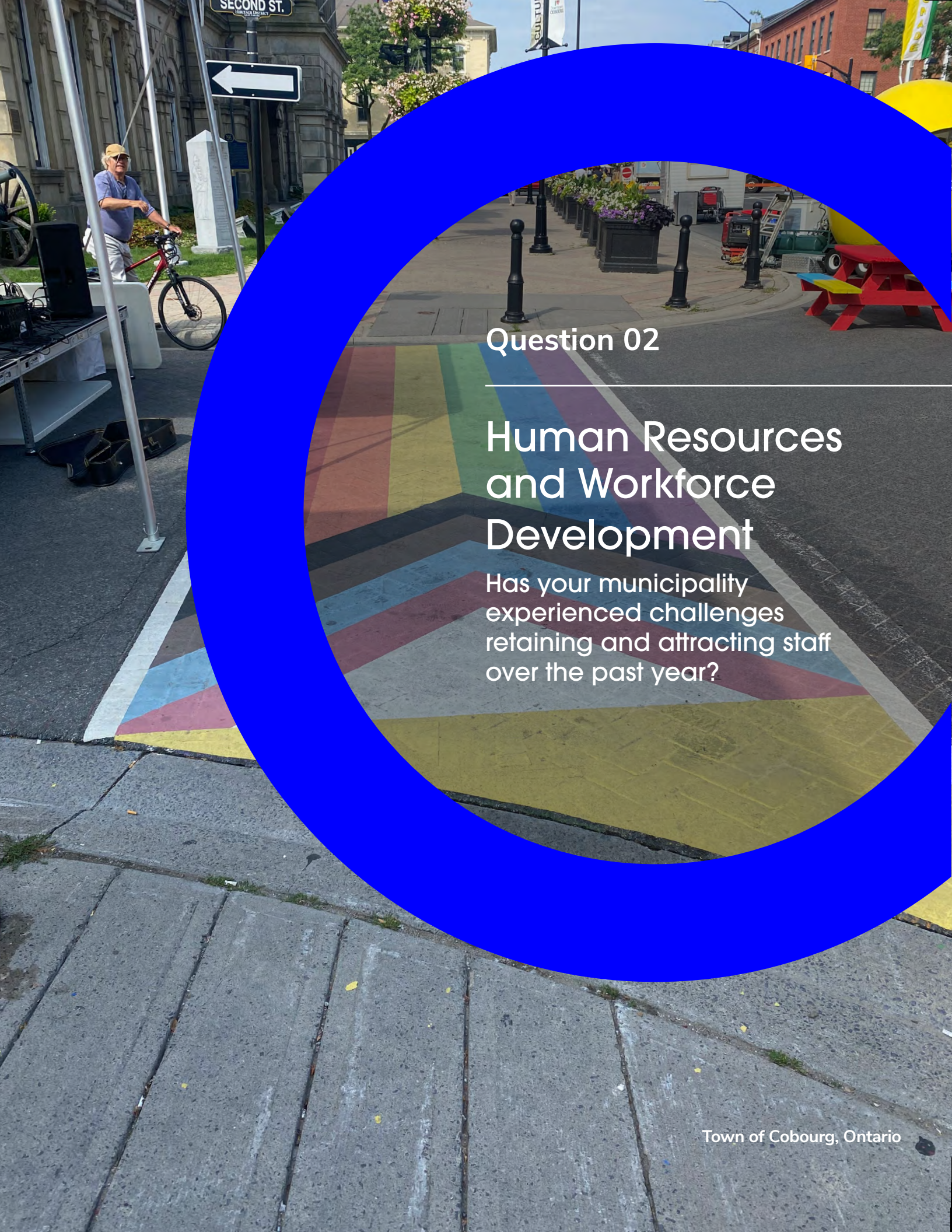
#9: POST-COVID IMPACTS

For something that was top of mind just a year ago, the pandemic certainly fell off the agenda as a discrete topic. However, its lingering effects – on municipal finance and human resources, on mental health and well-being, on the economy, on social civility and discourse – give it the status of the “elephant in the room.”

- “How do we address the effects of the pandemic issue around people’s own health? Change in work environment? We don’t fully understand the economic effect on revenues, building uses – all these pieces we don’t know.”
- “How do we create the sense of community coming out of COVID?”

Or as one participant memorably put it:

- “Municipalities have proved our resiliency, but now we need to show our strength.”



SECOND ST.
HERITAGE DISTRICT



Question 02

Human Resources and Workforce Development

Has your municipality
experienced challenges
retaining and attracting staff
over the past year?

What We Heard

One of the key roles of CAOs is managing, and retaining, good people. Our last survey found that CAOs were very focused on their people, noting the exhaustion and burnout of their teams amid the unrelenting workload of the COVID-19 response, along with ongoing challenges to recruit and retain the human power needed to keep programs and services going.

A year later, and against the backdrop of widespread labour shortages in many sectors across Ontario, it's no surprise that workforce attraction, development and planning remain significant concerns for municipal administrators. As a result, CAOs are reaching deep into the "human resources" toolbox to help address these challenges, looking at everything from revised pay scales to workplace culture and enhanced marketing and outreach. This is what they had to share.

THE CHALLENGES

Attracting and retaining staff: In line with the findings of our 2021/2022 CAO Survey, human resources issues continue to be top of mind for CAOs, specifically with regard to recruitment and retention.

- "It has been a bit of a revolving door staff-wise over the last couple of years."
- "I worry about staffing continuously. For example, I can see the horizon of my own leadership team. I know I will see a 50% turnover this year. I need to rethink the organization."
- "Retention is difficult but stable in current circumstances. Attraction is very difficult, especially for part-time labour."
- "Low numbers of applications for opportunities, and most who apply know little of the community."

"Even for our well-paying positions, we used to have 10 good candidates. Now we may have one or two."

That said, not everyone is experiencing the same level of challenge.

- "We have had a little bit of a challenge, but it is not chronic yet."
- "We haven't experienced what I have heard others are experiencing. I think it's because the work here is very interesting, always changing and we are growing."
- "Staffing challenges definitely still exist but I'm not sure that they are quite as acute as they were a year ago."
- "We have had a decrease in the sheer volume of candidates, but we have attracted good candidates."

An increasingly competitive market: Those CAOs experiencing challenges with recruitment and retention noted that they face competition from other municipalities – both those near and far – and from the private sector. The "war for talent" is everywhere.

- "Our challenge is competing with our own colleagues. We have many lower-tier municipalities, and we are losing people to the lower tiers. We have been burned before – hiring people then losing them to municipalities down the road for a few thousand dollars."
- "Private sector and other GTA municipalities are taking staff from the same pool and making it difficult to retain staff."

Talent and skill gaps: Some CAOs noted that the challenge isn't necessarily about filling vacancies but about getting the right talent and expertise in the right position.

- "We are not struggling to fill seats but struggling to fill the seats with quality people."

- “We’re having a skills challenge. We might get 50 applications for a job but only do two interviews.”
- “We’re not successful in recruiting seasoned people. We get a lot of applications from people looking for their first supervisory-level role.”
- “I rely on lots of people. Some senior staff recently left. Some are coming up for retirement. I worry that I am picking replacements from a barrel where there aren’t many choices.”

Many CAOs also continue to be concerned about the well-being of their teams, particularly coming out of the stress of the pandemic:

- “I worry about employee wellbeing – mental health, wellness, the health of work force.”
- “Staff and the stress of staff – their day-to-day workload.”
- “I’m concerned about growing number of [risk situations] where staff could be injured.”

KEY GAPS

Senior management: Staffing challenges exist right at the top, with several commentators noting the lack of qualified chief administrators and director-level candidates.

- “Director positions are a challenge. We have put on retainer an executive search firm so we can quickly react without needing council to approve each time.”



- “We have struggled to fill senior roles including CAO, Fire Chief, and Human Resources Manager.”

Professional roles: CAOs identified gaps in several key areas requiring professional certification or accreditation, including planning, engineering, and legal services.

- “We are particularly losing planners to the upper tier where they can make \$10,000-15,000 more for the same role.”
- “Engineers are hard to come by and there is a planning problem across the province – there is a churn happening.”
- “For us, it’s planners, and lawyers might be a close second.”
- “We had a hard time getting a planner – probably took 10 months or more. Currently trying to find a deputy treasurer.”

Health care professionals: In the shadow of the COVID-19 pandemic, health care related positions – personal support workers, nurses, paramedics, and even public health officers – have been some of the hardest vacancies to fill.

- “Planners, paramedics – we’re almost in a perpetual recruitment process.”
- “We operate two long-term care homes and can’t seem to attract PSWs.”

Frontline and operations staff: Although significant vacancies in professional and health care roles may be top of mind, it appears that the labour shortage in the municipal sector is in fact across the board. Almost all CAOs also commented on critical gaps in frontline, operational roles critical to service delivery, such as mechanics, lifeguards, transit operators and other specialized staff.

- “15- and 16-year-olds don’t want to be lifeguards anymore.”
- “Wastewater also seems to be an emerging issue [for] talent.”
- “We have seen a 10 to 15% vacancy with students over the last two years. This is also reflected in our seasonal workers.”

WHAT'S DRIVING STAFFING CHALLENGES?

Compensation and benefits: Nearly every CAO talked about salaries. With the increased cost of living and rising inflation and interest rates of the last few years top of mind for many working people and job seekers, municipalities are struggling to remain competitive employers when it comes to compensation. They have less ability to be flexible on salaries and pay grids, or to offer additional monetary benefits such as pay-for-performance and bonuses than the private sector.

- “Wages are a huge issue for retention. [The City] was once a leader in wages and benefits in the region.”
- “We got ahead of other municipalities in improving our compensation offer and have had few issues with attraction as a result.”
- “We’re reaching the 60th percentile in comparative pay levels to other communities but that is difficult to get past Council.”

The ongoing compensation challenge is further exacerbated by a wave of collective agreements coming up for negotiation and the push for higher increases in line with inflation.

- “We’re bargaining now with our inside and outside local unions for a 4% demanded salary increase to adjust to inflation. We are not prepared to offer remotely close to that.”

Housing challenges: Like everyone else, Ontario’s housing supply and affordability crisis has hit municipal employees. In some cases, prospective candidates can’t find available, attainable housing that meets their needs, which can lead to delayed or even failed job searches.

- “We had a position – created a procurement person who assists the county and the local municipalities – we offered it to two people. Salary was right but both couldn’t find housing and then had to come back and turn it down.”
- “[We] don’t have trouble finding people but trouble finding them places to live.”

- “Where do you go outside of the GTA for salary pressures because of high housing prices?”

COVID-19 pandemic: Although to a lesser extent than our 2021/22 CAO Survey, respondents observed that coming out of the pandemic has been a challenge and that the experience has had some not-so-positive lingering effects.

- “Work culture was nearly impossible to foster and maintain virtually during COVID-19.”
- “Hybrid work has diminished the value and meaning of our current compensation package for staff.”

The nature of the work: It’s not always easy to be a municipal public servant. The nature of municipal work can be stressful and demanding and is impacted by broader trends and factors that can increase pressures on staff to deliver more or higher levels of service.

- “Population growth has greatly increased workload on staff.”

Impact of retirements: Although retirements continue to be raised as a concern when considering current human resources challenges, several CAOs didn’t want to overestimate the impact of the “grey tsunami.” A few noted that the “retirement wave” was long forecast and that they proactively put in place measures and mitigation strategies, including robust succession planning, to minimize the disruption of these departures to the organization.

- “We are seeing the great retirement wave.”
- “I’m concerned with succession planning in some areas because of demographics – the Fire Chief and Deputy Fire Chief are the same age. So, I’m afraid about the leadership in that area. But I’m more afraid about fair succession planning policies and having those applied across the board. We’re relatively young in [our municipality]. Lucky us!”
- “A lot of retirements coming out of COVID-19, but our planning in expectation of this mitigated the impacts.”

ATTRACTION AND RECRUITMENT STRATEGIES

Revisiting compensation and benefits packages:

Almost all of the CAOs we spoke with have conducted compensation reviews or are in the process of doing so. This work often involves reviewing pay grids and scales and job descriptions and portfolios, with the overarching goal of ensuring they are competitive with municipal comparators and, when relevant, the private sector. In one municipality, a compensation review was completed a year ago and is already outdated!

- “Fixing salaries back to a level that they are not significantly out of whack has had a significant impact. We have had planners [who took other jobs because our pay had become uncompetitive] calling up and asking, ‘Would you have me back?’ because they left thinking these changes wouldn’t come.”
- “Our compensation system is under review to ensure adequate, market-rate compensation packages for staff.”
- “We’re attracting candidates, but it is less about our community and more about what we can offer them.”

More flexible working environments: In this new post-COVID era, municipalities, like other employers, are reconsidering traditional ways of working. These options include alternative or more flexible arrangements – such as hybrid and remote working arrangements and compressed work weeks – that are highly sought-after by current and prospective employees.



- “The pandemic changed everything around work from home, and that has helped us in a rural community.”
- “Stigma from working from home has gone away from a Council and senior staff perspective. This has helped us with recruitment.”
- “We have lawyers who have come back to work for us on the basis of full-time remote work.”

For some, hybrid or remote work isn’t necessarily a perfect fix.

- “We do require people to come in one day a week, which is a little light. I would prefer 2+.”
- “We have remote work policies, but people still need to go to Council on certain days, so you need to live in the City or close by.”

“Build it and they will come”: Several CAOs emphasized that a positive work culture and external reputation is essential to keeping and attracting employees.

- “We have a good, strong culture; candidates have said they want to come here because they have heard what the work environment is like here.”
- “We’re leaning on our reputation as a ‘best workplace’ – Forbes is a peer designation and that helps.”

“Our biggest strategy is promoting ourselves as an equity focused, inclusive employer.”

- “We work really hard to keep our reputation strong.”

Greater focus on staff wellbeing and health: Last year’s survey demonstrated deep concern about the burnout and exhaustion of municipal staff as a result of the pressures of the pandemic. This year, our conversations indicated that wellness initiatives continue to be a priority, including ensuring staff have access to mental health supports when and if they need them.

- “Being known as an organization that pays a lot of attention to psychological health is important.”
- “We’ve increased benefits and vacation, particularly emphasizing mental health supports.”

“Selling” the municipality: Tying into the increased focus on soft benefits outlined above, many municipalities are also investing more resources in promoting and marketing themselves as Employers of Choice.

- “We’re looking to better advertise the value of working at the Town and to maximize the soft benefits of being employed there.”
- “We have realized it’s more about promoting our culture; we have changed our materials to highlight that we have remote work arrangements and benefit plans.”

What does Council think? CAOs observed that most of their Councils have been supportive of the various strategies employed to attract, retain and build staff capacity. There seems to be an understanding on behalf of Council, as within the municipal administration, that staff aren’t only critical to keeping the trains running on time but to keeping the trains running at all.

- “Recruitment strategies have been a major topic that we have been discussing with Council, who have been very supportive of efforts we have put in place.”
- “I’ve told Council we need to remain nimble. Our people are what make the municipality tick and we want to be able to react effectively.”

STRATEGYCORN’S PERSPECTIVE:

The world of work is rapidly changing, particularly in a post-pandemic environment, and employers, including municipalities, are facing challenges in attracting and retaining top talent, remaining competitive in a crowded marketplace, advancing a diverse, accessible, inclusive, and equitable workforce, integrating new technologies and promoting continued staff engagement and development, among other issues and trends.

But the municipal sector also faces some distinct challenges. What has commonly been referred to as the “grey tsunami” is starting to manifest itself, alongside departures related to the stress and workload of the pandemic. According to the Ontario Municipal Employees Retirement System (OMERS), almost 60% of active,

full-time members are eligible to retire immediately or over the next decade. This represents not just vacancies that must be filled to maintain service levels, but big gaps in knowledge and expertise marching out the front of town halls across Ontario.

Most attention in the last few years has focused on the (very real) challenge of filling vacancies for planners in municipalities of all shapes and sizes. Yet it seems that municipal workforce issues are much broader and exist across the entirety of administrative departments and levels – from operations to senior management. However, it is challenging to quantify and qualify some of the transformations we are witnessing in the municipal workforce as much of the available evidence is anecdotal and experiential.

AMO’s Municipal Workforce Development Project, approved in 2022 and now in progress, should help fill these data gaps. The project will analyze current and future workforce needs in the municipal sector and identify opportunities to support municipal governments with recruitment and retention.

For the most part, many of the strategies for tackling some of these human resources are already known and in play in various municipalities. Review and update your salary grid. Focus on your culture. Improve your marketing and outreach. Consider flexible working arrangements. The path to success is most likely some mix of the above, taking a “toolbox” approach versus assuming a single strategy or initiative will solve local recruitment and retention challenges. Each municipality will also need to right-size their plan based on their specific needs and restraints, which will also be informed by the local government structure (single, upper, lower-tier) and geographical location (north-south, east-west, rural-urban).

Building the sector’s talent pipeline must also be a collaborative effort. Ontario’s professional municipal associations, like AMO, Association of Municipal Managers, Clerks, Treasurers of Ontario (AMCTO) and the Municipal Finance Officers’ Association, among others, and post-secondary institutions also have a role to play in “selling” the municipal public service as a place to build a career and meaningfully contribute to Ontario’s civic – and civil – society.



Question 03

Financial Sustainability

What is your municipality's
current financial situation?

What We Heard

In our last survey, during a resurgent wave of COVID-19 in late 2021 and early 2022, transit-revenue shortfalls and added costs for human services, like EMS, long-term care and homeless shelters, were top of mind. These financial impacts have not waned as quickly as the spread of COVID-19 throughout 2022 and into 2023. And those who held out hope for a continuation of extraordinary federal and provincial financial support to municipalities' operating budgets have been disappointed.

Further, our findings last year were clear that COVID-19 had affected the financial position of individual municipalities very differently, depending on their portfolio of services. Now in 2023, post-COVID inflation and higher interest rates have affected every municipal budget.

The fiscal challenges facing CAOs and their municipalities can always be seen through a variety of lenses: capital versus operating; property taxes versus utility rates and fees; payroll costs versus other program costs; new initiatives; and, cost-pressures versus asset-management investments. This year's survey responses touched all those bases.

KEY FINANCIAL PRESSURES

Growth doesn't pay for growth: Municipalities have perhaps seemed like a broken record in recent years on the concept of "growth paying for growth" but the CAOs were unequivocal: it doesn't.

- "The province's municipal financial information returns (FIR) are poor measures of actual need. We have a revitalization program, a desire for new arts and rec centres, new hiring needs, lots of initiatives – we are an urban growth area. But the only thing being a urban-growth area gives you is more people – not more funds to deal with the growth."
- "Province wants housing but then changed DCs, which makes it more difficult to build."

- "How do you spend a lot of money putting a sewer in the ground and hoping, if you build it, they will come?"
- "...small assessment base and we don't have a lot of room to borrow – not sure if it's ultimately sustainable."

Some CAOs noted that their capital pressures don't come from spending on luxury assets with bells and whistles but for the core infrastructure required to provide basic and critical services to residents.

- "70% of our development charge is for water and wastewater. There is no gold plating."
- "With inflation and interest rates, our capital dollars aren't going as far, but our capital needs are increasing."

For other CAOs, operating pressures are what concern them.

- "From a long-term capital perspective, the Town is comfortable in anticipating changes in DCs. Difficulty stems from the operating side as opposed to capital investment. For example, our community centres are underutilized."



Changing expectations as seasonal communities grow in permanent population: Participants from communities with a sizeable seasonal population have noted that the service demands and expectations in their communities are growing as more residents stay year-round.

- “The way people use our community is changing. Seasonal properties are becoming permanent homes. This is resulting in significant increases in service demands. But we haven’t had a property tax reassessment in a long time.”

Lingering COVID-19 pressures: The carry-over from COVID financial impacts varies considerably. Several participants reported ongoing increased demand for human services, such as shelters and supports for disabled community members. Other municipalities are struggling with the reality that transit ridership has not rebounded as expected post-pandemic, which has adversely impacted their revenues.

- “Service delivery for at-risk populations is an issue, with Council unwilling to pay more to service these populations.”
- “Homelessness is commonality – and transit.”
- “Transit usage dropped dramatically. Running about 80% pre-COVID.”
- “It’s more worrying on the capital side due to inflation and economic factors, whereas operating costs continue to be affected by the pandemic.”

In one case, the impact of COVID on a municipality’s local electricity distribution company (LDC) may have led to a reduced dividend to the municipal shareholder.

- “The biggest financial impact is indirect as part of our investment in the LDC. We relied on the dividends from the company. As their rate structures were frozen and their operating funds faced pressure, a downward pressure on dividends was caused which impacts tax increases. This stemmed from COVID pressures.”

Some CAOs continued to note the importance of provincial funding in helping their municipalities remain whole in the face of COVID-related financial pressures.

- “Stable situation, stable reserves. We received significant funds from the province for transit and other elements of COVID funding.”
- “Because of our mix of services, financially the province did a great job in COVID supporting us.”

Inflationary pressures and interest rate hikes: Like everyone else, municipalities are contending with increasing costs due to external economic conditions.

“We used to be able to say we can just budget what we did last year.”

Several CAOs discussed the impacts of these economic trends on labour relations, noting that many of their unions have sought or will be looking for inflation-related compensation increases linked to the cost-of-living index (CPI) as their collective agreements come up for re-negotiation.

- “Concerned about upcoming union issues, with such an increase in the cost of living.”
- “More CPI is under union negotiations – we’ve seen increases more than we expected – not as high as CPI but higher than expected.”
- “Lots of contracts that have locked-in CIP.”

Inflation is also hitting suppliers and construction companies, leading to higher tenders for capital projects, which municipalities must absorb...or delay the project.

- “We’re seeing significant cost increases in capital projects, partially due to supply and labour shortages.”
- “We’re facing supply-chain issues with cost of goods and vehicles.”
- “One of the things that’s gone unnoticed is we had established an aggressive target for affordable housing (pre-pandemic) but our affordable housing development has virtually stopped because of inflation. It has essentially stalled all of construction: for a 45-unit building and the project’s financial pro forma just fell apart.”

THE PROPERTY TAX QUESTION

“I don’t know how many fiscal rabbits I have to pull out of the proverbial hat to keep our tax levy down!”

This is the age-old question for municipalities or, perhaps more accurate, for municipal Councils. Should taxes be kept low to aid local economic recovery and to cushion the impact on residents, many of whom are also struggling to contend with increased cost-of-living due to interest and inflationary pressures? Or should municipal taxes increase to protect services, build and refurbish key infrastructure, and restore depleted discretionary reserves? CAOs have seen the debate go both ways.

Keeping taxes low:

- “Council has not been keen on increasing taxes despite inflation, which has hindered their ability to continue to invest.”
- “We have [one of the] lowest tax rates in the province. They really just believe in keeping the money in the people’s pockets.”
- “We have over the years tried to keep up with inflation. We have funding for capital projects. The general public would probably feel tax increases have been rising faster than inflation, but they haven’t been.”

Increasing taxes, even if the decision isn’t easy:

- “There is acceptance of the tax rate because they can see what we are doing with it – there are amenities here.”
- “When push comes to shove, and they have to raise their hands on a 4% or 5% or 6% tax increase, it’s some difficult moments.”
- “We just saw the largest tax increase in recent recollection.”
- “What is going to end up happening is that the people who are least able to afford the dramatic increases will be most impacted.”

Planning for a rainy day: Building up reserves, particularly to be able to allocate for capital projects, continues to be a priority for many municipal administrations.

- “A couple of previous Councils have not been afraid to tax at an appropriate rate to maintain healthy life-cycle investment.”
- “We made a surplus in COVID and we have put some of that money aside to play catch-up on certain programs.”
- “I have to give Council and our staff credit – they continued to put money aside for capital through COVID.”

CHANGES TO THE TAX BASE?

“Municipalities are not-for-profits. Every dollar collected is going to go back to what the community wants.”

Municipalities are usually eager to retain and expand their non-residential tax base. Non-residential assessment means jobs and economic activity for the community. Non-residential and institutional assessments usually come with fewer demands for municipal services, allowing some cross-subsidization of services provided to residents (and employees). Changes in the economy, exacerbated by COVID and remote working, may put the non-residential tax base under pressure. Downtown shops and office buildings may be adversely affected, while logistics, warehousing, “re-shoring” industrial and bio-tech may expand.

Decline in non-residential assessment? Not really, or not yet.

- “Our residential vs. non-residential mix remains stable. The region has faced some issues with assessment appeals, but no serious issues as of yet.”
- “Not hearing about a huge decline in non-residential assessment.”

Focus on attracting new business and industries: Many municipalities are keeping a close eye on non-residential development, alongside their focus on housing, as they look to ensure a robust local economy and diversify the tax base. A few CAOs commented on the rapid expansion of logistic centres in their communities, hastened perhaps by the pandemic and the transition or expansion of bricks-and-mortar businesses to online sales.

- “We want to be less of a bedroom community and develop our commercial sector, which is made difficult by an increased pressure to develop housing.”
- “Attraction of business is developing nicely, supported by the province’s 400-series highways.”
- “Logistics is eating up land at a breakneck pace.”
- “Have seen a huge influx of industrial development, particularly related to logistics, like food warehousing.”

Land, however, is a hot commodity and some municipalities are concerned that they do not – or will not, if the province steps in – have the lands required for commercial and industrial development.

- “The province is enabling the region to transition employment lands to residential. The region is losing employment lands.”
- “The direction of the loss of employment lands is a growing concern for us.”
- “[We are] fighting pressure from development community to flip properties to residential development, with added pressure from the provincial government.”
- “We’re seeing growth in the industrial sector, matching this growth to residential is an issue going forward.”

FINANCIAL STRATEGIES

New or expanded revenues: Some CAOs are exploring or have implemented targeted levies – aimed at transit, housing, infrastructure – to help provide additional revenues to shore up gaps in capital funding.

- “Need to look at revenue generation, and if it’s not property tax, what revenue tool will it be?”
- “We put in place an infrastructure levy. We are trying not to panic as some bids are coming in higher than expected.”

Long-term planning and regular reporting: Many CAOs and their finance teams engage in the development of long-term financial plans to support Council in understanding the longer-range financial forecast as they engage in annual budget processes or look to make in-year budget adjustments. This can support more informed financial decision-making by Council, while also enabling the administration to take a more holistic and proactive approach to financial planning. No surprises.

- “There’s a strategy coming in this term of Council to increase taxes in order to allow for investment in services.”
- “We report annually on our fiscal sustainability and that report dealt with the pressures of Bill 23 and the pressures of increased MZO’s coming out of the province.”



- “...concerns about people putting aside sufficient funds for asset management.”

(Re)considering debt: Several CAOs mentioned that they are thinking differently about debt these days, seeing it less as a risky financial tool to be avoided and more as an effective strategy to get things done, when managed appropriately and in the right financial context.

- “It was one of the things I identified when I moved into public sector from private sector. Municipalities are hesitant to use debt but it’s a financial tool. There have been past Councils where ‘debt’ was a bad word.”
- “Using debt to bridge spending over time and then Council doesn’t handcuff you to not be able to do the normal things you would spend capital on.”



- “We did a biennial bridge assessment and borrowed over a year ago. We didn’t catch really low rates but were able to do five or six bridges and got preferred pricing.”

New tools and processes: Many municipalities of all sizes are exploring options to improve their internal financial processes, including as it relates to financing and procurement, to ensure value-for-money in service delivery.

- “...starting to look at different front-end financing policies.”
- “...bridge bundling – you get better rates when you bundle.”
- “...invested in technology to help make decisions.”

Looking at the “balance sheet”: Some CAOs are also taking a critical eye to their asset portfolio, reviewing surplus and underutilized to determine how best to optimize them to address financial realities.

- “We are updating our long-term financial plan. We are looking at divesting some assets if we aren’t using them.”
- “We have a prosperity fund from selling the local utility, and it provides \$1M from investment incomes...unique story, good for the town. We can finance our own debt.”

Intergovernmental funding: Many stressed the need for a new fiscal framework and funding model with senior governments, including enhanced revenues, to support them in meeting the priorities of all orders of government. Despite much discussion and a number of specific announcements related to transit, housing and the Canada Infrastructure Bank over the 18 months, the continuing absence of a federal-provincial-municipal infrastructure program was cited by some CAOs as an unsettling feature of municipal financial planning.

- “If the province gave us more money for infrastructure, that would be a great help.”
- “We have adjusted our capital budget to next to nothing this year. It does not make sense to build more services or centres that we cannot pay to operate.”

STRATEGYCORP'S PERSPECTIVE:

Municipal operating budgets must be balanced, while still absorbing the added cost of operating new infrastructure and programs and the impacts of new economic, housing, and social trends.

Municipal capital budgets need dependable revenue over time, and new projects are in a constant state of competition with state-of-good-repair investments.

Property taxes remain the main tool to fund municipalities. Reliance on transit fares, program fees and development charges – which are uncertain revenue sources and can substantially change or diminish under certain circumstance, as we know firsthand – can undermine traditional financial assumptions.

As it stands today, financial solutions revolve around “making the pie bigger” or “tightening the belt” still further. The financial strategies under consideration by CAOs and their municipalities reflect those difficult challenges:

- If development charges, transit fares and retail assessment cannot be relied upon to contribute as much to municipal costs as in the past, new approaches will be needed.
- Reducing industrial lands to make way for housing may make developers and the province happy, but it has longer-term consequences for the local and regional economy.
- Options that were awkward or inconvenient in the past might now have to be reconsidered, like monetizing or “recycling” assets, using alternative methods of financing, or making investments in productivity-enhancing technology.
- Digital enterprises have a small realty footprint, meaning much of their economic activity is not captured by municipal property taxation. But their demands for good transportation, transit, public safety and other civic infrastructure impose burdens on municipal streets and utilities – and their employees expect neighbourhoods with all amenities.

Municipalities need to make “common cause” in building a persuasive argument for a change in funding tools.

National economic growth depends on municipalities being able to build, fund and operate necessary industrial and residential infrastructure and preserving the quality of life and equity in Canada’s communities.

It is time to rethink the fiscal framework that supports municipal public services. In Ontario, the last review of provincial-municipal finances was the Provincial-Municipal Fiscal and Services Delivery Review. That work, done in 2007, culminated in a 10-year arrangement that expired in 2018. It is past time to revisit it.

The Federation of Canadian Municipalities has called for a new growth-supporting fiscal framework, as have the Ontario Big City Mayors. Others call for a New Deal for Cities, or a re-examination of “Who Does What?” or reliable, realistic, long-term revenue to support transit, housing, and climate-change investments.

Efforts to reform municipal funding and finances must be strategic and coordinated, so that municipalities can compete effectively for the scarce Canadian taxpayer’s dollar. Municipalities may believe in the merit of their case, but they are in competition with other public priorities – health care, education, defence, energy, Indigenous reconciliation, climate action, economic investment, and so on. Adequate funding of local government must be seen as an essential ingredient to Canada’s growth, productivity, and prosperity.



Question 04

Changes
to Ontario's
Planning System

How do you feel about
recent changes to Ontario's
planning system?

What We Heard

In 2022, Ontario passed a suite of legislation aimed at meeting the province's target of 1.5 million homes over the next 10 years. It was the most comprehensive change to Ontario's land use planning system in 20 years.

This year, we were especially interested in hearing from CAOs about these changes, the challenges or pressures they may be facing as a result of them, and perhaps most of all – do they think the legislation will improve access to and affordability of housing? Unsurprisingly, CAOs from municipalities that have not been assigned housing targets by the provinces, or do not have DC policies, appear less impacted by the changes in planning legislation. But those affected had quite a lot to say.

REACTIONS TO THE LEGISLATION

“Unfortunate and short sighted.”

Skeptical about achieving housing goals: In our last survey, CAOs cited the lack of new housing and the increasing unaffordability of existing housing stock as major issues in their communities. This year, when asked if they think the legislative changes related to land use planning will increase Ontario's housing supply, the answer was a resounding “no.”

- “I don't think it will have the desired impact.”
- “No, I don't think these changes alone will increase housing supply.”
- “I find this provincial legislation to be reckless.”
- “Changes to Bill 23 are a punch in the face to us.”
- “These changes will absolutely not lead to an increase in housing supply. They will not put shovels in the ground.”
- “There were ways to enable growth outside of the extreme approach the province has taken.”

It's the housing starts, not the approvals, that are the real problem: Some of the provincial legislative changes were aimed at shortening the municipal development applications review process, financially penalizing municipalities if they fail to meet statutory timelines to issue planning approvals. Many CAOs reported that they were already working to streamline their processes and that COVID-19 acted as a catalyst, as many municipal services moved online or are in the process of being digitized. Others are looking at alternative practices to mitigate against potential lost revenues, such as instituting mandatory pre-consultation with fees. Some CAOs indicated their Councils had also approved hiring more planning staff to expedite the approvals process.

- “We reviewed our application and planning processes and were ahead of the Ford government.”
- “We took a proactive approach...with Council and went to market for more planning staff.”



CAOs were clear that, from their perspective, the planning process is not the reason more homes are not being built, as the legislation and some political rhetoric may imply. Many municipalities have approved hundreds or thousands of new housing units and met their regulatory and approval responsibilities. But getting the cranes in the sky and shovels in the ground isn't the job of municipalities.

“Last time I checked I don’t swing a hammer, I don’t build houses.”

- “We have 6,000 units in the pipeline.”
- “We don’t have a land problem, we have 15,000 buildable land plots right now. Trying to get people to build on them is more difficult.”
- “We’re set to meet the targets for housing far sooner, with over 5,000 units slated to be completed in the near to medium-term.”

According to CAOs, the insufficiency and delays in bringing more housing online is more complex than the municipal planning process and is more directly related to ongoing labour shortages, supply chain disruptions, and rising construction costs and inflationary pressures impacting developers and builders.

- “They [provincial politicians] have not addressed the choke points – people to build the homes, cost of materials, cost to buy a home. To blame municipalities is just wrong.”
- “Our housing is constrained by servicing and the capacity of trade, not by planning.”
- “Market is driving supply – cost of materials and labour shortage is cutting into the developers bottom line.”

Distress over DCs: The most frequent comments centred around the anticipation of reduced municipal revenue to pay for the infrastructure required to support growth and housing development. What’s the point of new housing if you can’t flush the toilets?

- “Our ability to meet the demands for growth from Bill 23 is severely limited by the province removing our control of development charges.”

- “I’m not convinced [the government] understands development charges.”
- “Without the development charge program, you still have to account for the infrastructure costs.”
- “There is no way we can afford to service new lands at this time.”
- “Bill 23 seems to have been done with a poor view of how municipalities fund infrastructure.”

Bill 23 waives DCs for affordable, “attainable,” and non-profit and inclusionary zoning units to incent developers to build more of these housing types. But some CAOs said this concept was shortsighted, as it will simply shift the burden of paying for the required infrastructure to others – namely, other developers or taxpayers.

- “You will allocate charges to other developers. If there are growth costs, it’s going to be paid by growth, just not affordable housing growth. When other developers figure out that they are paying, their voices will be heard.”
- “I really do wish they didn’t do away with the housing DCs...for housing for the most vulnerable, there has to be public investment.”
- “To remove a class from DCs with no offset for the infrastructure is wrong.”

Provincial planning interference: We also heard concerns about the province taking a more direct role in local planning, including by making significant changes to Council-approved Official Plans and its use of Ministerial Zoning Orders (MZOs) to override local planning decisions.

- “The propensity for MZOs is outrageous.”
- “The changes have caused a lot of tension, instigating the longest official planning process in history.”
- “MZOs are popping up with the associated expectation of immediate major servicing at the same time as DCs have been reduced. Can’t spend what we don’t have.”
- “Our municipal policies are being overridden or rendered useless by provincial legislation.”

IMPROVING RELATIONSHIPS

“Demonizing developers politically doesn’t get you anywhere.”

Working with developers: The development industry is sometimes demonized by communities upset by proposed changes, as well as in the media. We heard from CAOs that this dynamic was often unhelpful. One theme that ran through many responses was the importance of collaborating with the development industry to identify process improvements and shared planning objectives. Many CAOs say their municipalities are working with developers to determine how to pay for required infrastructure before development is approved.

- “[We are] receiving cooperation from the development community in meeting housing targets and working on application processes.”
- “We’re looking to work with developers to ensure they can help with the costs of servicing, as the municipality cannot afford to do so.”

Between tiers: Reaction to the planning changes also differed between upper- and lower-tier municipalities. Some lower-tier municipalities welcomed the reduced role of upper-tiers in land use planning, while some upper-tiers raised concerns about the potential loss of coordination of land use and infrastructure planning between lower-tiers.

- “We asked for changes regarding regional authority in planning and the government listened.”
- “Without being thoughtful when making such changes, there will be unforeseen consequences.”
- “There are lower tiers that won’t be able to do that function.”

STRATEGYCORP’S PERSPECTIVE:

The CAOs we spoke with are fully aligned on the need for more housing supply that is affordable and attainable. Many also agree that housing approvals, to some extent, could be sped up and streamlined in a way that does not undermine the outcomes of the municipal land use planning system. But they are doubtful that the province’s legislative tools will deliver on these outcomes.

Over the last year, the Ontario government has mandated municipalities a new role in not just regulating and approving but also delivering housing. This expanded mandate – in the form of significant housing targets – has come without additional policy levers or funding and in fact, local governments have seen their ability to fund the infrastructure required for growth diminished.

For housing construction to occur, many factors must be aligned. Official Plans must be in place, supportive infrastructure must be financed and installed, all of which fall under the purview of the local government. Many municipalities are looking inwards and exploring opportunities to review their development review and approvals processes, along with innovative policies to enable more density and more creative housing types. Reporting on performance should also occur in timely intervals to monitor progress (or lack thereof) on this legislation.

But this is only one part of the equation. Building more homes that are affordable also requires attention to the external economic factors impacting the development industry, over which municipalities have no oversight. Nor do local governments have influence over the increased cost of just about everything, from materials and labour to mortgages, which is adding to the bottom line of building, and buying, housing.

Municipalities have a critical role to play in creating more housing – and CAOs wholeheartedly agree – but the strategy needs to be much wider than the responsibility of any one level of government.



Question 05

Strong Mayors Legislation

What do you think about
the Strong Mayors legislation?

What We Heard



In 2022, the province fundamentally shifted the balance of power on municipal Councils with two waves of legislation that brought Strong Mayor powers to Ontario.

Bill 3 granted new Strong Mayor powers to Toronto and Ottawa, which included the power to veto certain bylaws, independently hire certain senior managers, including the CAO, and single-handedly write and present the annual budget to Council. Bill 39 further expanded those powers by granting the authority to pass bylaws with the support of only one-third of council members. Effective July 1, 2023, these powers were extended to 26 more municipalities that entered into housing “pledges” as a response to the province’s housing targets.

We heard loud and clear that CAOs have serious concerns about Strong Mayor powers, even in municipalities where the policy does not apply. They are worried about the blurring of the administrative and political roles within municipalities, the undermining of their professional skills and obligations, and about democracy in general.

TOP CONCERNS

“The path to becoming a CAO is no longer based on merit but on who you know.”

Politicization of staff: We heard that the Mayor’s ability to hire and remove the CAO and senior staff – some positions are excluded from this power, including the clerk and the treasurer – has the potential to fundamentally change and politicize the relationship between staff and the head of Council. They fear both the perceived and actual erosion of the independence of senior staff if they are hired by the Mayor, and take direction from the Mayor.

- “People getting hired into municipal roles because they were on the Mayor’s campaign team.”
- “It’s made some people think we are political staff; they see mayoral appointments as political.”
- “The magic of being a good CAO is that you have Council trusting that you are working towards their goals and staff know you have their backs. I can’t see that happening with Strong Mayors.”
- “If you start having Chiefs of Staff making decisions the community is going to suffer [as] technical strength and experience will be diminished.”

Implementation of “provincial priorities”: Many CAOs do not see how giving the Mayor the authority over senior staff appointments is related to the stated goal of meeting provincial housing construction targets.

- “To suggest that CAOs are getting in the way of more housing being built – I don’t understand.”
- “If the intent is just to deal with the housing issue, it doesn’t seem very effective. It’s not going to solve the housing problem.”
- “It isn’t because the Mayor didn’t hire the CAO that housing isn’t getting built.”
- “I think it’s dangerous. If it was intended to increase housing builds, it wasn’t well thought out.”

Some even questioned the inclusion of provincial priorities as a rationale for Strong Mayor powers.

- “No real definition of what the provincial priorities are. In fact, it’s the mayor that can decide if it meets the definition about the provincial priority.”

Loss of professional leadership: To many, the selection of the CAO to become a political appointee of the head of Council appears to undermine the principle that a chief administrative officer is a professional and a staff manager. Some CAOs worry about how municipalities will be run by those with little knowledge or experience.

- “A Strong Mayor might bring some strong CEO-type candidates...that don’t understand the public sector.”
- “It would be a nightmare if elected officials are allowed to make administrative decisions as to the functioning of the municipality.”
- “Essentially turns the CAO into the chief of staff. How are going to ensure speaking truth to power?”

Veto power: Some CAOs found the additional authority provided to the Mayor to veto bylaws that are not in line with “provincial priorities” worrying as they see it as undermining the basis of democratic decision making. Further concern was expressed over the fact that the definitions of provincial priorities that underpin these additional powers are vague at this time.

“Strong Mayors flies in the face of the structure of our democratic process.”

- “It is a reckless idea.”
- “Ontario has always had a really ethical approach and I don’t think that is the case anymore. I think that the expectation is that there will be political favours being done.”
- “I do worry about the dilution of democracy at the local level...and the administration’s ability to go about its job.”

STRONG MAYOR LEGISLATION IN PRACTICE

“So, you’ve got a Strong Mayor...”: CAOs report that in some municipalities these changes have affected the local political environment in a number of ways. One is that it has created tension between the Mayor and Council, even in municipalities where the Mayor has publicly stated that the powers will not be used.

- “It’s had the expected effect of putting some egos on steroids.”
- “It irks Council and from a staff perspective, it’s created anxiety and confusion.”
- “The lack of civility has gotten worse.”
- “These powers embolden our Mayor to further interfere in the affairs of staff.”

Even in municipalities where the Mayor has pledged not to use the special powers, CAOs fear that over time, that commitment may change, or an election will result in a new Mayor who embraces the additional authority.

- “Different people may run for Mayor knowing they can use these powers.”
- “[The mayor] is saying he won’t use Strong Mayor powers. However, there are certain things, I am sure he will, and that causes some concern to Council.”
- “Next election will result in different types of people running for Mayor.”
- “I’m not particularly worried about my own situation...but times can change quickly.”

Codes of Conduct: Some CAOs are thinking about whether their Codes of Conduct need to be revised to incorporate the Strong Mayor legislation changes, perhaps strengthening the protections for senior staff against potential abuse.

- “[A group of clerks] are discussing potential changes [to the Code], but none have been made to date.”
- “I would expect municipalities affected to put in place stronger Codes of Conduct.”

STRATEGYCORP'S PERSPECTIVE:

There are three main potential impacts of the Strong Mayor provisions:

- the relationship between Mayor and Council;
- the relationship between the Mayor and the public; and,
- the relationship between the Mayor and the administration.

While all three are important, this commentary will focus on the relationship between the Mayor and the administration, and in particular, the CAO.

In last year's report, StrategyCorp highlighted the findings of Associate Chief Justice Frank Marrocco's Town of Collingwood Judicial Inquiry released in late 2020. We endorsed two specific recommendations in the Marrocco report to amend the *Municipal Act* to:

1. Mandate that most municipalities (ones with about 25,000 residents or more) appoint a CAO.
2. Fully describe the role and responsibilities of the CAO.

This province has taken a different direction. By enabling the Mayor to hire and fire the CAO and other senior municipal leaders at their sole discretion, the new Strong Mayor legislation may blur the line between the political and administrative levels of local government that has been fundamental to the municipal governance model.

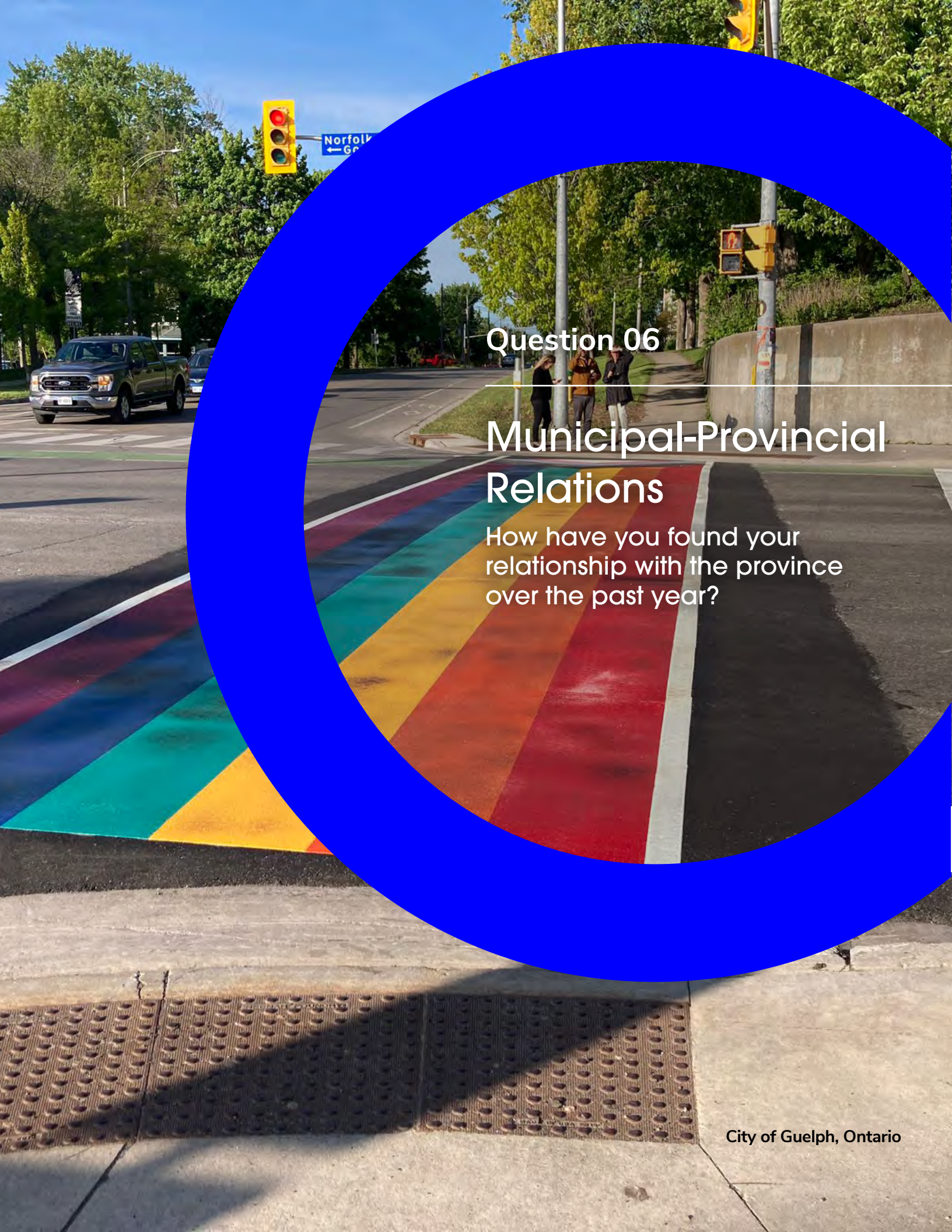
To be fair, the role of the CAO has always been somewhat political as the approval of hiring a municipality's lead administrator was decided by Council, over which the Mayor often has considerable influence. The new legislation, however, concentrates this power, as well as the ability to hire and fire other senior members of the administration, in the hands of the Mayor.

We haven't yet fully seen how these new powers will play out or the longer-term impacts on Council-staff relations, Council-to-Council relations, and key policy decisions. Some Mayors have opted to delegate most of their new authorities to Council. Others have vowed not to use the powers at all (except to bring forward a budget to Council, which is required under the legislation and cannot be delegated).

On the other hand, within the first month of the extension of Strong Mayor powers in July 2023, at least one Mayor replaced their CAO without Council approval or an application process in addition to making changes to the municipality's organizational structure.¹

To navigate the Strong Mayor governance dynamic, municipalities may want to develop a framework that spells out how these special powers can be used in a way that protects the Mayor, Council, and the professional public service. Even those generally supportive of the Strong Mayor powers see the need for municipalities to formally clarify the roles and responsibilities of the Mayor and the CAO and maintain the integrity of the democratic process.

Since 2019, all municipalities have been required to maintain a Staff-Council Relations Policy to codify relationships that are not fully set out in the *Municipal Act*. Municipalities with Strong Mayors will need to update their Council-Staff Relations Policies to reflect new realities. These will be an opportunity to emphasize norms that need to be reinforced, including "in the strongest possible terms, that staff must conduct themselves at all times in a neutral, objective, and impartial manner."²



Question 06

Municipal-Provincial Relations

How have you found your relationship with the province over the past year?

What We Heard

What a difference a year makes. In the 2021/2022 Survey, we heard from many CAOs that the province was quick to provide financial supports to help municipalities manage the financial pressures of the COVID-19 pandemic and maintain the delivery of key services. The tone of the relationship at that time was positive.

This year, however, that tone has shifted, harkening back to the uncertain and difficult nature of the provincial-municipal relationship that we heard resoundingly about in our 2019 survey. The last two years have seen the most significant transformation in Ontario's land use planning and municipal governance models in a generation – with most of these changes undertaken without consultation from the local governments most directly affected.

INCREASINGLY POLARIZED

Provincial-municipal relations are having a tense moment: In general, the working relationship between municipalities and the province, at both the administrative and political level, may best be described as strained at the moment. CAOs describe a relationship in which they feel municipalities are characterized as contributing to problems in communities, not as partners that can help resolve those issues.

“Decide, announce and defend has been the province’s tactic thus far.”

- “Our relationship with the province is just window dressing.”
- “Our relationship is strained and I’m not sure why.”
- “We as municipalities are being identified [unfairly blamed] as the cause of many of the problems.”

For some, it is hard to imagine how progress can be made on shared priorities and major challenges – such as housing, affordability, and social issues – if a collaborative and respectful relationship built on two-way communication and trust isn't in place.

- “The relationship about how we build toward common agendas is fundamentally broken.”
- “A polarized approach to local issues is an unfortunate starting point in the pursuit of success.”
- “It’s not about doing what is right but about managing perception. Ministers are saying ‘everything is great’ and the reality is nothing close to that.”

On a staff-to-staff level, relations are more cordial but ineffective: CAOs and other senior municipal leaders have many direct dealings with the Ontario public service, and this professional relationship is often key to identifying and addressing issues that are of mutual interest. Put differently, staff-level relationships are a critical component of the municipal-provincial working milieu. Although CAOs generally gave a positive report on their interactions with their provincial counterparts, many questioned the efficacy of these relationships since most decisions, from their perspective, seem to be politically motivated and coming directly from the political level.

- “Our relationships with the civil service do not matter as decisions come from the Minister or Premier’s office.”
- “I feel as if within the provincial civil service, the ‘speaking truth to power’ axiom has died completely.”
- “I do not believe decisions are being made with the advice and technical support that they have received previously.”
- “When we ask questions, we do not get answers.”

Several CAOs further observed that provincial-municipal relations can also be impacted by local-level relationships, including connections between local Mayors and members of Council and Members of Provincial Parliament.

- “Our relationship has enhanced dramatically because we have an MPP that is a Cabinet Minister.”
- “Our local MPP is a PC and most of Council and the Mayor are conservative, so the relationship is positive.”
- “Our relationship is strained because of the Mayor’s political leanings.”

REMIEDIATING THE RELATIONSHIP

Stable, predictable funding: When asked what the province could do to help their municipalities, it’s no surprise that CAOs raised the issue of additional funds, whether to address social issues, tackle climate change or subsidize transit.

- “The province needs to provide us with more sustainable and predictable funding.”
- “The funding model is not working for us.”

The services cited as underfunded by the province range from policing to community and health care services. With its laser focus on bringing more housing online as quickly as possible, there is also a need to consider the impact of more housing and growth in driving demand for more services, particularly education, childcare, health care and wraparound social supports, which fall under provincial jurisdiction.



- “We feel the province dropped the ball on mental health and addictions.”
- “Social issues facing local municipalities require all three governments to collaborate.”
- “Childcare and educations systems are bursting at the seams, stress on transit and other services as well.”

One of the most common requests for additional funding support was in relation to infrastructure. This builds off the concern expressed in earlier chapters about how to fund the infrastructure required to enable and support growth when the tools – which were limited to begin with – are being stripped away by the province.

- “There is not enough funding flowing from the province to support the necessary infrastructure development to match growth.”
- “The province needs to have a strategy for infrastructure, and they need to fund that strategy.”

Consult first, then act: To foster collaborative and productive relationships, CAOs would like to see the province involve and consult municipalities before moving forward with policy changes that will significantly impact them. They referenced Bill 23 and Bill 3 — two game-changers for municipalities that were announced with little warning, let alone advance consultation.

- “I’d like the province to talk to us before legislating changes that impact us.”
- “Generally, they really need to just listen a little bit more. Consult and actually consult.”

“There could have been better outcomes if they put a few of us in a room.”

- “The conversation between municipalities and the province is breaking if not broken already.”
- “There is room for improvement. For example, no one is upset about looking at regional paramedic services but we don’t want to wake up one day and just find out.”

STRATEGYCORP'S PERSPECTIVE:

The provincial-municipal relationship has shifted considerably in the last 18 months. Municipalities have been frustrated by the province's lack of consultation on land use and governance changes and about the long-term financial impacts of these changes on how municipalities deliver the programs, services and infrastructure residents rely on. They also feel that there is an unjustified and unhelpful trend by the province of blaming all ills of housing on municipalities.

Infrastructure is a particular sticking point. Municipalities already have an outsized responsibility for infrastructure, in relation to the revenue tools at their disposal.

According to the Federation of Canadian Municipalities (FCM), local governments have responsibility for 60% of public infrastructure, but receive only 10% of collected tax dollars.³ In 2021, the Financial Accountability Office of Ontario found that the total infrastructure backlog of the province's municipalities was \$52 billion and estimated that 45% of municipal infrastructure was not in a state of good repair, with roads and bridges in the worst shape of all.⁴

For the most part, the provincial government's response to these municipal concerns has been to conduct financial audits on the municipalities that raised the concerns. These are not responses that are perhaps conducive to engendering trust and cooperation.

How to make it better? Well, a change in tone and style would go a long way.

Second, creating more effective relationships at the staff level would help. We heard again and again about the lack of consultation being at the root of sub-optimal policy. It is also of concern that municipal officials perceive the role of provincial officials in decision making as having been diminished. There was a time when the ranks of deputy ministers included many former CAOs. That is not true today. Ontario should find ways to better cross-train public servants to better understand the needs of local government. Some sustained executive exchange programs would likely make a considerable improvement in mutual understanding, over time.

It would seem more productive for the province to work with municipalities on how to close these gaps on infrastructure, not widen them by reducing one of the few revenue tools available to local governments. After all, the provincial government is dependent on municipalities to achieve its goal of having 1.5 million houses built by 2031. It would do itself a service by engaging municipalities in meaningful consultation both individually and through respected municipal associations, drawing on their expertise and listening to their advice on how to achieve success and foster a collaborative relationship.



Question 07

Council-Staff Relations

How is the state of Council-staff relations in your municipality?

What We Heard

With COVID-19 came Zoom, which disrupted working relationships, radically altered public participation, and altered the decision-making environment among the Mayor and Councillors. In early 2022, after a resurgent wave of COVID, we wondered whether a return to “three-dimensional” Council meetings would mean a return to business-as usual or a “new normal,” but it was still too soon to tell.

A year later, with the pandemic largely in the rearview mirror, and in consideration of the significant legislative changes like Strong Mayors that are fundamentally altering the landscape of municipal governance, we wanted to know about the state of Council and staff relations today.

COUNCIL-STAFF RELATIONS – ALWAYS A WORK-IN-PROGRESS

Working well: For the most part, the CAOs reported positively on the current state of Council-staff relations.

- “The Council-CAO relationship is respectful and positive, despite a turnover of half of Council.”
- “Council-staff relations are very good, due to an early development of an understanding about boundaries, and creating positive professional relationships between senior staff and Council members.”
- “Relations between staff and Council are very good. Council is now listening to the differing views of staff and having more wholistic understandings of decisions and direction of policy.”
- “Positive Council-staff relationship, with staff invested in the community and doing all they can to serve Council.”

Notwithstanding this overall positive picture, some elements of municipal governance are fraying. As with

most things, it is often easier to point out what is not working well, versus what is. This is true with regard to what we heard from CAOs about managing Council, staff and how the two work together.

“I love being a CAO, I just don’t think I like Council very much.”

WHAT ARE THE CHALLENGES?

Impact of COVID: As municipalities transition from the heightened “get it done and get it done quickly” mentality of the COVID emergency back to “business as usual,” there are some tensions as well as some unrealistic expectations causing strains between Council and staff.

- “Council expects more of senior staff due to COVID service delivery.”
- “In COVID we set a bit of an artificial service standard, which was and is not sustainable in a post-COVID world.”
- “Staff got used to only saying ‘yes’ to Councillors.”

Municipalities are also transitioning from different ways of working and meeting post-pandemic, as they try to formalize policies and practices initially considered transitory at the height of the pandemic, such as digital Council meetings and remote working. There doesn’t seem to be a single best practice, and although many municipalities are opting for hybrid meetings and working environments, what works best is highly contextual.

- “Televising Council meetings has raised the profile and performance because we are accountable. The public and our own staff now see what we do behind the Council doors.”
- “By the end of the last Council term it was getting a little nasty online. Now that its back in person it’s a lot better.”

COVID-era populism is leaving its mark: The populism increasingly seen at national and provincial levels over the last several years and heightened during the pandemic often rewards “maverick” behaviour by politicians, along with skepticism of experts. Several CAOs reported similar local trends.

- “Tempers flare on Council more often than before COVID.”
- “What’s been a bit jarring for us, just something like presenting a new budget, how it’s being received by the new group on Council: skepticism about how the administration is doing things.”
- “Some of the Councillors think the model is broken...they don’t like the fact there are procedural and other by-laws that have to be followed.”
- “For a few individual Councillors, [after] the integrity commissioner reports...there is no behaviour change and [the Councillor] doesn’t care that there has been a dock in pay.”

Many CAOs also used words like “shaming” and “bullying” in discussing some of the inappropriate behaviours they have seen from members of Council.

- “Some Councillors are still looking to be seen, to bully staff into making decisions to benefit them politically.”

- “Instead of addressing issues with staff mistakes or errors internally, Councillors introduce motions to publicly shame them.”

“One Councillor who’s inexperienced thinks they’re in Opposition: We’re not in Question Period.”

- “It takes me so much time to move our workplace culture forward a millimetre, and one bad comment from Councillors can set me back by metres every time.”

“Steer, don’t row”: One of the major challenges for a CAO is supporting Council in adhering to their role as a “board of governors,” making sure they are focused on their representative and oversight functions, and leaving the day-to-day operations to staff.

- “One or two Councillors are getting deeper into the weeds, significantly – to the point that we’re sometimes getting worried that they’re affecting our decision-making at lower levels.”

Related to the above, there is concern about the burden placed on staff to address one-off requests, often through notices of motion, which can distract from other administrative and community priorities, or projects already approved as part of the annual business plan and budget. This can make it difficult for staff to understand Council’s strategic priorities and direction and allocate their limited time and resources accordingly.



- “Some Councillors have significant asks for administration, such as a new neighbourhood park, without realizing it’s 12-18 months of work.”
- “We have a huge number of Council-introduced motions, most of them random.”
- “We will end up with over 150 notices of motion from council, which is a tiring and aggressive process in the community.”
- “Councillors have a laundry list of goals, which cannot be achieved as staff would be overwhelmed.”

Dealing with the public: An ongoing challenge for municipal administrators also relates to the imperative of “consultation,” particularly as it relates to sometimes contentious local issues around new housing developments, encampments, and consumption and treatment services (CTS) sites, among others. Some CAOs noted that Council can sometimes “overreach” in terms of conveying and representing community sentiments.

- “I’m finding that there are a few Councillors who get NIMBY complaints from a few people and then say ‘I am hearing from the community’ instead of the actual four neighbours – that’s a pretty big difference.”

Upper- vs. lower-tier differences: Your vantage point can also make a difference as to the type of relationship you have with your Council, as CAOs in upper-tier municipalities report.

- “It’s a different dynamic [at the upper tier] – you’re dealing with the Mayor. There’s a certain amount of ‘bar room politics’ that doesn’t get played.”
- “[Councillors] are parochial – they think about ‘What can I get for my town?’”
- “I think it’s good. Regional Council is younger and more diverse. They are respectful of staff...and we are grateful for that, and we respect them as an entity.”

EMERGING TRENDS AND ISSUES

Impact of Strong Mayors Legislation: The flurry of Ontario legislation passed at the end of 2022 and in the first half of 2023 has not yet played out, with 2024

being the first full budget cycle under the Strong Mayors legislation. While the legislation targets the production of housing, many believe that it risks politicizing the civic service – an unwelcome prospect for CAOs and senior municipal professionals. It also fundamentally alters the relationships between Mayors and Councillors, and in turn, with municipal staff.

- “I’m interested to see if Strong Mayor powers increase tensions between staff and council.”
- “[There is a] risk of Strong Mayor powers to harm relations if Council operates this way still. Councillors would be berating appointees of the Mayor.”
- “How the mayor uses Strong Mayor powers will impact staff-Council relations. If the mayor delegates, it will remain business as usual and if the mayor doesn’t, there will be another group upset.”

Shifting landscape of municipal governance:

The ongoing reviews and restructuring of regional municipalities has brought uncertainty among regional Councillors, including their role in a structure that is being altered – in Peel, at least – before their eyes.

- “How should regional Councillors position themselves and approach their work amidst regional reviews?”
- “There is a lot of uncertainty amongst regional Councillors due to the dismantling of the region of Peel.”

STRATEGIES FOR EFFECTIVE RELATIONSHIPS

Treat it like a marriage – and act as the marriage

counsellor: Several CAOs made the comparison between marriage and managing Council-staff relations.

- “It’s a little bit like a marriage, can’t just take it for granted, need to continue to do training, have conversations – regular maintenance is needed.”
- “Trying to balance individual relationships...what’s bugging them, what they need.”

Foster openness and transparency: The importance of direct lines of communication between Council and staff was a reoccurring theme.



- “I don’t limit my Council from speaking with senior leaders directly. We keep the relationship very open and very fluid.”
- “It’s straightforward – tell the truth, understand their position, and hold the line. Make sure they understand when they are crossing the line.”
- “A strong relationship with your mayor means being able to speak truth to power.”

The flip side of communications is that municipal staff can expect to hear things they might not welcome.

- “You get no points for being right. When a Councillor is not following procedural by-law or code of conduct, I’ve learned I don’t really get anywhere by trying to make a point. We try to just listen. In an open meeting, I had a Councillor chastise us that we were talking down to them in trying to explain the budget.”

Clearly define roles and responsibilities: CAOs know the value of defining and refining reporting relationships and areas of responsibility. In a period of flux, this is increasingly important, as is acting before issues arise. In the absence of long-overdue statutory recognition of the duties and responsibilities of Ontario’s CAOs, as in other provinces, local rules and policies must suffice.

- “We updated all of these policies, including our Council-staff relations policy and delegated authority by-law as that’s one you should keep on top of.”

- “[We are] looking into changing the delegation of authority by-laws.”
- “Our delegation bylaws are quite advanced, probably more so than Toronto. I keep reminding our staff, ‘Don’t blow it.’”
- “Staff-relations policy is to go back to all of council, unless they have a routine question – ‘What day is garbage day?’”

Provide supports for Council to better anchor them in their positions as defined by the Municipal Act: In addition to updating bylaws, policies and procedures, education and training are also critical tools in helping Council understand their role and how best to deliver on their mandates within the parameters of effective municipal government.

- “Council orientation was a key help, and succession planning [for Council] is key as they expect a high Council turnover in the next election.”
- “How do I deal with them? We maintain our professionalism. We set up a strategic plan once every four years, which gives us at least a touchpoint on things that really matter – economic prosperity, healthy communities, good government. If you can draw yourself back to those priorities, you’re in a good, healthy space.”

This focus on training, education, and other supports to set Council up for success may be increasingly important as the makeup of Councils changes over time. In the 2022 municipal elections, even in spite of dismal voter turnout in many communities, many Councils in large and small municipalities saw significant turnover, with new faces the result of retirements in some cases, and ousted incumbents in others.

- “[After the last election] Council has more diversity than it ever had – age and gender.”
- “Long-term Councillors are causing significant issues.”
- “Half of Council is new, there is not a lot of institutional knowledge.”

STRATEGYCORP'S PERSPECTIVE:

The relationship between municipal staff and Council is, by its very nature, dynamic. Members of Council can come and go, and CAOs and staff expect the relationship with their Councils to ebb and flow, depending on a range of factors from how early it is in the term of Council to the individual personalities around the horseshoe.

But this year, there is a different fly in the ointment. New provincial legislation related to planning and municipal governance places senior public servants in a challenging position when it comes to their relationships with Council.

On the housing front, for example, many municipalities have been asked to commit to aggressive targets for new home building over the next decade. However, municipal administrators are not provincial agents: their loyalty must be to their municipality and to their Mayor and Council. CAOs will need to nurture a positive Mayor-Council-staff relationship to defend the long-term interests of their municipality and community, and to ensure that they and their staff can discharge their responsibilities objectively and professionally.

As noted that the outset of this chapter, Council-staff relations are always a work-in-progress, and the shifting legislative context provides a useful opportunity to review and update existing policies – including Codes of Conduct and Council-Staff Relations policies – that guide how Council and staff work together and collectively serve the community.

Education and training for Council and staff on their roles and responsibilities per the *Municipal Act* that uses real world examples to bring the legalese of the Act to life can also be a useful exercise in fostering respectful and productive working relationships. Professional education, development, and teambuilding opportunities of this nature, however, should not be considered the exclusive purview of a new term of Council. Rather, they should occur throughout the four-year term as a system of checks and balances, enabling Council and staff to address issues and challenges as they arise and course-correct as required.



Question 08

Climate Change

How is climate change
affecting your municipality?

What We Heard

When we asked CAOs about climate change back in 2021, most told us they had plans to mitigate the effects of climate change – or at least had them under development – and that their primary concerns were about carrying out these plans. Having a plan is good, but success comes down to how well it is implemented.

In 2023, the tone is somewhat more urgent. And no wonder. In recent years, Ontario has experienced record temperatures — both highs and lows — as tornadoes and extreme weather events become more common across the province.⁵ These storms are no longer “once in a lifetime.” Further, as we conducted the interviews for this year’s survey, forest fires were burning across British Columbia and Northern Ontario, forcing local residents to be evacuated and emitting smoke felt in municipalities hundreds and thousands of kilometres away.⁶

CLIMATE CHANGE IS REAL

“We don’t get a lot of climate denier stuff anymore.”

Broad acknowledgement and acceptance of the climate emergency: Most CAOs told us their communities, by and large, recognize that climate change is a problem mostly because of recent weather events Ontario. People are directly experiencing the impacts of climate change in a way they weren’t five or 10 years ago.

- “What used to be a 1-in 25-year storm, has become a 1-in-10.”
- “We are seeing more 100-year storms and now it’s every year. We didn’t even get a chance to see 50-year storms.”
- “We had people’s whole homes under water. The threat of fire, the threat of flooding – climate change is a real concern for us.”
- “We have had two or three ‘hundred-year storms’ in the last few years.”

For the most part, Councils also acknowledge the challenge and want to take action on climate change, although the scope and scale of this action, as you’ll read below, varies considerably.

- “Council is very committed to tackling climate change.”
- “We have had quite a few climate change emergencies...Council is ready to start some different approaches.”

Climate impacts on municipalities: Several CAOs talked about the realities of climate change impacts on their operations and, critically, municipal infrastructure.

- “We will be in emergency mode more often.”
- “Climate change for us is about the potential for flooding and bigger, more [frequent] storms against infrastructure that was not built to withstand the type of storm or rising water levels.”
- “We’re seeing storm water management systems being overwhelmed.”



FROM PLANS TO ACTION

The “action” in climate change plans: Most CAOs say their municipalities either have, or are in the process of completing, climate action plans. Some are following up with concrete measures, such as energy reduction plans, “green fleet” plans, green building standards, and others.

- “We have a corporate plan and community plan. We have set our targets and it’s pretty breathtaking to see the emissions produced.”
- “The municipal fleet is all electric.”
- “All new builds are net-zero buildings, including affordable housing and a new police station.”

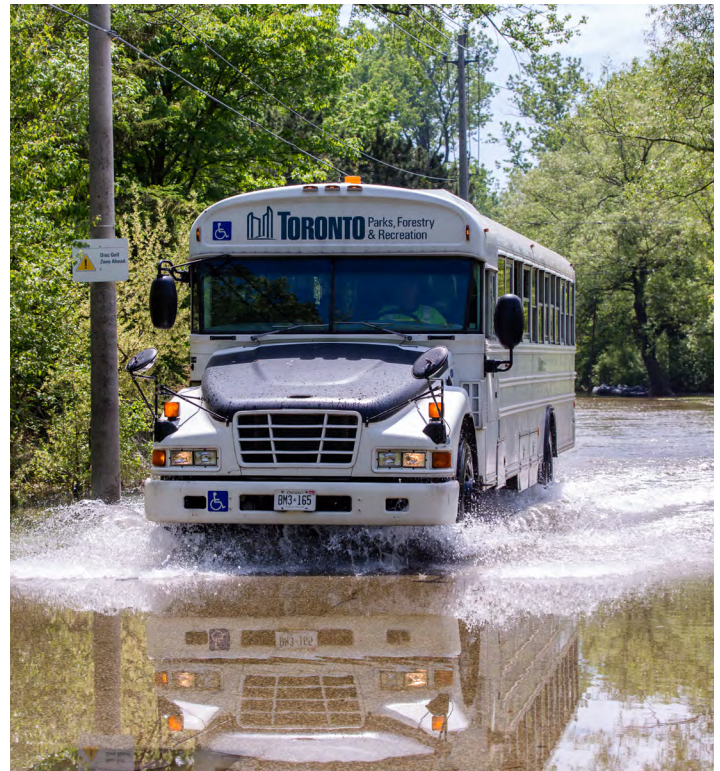
But more often than not, these climate change adaptation and mitigation plans are not translating into material action. Several CAOs pointed out that their Councils seemed more keen to adopt plans and declarations than to advance specific initiatives to meet their climate objectives.

“Council was happy to declare a climate emergency, but not so happy to actually address the emergency.”

- “We do have a plan, but it doesn’t come from our Council’s heart.”
- “Council had declared a climate emergency but has not acted or planned specifically to address the climate crisis.”
- “We have not taken sufficient action or planning to address the climate crisis.”

This had led to frustration at the slow or minimal effort on the climate file.

- “We aren’t doing ‘climate change.’”
- “We have been very slow and negligent... We are trying to get a climate change plan written.”
- “I wouldn’t call it a ‘plan.’”



BARRIERS TO ACTION

Budget impacts of climate-related initiatives: Cost is probably the most significant barrier to implementation of measures that can drive climate adaptation, mitigation and longer-term resilience in municipal governments.

- “Climate change is expensive. We have done all the right things to show we are a community that is embracing it, but the challenge is that the low hanging fruit is pretty much picked and now the larger expenses are left.”
- “Making facilities net-zero are running up costs for the municipality, with a 30% increase to make our recreational facility net-zero.”

Exacerbating these financial realities is that new technologies are continuously evolving, which makes it challenging to assess where and in what to invest in the immediate term.

- “I don’t think people understand that this is an investment. Cost of electric batteries for a fire truck are huge [while] we’re on the cusp of hydrogen cell batteries. So it’s difficult to make investments in electric when we might need to invest in a different way in a few years.”

The politics of climate action: In spite of broad acknowledgement of the reality of climate change and extreme weather events, climate change remains a hotly politicized issue, particularly for Councils.

- “We’ve had more severe weather than we have ever seen, it affects budgets. But trying to get [Council] to understand the correlation? It would be virtually impossible.”
- “Tough political decisions prevent further action on climate change.”
- “It is interesting to see what action on climate change looks like without a political champion.”

And in some municipalities, residents don’t see investment in climate action as a priority.

- “There is division on Council and in the community about whether it should be an issue for us...some old-school politicians would rather invest in other areas.”
- “We undertook our first citizens’ satisfaction survey...Climate change wasn’t mentioned once. It’s not what they want us to work on.”
- “Tackling climate change is hindered by decisions... that face public blowback, more than issues of cost.”

Lack of capacity and the need for intergovernmental collaboration: Many CAOs do not feel well prepared to support their communities in the event of a climate emergency or extreme weather event, a reality brought home by the recent wildfires spreading across Northern Ontario. They note additional funding, equipment and other forms of assistance from the provincial and federal governments need to be in place.

- “How are we going to get people out? There is no team sitting at Queen’s Park ready with the materials to help. It’s just me and my team. I am going to call my team and see if anyone has enough boats.”
- “I don’t want to be going through something like that by the seat of my pants.”
- “[The municipality] is used to hosting evacuees from other communities regularly during forest fire season, despite the community not having enough resources to sustainably do this annually.”

There was a call to shift away from ideological-based discussions on climate change and instead focus on how all governments could work together to deliver real change.

- “We often have issues with the federal government in adhering to their funding programs that lend themselves to their ideology as opposed to helping us make a genuine impact or progress.”



STRATEGYCORP'S PERSPECTIVE:

Climate change is becoming an increasing worry for municipalities. Floods, forest fires and tornados are, alarmingly, becoming part of the lexicon of many Ontario communities. Future forecasts also don't paint a rosy picture. Without reductions in greenhouse gas emissions, the average temperature in Ontario is expected to rise by 3 to 8°C over the next century, reducing air quality, increasing extreme weather events, impacting food security, and risking human health and well-being.⁷

As the order of government closest to the community and most directly engaged in the delivery of essential day-to-day services – emergency services, water and wastewater, and roads – municipalities are deeply concerned about the impacts of climate change on core infrastructure and business continuity. Municipal infrastructure was not built to withstand the severity of recent storms, and upgrades of local buildings, dikes, and roads are required but also come with a steep price tag that must be balanced against competing priorities.

According to a 2020 report from the Federation of Canadian Municipalities and Insurance Bureau of Canada, it will cost \$5.3 billion – per year – for municipalities across Canada to avoid the worst impacts of climate change. But there is growing evidence that investment in infrastructure renewal and resiliency is worth it. Some studies have shown that every dollar invested in resilient infrastructure to mitigate against climate change can avert \$6 in future losses.⁸

A recurring theme in this report is the growing allocation of service responsibilities to municipalities without commensurate tools or funding to supporting delivering on these additional mandates. Climate change is one of those areas – in 2017, “climate change” was added to the list of matters on which municipalities can pass by-laws in Section 11.2 of the *Municipal Act*.

While many municipalities have taken steps to develop plans to reduce their corporate carbon footprint, with a few also going a step further in considering how to support the community in becoming more sustainable, the costs are astronomical and cannot be borne by the property tax base alone.

As a result, greater partnerships with all levels of government is required. Floods and forest fires do not discriminate based on land borders, as experienced several months ago when smoke from the forest fires in British Columbia made their way to Ontario and instigated a series of air quality warnings for communities province-wide. Improved coordination and collaboration on policy and funding models relating to climate adaptation, mitigation, and resilience must be at the forefront of tripartite dialogue on climate action.



Question 09

The Future of Energy

Are you satisfied that your municipality has appropriate plans in place to meet the municipality's future energy needs, especially considering the move toward alternative energy sources, such as electrification?

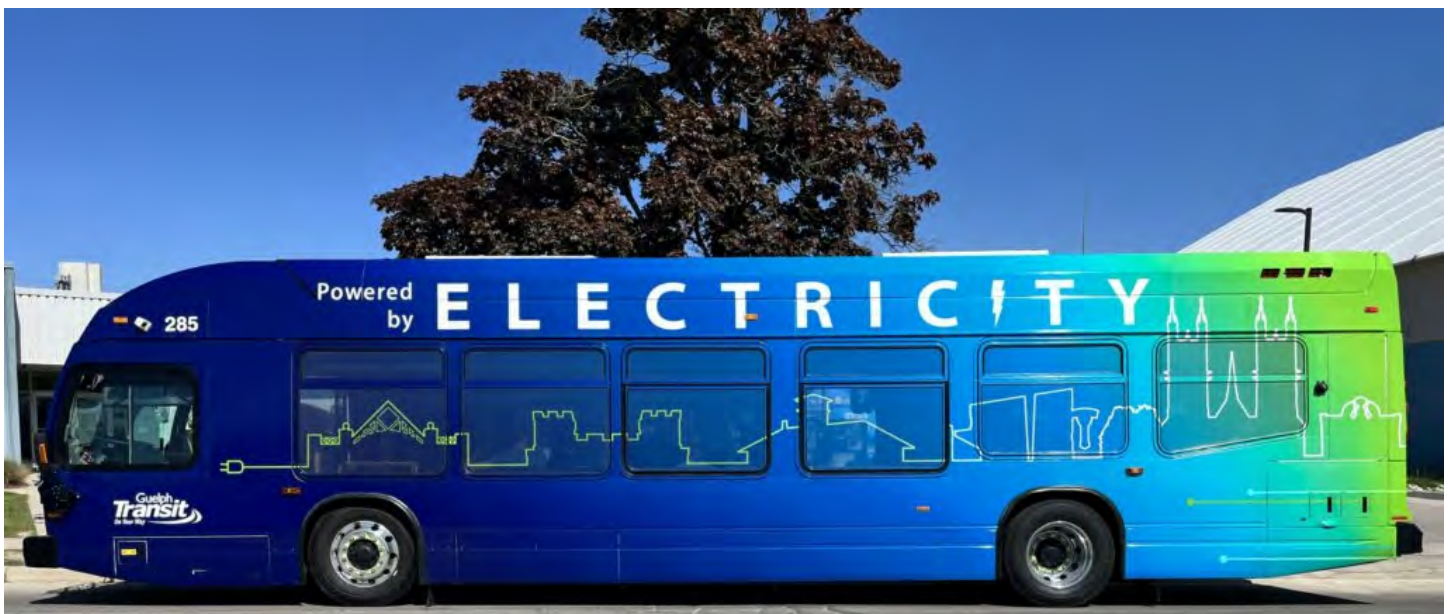
What We Heard

In Ontario, and much of the world, energy system planning is focused on decarbonization and electrification. As the drive to “net zero” accelerates, electricity will be used to power more and more personal vehicles, public transit, and municipal fleets, to heat and cool homes, hospitals and commercial buildings, and to power industrial operations. While Ontario has announced major new investments in centrally procured and large-scale generation and storage facilities, many in the sector foresee a growing role for “distributed energy resources” or DERs – that is, smaller generation and storage facilities and other innovative technologies that can help meet the energy needs of the communities in which they are located. It is easy to see how this trend towards DERs will present important issues and questions for municipalities.

What we heard on the subject of energy planning understandably builds on the responses provided in the previous chapter on the question of climate change adaptation and mitigation. Some answers also harkened back to the discussion in last year’s CAO Survey about the relationship between municipalities and their local distribution companies, or LDCs.

We did hear that most municipalities have their own energy plans, even if some are outdated. Many of them focus on how local governments can make their own facilities and infrastructure more energy efficient – think LED streetlights and solar panels on the roofs of municipal buildings. Now, municipalities are having to consider hosting battery storage facilities, bi-directional EV charging systems, and micro-grids.

The question of “local” energy is particularly interesting for those municipalities who are shareholders (and sometimes the sole shareholder) in LDCs. That arrangement has historically been a financial boon to municipalities that could count on a hefty annual dividend from their utility. However, those revenue streams may be strained by the need of many LDCs for new equity capital to support investments in the infrastructure and systems required to meet the challenges of electrification – and by the push to fund diversification outside the core utility into DERs and other new businesses.



MEETING FUTURE ENERGY NEEDS

Some CAOs responded that planning to ensure the future energy needs of their municipalities was an important issue. In some cases, the primary factor accounting for a focus on future energy needs was the prospect of growth and development rather than the prospect of increased demand driven by the “electrification” of transportation and heating.

- “There’s some surplus now, but it is not going to last long.”
- “We realize if everyone tries to electrify at once there will be a supply issue.”
- “We are losing a lot of good industrial growth due to a lack of natural gas and hydro.”

Other CAOs were not focused on the energy file, with some opting to take a more “wait-and-see” approach.

- “I feel it is not a municipal mandate.”
- “On electrification, we are going to be more of a follower than a leader.”

Corporate energy plans: Many (but not all) CAOs reported that their municipalities have adopted a Municipal or Community Energy Plan. Some existing plans are scheduled for an update. Common components of such plans focus on municipally owned infrastructure and include switching to LED street lighting, emphasizing energy efficiency in municipal buildings, installing charging stations on municipal property, and moving municipal fleets to EVs. However, there was some skepticism about the business case for municipal EVs.

- “Community energy plan is antiquated...a project for 2025-26.”
- “Changed to LED streetlights, but not able to convert fleet to EVs – finances don’t make sense.”
- “We’re moving to electrified vehicles. We would have liked to move our parks staff to EV vehicles, but our own internal research says that it’s right on the fence of whether it is cost-effective.”



Regional Planning Processes: A few CAOs noted their municipality’s participation in the regional planning process overseen by the Independent Electricity System Operator (IESO) and Ontario Energy Board (OEB). The reviews were mixed.

- “Idea of regional planning is good...but not sure how much of what they are trying to do is translating into actual energy planning. But I do appreciate that they are trying.”
- “City has been involved in the [IESO] processes referenced, but we have not seen the fruit of the process.”
- “We have been a part of the IESO process but don’t think anyone from our side finds it terribly effective.”

WORKING WITH LOCAL DISTRIBUTION COMPANIES

Relationship with local LDCs: For many CAOs, the relationship between the municipality and the local electricity LDC was a key consideration. Some CAOs reported that the relationship with the local LDC was a co-operative one and that there was strong alignment between the municipality and the LDC about how to meet the community’s future energy needs. Other CAOs were far less satisfied with their relationships.

- “Good co-operation with the LDC partner – we are a shareholder.”
- “Working with the LDC on initiatives.”

- “[The LDC] is not aptly adjusting to the community’s growth and the grid is not adequate for the community and poses a risk.”
- “LDCs are completely clued out in addressing our needs as they are looking at what our growth was, but not the rapid nature of our current growth.”

Financial impacts and the transition to “net zero”:

Another key concern was the magnitude of the capital investment that electrification and the transition to “net zero” would require from both their municipalities and the local LDCs (particularly where those LDCs owned by the municipality).

Our discussions highlighted two interrelated aspects of the issue with respect to the capital needs of municipally owned LDCs. On the one hand, the prospect of an additional capital investment in the LDC might present an opportunity for growth and diversification – and the potential for new revenue streams. On the other hand, the size of the equity investment required by the LDC might be beyond the capacity of the municipality. In these circumstances, the municipality might be forced to consider new ownership arrangements for the LDC.

- “Meaningful investments to move towards net-zero targets require 10 times the funds which are available to address climate change.”
- “Demands of electrification has changed the LDC from a dying entity to something that needs to be capitalized with urgent actions needed on EVs, heat pumps and more.”
- “Collectively [we] need to make a giant equity investment in energy. We might need to bring in some new equity partners.”

STRATEGYCORP’S PERSPECTIVE:

The prospect of electrification and the transition to “net zero” present serious challenges for municipalities. Energy planning on a regional and local basis will be a key component of efforts to ensure that the transition is effective, and that the energy needs of communities are met – whether by the bulk power system overseen by the IESO or by more locally based energy resources.

The changes underway in the energy sector will undoubtedly play out differently across the various regions of the province, but all CAOs should be asking themselves whether their approach to energy planning adequately reflects the scope and pace of those changes. The IESO and OEB, for their part, have acknowledged the need to improve the regional planning process and are taking steps to enhance coordination with municipalities. Hopefully this initiative will remedy the concerns raised by several CAOs about their experience with the regulators.

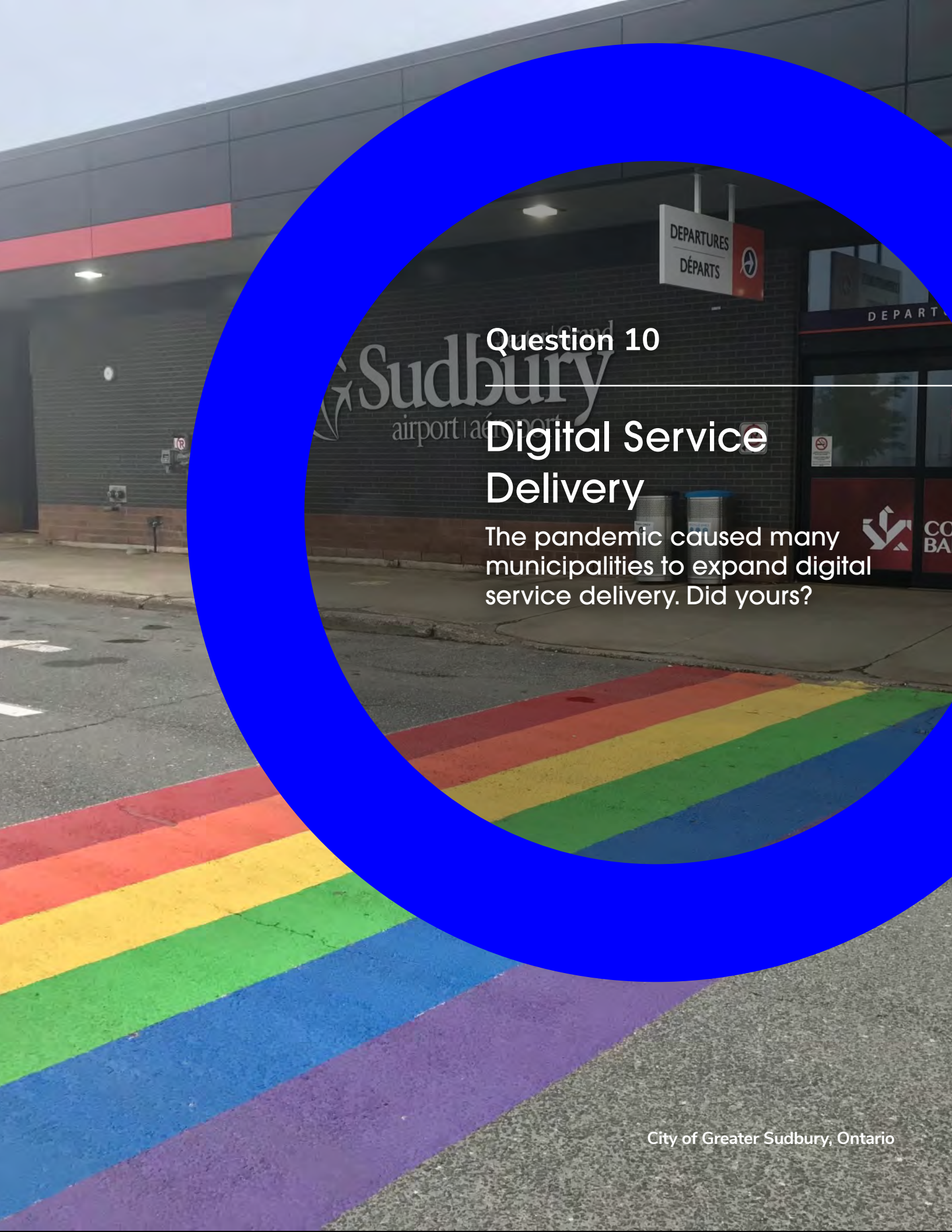
The challenges for municipalities that own LDCs are particularly acute. Some municipalities have come to enjoy significant dividends from their LDC assets – but that reliance may be at risk for two reasons.

First, electrification means that many LDCs will need money to invest in new infrastructure and the systems needed to manage an increasingly complex distribution network. Are municipal owners in a fiscal position to offer that financial support?

Second, electrification may present opportunities to diversify outside the core utility business into new ventures such as battery facilities that store renewal energy, “behind the meter” energy generation that directly supplies homes and buildings, and commercial EV charging infrastructure. Do municipal owners have the appetite for the increased risk that might be associated with these non-utility investments?

In these circumstances, CAOs should be asking themselves if the strategic plans in place for their LDCs adequately address the changes underway in the energy sector and, particularly, whether those plans identify the capital and resource needs of the utility and assess the growth opportunities that could arise from the energy transition.

Municipalities should also consider whether past LDC valuations reflect appropriate discount rates and whether their evaluation of utility-ownership options should be brought up to date. Mergers or the sale, in whole or in part, of municipal equity interests in utilities may play out differently in the new environment where both municipal owners and their LDCs are competing for scarce financial resources.



Question 10

Digital Service Delivery

The pandemic caused many municipalities to expand digital service delivery. Did yours?

What We Heard

The onset of the COVID-19 pandemic precipitated the sudden need for municipalities to shift to digital service delivery. As town halls and recreation centres closed to the public and many municipal employees moved to working from home, municipalities found themselves accelerating the digitization of many services, including payment processing and live-streaming Council and committee meetings. This was a major focus of our last CAO survey in 2021-22.

Now, given that the immediacy and urgency of the pandemic has receded, we wanted to check in with CAOs to get a sense of what's working well in terms of digital services, what they plan to maintain and/or expand, and what they think the future of digital transformation looks like for the sector.

HERE TO STAY

“We are not going back to the same model of service delivery as pre-COVID.”

High-speed – and permanent – transformation: The word “transformation” isn’t an understatement. We heard from many CAOs that digitization of services in their municipalities would not be as advanced today if it hadn’t been for the pandemic.

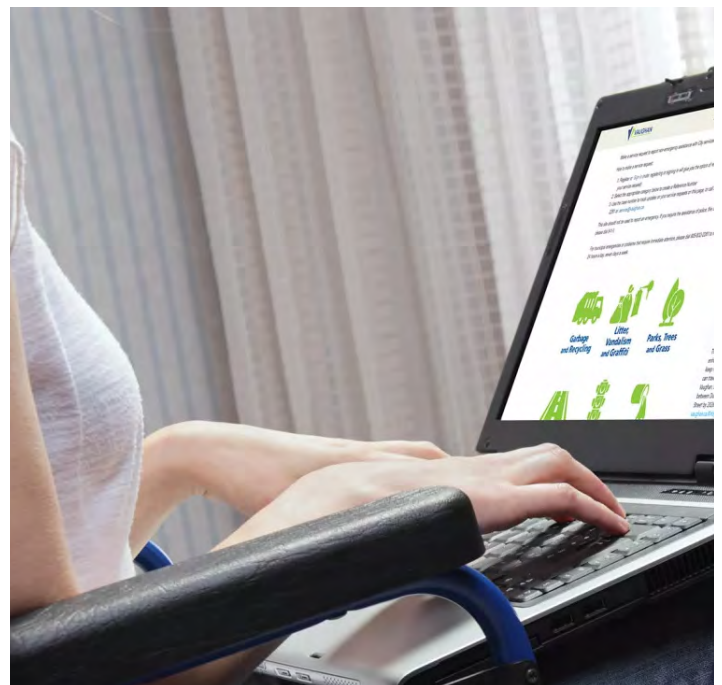
- “The pandemic was a godsend in many ways to expand digital service delivery.”
- “COVID was a quantum leap for us in advancing digital service delivery.”
- “In 2020, I felt I needed to get back to the office to properly do my job. Now, in 2023, I no longer need to go to work to do my job.”

Further, most municipalities aren’t just keeping the digital services implemented in the flurry of the COVID-19 response but expanding them to meet increasing community expectations.

- “We are not discontinuing anything and anything we have added, we are just continuing to grow.”
- “There’s an expectation internally and externally that we become more digitized. It’s not an area where we’ve been at the forefront.”
- “We’re investing a considerable amount of money in the next three years in [a wide array] of IT systems.”

Benefits for the bottom line: Digitization is delivering cost savings for several municipalities, which is welcome in a time of continued fiscal belt-tightening due to unpredictable economic conditions.

- “Virtual training and hybrid options have provided significant cost savings to us.”
- “We put more effort into the breadth and quality of the information on the Internet, so they don’t need to come in. That’s been a huge boost [financially].”



The benefits are beyond financial. Consistent with our last survey, many CAOs continue to report an uptick in civic engagement due to the transition to virtual or hybrid committee, Council and public meetings, as people can participate from anywhere.

- “We have had much stronger participation levels in public consultations due to hybrid options and online consultation tools.”

The digital shift has been more challenging in some smaller municipalities: A few CAOs, mostly in smaller or more rural municipalities, have struggled to move the dial on digital. In some cases, this because there simply wasn't demand from the community or Council for more digital services. In others, administrations simply don't have the capacity or expertise to build an intentional strategy around digital transformation.

- “Small municipalities are susceptible to buying many systems and not focusing on an integrated approach to technology.”
- “Our community has an old-school mentality. They want to speak to a real person and get a response immediately.”

For other smaller centres, however, digitization has helped level the playing field with larger municipalities when it comes to being able to offer comparable services.

- “We punch above our weight in digital service delivery.”

Artificial Intelligence (AI) on the horizon: Some municipalities are already pushing past more classic understandings of digital service delivery to start thinking about – and even implementing – AI. The public launch of ChatGPT in late 2022 has made AI a hot topic in many sectors, and municipalities are no exception. Some municipalities are actively considering how AI could be mobilized to enhance or create efficiencies in service delivery, such as predicting whether someone will become chronically homeless in the next six months or how to be more selective in determining where to salt roads during a snowstorm.⁹

- “AI has provided us with significant productivity savings.”
- “I think there is a case for AI in land use planning but planning still has a human element that can't be replicated.”

CYBER CONCERNS

Cyber security remains a major concern: For all the positive feedback we heard about the digital leap forward over the past few years, cybersecurity continues to preoccupy municipal leaders.

- “Cyber security is a huge priority for us.”
- “IT investments and improving cyber security is important for small municipalities as much as larger communities.”
- “We've tried to make it more part of the daily lexicon to be aware of risks.”

Under attack and under-insured: A number of CAOs expressed real fear of their online systems being subject to cyber attacks and breaches.

“We are on short window away from a significant cyber security issue.”

- “We have been cyber attacked regularly, and this is a huge issue, but we have yet to be breached by a cyber attack.”

The bar for insurance coverage also continues to be high, with some municipalities not being able to secure any coverage at all.

- “We have heard that some counterparts can't get cyber insurance, but we can get 50% because of the work we have done.”
- “I have been able to sleep at night knowing we are doing as much as we can. We do have insurance – it was a process.”
- “We have no cyber coverage...I am terrified of getting that email late at night that something has happened.”

STRATEGYCORP'S PERSPECTIVE:

Digital services are here to stay. They may have emerged in 2020 through 2022 as a transitional or hurried migration of services online in response to the pandemic, but it appears that many of those decisions and investments are now permanent – and growing.

Most municipalities no longer need to convince the public or Council to accept digital methods of delivering services in addition to, or even instead of, in person. In fact, we heard clearly that citizens in many communities expect to be able to access municipal services from their computers or their phones. When done smartly and in alignment with principles of equity and accessibility, digital innovation can transform how municipalities serve and engage with residents, improve efficiency in service delivery, and transform the workforce. The value proposition for municipalities is clear.

But leveraging future opportunities in the digital space also means the municipal sector must stay ahead of the curve. AI is already here and will likely expand in scope and capacity in short order. There may be opportunities to use AI to improve and streamline municipal operations, including for generating reports and meeting minutes, executing MFIPPA requests, monitoring employee productivity and performance, and assisting in evaluating procurement compliance.

On the other hand, even as AI continues to stun people with the tasks it can already perform, the technology has raised significant ethical and security concerns surrounding its use. Local governments must proactively plan for new technologies, developing clear frameworks and policies that will help them optimize opportunities, mitigate risks, and focus on solutions.

A man with a beard, wearing a white t-shirt and blue jeans, is riding a black bicycle across a rainbow-painted crosswalk. The background shows a city street with brick buildings, a silver car, and a utility pole with a 'no left turn' sign. A large blue circular graphic is overlaid on the right side of the image, containing text.

Question 11

Social and Community Challenges

Has your municipality
experienced an increase in
social issues and inequities,
such as homelessness?

What We Heard

Our previous surveys have raised the alarming increase in and visibility of social challenges such as homelessness, mental health and addictions, poverty, and food insecurity, all of which were exacerbated by the COVID-19 pandemic.

This year, we heard that CAOs across Ontario – from small, rural towns to GTA urban centres – are feeling overwhelmed by these social challenges and the insufficiency of the tools and means available to address them.

And their ask was clear: “Help us help them.” CAOs are calling on the provincial and federal governments to provide enhanced and stable funding for the wraparound social supports and transformative solutions that address the systemic causes – and not just the symptoms – of these social inequities.

Widening socioeconomic disparities have also coincided with an erosion in social civility and trust in all levels of government, further hastened by the pandemic. There are concerns about the spread of misinformation and about the general toxicity of civic dialogue, notably on social media platforms. This tense social environment makes it all the more difficult for municipal administrators to do their jobs, including working with other governments and community partners to foster equitable and safe communities where all can thrive.

SOCIAL ISSUES AT THE FOREFRONT

“Homelessness, mental health, declining trust in government – we will continue to see more of all of the above.”

Visibility of insecurity is on the rise: The vast majority of CAOs indicated that they can’t remember a time when they witnessed so many in their community struggling with poverty, homelessness, and mental health and addictions challenges. And it’s not just a problem for bigger cities.

- “We are seeing greater evidence and pressures of homelessness, substance abuse, and other social issues.”
- “Fifteen years ago, we did not see any of these issues.”
- “Five years ago, I would’ve said there is no homelessness in the County, but now it’s obvious.”
- “The visibility of homelessness. People on the streets with psychological issues. Small encampments occurring. You just didn’t ever see this before.”
- “We never had [homelessness] until the last few years, but now it is a big problem. As a result, we will see more money on policing. We’re rushing in to build municipally run shelters...even though we are not in that business.”

CAOs are overwhelmed by the magnitude of the problem and the pressures on their services and are distressed at not being able to do more to support vulnerable and at-risk community members.

- “At times, addressing the social issues we face is overwhelming.”
- “The food bank scares me. The volumes are significant. People who have good steady work can’t afford [groceries].”
- “Libraries are becoming a place of shelter and refuge for homeless people and those struggling with addictions.”

The visibility of these social inequities also appears to be impacting residents’ perception of safety, which is adding to tensions and strains within communities as well as between municipal administrations and the people they serve.

- “Residents who have lived here their whole lives say they don’t feel safe going downtown anymore.”

- “The perception is that our community is less safe. The statistics don’t support that. But the perception is definitely that it’s worse.”
- “The people of the town think we’re special, as if social problems are something we [the municipal government] have created.”
- “We have growing conflict between the perspective of those who want to help the homeless and those upset about [encampments] being in our parks, which are then unavailable for other uses.”

CAOs feeling the heat to address social challenges:

Municipal leaders are under extreme pressure to address, and even fix, these systemic issues that are not squarely or solely within their jurisdiction to address, let alone their ability to appropriately fund.

- “The community feels it is our responsibility alone to solve the social crises we face.”
- “There is a public understanding that the social issues we face require a response from every order of government. But when the public see these issues in real time, they call on us to fix it!”
- “There is a growing concern that as social issues become greater, there is a risk that Council-community relations will be negatively impacted.”
- “As a lower tier municipality, tackling social issues without a sufficient mandate to do so makes it incredibly challenging to address housing, homelessness, and addictions.”

A couple of CAOs told us they have been able to effectively tackle some of these challenges as they arise in their communities.

- “Our team is nimble in addressing significant social issues.”
- “As a rural community, you have to be much more deliberate in addressing social issues and providing social services.”

But they also observed that the solutions for these systemic social issues and inequities must be systemic and transformational themselves. The scale, scope, and depth of the issues mean that tinkering around the edges or piecemeal solutions won’t work, not in the long-term.

“You aren’t going to arrest your way out of this, and we need funding from the province and federal government to help us do it.”

- “I think the only thing is that the system in general needs to be overhauled massively. It should be uploaded, shouldn’t be funded through a property tax system.”
- “How do we deal with the front-line impacts of the opioid [issue] and mental health in a system that isn’t set up for success?”
- “We are a partner in addressing social issues, so we are leaning in and asking the community and businesses how we can help, as opposed to saying it is not our problem.”

CAOs made clear that the path forward must include better intergovernmental collaboration and funding. Municipalities have been on the hook to develop and fund immediate responses and Band-Aid solutions, such as more emergency shelters, when the longer-term, sustainable approach must focus on addressing the root causes of these challenges, including housing supply and affordability, income insecurity, racialized and gender-based violence, and others.

- “We feel the province dropped the ball on mental health and addictions. It’s falling on municipalities, but we don’t have the expertise or funds. The Minister of Health has to step up, the Minister of Municipal Affairs has to get more engaged in this problem.”

Municipalities can’t do it alone.





CHALLENGES TO SOCIAL CIVILITY

“Declining trust in local government seems endemic.”

Erosion of trust and respect: As demonstrated by lower voter turnout in recent elections and the increasing vitriol of social media, there is a growing sense of apathy and distrust toward government among the public. CAOs and their staff have been direct targets of some of this anger and backlash, which, in addition to being upsetting and stressful for those on the receiving end, only further widens the gap in these relationships and adds fuel to the cycle of mistrust and incivility.

- “Citizens’ sense of humanity is pretty stressed these days, and this challenges our ability to address social issues.”
- “Staff do not deserve the anger they face from the community in carrying out their duties.”
- “I, as a CAO, have been a victim of attacks from the community.”
- “Rudeness or decreased civility of citizens towards staff and officials is increasingly common.”

These challenges to civic discourse and the social contract are rooted in the rise of populism and the contentious political environment of the last few years – south of the border but also evidenced in our own backyard with the “freedom convoy” occupation of Ottawa in 2022. As a society, let alone as a municipality, we’re not yet sure how to restore the balance of civility, trust and respect.

- “Declining trust in public institutions is something we all have to be concerned about. The divergent Trumpism has allowed people to say whatever they want, whether it’s hate-related due to race or hate-related due to lifestyle. We’re not equipped to deal with it, there’s a lot of learning on the fly.”
- “People no longer have filters, and I don’t think COVID helped. I read some emails and I can’t believe anyone would write that down and send it to a person.”
- “The deteriorating social fabric is a concern... people graffitiing pride crosswalks, groups lashing out. Does it affect me operationally? No. But if an incident happens people want you to act.”

STRATEGYCORP'S PERSPECTIVE:

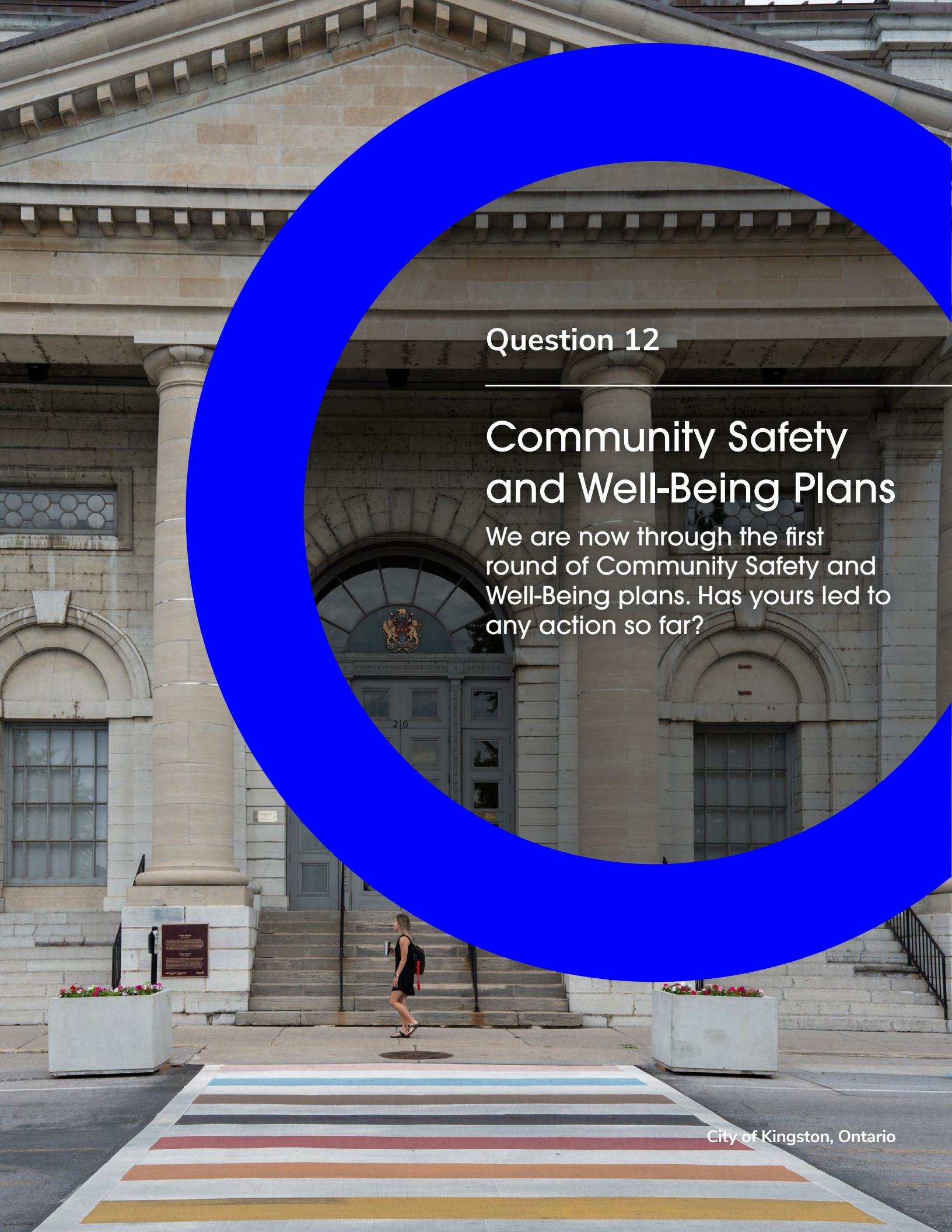
As the level of government closest to the people, citizens have turned to their local governments to address these cracks in the social fabric and have expectations of solutions, even though municipalities have neither the capacity nor the funds to fully address the scope of the affordability, health care, and housing crises that are contributing to these social inequities.

But municipal governments are not sitting on their hands. Over the years, many have assumed increased responsibility for funding and delivering programs and services that are the primary responsibility of the provincial and federal governments, including: social services, such as long-term care, social housing, and shelters; health care; and immigration and refugee supports. Local governments make these investments to fill the funding gaps left by the other governments and ensure that community needs are being met.

It is time for a new fiscal framework for municipalities that recognizes and is reflective of the scale and scope of municipal service delivery today – not 200 years ago. This framework could include new funding arrangements, realigned service responsibilities, or new revenue tools to enable local governments to realize the benefits of growth and be better positioned to meet increasing service delivery demands.

In the meantime, it is often local officials who bear the brunt of public frustration about today's challenges. New technologies and trends, particularly since COVID, have made local government more accessible than ever to the citizenry it serves. Thanks to email, social media, and livestreaming of committee and Council meetings, the public can have more immediate and direct access to their elected representatives and municipal staff than ever before. While these new tools may enable the increased democratization and accessibility of municipal government, they have also disrupted civic discourse, and not always for the better.

The good news is that CAOs are working on local strategies to manage their engagement with citizens and prioritize the safety and well-being of their staff. Being accessible may be both a blessing and a curse for local government, but Ontario CAOs are up to the challenge.



Question 12

Community Safety and Well-Being Plans

We are now through the first round of Community Safety and Well-Being plans. Has yours led to any action so far?

What We Heard

In 2019, the provincial government mandated that all municipalities create a Community Safety and Well-Being (CSWB) plan, as part of a new comprehensive Policing Act. Although the Act is not yet in force, municipalities were required to have their plans in place by July 2021. Many of the CAOs we interviewed had completed theirs, with only a few admitting they still don't have a CSWB plan.

The province made clear it expected the plans to be created with input from community stakeholders and partners, including local police services, social service providers, and community groups and agencies representing disadvantaged and equity-deserving populations.

Community safety and well-being can refer to an overall sense of a community where everyone is safe, has a sense of belonging, opportunities to participate, and where individuals, families, and groups are able to meet their diverse set of needs. CSWB plans are intended to provide an overarching strategy and roadmap to improve community wellness, health, and safety that goes beyond traditional policing.

The CSWB model involves shifting from a reactive, incident-response approach – which is often inefficient and ineffective – to a community development-oriented approach that focuses on addressing the root causes of social issues through preventative interventions. When done well, CSWB plans create more formal and structured processes that promote greater cross-sector alignment, collaboration, and trust to better address existing and emerging community needs while decreasing costs.

Undoubtedly, it's a tall order for a municipality, especially in view of the social and community challenges discussed in the previous chapter. A year after the CSWB plans were supposed to be in place, we asked how they are working out.

THE CSWB PLAN – ONE YEAR LATER

On balance, CAOs had mixed feelings about their CSWB plans. They support the important goals for the community laid out in the documents themselves, but many CAOs are struggling to figure out how to make those goals a reality.

Worthwhile undertaking: At a fundamental level, most CAOs felt the process of creating the plan was valuable, helping to bring together different groups to formulate common goals for improving the well-being of all members of their community.

“You have got to have stuff that makes you smile and this is the work that makes me smile. I don't think [departmental] groups would come together without the grounding of the CSWB plan.”

- “Why have 15 different tables to address social issues when we can bring these tables together through a CSWB plan to tackle the significant social issues we face?”

A few lamented that their police services took an overly active role in the creation of the plan, reducing the objective to understand well-being through an intersectional lens.

- “It is a frustrating first.”
- “It became a policing issue rather than a social services issue...people were left out of the conversation.”
- “A community safety plan is only as good as those who put it together.”

Leading leaders in the right direction: Some say their plans are useful and have already helped drive meaningful change in how leaders are thinking about and addressing key issues such as accessibility, mental health challenges, and addictions.

- “The CSWB plan has been really well-received and is changing the way the municipality operates.”
- “[It] has moved the community to improve accessibility.”
- “Information sharing between the City, the County, and stakeholders has been greatly improved.”
- “There is more political interest now to address mental health and addiction.”

Implementation frustration: But even as CAOs value the overarching aim and principles of the CSWB plans, there is a strong sense that they are not properly resourced to be able to advance the implementation of them in any concrete way. Some were candid on this point.

“CSWBs are a toothless tiger.”

- “We’ve mostly forgotten about it.”
- “What is this plan actually going to do?”

In many cases, municipalities have neither the funds nor policy levers to be able to meaningfully address the root causes of the societal challenges they face.

- “We cannot deliver on the goals of our CSWB plan without funding support from the province.”
- “Now I have a plan that I must adopt and fund, when most of the levers to reduce these challenges, I have no control over.”
- “I really struggle how the implementing piece of this is coming together.”

Some felt the plans are an unfair burden, effectively a download of new responsibilities from the province but without any of the requisite tools or funding to empower municipalities to achieve the desired outcomes.

- “I wish the province hadn’t handed municipalities community safety plans to build and administer.”
- “Having municipalities administer the goals of CSWB plans is a disaster.”
- “The province started with the police service, and they [police] said, ‘We don’t know anything about this,’ and then it gets downloaded to the municipality. It was way too broad.”

STRATEGYCORP’S PERSPECTIVE:

When the province gave direction to municipalities that they needed to create Community Safety and Well-Being plans, it was a formal recognition that the concepts of safety and well-being extend beyond more traditional understandings of “safety” as a primarily police-led response.

However, the very fact that the province directed municipalities, together with their police forces and community and health partners, to work together to develop a plan to identify and address risks to the health, well-being, and safety of community members is an explicit recognition that no one body or institution has the answer key. Enabling community well-being is a multi-disciplinary endeavour.

The plan is only the first step. The trust test – implementation and evaluation of outcomes – is still to come and clearly, some CAOs remain skeptical. As we heard in the previous chapter, municipalities cannot address the risks to well-being on their own. Addressing poverty, homelessness, the mental health and addictions crisis, racism and discrimination, and many other risks to well-being requires a coordinated effort among all levels of government. As we have called for in other chapters, this includes a new fiscal framework between municipalities and upper orders of government that better reflects the challenges of 21st century communities.

At the same time, it is important for municipalities not to shy away from difficult conversations regarding what it will take to bring their CSWB plans to life. To increase the likelihood of positive outcomes, plans should be accompanied by implementation strategies co-designed alongside the staff and partners responsible for delivery of the plan. Implementation strategies should provide clear direction and include well-defined accountabilities and realistic timelines and oversight by a distinct governance body that is responsible for overseeing the plan. Municipalities can play a critical role in building the bridge between the aspirations expressed in CSWB Plans and reality.



Question 13

Strategic Planning

Do you have a current strategic plan? How do you use it?

What We Heard

This is the first year StrategyCorp asked about strategic plans, anticipating that many Councils and administrations might be revisiting or refreshing their strategic priorities for the new term of Council following the October 2022 election.

We guessed right. Most CAOs told us they either had an approved strategic plan in place, were partway through a strategic planning process, or were about to embark on one in the near future.

Strategic plans are integral documents that can serve many purposes, if done well. They facilitate a consensus-building process that translates what matters to individual members of Council and why they ran for elected office into a set of collective priorities “around the horseshoe” of the Council chamber. Strategic plans also help align the efforts of staff with the direction of Council, providing a clear roadmap that can guide departmental business and work plans and inform the budget process. On yet another level, the strategic plan is a critical communications document for a municipality – it acts as a public commitment of Council and the administration to the community they collectively serve and holds municipal leaders accountable.

Here is what the CAOs had to say about their experiences with strategic planning.

THE VALUE OF STRATEGIC PLANS

A guiding document: For most CAOs, the strategic plan is the overarching document of the organization – its North Star, designed to support a steady state of governance and support leadership in making choices about key priorities and how and where to invest limited resources. Many described their strategic plans as highly useful documents that work to unify Council, staff, and the community around a shared sense of purpose while also providing direction to inform the everyday work of the municipality.

- “I see the strategic plan as a tool to guide priorities and goals of the community and Council, with staff and Council able to reference it in decision-making.”
- “[The strategic plan] is our guide.”
- “It helps us to define priorities and allows us a path for some of our initiatives.”
- “I use it and find it helpful. It’s about the identification of key transformations that lead to a vision.”
- “Our strategic plan is on the Mayor’s wall.”

“[Our] strategic plan and term of Council strategic priorities are two of the most valuable exercises we do.”

Form follows function: Some respondents noted the value of strategic planning helping Councils and staff hone in on their values and what matters the most to them. Starting with more aspirational discussions centred around “What do we want to be?” can be valuable in understanding “What should we be doing?” as Councils and municipalities make choices about where and how to prioritize.

- “The most important conversation we had during the strategic plan was, ‘What do we value?’ If we want to be an inclusive community, well, what do we do to be inclusive? It’s a different mindset. You can’t say you want to be welcoming and then not have a plan to make people feel welcome. We’re about to lay down a rainbow cross walk. A strategic plan cannot just be words, it builds your culture.”

Helping municipal leaders say ‘yes’...and ‘no’: Many CAOs observed the importance of their strategic plans in providing a sense of purpose and rigour to their administrations and maintaining the focus of Council and staff on their approved priorities.

- “I use the strategic plan to hold Council’s feet to the fire, to ask, ‘Does this goal meet our strategic goals?’”
- “Utilizing the strategic plan has been helpful to keep Council and staff focused on priorities.”
- “The strategic plan gives us guidance through the noise and gives us a framework whenever we are confronted with compulsive decision making.”
- “Will it become a contract? The book is still to be written on it.”

In particular, strategic plans are a useful tool in keeping Councils on the straight and narrow, mitigating against the risk of new items and projects being added to the to-do list that may not align with the overall strategy.

- “I find it useful to help direct the work and to push back when Council brings forward things that are out of scope.”
- “We use it continuously for why not to do work and why to do work. It keeps everyone in tune to ‘This is what we’re doing to reach this longer-term vision.’”
- “I need it as the CAO to keep Council on track.”

“What a strategic plan does is focus everyone. It keeps Councillors from having the project du jour.”

Not every strategic plan is a success, however: Some CAOs noted that their Councils and staff teams have not been fully on board with their strategic plans. Some Councils don’t think the plans are useful while others participate in the process and approve the strategic plan, but then do not consider or use the plan to guide their decision making.

- “Council does not care about the strategic plan. Notices of motions are challenging to address [our] strategic objectives.”
- “We’re working on a new strategic plan...planning has been delayed as some members of Council do not believe it is needed.”
- “My team has been gun shy about being tied to specifics and being held accountable.”

THE PROCESS

There’s no one-size-fits-all approach to strategic planning: Some CAOs expressed their preference for quick, Council-focused strategic planning processes as opposed to broader and longer processes engaging a wider range of stakeholders, including community members. Others noted the value of the process itself, in terms of working iteratively through issues and challenges and uncovering new insights and perspectives that are made visible through the process.



- “It was a quick process. Didn’t go to the public as [that] would have just bogged it down. We worked it through with Council.”
- “This one has been very beneficial...taking it through what you can do, comparing with other communities, asking ‘What do we think need to be our priorities?’ It has been fun. There’s not much fun about this job, but this is. Understanding ‘There’s a story here I didn’t see’ is really valuable.”
- “We do Council orientation, get through a first budget and then we start our strategic planning process...[We] don’t want to involve community because special interests will take over.”
- “[Our current plan] has been rather rudimentary but outlines key priorities and initiatives. The plan is task focused. Our new strategic planning process will be broader and entail more community and staff engagement.”



strategic plans that are a list of services, but you can’t do everything.”

FROM ADOPTION TO IMPLEMENTATION

Performance measurement and reporting: Although most strategic plans share a common structure, tailored to each municipality’s individual needs, there was strong emphasis on the need to build performance measures and reporting mechanisms into the strategic plan to support transparency and accountability.

- “The strategic plan was recently adopted at Council, with action items, measures, annual reporting all introduced.”
- “We report quarterly KPIs and now we are adding to what was already there. I think me coming from a larger municipality has played a role – staff have said they have never been busier!”

Measuring and reporting on progress in the strategic plan is also a communications exercise, informing Council and residents what has been achieved and celebrating successes.

- “We had one [strategic plan] that sunsetted in 2020 that was very vague. We have a new one in 2022 that has smart, binary goals that are measurable and doable. One of them is departments having plans and goals to work towards.”
- “We have not done [a strategic plan] since 1997. We did a letter of confirmation for the last 20 years. To be honest, we didn’t really get out of it what I like. I don’t really like it as a clear map, and prefer it as a chance to train, teach and coach Council.”
- “You have to see yourself in the strategic plan’ – this is a pet peeve. Some people have watery
- “To be measured is to be managed’...I want to use the strategic plan as foundation to really clearly set out measurables, key performance indicators to show Council and community everything we’re doing. We’re not doing that now to any significance.”
- “An update is coming soon to show what we’ve knocked off, what will be in the 2024 budget, in the 2025 budget, etc.”

Implementation planning is key: The success of a strategic plan is often determined by how well it is implemented. A good measure, observed by the CAOs, is the degree to which the plan is embedded into the organization's culture and informs the budget and business planning processes.

- “[The strategic plan] just got approved by Council. We’re in the process of adopting some software, implementing departmental work plans, but we’re really in the infancy of starting to roll it out.”

“Everything, everything, everything is tied to the strategic plan. Not sure if that message has trickled down to front-line staff, but the staff should be pretty tired of hearing me talking about it.”

- “I use it on a regular basis – pulled it out seven or eight times in the last month. We use it to align our tactics, the things we are doing.”
- “I introduced the strategic plan process in 2020....It’s been working quite well, we report into communications quarterly and [it] comes to Council twice a year. I would like it to be more of a day-to-day consideration...We’re not there yet. We introduced [the strategic plan] into our report template, so we show how items link to the strategic plan.”
- “Every time we do the bucketing of our priorities, it aligns with our budget.”

Some CAOs also brought some realism to their approaches towards implementation, recognizing that the strategic plan is no small amount of work and that progress will be incremental in nature.

- “There was initially an inclination to say, ‘Who will be the lead on this? Who is doing this?’ But I said to slow down...buy into first prioritizing and then take a slow and iterative approach... It’s almost like using agile or sprint methodologies... these are the three things to get done in this quarter and then we check in – are we on the right path? Do we need to course correct?”

STRATEGYCORP’S PERSPECTIVE

Municipal strategic planning has evolved significantly over the last decade. Typically, strategic plans have taken one of two forms. The first is the internally focused “Corporate Strategic Plan” that guides the work of the administration and focuses on core operations and services, or those areas explicitly defined as areas of municipal jurisdiction. The other type is the “Community-Based Strategic Plan,” a broader plan built through community feedback and often more aspirational and wide-ranging in nature, touching on issues and priorities that may be outside of a municipality’s “span of control” in terms of what it directly delivers, regulates, or invests in.

Both have their strengths and weaknesses. Strictly corporate strategic plans provide a clear, implementable roadmap for the administration, but may also fail to appropriately capture the community’s vision for the future or the issues that are top-of-mind. Community-based strategic plans, by contrast, can sometimes feel like a blue sky wish-list, untethered from the realities of implementation or organizational realities.

As a result, the current trend is to take the best of both and leave the rest. The result is strategic plans that are both ambitious and responsive to community needs and priorities – even those outside of the municipality’s lane – and accompanied by clear, tangible action items that can translate lofty goals into measurable outcomes.

At end of the day, planning is easy, but doing is more challenging. The process is often itself critical to whether a strategic plan takes flight or sits on a shelf. Council and staff both need to feel ownership over the plan for it to succeed, and the strategic planning process is a critical opportunity to solicit that buy-in and build trust and alignment. It takes time to get it right.



Conclusion

What keeps CAOs
up at night?

What We Heard

While this question is similar to “What are the top issues facing your municipality?” which we reported on in Chapter 1, there is a key difference: Chapter 1 reports on CAOs’ objective opinions about the issues that face their community. This chapter, however, considers the subjective challenges of the job as personally experienced by CAOs.

In our inaugural 2016 report, we observed that to be a CAO is to accept two main challenges:

1. To create and lead the team responsible for doing the work of the municipality, and
2. To contribute to the work of solving the biggest strategic problems of the municipality.

We normally find that the things “keeping CAOs up at night” are a balanced mix between these two burdens. Here is what we heard this year.

When it comes to the first challenge, leading the team, CAOs’ resources are stretched thin: Teams are tired from COVID. They are also financially stressed by decades of fiscal constraint and underinvestment in capital, downloading of service responsibilities from the province, and limited revenue tools.

...on their teams:

- “Staffing – I worry about staffing continuously. For example, I can see the horizon of my own leadership team. I know I will see a 50% turnover this year. I need to rethink the organization.”

...on municipal finance:

- “Financial system – the expectation to keep delivering services, increasing services, but keep taxes reasonable.”

What keeps CAOs up at night?



CHALLENGES OF THE JOB

HR: Retention, recruitment and staff well-being
Municipal financial sustainability
Council-staff relations
Aspects of being a “good CAO”

CHALLENGES OF THE COMMUNITY

House and growth pressures
Mental health, addictions, and homelessness
Climate change

IRRITANTS

Provincial-municipal relations
Governance challenges
Decline in civility

...on managing Council-staff relations:

- “The relationship between Council and staff. My messaging is that it’s a partnership, but I get comments back that this is an ‘us-vs-them’.”

...on being a good CAO:

- “How to keep all the balls in the air? A lot of stuff municipalities have to do, so how to ensure you don’t let anything drop? Everything is interconnected – if you drop one, you drop more than one.”
- “You take a role in public service to warm a seat, but you want to leave it in a better place for the next person.”

When it comes to the second challenge, solving the big strategic problems, we heard that the problems they face seem to be worse than ever. Never have the pressures of growth and social dislocation seemed as intense as today.

...on housing and growth:

- “Housing. What is the right solution and what can we do locally? You know, little things like that.”
- “Managing growth. How can we manage growth and get more housing in a way that is smarter?”

...on social inequities and challenges:

- “How do we deal with the front-line impacts of opioids and mental health in a system that isn’t set up for success?”
- “Social inequities, housing, homelessness. These issues do not just keep me up at night as a CAO but as a person.”

...on climate change:

- “The catastrophic failures from storms and weather events that will require evacuation of the Town and the hospital.”
- [Our municipality] “was the poster child for the 2019 flood...if it’s a 1-in-100-year event, that’s one thing. But if its once every four or five years, it’s going to impact [us].”

CAOs are still a resilient, capable, and committed bunch.

It is fair to say that participants convey the “stiff upper lip” attitude that these challenges are “all in day’s work” or “just part of the job.” A good summary of the general attitude towards the issues that concern them the most might be: “It’s tough, but if I weren’t up to it, I wouldn’t have signed up.”



This year, we also heard them refer to a third category of insomnia-inducing irritants. These are policies or actions that they perceive as making the job harder than it should or needs to be.

Topping the list is provincial policy intervention. Governance stresses and the spectre of regional restructuring are also on the list, followed by the loss of civility in public discourse, although that can hardly be blamed on any one source.

When speaking about these irritants, their tone was often one of annoyance or frustration. When asked politely, CAOs will tell you they are aligned with the need for more housing and supports for the unhoused. But press them and they will tell you they could do without the irritants.

“How am I supposed to...”

- ...Pledge to build more housing? I only issue the approvals and permits. Talk to a builder! They build houses, we don't.
- ...Build more housing when the province reduced the development charges we collect to pay for the infrastructure we need to support the housing.
- ...Lead a great team when Strong Mayor legislation has undermined and politicized my role.
- ...Speed up our housing approvals when there is uncertainty about potential restructuring.
- ...Fix homelessness, mental health and addictions when the levers to address them are spread across three governments and two tiers of local government, and the governments most responsible for the problem don't pay their appropriate share.

In short, we heard a return of the negative tone that characterized our 2019 CAO Survey, but amped up by the stresses of the post-COVID environment, uncertain economic conditions, and provincial legislative changes regarding land use planning and municipal governance.

It would be a good time to reset the provincial-municipal relationship. Based on our interviews, these would be good options for the province to consider:

- 1. Extend funding for continued shortfalls attributable to COVID.**
- 2. Deliver on the Bill 23 pledge to keep municipalities whole on the reduction of growth funding tools.**
- 3. Reconsider all Strong Mayors provisions, or, in the alternative, reconsider the provisions that undermine the independence of the professional municipal public service – most notably the ability of the Mayor to unilaterally hire and fire CAOs and other senior positions.**
- 4. Provide enhanced funding for mental health, addictions and homelessness supports. Lead provincial conversations on how to activate the learnings from community safety and well-being approaches to better address the homelessness, mental health, addictions, and safety issues that undermine the health of our downtowns and the vibrancy of our local communities.**
- 5. Convene discussions that would lead to a new assessment of “who does and pays for what” and new fiscal framework for municipalities as it relates to both capital and operating expenditures.**



Epilogue

CAOs on Leadership

Are there any management axioms that you have found valuable during your career?



What We Heard

As in previous surveys, we asked CAOs about the principles that guide them as they navigate and manage relationships on Council, their staff teams and everything in between, while also delivering the programs and services that residents and businesses rely on every day.

On the CAO as a leader:

- “You have to lead up to Council, down to staff and out to the community.”
- “Lead by example.”
- “People don’t care how much you know, until they know how much you care. It goes for people and it goes for Council. People will respect you for this...one thing I heard over and over again when I announced retirement was how much people knew I cared.”
- “Lead, follow, or get out of the way.”



On understanding the roles and responsibilities of the municipal public service:

- “How blessed are we that we get to show up every day and in all likelihood we are going to make someone’s life better?”
- “It’s okay to say ‘No’ to Council.”
- “Public servants show, don’t tell.”
- “Undersell and overdeliver.”
- “We have core values – ‘We got your back’ – support your staff and work with your Councils. Support everyone below and above you.”
- “Acting in the best interest of the community as a whole is our benchmark.”
- “The value of your work is determined by others, not by you. You can’t keep declaring how hard you work, you have to show your hard work, display your value.”

On the importance of trust and transparency:

- “Number one: Maintain your credibility, individually and organizationally.”
- “Never take integrity for granted.”
- “Be truthful, even when it hurts.”
- “Maintain transparency to keep trust with all your stakeholders.”
- “Tell the truth and don’t be scared to tell the truth.”
- “I say to staff and stakeholders, ‘Your source of truth is me.’ I don’t promise anything I can’t deliver, and I’ll always tell the truth...It’s an important role that I play now more than ever.”

On supporting and empowering staff:

- “Success without succession is a failure.”
- “Employee turnover is much more expensive than employee retention.”
- “Lead from behind and clear roadblocks for staff to be successful...give people room to grow and fail and learn. This has done me well with senior leadership teams and getting out of their way to see what they can accomplish.”
- “As a leader, support your team.”
- “Most organizations are built on hierarchy. I do not believe in the pyramid but rather the inverted pyramid. When you get to the front line – public-facing – they are doing everything for the public.”
- “I give every director an hour of my time every week.”

On grappling with uncertainty and change:

- “You’re going to have to be okay with working in the grey.”
- “Change is constant.”
- “Things are never as bad as it seems and never as good as it seems.”
- “Embrace change...be excited about making a change at a small level that has a big impact.”
- “Change is what we do, we are a part of it.”

On the need to prioritize:

- “Do less, better.”
- “Don’t spend your time fixing what you don’t like. Spend your time building what you imagine.”
- “Slow down. People just want to take action and get things done. New directors and managers are so ready to make an impact, and I’m a big advocate of taking time regularly to think about, ‘Am I really focusing on the big rocks or am I down with the pebbles?’”
- “I don’t lose sleep over things I can’t impact.”



On the value of communication and being clear about what you know and don’t know:

- “Communicate, communicate, communicate.”
- “Don’t wait for a meeting. If you see someone and have something to discuss, don’t wait. Things move too quickly to wait to get four people in a meeting.”
- “Sharing information, even if it seems redundant, is never a bad thing.”
- “Don’t surprise people.”
- “Don’t give the wrong information for the sake of looking like you know what you’re talking about.”

On embracing flexibility, adaptability, and thinking outside the box:

- “The plan is the plan until there is a new plan.”
- “Seek out solutions between simply ‘yes’ and ‘no’ – there is lots of opportunity in the grey zone.”
- “Options always have value.”
- “We need to embrace risk to enable reaching our full potential.”
- “Don’t take an item and centre your whole career around it.”

Notes

- ¹ Karen Martin-Robbins and Rohan Pur. [Caledon mayor replacing town CAO using strong mayor powers](#). Caledon Enterprise. August 3, 2023.
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- ³ Federation of Canadian Municipalities. [The Canada Community-Building Fund](#).
- ⁴ Financial Accountability Office of Ontario. [A Review of Ontario's Municipal Infrastructure and an Assessment of the State of Repair](#). August 17, 2021.
- ⁵ Western University Engineering. [Northern Tornadoes Project Annual Report 2022](#). February 6, 2023.
- ⁶ Bobby Hristova. [Burlington had some of the worst air quality in Ontario on Wednesday](#). CBC Hamilton. June 28, 2023; CBC London. [London's air quality 'high risk' Wednesday as forest fire smoke blankets region](#). June 28, 2023; Alex Brockman. [Air quality health warnings issued as wildfire smoke blankets northwestern Ontario](#). CBC Thunder Bay. June 23, 2023.
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- ⁸ Federation of Canadian Municipalities. [Investing in Canada's Future: The Cost of Climate Adaptation at the Local Level](#). February 2020.
- ⁹ Jacquelyn LeBel. [How one Ontario city is blazing the trail for public sector AI use](#). June 15, 2023; [AI teams up with local government – Zoran Postic, City of Vaughan](#). Municipal World.

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- We understand municipalities – if it is municipal, we can help!
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- Our team combines substantive experience in public policy and administration, planning, law, management consulting and finance. We have a high degree of political acuity and understand the importance of communications and stakeholder engagement in developing strategies and plans that are evidence-based and, critically, implementable.
- Our team has served every municipality in Ontario south of the French River from the smallest to the largest, along with municipalities in other provinces and in the United States.

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City of Burlington, Ontario



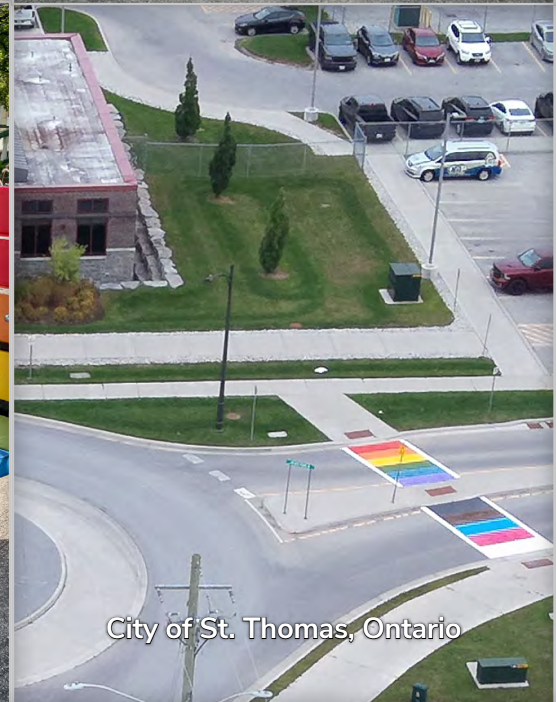
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Town of Innisfil, Ontario



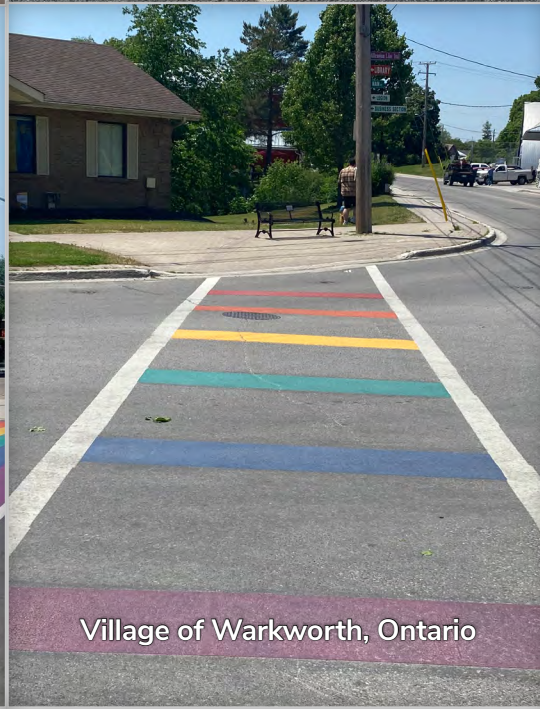
Town of Bracebridge, Ontario



City of St. Thomas, Ontario



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