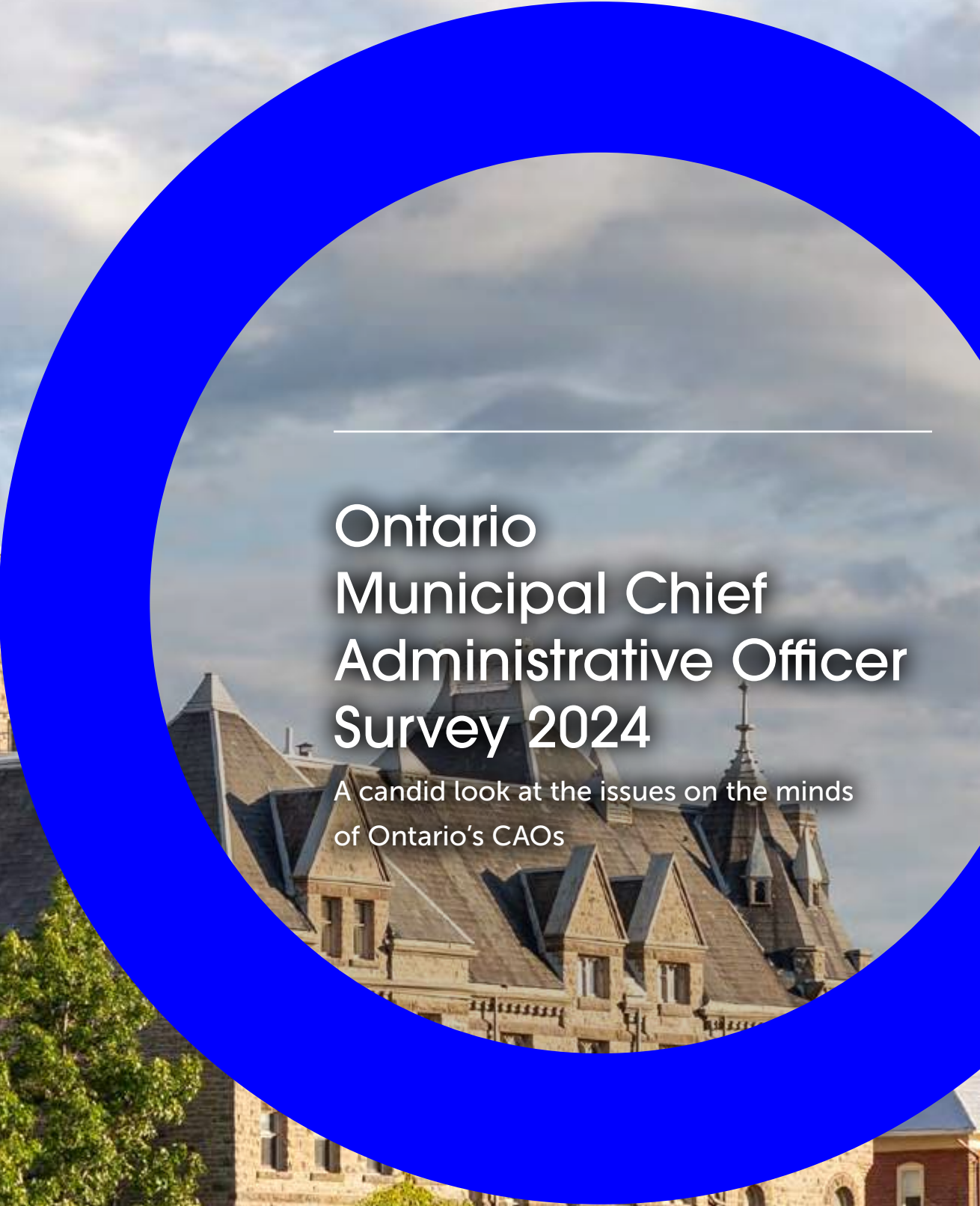




Ontario Municipal Chief Administrative Officer Survey 2024

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

This and previous CAO reports are available on the StrategyCorp website at www.strategycorp.com

The images in this document depict municipalities that **StrategyCorp** has served or visited over the years. They should not be taken as an indication of the municipal representatives who participated in this year's survey.

The opinions expressed in this report are those of the respondents and do not necessarily reflect the views of StrategyCorp.

Dedication

As we have done since 2016, we dedicate this year's report to Ontario's Chief Administrative Officers (CAOs). This year we also wish to extend our dedication to include municipal employees across the province's 444 municipalities who deliver vital services and infrastructure that enable residents and businesses to thrive.

This year, perhaps more than any year prior, we heard many troubling stories of abuse and harassment of CAOs and their teams. It is not an easy time to be a municipal public servant, and we applaud the commitment of municipal employees at all levels and across all departments to continued service excellence and professionalism. Our communities work because of all of you.

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 2024**



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.

Showcasing the voices of senior municipal administrators, our report offers insight into the real-time state of our communities and the myriad of strategies municipal leaders employ to balance shifting priorities while continuing to provide the critical services and infrastructure residents rely on.

From our perspective, this report is a starting point for discussion about the state of Ontario's municipal sector in our communities and among all levels of government.

SURVEY METHODOLOGY

2024 saw us conduct a record 32 interviews with CAOs and City Managers in the span of just under a month. Interviewees were provided with the list of 14 questions in advance of our discussions. Some of these questions are consistent across survey years to allow us to compare findings, while others are inspired by current events and emerging trends.

While participants were taken through the questions in sequential order, they were encouraged to speak freely and comment as much as they wished on each question.

StrategyCorp made the same two commitments to participating CAOs that we have in previous years:

1. We promise to faithfully and accurately record and report what they tell us.
2. We ensure that all comments remain confidential and non-attributable.

As you will read, 2024 has proven to be a difficult year on many fronts. It shows in the pauses, the sighs, the topics, and the warnings that CAOs shared with us. If ever there was an important year to be able to listen to individuals' confidential opinions and reflect them back to broader audiences, this was it.

Consistent with our approach and track record, we strive to primarily serve as facilitators and scribes and to let the CAOs speak directly to readers. In some cases, quotes may have been edited for brevity, readability or to protect anonymity, and these edits are indicated where appropriate.

A note of caution: This report provides qualitative insights into the current realities and issues facing local governments across the province. It should not be misconstrued as a representative or statistically significant sample. Participants were invited to engage in the survey process and were self-selecting. We also acknowledge our role in conducting the interviews as well as synthesizing and analyzing the data.

Executive Summary

A YEAR IN REVIEW

The job of a CAO has perhaps never been easy, but it seems harder than ever in 2024.

Since 2016, our report has focused on the two main sets of challenges facing CAOs, which embody the internal and external facets of the role:

- 1) **Challenges of the job:** Manage the administration of the municipality, including human and financial resources, and program and service delivery; and,
- 2) **Challenges of the community:** Support responsiveness and action on the challenges facing the community, which may extend beyond what a municipality as an order of government can directly deliver, fund or regulate.

This year, however, is different. For most municipalities, it's no longer "we're going to do what we did last year plus 2.8% for inflation." The challenges are bigger. The tools are out of reach. Resources are stretched to the max, be they financial or human.

This year, the two components of the role have become inextricably linked in a way they haven't been before. The changing social fabric and depth of need in Ontario communities – perhaps rendered most visibly in images of encampments in local downtowns and parks – has become more urgent than ever. And with municipalities on the front lines, it's expected that they do something about it.

While CAOs and their teams are stepping up where and when they can to respond to what they're seeing in their communities, this has taken a toll. Internal trends that already existed in town halls across Ontario have been exacerbated by the state of affairs outside. This year, we heard about the critical challenges of...

... navigating the pressures of growth not only on local infrastructure and service delivery but also on sensitivities arising from that growth and the need to build complete and vibrant communities.

... recruiting and retaining staff and building a strong organizational culture against the backdrop of a rapidly evolving policy landscape and tense sociopolitical environment that has made the job more difficult than ever.

... balancing affordability for residents with growing financial pressures resulting from unfunded mandates on housing and social services along with macro-economic factors like higher costs and interest rates.

... managing contentious relationships with the public, online and in person, as municipal employees and elected officials face unprecedented incidences of disrespect, harassment, and even abuse.

... gearing up emergency preparedness and response initiatives for formerly once-in-a-lifetime weather events that are becoming the new normal.

Local governments have shown remarkable resilience over the years, ready and willing to tackle one crisis after another. But it's also worth considering whether we might be approaching the upper limits of what municipalities and the teams within them can afford to bear on their own and with the constrained authorities, tools, and resources available to them.





A PROVINCIAL-MUNICIPAL DETENTE

Last year's report also highlighted the significant anxieties among CAOs about sweeping provincial changes to land use planning and municipal governance:

- (1) New strong mayor powers;
- (2) Significant changes to policies, processes and roles related to land use planning;
- (3) Reductions to existing growth-related funding tools; and,
- (4) The prospect of a revived regional review and the planned provincial "facilitators."

Largely received by the municipal sector like the coming of the "four horsemen of the apocalypse," provincial-municipal tensions spiked at the 2023 AMO conference.

But by the time of the ROMA conference in January 2024, the friction had eased. The Government of Ontario, and notably the Ministry of Municipal Affairs and Housing, has done a good job at bringing down the temperature of provincial-municipal relations, in part by listening and responding to the sector's concerns and even reverting course on some of their major policy and legislative moves. At the same time, this more conciliatory approach from the province may have come at the expense of clarity for municipalities.

If in 2023 CAOs were frustrated or even angry, this year they are weary. The uncertainty of the municipal environment due to the constantly changing provincial legislative agenda and policy priorities has consumed significant staff time and resources with little to show for it. The message from CAOs to the province is, "Let's just get on with it."

Municipal governments are eager to do their part in tackling the big issues facing Ontario communities. This includes building critical housing-enabling infrastructure and speeding up approvals to get more housing built, engaging in multi-sectoral collaboration to tackle the mental health and addictions crisis, and implementing initiatives to advance decarbonization and more sustainable practices in their own operations and the wider community, to name just a few.

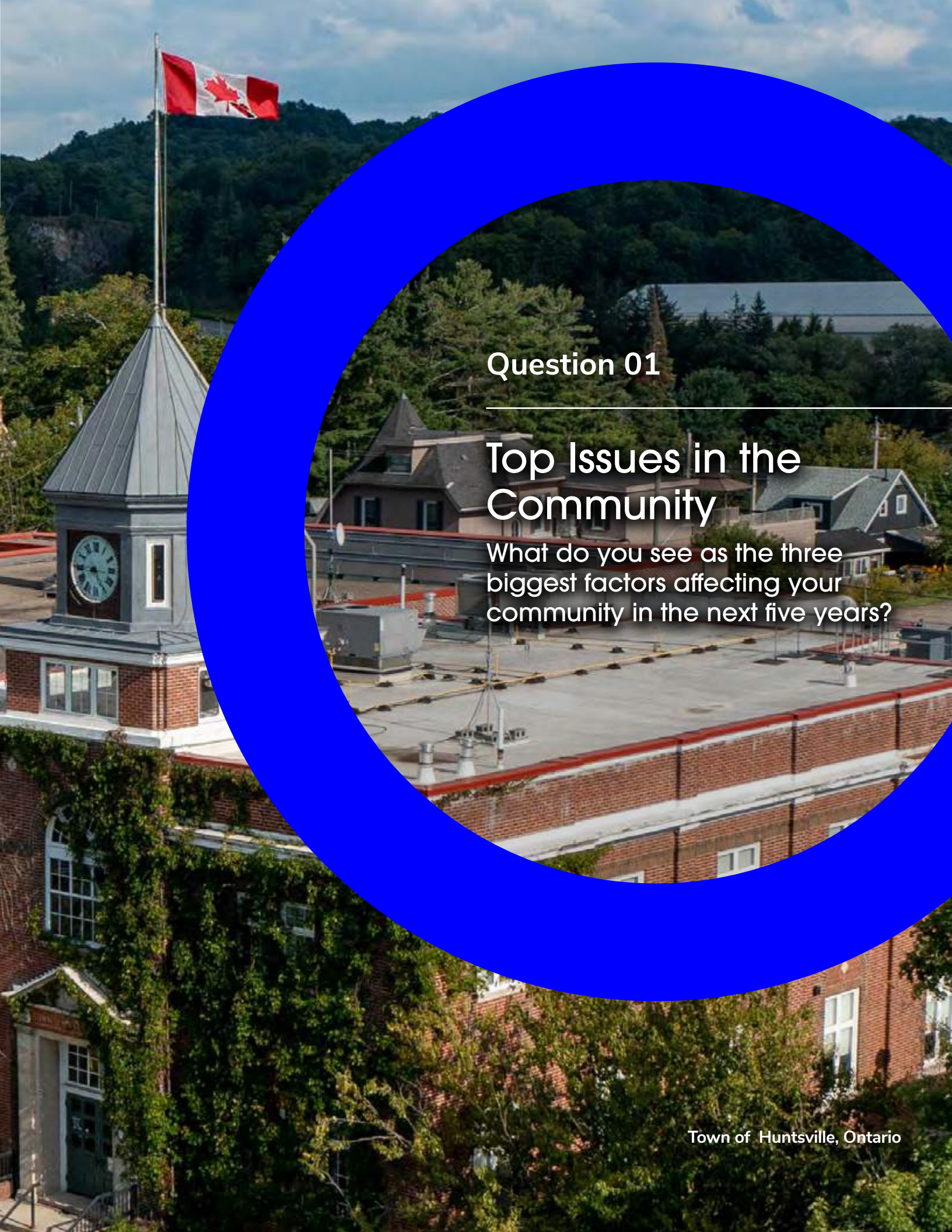
But, as you will read throughout this report, their capacity to do so is increasingly stretched. CAOs across the board are looking for greater leadership, collaboration and funding from the other levels of government to be able to meaningfully advance these shared priorities.

**As we reflect on what we heard in 2024,
we have developed the following positions on some
of the biggest challenges facing municipal administrations.**

- 1** We encourage municipal Councils to re-commit to a culture of decision-making that builds confidence in local government.
- 2** We continue to endorse the recommendations from the Collingwood Judicial Inquiry that the Province of Ontario amend the Municipal Act to mandate and appropriately define the roles and responsibilities of the Chief Administrative Officer.¹
- 3** We support the efforts of AMO and other associations to address municipal workforce challenges at a sector-wide level and encourage municipalities to advance best practices locally and where capacity permits.
- 4** We endorse the requests of the Ontario Big City Mayors ‘Solve the Crisis’ campaign to the Province of Ontario.
- 5** We continue to encourage the provincial and federal governments to work with municipalities to create a new fiscal framework that can better meet the needs of Ontario communities and advance shared priorities of all levels of government.

What We Asked

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The background image shows a town with a prominent brick clock tower on the left, topped with a Canadian flag. The town is surrounded by lush green trees and a forested hill in the background. A large blue circle is overlaid on the right side of the image, containing the text for the survey question.

Question 01

Top Issues in the Community

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

What We Heard

It's become tradition that we start our survey by asking CAOs what they see as the three biggest factors that will affect their communities over the next five years. This year we heard a continuation of the themes that have been raised in previous surveys, but the tenor is sharper due to the cumulative year-over-year pressures of these issues.

CAOs again identified growth as the top issue affecting communities in the near future, and no wonder. Growth puts pressure on everything from physical infrastructure and service delivery to housing affordability and a sense of community belonging and identity.

Growth also has a way of exposing the fissures and cracks in our social system. Participants once again raised the alarm on mental health, addictions, poverty, and homelessness as critical issues requiring urgent action from the provincial and federal governments. It seems there is no pocket of Ontario that is immune to these challenges.

These community-focused concerns were followed by the two internal enablers critical to local governments' ability to deliver services and meet community needs: staff and financial resources.

This year there was also considerable discussion about the relationships between governments – between municipalities and the province and between upper-tier and local municipalities.

After a brief reconciliation during the COVID-19 pandemic, the provincial-municipal relationship took a dive in late 2022 and into 2023 with the changes in planning legislation and introduction of strong mayor powers. With a renewed effort at the Ministry of Municipal Affairs and Housing to adopt a more collaborative approach with municipalities along with additional infrastructure funding, provincial-municipal relations have improved. However, the overall municipal view of the Government of Ontario seems to be one of ambivalence. In 2024, the tone of CAOs can best be characterized as weary acceptance of the unpredictable nature of provincial-municipal relations.

In an interesting change of pace from the typical answers to this survey question, CAOs also had something to say about the two-tier system of local government. It may be that the province's recent intervention on regional government – first through the *Hazel McCallion Act (Peel Dissolution)*, 2023 and then its reversal in favour of a more focused service review – has emboldened municipalities in two-tiered systems to question the efficacy and efficiency of the structure.



#1: MANAGING GROWTH & INFRASTRUCTURE

“Growth management is our defining challenge; it spills over into pretty much everything we do.”

As in previous years, CAOs reported that the top issue impacting their communities is managing growth-related pressures. With some communities already in the midst of significant growth and others forecasted to see their communities transform considerably by 2051, it makes sense that everything – decision-making, financial investments, program and service delivery, staffing resources – comes back to growth.

- “We are projected to be the fastest growing region in the country. Managing unprecedented growth is at the top of the list.”
- “Massive population growth will be the biggest, from housing targets to displaced populations globally.”

Unsurprisingly, housing continues to be a driver of the focus and fixation on growth planning and management. Enabling housing starts, meeting targets, and ensuring that there is a robust mix of housing types at different price points are priorities for many CAOs.

- “Housing supply and affordability is an issue, and it will continue to be an issue.”
- “Housing supply is a huge issue and a national issue. It covers a lot of different jurisdictions of government, but we have to make sure that we can deliver on our portion of the puzzle.”

But if housing took the top spot last year, this year CAOs are less fixated on housing tallies than they are on the water and sewer infrastructure required to support new housing. Most told us that their municipalities face a significant infrastructure gap and lack the funding tools to be able to keep up with growing demands for both infrastructure renewal and expansion. As a result, many municipalities end up trapped in a vicious cycle of an ever-expanding capital backlog.

“In Council meetings, Councillors are starting to ask, ‘Should we not approve developments because of the water capacity going forward?’”

- “As our infrastructure continues to age, are we prepared to deal with it? Our infrastructure is very much attached to our housing.”
- “How do we pay for aging infrastructure and growth-related infrastructure in trying to work with the province to meet the housing goals that they have set?”
- “These big scale infrastructure projects that we need to do in our municipalities. There is simply not enough funding. This leads to aging infrastructure, which we’re trying to navigate.”

So, how do you divide the pie? While CAOs are pleased that the province has recognized the problem and stepped up with additional resources, including \$1.8 billion for housing-enabling infrastructure,² they also acknowledged that these initiatives fall well short of what’s needed to get 1.5 million new homes built in Ontario by 2031.

“Like every municipality in Ontario, we have significant gaps and needs when it comes to infrastructure. And so, one of the pressures is obviously the way that money is being distributed and trying to create a balanced system so that we can all have a little bit of money from the pot to help us with our capital costs.”

- “The need to significantly expand infrastructure to the tune of billions.”

For more on CAOs’ perspectives on growth, housing, and infrastructure development, see Chapters 3 and 4.

#2: RESILIENT AND COMPLETE COMMUNITIES

When considering how their communities are growing, many CAOs also spoke about the need to advance a balanced approach to help manage the pace and scale of change in their communities, especially for residents. For some, this means fighting the good fight on Not-In-My-Backyard (NIMBY) attitudes to considering how to maintain the unique characteristics that define the culture and feel of local communities.

- “First and foremost, maintaining balanced growth. We were one of the fastest-growing municipalities in the last five years in southwestern Ontario. So, because of our population and demographic, it’s about maintaining and dealing with the pressures with the development community.”

“We see a lot of growth coming down our pipeline and we must manage that. Not just in terms of the planning considerations but we are also dealing with the culture of our community and how to deal with this change.”

- “There is significant concern about greenhouses from neighbouring municipalities [and] what that will do to the rural character and feel.”

Attracting, expanding, and diversifying local industries and businesses are also part and parcel of the growth challenge. But the ability to realize economic opportunities often comes down to the housing issue – employers need their employees to have somewhere to live. Many CAOs noted that the lack of available, affordable housing for working-age people has been a critical barrier to new business growth, investment attraction, and job creation in their communities.

- “From a mining and energy perspective, there are a few projects that could move forward in our area as a hub community that could impact us. These projects ... have the potential to really grow the population in the area. Housing availability is a pretty big issue.”
- “We have the potential for a large energy company to develop here in the next 10 years, my mind explodes thinking about what that means for the municipality.”
- “We worry about [growth] not just from a housing perspective but of course from a workforce perspective and economic development perspective.”

A few also mentioned the need to better align municipal plans and services to changing demographics to ensure truly livable communities where everyone can thrive, regardless of age, ability, income level, and ethnic or cultural background. Some CAOs are thinking about the health and long-term care services their communities will need to support an increasingly older population with more complex health needs, while others pointed to the need for more childcare spaces, schools, and recreational activities as their municipalities look to attract and retain young people and families.

- “Our aging population. We have a large share of seniors, and we can anticipate that the population will continue to age. As this happens, we have to consider if we have the same growth within other populations so that we are able to provide the healthcare services for this aging population.”

- “We’ve typically been a retirement community. But there has been a growing surge where we have 125 kindergarten students this year alone. There have been times [in the past] where the whole school, K-12, had 125 students.”

#3. MENTAL HEALTH, ADDICTIONS, AND HOMELESSNESS

“The downtown core has been impacted significantly by challenges of mental health and addiction. That is a real challenge and devising a plan to address that is a big deal.”

Social challenges associated with mental health, addictions and homelessness continue to impact municipalities across Ontario, regardless of whether they’re big or small, urban or rural. Many CAOs linked the increased visibility of these issues – including the prevalence of encampments in downtowns and parks – to rising social tensions, which are then trickling into town hall as Council and staff bear the brunt of community concern and, often, outrage.

- “The issues we’re seeing with homelessness, mental health and addiction, and the pressures that they’re having within our community, it’s creating distrust and tension, making governing much harder.”
- “Our employees, our community, individuals who are just struggling with [these issues] and the lack of supports is something that’s really affecting our community. We see the visible mental health issues and addictions, and we’re struggling to find those resources in the smaller communities.”
- “On the health, social service side of things, it’s a big challenge within our community because we are a rural and northern community. We have seen a huge spike in mental health, mental illness, addictions, illegal drug and alcohol addictions.”

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. STAFF RECRUITMENT AND RETENTION

Consistent with the findings from our post-COVID surveys in 2022 and 2023, employee recruitment and retention continue to be a significant area of concern. What's different this year is the introspection CAOs are bringing to how they manage their people. The nuts and bolts of HR still matter, but senior leaders are thinking more deeply about the more dynamic and evolving aspects of workplace culture.

- “Organizational growth and sustainability is huge for me.”
- “I’m shifting my focus on growing the culture [here] ... Look at what’s happening and where we’re asked to do more with less, but we aren’t empowering people to improve their processes or make decisions and we still operate like a command-and-control hierarchical model. This is making things slow and cumbersome. So, we’re spending a lot of effort on transforming our culture – coaching our people to make decisions. I want this to be a great place to work.”

For a more detailed discussion of the human resources and organizational realities facing municipalities, see Chapter 2.

#5. FINANCIAL SUSTAINABILITY

“For me, the biggest challenge is the financial impact to our ratepayers.”

With limited financial levers and growing pressures, CAOs told us that the budget process is getting more difficult. They feel stuck between a rock and a hard place, walking the tightrope between making investments today to protect the long-term integrity and sustainability of municipal services and infrastructure and the constraints of their residents to be able to pay more.

- “Broadly speaking, affordability versus sustainability. [We had] pretty extraordinarily tough budget discussions last year and ... I anticipate it will be the same this year.”
- “Another one is on the financial sustainability side – the downloading of services that are impacting us and our budget at a municipal level, keeping the tax rate and levies at a reasonable amount.”

On the challenges of this year’s budget process and the future of municipal finance, see Chapter 3.

#6. INTER-GOVERNMENTAL RELATIONS

Although the provincial-municipal relationship has improved since our last survey, CAOs spoke at length about the disruptive impact of the Government of Ontario's constantly changing legislative agenda when it comes to municipal governance and roles and responsibilities – on their ability to provide professional advice to Council, recruit and retain staff, and proactively plan for the future.

“Provincial disruption is also [an issue]. We need some stability to get some stuff done.”

- “The requirements from the province continue to come in and they’re requiring us to hire more staff ... the constant changes and expectations for staffing are significant.”
- “Inter-governmental relations from within the government. It’s a big issue and I think it has the potential to have a huge community impact depending on what happens federally and provincially.”
- “The discussion around governance here is not going to go away. It is such a distraction – the navel gazing and the anticipation of what might happen just takes away from what we are trying to do.”

#7. INTRA-GOVERNMENTAL RELATIONS

When offering their insights on municipal governance, CAOs this year also commented on the two-tier system of local government. Against the backdrop of the provincial Transition Board’s review of selected areas of service delivery in Peel Region and the ongoing review of some two-tier municipalities by the Standing Committee on Heritage, Infrastructure and Cultural Policy, the two-tier system was a topic of conversation this year. It may be that the provincial resurrection of yet another round of possible regional restructuring has reignited old tensions among municipalities, including concerns that some are not getting their fair share in the current two-tier system.

- “We are a two-tier system that probably should not be two tiered. The economic sustainability of those lower-tier municipalities is causing some issues, they’re just too small.”
- “Coming from my perspective as a brand new CAO, overcoming over the education gap between what the County does and what the local municipalities do [has been an issue]. I’m astounded by how limited the understanding is. My Council members are struggling to know what the County is actually doing. The relevancy is being very challenged, so we need to cover that education gap.”

For more on changes to municipal governance, including Strong Mayors legislation, see Chapter 8.

An aerial photograph of a city, likely London, Ontario, showing a mix of modern glass skyscrapers and older brick buildings. A large blue circle is superimposed over the center of the image, containing white text. The background shows a dense urban landscape with various building styles, green spaces, and a clear blue sky with some clouds.

Question 02

Staff Attraction & Retention

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

What We Heard

Our 2021/22 survey saw municipal human resources challenges unseat financial sustainability as the biggest issue keeping CAOs up at night. In 2024, it's back at the top of the list.

Concerns run the full gamut of HR – recruitment, retention, compensation, professional development and career growth, workplace culture, and health and safety. CAOs shared the roles and positions they're having the most difficulty filling as well as the attraction and retention strategies being put to the test.

A striking evolution in participants' responses to this question was their reflection and self-awareness of their role not just as people managers, but as leaders. CAOs are putting a premium on being more accessible to their staff, focused on understanding their needs and aspirations and working with them to realize their goals.

IS IT REALLY THAT BAD?

"I'd like to know the municipalities that have said 'No' and what they're doing."

Yes, it is. This year, HR challenges are by far and wide the No. 1 issue CAOs are losing sleep over.

- "Yes [we are experiencing challenges], every day and all professions."
- "I see friends and colleagues quitting municipal politics on a weekly basis."

Workforce gaps are having a sizeable impact: Some CAOs are seeing the staffing shortages adversely impact operations – from "bread and butter" services to major capital projects.

- "We have had several failed recruitment exercises in the last year ... and we need to build. We have a [multi-million dollar] event centre and are in the process of looking at a new library and art gallery, and I don't have project directors in mind for those."

- "It's tough to achieve our levels of service when we have so many vacancies."

A few also called out the loss of institutional knowledge and how that can impact the organization.

- "We are very thin, with not a lot of bench strength, which means your directors are fully embedded in operations and the larger corporate stuff often gets pushed to the side."
- "A lot of the corporate memory has left, all within a short time frame."

What's the problem? Recruitment or retention? It depends. Some CAOs reported that they're struggling more with retention, and others the opposite.

- "I would say in the immediate term, attraction is the concern, but both are increasingly becoming a problem."
- "I'm having no problem attracting staff, but I am struggling to retain staff."
- "After the pandemic, we definitely had some recruitment issues. I've been getting increasingly concerned with retention in the past six months."



RECRUITMENT WOES

Failed recruitments: This year, several CAOs talked about the difficulties of the recruitment process itself, which can be long, tedious, and, in several cases, unsuccessful.

- “We are seeing an increase in candidate drop-off or ‘ghosting.’ We have also seen more aggressive negotiations from candidates for paid time off and compensation.”
- “We’re finding cases where more than once, we get to the offer stage and then people walk away at the very last moment for a better offer somewhere else.”

Municipal careers aren’t top of mind: Most of the public doesn’t understand what local government does, let alone the job opportunities within it. Further, strict qualifications and requirements in job postings may be shrinking the pool of available candidates.

- “It’s not like a lot of youth entering are really thrilled to go into the municipal sector, whereas previously that was much more desirable.”
- “HR hates it when I say this stuff, but you have to get rid of the qualifications piece on the advertisements. My son and I were looking at the jobs on Municipal World, and they have three years’ experience listed, and I keep telling him to apply, they need the people.”

Generational divide: This year’s CAOs also spoke of generational differences when it comes to work expectations and how the traditional selling features of local government jobs may be less attractive to today’s labour force.

- “This new generation is less interested in a career with a full-time job, with benefits and pensions. Our strengths are not so much of a strength in the eyes of the young people we want to recruit.”
- “Because of the change in generations, they are looking for different things ... Their pension is less important because they don’t have such a long-term vision for their time in government.”

Employees need housing they can afford: Like every other sector, the lack of available, affordable housing options is adversely impacting municipal recruitment efforts.

- “We’re already battling the cost of living, which is really high in terms of housing affordability. You can’t get a condo that’s under \$700K or \$800K. That’s a pretty tall task to get young people to be able to come in and afford that.”
- “[Housing supply] is an issue that transcends into ... being able to attract and retain people at executive levels and even at entry levels. If you don’t have housing supply that is local and within the vicinity of work, then it’s difficult to get staff.”
- “The push from a housing affordability perspective is as much for our side as for the community in general.”

WHAT’S DRIVING EXITS?

“People who’ve left us haven’t gone to other municipalities but to the private sector, province, or quasi-government agencies. Displacing them to another municipality is one sin, but losing them to another sector is an entirely other.”

Intermunicipal poaching: Municipalities are “stealing” employees from each other, perhaps a natural consequence of a competitive labour market and limited advancement opportunities within municipal administrations.

- “Poaching is common these days with your peers, and it has gotten much worse. The pool is not very deep, so you have to look at the competitors.”
- “Geographically, we are not a GTA municipality where there is a big pool to draw from so it tends to be that we are pulling from [neighbouring] municipalities.”
- “There is a lot of competition [for employees] between the lower-tier and the upper-tier.”

Money, money, money: Compensation continues to be a major pain point. This aligns with the findings of AMO's recent Municipal Employee Survey, in which employees identified salaries and wages as the top area for improvement in their current jobs.³

“When I came to join [the municipality], it was essentially a pay cut.”

- “When I got here in [pre-pandemic], we undertook an engagement survey, and we did another one last year. Compensation was found as a large pinch point in both.”
- “We have lost many people to the private sector and the upper levels of government, and in their exit interviews they're saying, ‘I'm getting paid more to do less work.’ I can't argue with that.”

But salary and wages aren't everything: CAOs also spoke of other key drivers of failed recruitments and higher turnover that relate more to the nature of the job and the opportunities within it.

- “Everybody thinks that people leave to get paid more. The most common reason is they want opportunities for promotion that they felt like they couldn't access [at our municipality].”
- “We've done exit interviews and people are leaving to build their careers. My SLT is young and others may be thinking, ‘They'll be here for a while, so if I want to be a department head, I need to go somewhere else.’”
- “These jobs are not 9-5 and that's throughout the organization. The amount of work at every level of the organization, from front desk to clerks to legal services, is making these professions less attractive.”

Location matters: Where people live can impact how they feel about their jobs. The geography factor has also been complicated by the realities of remote work, where people can work from anywhere – and in any industry.

- “Since I've been here, three or four really capable, smart, young people went [to other municipalities] for the opportunity to go to a bigger centre. From an attraction standpoint, it's the remoteness that hurts us.”

- “We've tried to be adaptable and flexible with hybrid work, but our location is such that many local workers are able to work for companies and governments in other geographies, which makes our job even more challenging.”

Working in the public arena: As the level of government closest to the people, municipal employees are more accessible and subject to greater scrutiny from members of the public and Council, who don't always behave in a respectful manner. This worrisome trend is addressed more fully in Chapters 9 and 11, but CAOs spoke about how the ‘fishbowl environment’ is hurting their ability to recruit and retain.

- “People who are interested in working in the public sector are more inclined to go to the broader public sector like hospitals, universities, or colleges, where they don't get as much public backlash.”
- “There's also this rhetoric on social media and increased expectations from the public. All of that weighs into it not seeming desirable to go into the municipal sector.”
- “I find that certain members of Council are behaving badly and targeting staff inappropriately. I've had two Commissioners raise it with me. They fear that key directors and their departments will resign.”

WORKFORCE GAPS

‘Everything everywhere all at once’: Most CAOs acknowledge that municipal workforce challenges are wide and extend across their organizations and at all levels.

- “I would argue that it is something we are seeing across all positions and levels”.

“It's across the board. From frontline staff to professional positions.”

- “It's kind of the full spectrum.”

Professional services: In line with our 2023 survey, CAOs continue to see major gaps in roles requiring specific skills and certifications, including planning, building, and engineering. Several noted that individuals with these certifications can have their pick of sectors and seek out the most competitive offers.

- “The technical roles are the hardest to fill.”
- “The one we have the most trouble with is planning. That is the biggest. There is aggressive recruitment in the private sector that is more lucrative than the municipality.”
- “Planning is one area where we are consistently finding difficulties landing people, even just getting enough people to get a good interview pool. I know it’s a province-wide issue.”
- “If we look at the last six to eight months, we have had a huge turnover of engineers who are going back to the private sector.”

Information technology: Another area often mentioned was information technology, given ongoing concerns about cybersecurity, along with other activities focused on digital transformation and proactive planning for disruptive technologies like AI.

- “IT and cyber are the hardest to recruit. We are all getting and sharing the few resources we have to address this growing risk.”
- “In IT, there are some positions that are hard to secure, specifically in cybersecurity.”



Healthcare and EMS: Like their private and non-profit sector counterparts, many CAOs are also seeing significant turnover and open vacancies in healthcare related fields, including long-term care, nursing, and emergency services.

- “Healthcare employees are a challenge. There’s lots of demand, with limited new grads on the market. If we want to hire 12 PSWs and we get 10, we’ll be happy, but it comes down to expecting more out of each employee.”

Frontline employees: CAOs were also quick to remark on the workforce shortages at the very frontlines of municipal service delivery – from transit and water/wastewater operators to summer students.

- “It’s not just professional positions, even fleet technicians, for example. Those sorts of operational roles, summer students, we’ve never had fewer applicants.”
- “We are having a hard time filling our student vacancies and they are a critical part of our summer operations.”

STRATEGIES TO ATTRACT STAFF

Competitive compensation: Nearly every interviewee mentioned that they’re working to ensure fair and competitive salaries and wages for employees at all levels, unionized and non-unionized. Ultimately, Councils must decide how they want to position their municipalities: lead, lag, or match the market.

“We’ve tried to put our money where our mouth is. Literally. Council has adopted the goal of being a P60 employer, so we’re moving all of our grids up to 60th percentile.”

- “We did a market review recently and made adjustments to our compensation for non-union employees and we’re doing the same for our unionized staff. We are looking at job evaluation and job classification of our positions, making sure they’re up to date and accurate and appropriate. We’re doing that work.”

- “We are benchmarking salaries and increased our non-union salaries to market position but as fast as we have done that, other communities have done the same, so we are still behind.”

Leveraging external resources: Senior leaders are relying on outside resources, including recruiters, to a greater extent than in previous years. Some acknowledged that this comes at a price, but given the pace of turnover and the challenges of filling vacancies, it's simply part of the new reality of municipal HR.

- “We are also using online tools and third-party support; we've always used recruiters to some extent but now more than ever.”
- “We have a retirement soon and normally we would've done recruitment in house, but it was an automatic, 'Send it to the recruiter,' because we are going to have a hard time filling that vacancy.”

For some CAOs, the recruitment challenge has also meant exploring new tools and channels to promote open positions and what differentiates their municipality as an employer.

- “The method in which we advertise has changed. We spend a lot more on social media to attract talent.”

Offering incentives? Recognizing the range of factors that impact individual job decisions, a couple of participants are adopting programs and incentives that can draw new people in and address some of the barriers that may have been keeping them out. Some of these value-adds have the added bonus of supporting not only recruitment, but retention as well.

- “Do we start considering head leases for some rental units, new builds in particular as a municipality for staff housing?”
- “We have tried to create a hybrid model to create flexibility in employee work choices, and we have benefited from this as we are able to find people who are not in the region who have a high level of expertise.”

- “We created a policy around a self-funded sabbatical program where staff can take two years off over the course of a 20-year career. Now they've self-funded it, but we've created a methodology to create an attractive environment for the first time in five generations of the workplace.”

Expanding the talent pool: Many CAOs said it's time for a major rethink on how to create the next generation of municipal employees, including better outreach and engagement with youth, Indigenous peoples, newcomers, and members of equity-deserving groups.

- “I always get a crop of summer students every May, I say to them, 'You can have any job you want in local government ... What do you want to be when you grow up? You want to work in healthcare? We have jobs in healthcare. You want to be an accountant? We have jobs in accounting.’”

Some noted that stronger connections are required between municipal employers and education institutions to help build the talent pipeline.

- “If we could link our needs to those that produce the people that have the skills – it's a real gap we have on the municipal side of the house. We need to be looking at what skills we need and how we connect to the education sector.”
- “We are trying to work closely with our education partners, very lucky to have great education institutions here to partner with. [We're] hoping to get people to work in the municipal sector long term.”





Others commented on the important role of diversity, equity, and inclusion initiatives in identifying opportunities to update internal policies and processes and reduce barriers to employment.

“We’ve been doing a ton of work on diversity and equity. We have a whole department that’s working with the City Manager’s office to ensure that we’re attracting people from all walks of life... It’s a journey, but we are starting to see the fruits of it. I’m happy and proud of that.”

- “We have an Indigenous relations advisor on staff who has helped design the best approach to selecting suitable candidates for a role where the level of education and experience required was not conducive to our traditional candidates. We also discussed these processes with local elders.”

Some CAOs observed that to compensate for the current talent shortage, municipalities need to start hiring “greener” candidates and investing in training and coaching to upskill them.

- “A lot of the people who are applying have great potential but not a lot of experience. This puts more pressure on operational directors and me to be full-time mentors and coaches on a daily basis to help them increase their skillset and experience.”
- “We need to think through how we are going to grow our people. Can we bring people in with an expectation of skills development and set a requirement within ‘X’ time?”

STRATEGIES TO RETAIN STAFF

“We put a big emphasis on retention. We have a great team here and we want to keep everyone happy.”

Culture is a top priority: CAOs this year were very attuned to the culture of their workplaces and in particular to their role as leaders in fostering a supportive and inclusive culture.

- “I’ve worked in places where I don’t know if I would say to my friends or my buddy’s son, ‘Come work here.’ But here, we are all really proud of where we work and that helps with retention.”
- “In terms of retention, a big part of it is about workplace culture and making sure that it’s as strong as it can be ... We try to ensure that both the work but also the work environment are as rewarding and as engaging as possible.”
- “We strive to make it a sense of place and a sense of purpose to be here. So when you ask an employee what they do, they say how they bring value to the organization.”

A big part of building a positive culture for is the recognition of staff and demonstrating appreciation for their efforts in tangible ways.

- “We just finished our staff appreciation where we allow our management level to do initiatives for staff. Last week there was a golf outing, next week there’s a farm activity.”

- “We have departments present at the town halls so people can understand what their colleagues are doing, and we always supplement that with something social, often involving food, which seems to go over very well!”

Many CAOs are also working on transforming their culture by prioritizing opportunities for their employees to shine and grow in and beyond their current roles.

- “We are also trying to create a value added piece by running programs where we can pull you out of your day-to-day job and put you on something special. Just something different that makes you want to be here. We also have professional personal advancement training opportunities.”
- “We have a small budget allocated for putting staff ideas into real solutions. So, grassroots ideas are often reported to Council, and we try and keep an open line of communication. I think this helps with retaining staff as there is not just a top-down approach.”

Work environment: Most CAOs referred to new policies and initiatives their teams have implemented to meet evolving employee expectations in the modern workplace. Not everyone is always on board, however.

- “Coming into the office 50% of the time has gone a long way to keep people in a positive position.”

“We’ve been very flexible with our hybrid work environment, which is sometimes too flexible for the Council, who are slightly old school.”

- “We also modernized our building to make it look more like an Apple office, to make it a more attractive place to work. We changed the paint and interior design, added some work pods and a meditation room.”
- “We’ve implemented a flex-time work schedule. We’re promoting a four-day work week. We’ve increased our vacation complement. We’ve also added wellness days that go beyond sick days.”

Looking to new ways of delivering services: In several cases, CAOs are contending with workforce challenges by adjusting how they deploy staff and how services are delivered. This has included embarking on shared service delivery models or organizational redesign to optimize the existing talent pool.

- “We provide building services for ... other municipalities. Not every municipality can have a Chief Building Official and we’re all in a strained financial position so sharing these services and positions are very important.”
- “Sometimes we look at reorganization to shift things around to deliver the service in a different way.”



STRATEGYCORP'S PERSPECTIVE

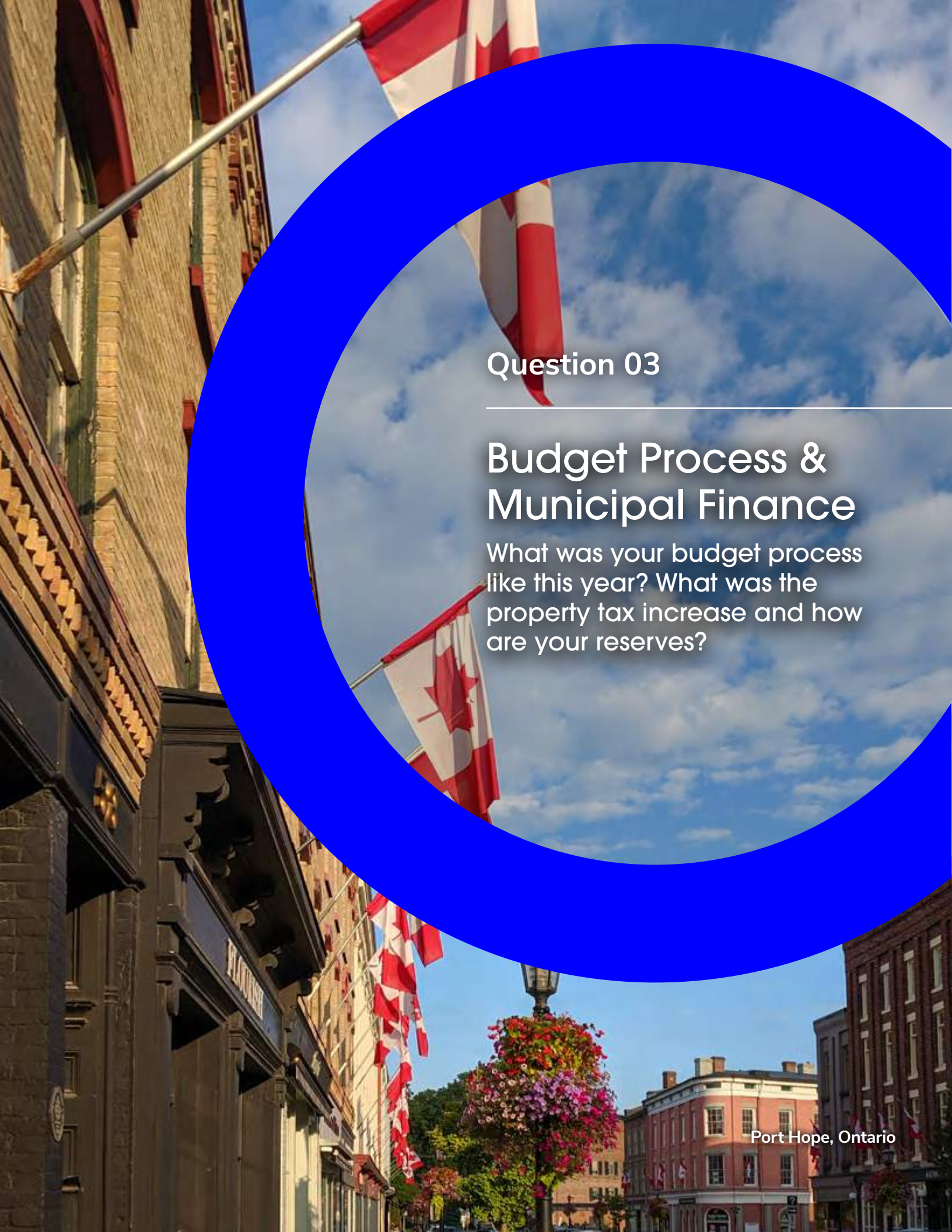
All roads lead to human resources. This year, we heard concerns about the people-side of the CAO role throughout our discussions and not solely in response to this question.

Given the labour challenges in just about every sector, CAOs are rightfully concerned about their (in)ability to fill vacancies and retain the people they do they have. But challenges aren't just limited to attraction and retention. As you will read in Chapter 11, the growing incivility of public discourse has reached crisis levels. We heard repeatedly about incidents where municipal employees were subject to personal attacks, harassment, and even physical aggression by members of the public or, in a few cases, members of Council. Senior leaders are deeply worried about the well-being, health, and safety of their staff...and they should be. Among the top reasons people join and stay working in the municipal sector is their desire to make a difference in their community, and they need to feel safe and supported while doing so.⁴ The risk is that they depart elsewhere for a job that doesn't put them in the line of fire.

While municipal associations and sector partners – including AMO, Association of Municipal Managers, Clerks, and Treasurers of Ontario (AMCTO), Ontario Municipal Human Resources Association (OMHRA), Ontario Municipal Employees Retirement System (OMERS), and many others – are looking at how they can support workforce development at a sector-wide level, local context matters when it comes to attraction and retention.

The challenges and solutions aren't the same everywhere. As a result, local governments need to do their part to ensure they remain competitive and attractive employers – by increasing salaries in line with comparators, fostering an open and inclusive work culture, developing a formal succession plan, providing opportunities for professional growth, whether inside or outside the municipality (through secondment or exchange programs, for example) and reducing barriers to employment for young people, Indigenous peoples, newcomers and members of equity-deserving groups.

Most senior leaders and HR professionals know what needs to be done – the challenge is building the capacity and buy-in to do it.



Question 03

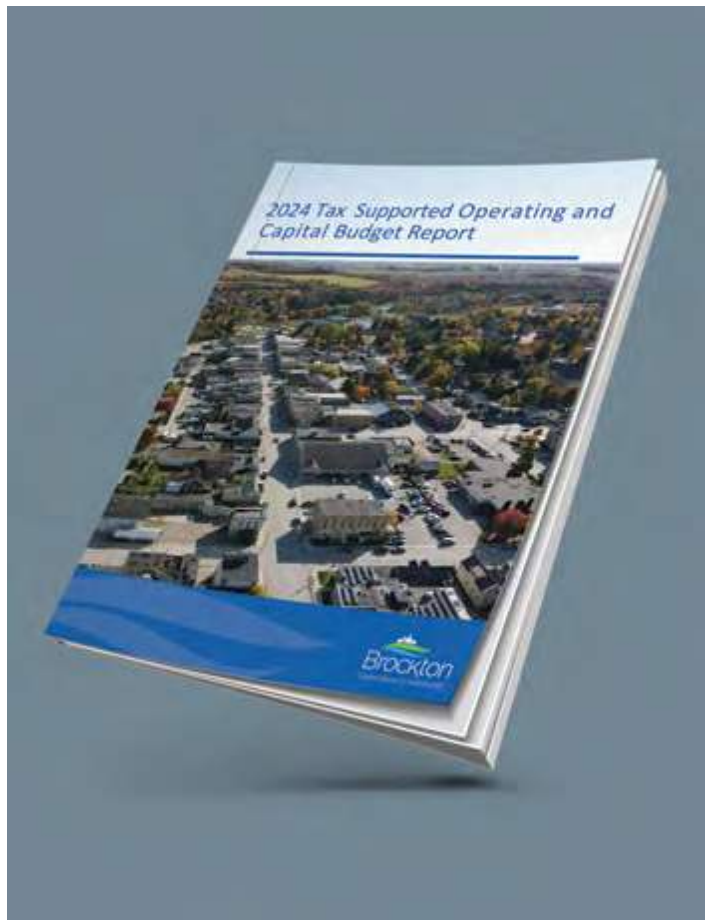
Budget Process & Municipal Finance

What was your budget process like this year? What was the property tax increase and how are your reserves?

What We Heard

After years of COVID-related constraints and cutbacks, in 2024 CAOs aimed to recover ground lost to inflation and to restore underfunded service levels. And many were successful. As part of their 2024 budgets, many Councils adopted above-inflation property tax and rate increases, frequently focusing on infrastructure investment.

But, as in years past, conversations centred on the systemic financial challenges facing Ontario municipalities. Even when Councils could get behind a sizeable tax increase, a sustainable fix is needed to the outdated funding model that no longer appropriately serves local governments or the communities they serve. This has been further exacerbated by the continued pressure on municipalities to step in for the provincial and federal governments in areas like social and human services.



RESTORING HEALTHY MUNICIPAL FINANCES... OR TRYING TO

“2024 was my first budget. What a year to deal with this. You can either be really timid or you can put it all on the table.”

Higher tax rates than in past years: Many CAOs reported a willingness by their Mayors and Councils – often for the first time – to support above-inflation increases in taxes and rates. For some, the budget process was easier than expected and for others, it was hard fought.

- “Ended up at a [nearly 8%] tax rate increase at the end. We started out at 11-12% and that was just to keep the same level of service and the new initiatives that Council had referred to the budget. But it wasn’t long ago that Council had the budgets where the increase was about 2%. So, it was holding the line and we’re now having to make up for that.”
- “We’ve asked for a number of positions in the last two budgets and we have gotten all of them except for two. I’m very pleased with Council’s response when we lay out the business case for why we need the new position.”
- “We had a [6%] increase. That’s extremely high in comparison to past years – we had 4-3 split in favour. Probably the toughest budget cycle I’ve been involved with to date.”
- “[The majority] voted in favour of the whole budget. Only one thing was removed, and it was new chairs for Council. They didn’t want it to seem like Council was getting new chairs.”

That said, some CAOs are still struggling to get their Councils to make the investments required to appropriately fund programs and services:

- “Every year Council cuts to below inflation. When rubber hits the road, they continue to drop the levy. They approved [3%] ... We probably need an 8% year-over-year increase to catch up, but I don’t know what the path is because I haven’t been successful.”
- “Council doesn’t think that we can afford increases, but we could increase significantly and still be the cheapest in the region and in the province. The province has told us, ‘Help yourself before we help you.’”

Will the resolve hold? With many municipalities already knee-deep in the 2025 budget process, several CAOs are uncertain as to whether Council will stay the course, particularly as we get closer to the next election.

- “I expect next year it’ll be a harder sell for positions.”
- “They’ve said they won’t approve more than 5% [next year] and we’re scrambling ... If we can’t get the support that we need to provide the services, we’ll be making recommendations for cuts.”

Reserves and reserve funds – always an opportunity to do more: The measure of municipal fiscal health is often the level of financial reserves and debt-service obligations. The COVID budget years saw, in many cases, drawdowns of discretionary reserves and reduced contributions from development charges, along with low investment returns on reserve-fund balances. In 2024, municipal treasurers and CAOs have been trying to rebuild their reserves, particularly those devoted to asset management and state-of-good-repair in areas like transit, water infrastructure, social housing, and fleet.

“Reserves are in a piss-poor spot, we are definitely not increasing them.”

- “We have a negative balance in the sanitary reserve. We have zero in the parks reserve. The roads reserve is about to run out of money. We will be scraping and redlining next year to have funding.”
- “Successive Councils were debt adverse and risk adverse, so they adopted a pay-as-you-go on capital works, which led to the reserves running dry.”
- “Our reserves are not where they need to be. They are not growing. Our Council will put money in and then they hit them up for one-time expenditures.”

Even for the CAOs who told us their reserves are in good shape today, they know that maintaining healthy reserves and reserve funds is a work in progress.

- “The reserves are quite healthy ... We’re hitting a point where facilities are starting to need a lot of refurbishing and replacement so if we look at a 30-year time frame, we are seeing those reserves fall into the negative if we don’t find other ways to finance these things. They’re healthy right now, but we will have serious issues that our Council is having a hard time wrapping their head around.”
- “Some Councillors have a problem with tax increases when we have money in the bank, so it is about finding a balance.”

Major budget drivers: Several participants mentioned budgetary pressures related to funding services that are the responsibility of other orders of government.

- “There’s been pressure from [the housing and homelessness] perspective as well. We were careful with our budgeting process to be clear in terms of which percentage was associated with the advancement from a municipal level and which portions were associated with other levels of government. Our portion was only about a 1.76% increase, which is not really much of an increase. We need to advocate more actively to other levels of government for what we see as more downloading.”
- “Council wanted to address housing and homelessness issues so we added an extra [couple] million for that.”
- “Housing has been a problem for a number of years after they offloaded it to the municipal level and the magnitude of investment that’s required and the lack of funding to be able to contribute to that.”

Several CAOs also worry about growing first-responder areas of the budget – namely, police and fire services.

“Of the 10% [increase], 6-7% is police, 2% was housing, 1% was infrastructure – so what do you want me to cut?”



- “This past year ... the majority of [the tax increase] was for the police. Their portion of the budget has a serious ability to impact the overall number.”
- “I do worry about the cost of fire service. Police services are pricing themselves out of business and fire are doing exactly the same thing. They are getting so expensive that we just won’t be able to fund it.”
- “The challenge with the property tax increase was the police service.”

INFRASTRUCTURE WOES

Canadian municipalities are responsible for 70% of public infrastructure. It’s unsurprising, then, that the greatest municipal financial challenge is related to building and maintaining infrastructure, especially given demands from all sides to increase housing supply.

“The asset management program is pretty good considering that we don’t actually have a program!”

The good news: A couple CAOs took a positive spin on their asset management planning.

- “Our assets are in a good state. We have been able to invest in our current assets for sustainability.”
- “We are very on top of the provincial regulations around asset management. We are in relatively good shape in understanding our state-of-good-repair needs.”

The bad news: Unsurprisingly, many more participants are concerned about their aging infrastructure and the new investments required to support growth.

- “36% of our infrastructure needs to be replaced within 10 years, and it’s machinery and equipment in the poorest category.”
- “We are an older municipality ... some of our sewers are in the 60- to almost 100-year range and need to be replaced.”
- “We see a lot of expensive projects coming up, including bridges and roads to accommodate the intensification that we see coming our way.”

Even as many engage in long-term financial planning, they’re worried about the ability to keep up with the level of investment required. A few referenced the City of Toronto’s \$29.5 billion in unfunded capital needs as a cautionary tale.⁵

“Do we have all the money that we’re going to need as we go forward? Absolutely not. This is the age-old story of getting all this infrastructure into the ground, and if you’re not on top of it, you end up like the City of Toronto.”

- “We also need to raise – just for capital – the tax rate by 3% every year for the next 10 years to meet our targets. That isn’t even hitting our targets, that’s just getting close.”
- “We have to ramp up our spending quite significantly to make sure that we don’t get behind on our infrastructure.”

Those CAOs with a social housing portfolio are concerned about managing the size and scale of needed repairs and renovations:

- “The bottom line is that we have a huge investment coming in terms of repair and renewal [of our community housing] and Council committed dollars and specific levy dollars to reinvest in housing.”
- “[Social housing] has been a problem for a number of years after they offloaded to the municipal level and the magnitude of investment that’s required and the lack of funding to be able to attribute to that.”
- “We are starting to pay attention more to our social housing. We saw what happened in Toronto and don’t want to get there.”

Planning for the big spend: In the absence of significant intergovernmental contributions, CAOs are employing strategies from across the full range of municipal finance options – from a dedicated capital levy and new user fees to asset sales and optimization – to fund significant infrastructure investments.

“Funding tends to go for new [infrastructure]. The provincial and federal governments are funding the sexy things, not the state of good repair.”

- “We have a capital levy so we do basically 1% for capital to try and grow those reserves and meet our forecast needs over time.”
- “This particular community needs to start looking at what assets to dispose of.”
- “We also have a 1% levy that goes on to fund our capital plan. When we build a new facility, we charge them a replacement fund so for our newer facilities, we have money in our reserves to replace them, but not for our older reserves.”
- “We have had to incur some pretty significant increases from our stormwater charges. It was always on the taxes, and we are now sifting it off the taxes and having dedicated charges.”

IMPACT OF STRONG MAYOR PROVISIONS

Maintaining the status quo: For some municipalities with strong mayor powers, not much changed from the way the budget process operated in prior years. Despite earlier fears, the enhanced authority did not bring about a politically motivated effort to sugarcoat financial issues or ignore uncomfortable financial realities in areas like asset management or reserves.

- “Some of the budget powers that couldn’t be delegated, [the Mayor] basically said to staff and to Council, ‘I want things to run as much as possible in the way they always have, and I want to work in a consultative way with Council’. I don’t want to drive this decision making.” So, in that sense, there’s been a relatively minor effect on the budget process.”
- “Normally, the Mayor is interested that there is Council support for any direction they head, so he has had a very soft touch on the budget process, and I don’t see that changing in the near term.”

Strong Mayor budgets: Other CAOs, however, told us that their Mayors did play a stronger role in stick-handling – or at least trying to stick-handle – the budget.

- “[The Mayor] has the final say on it, so it’s his budget. It’s not the CAO’s budget or the City’s budget anymore, which is fine. He’s going to be involved in the decision making and the prioritization of the basic budget.”
- “The Mayor wanted to hold onto the strong mayor’s power, so it is now becoming his budget.”
- “The Mayor came in with a public commitment of no more than 2%, but this was never going to happen.”

At least one or two senior leaders found a silver lining in the new process:

- “Under the strong mayor’s power, there is an opportunity to make a budget amendment, and we took an opportunity to put that in front of Council and there was a [further] 0.7% increase related to that.”
- “The benefit of the [strong mayor powers] allowed for the administration to deal with the Mayor instead of the whole Council. From that perspective, it was actually easier.”

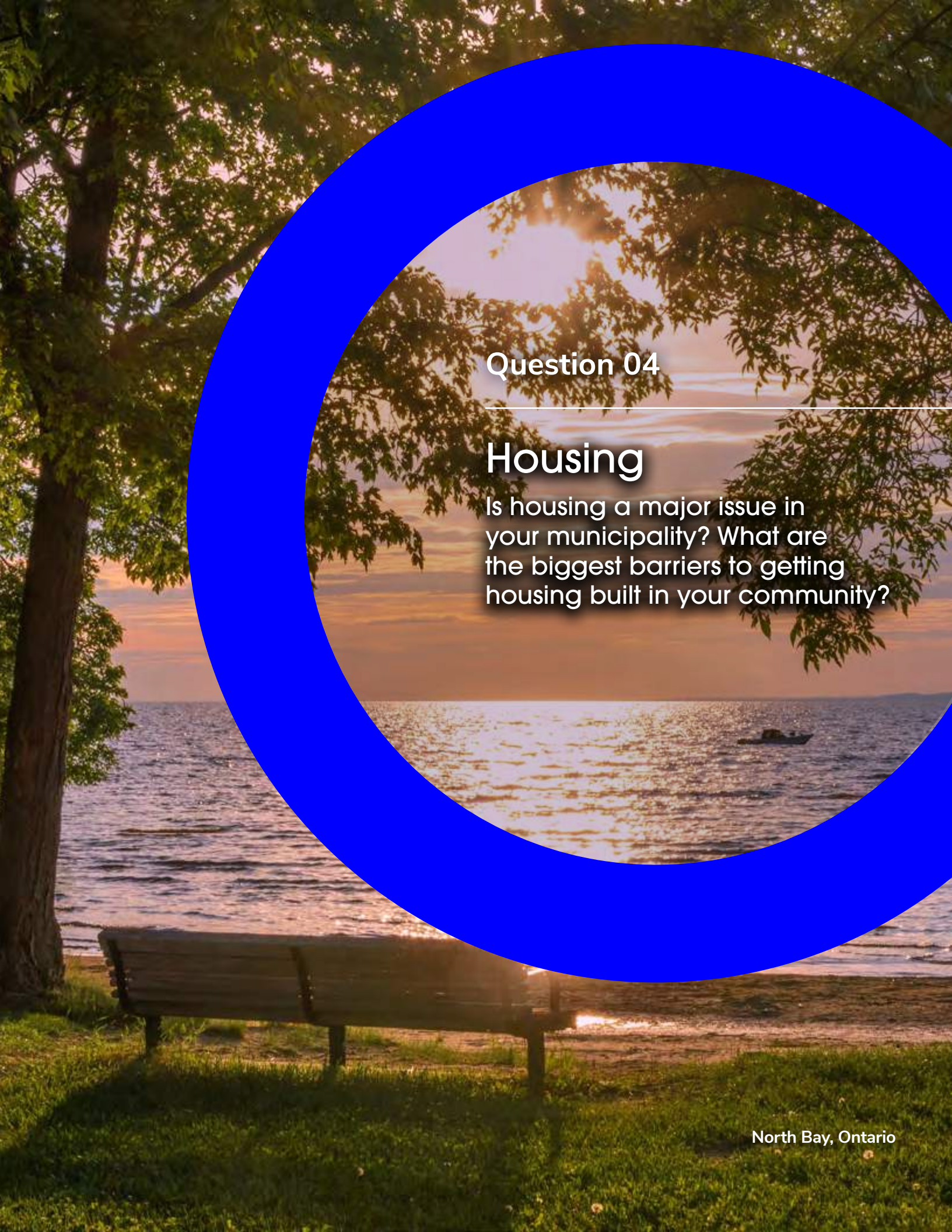
STRATEGYCORP'S PERSPECTIVE

With the Association of Municipalities of Ontario (AMO), Federation of Canadian Municipalities (FCM), Ontario Big City Mayors (OBCM) and others making the case for a new fiscal deal for municipalities, some CAOs hope that this round of advocacy will yield long overdue results.

The focus of all governments on housing production and its fundamental dependence on municipal infrastructure should strengthen these calls for change. But there are many claims for the federal and provincial tax dollar – from defence and healthcare to environment and Indigenous reconciliation. This competition for limited financial resources may become heightened with rumours of upcoming elections in Ontario and federally, and historically increases to municipalities have not played well in the public arena or on the campaign trail.

Even among the optimists for an updated intergovernmental fiscal arrangement, CAOs continue to champion fiscal prudence and home-grown financial solutions. They demonstrate foresight and creativity in areas like infrastructure financing, asset management, and building municipal fiscal resilience.

A positive development this year is the recent level of political and taxpayer acceptance in some circles for adequately funding local programs and services and investing in existing and new infrastructure. The 2024 budget cycle was a tough process for most CAOs, and many anticipate that tougher years lay ahead. This begs the question of whether the resolve of elected officials to make difficult – and in many cases, unpopular – decisions is a time-limited opportunity, especially as we get closer to the next municipal election cycle in 2026.



Question 04

Housing

Is housing a major issue in your municipality? What are the biggest barriers to getting housing built in your community?

What We Heard

When we asked CAOs last year about the housing crisis and the impact of then-new provincial changes to land use planning, they were frustrated that municipalities were painted as the bottleneck to housing development. Many greeted the provincial legislation with a good deal of skepticism about whether the changes would deliver more housing more quickly.

This year, we checked in on the housing push and whether their attitudes have shifted. For most, the answer is, “no.” Many noted that the provincial changes have not led to more housing, and in fact, at the time of writing, housing starts across the board are down in Ontario for the first six months of 2024 relative to last year.⁶ CAOs spoke about how the provincial churn of legislation, half measures, and reversals has impeded its own housing objectives. The environment of uncertainty and instability has made it difficult to get anything done ... or built.

Interviewees this year appeared to be more resigned to the province's actions on the housing file. Part of this may be because they correctly anticipated the weak spots of the Ontario government's approach. While CAOs acknowledged that changes to municipal land use planning were overdue, they've been clear and consistent in their message: the critical barriers to housing development are not municipal approvals, but the economic climate and the infrastructure gap.

Even as they've thrown up their hands at the province, CAOs are shifting their focus to what they can do in their communities to create more housing. If they don't do it, who will?

PROVINCIAL LEGISLATION: HELP OR HINDRANCE?

Some positive perspectives: A few CAOs said they support at least some of the provincial measures to increase housing supply.

- “The province made those changes because municipalities weren't approving housing developments. Two big factors – immigration is driving housing and there's NIMBYism everywhere.”

“I'm going to be an outlier – I like much of what the province is doing [on housing].”

- “I think the province was considering the closure of files really early ... We have a huge amount of open applications that don't end up in development ... so that policy shift from the province would work for us.”



The critical view: Some participants were clear that the other levels of government appear to be working at cross-purposes from their stated objectives. CAOs aren't seeing the outcomes – in terms of more housing supply, more housing that is affordable – that underpinned the provincial government's rationale for changes to the Planning Act and related legislation.

- “From our view, [provincial legislation] has done nothing but create more bureaucracy, more costs and removes the burden from the developers to pay for it.”
- “The recent moves by the province and feds, in terms of the freezing of development charges, are not very helpful. The housing file is so complex that our provincial and federal partners do not have a good grasp of what the other is doing.”

“The province is absolutely hindering housing development. It's very tough to say that in a public forum because you have to be seen to play ball and they are giving out funding that you want to be able to compete successfully for.”

Others agree with the intent behind what the Ontario government is doing but question the means to do it.

- “I love the idea behind [Bill 23], but I don't think it came with the tools to help it make an impact on the ground.”
- “[We] recognize we need to increase heights and density, [but] the way the provincial government is going about it is not helpful.”



Provincial flip-flopping is frustrating everyone: Regardless of whether they support the legislative changes, CAOs and their teams want and need the province to pick a lane and stick with it. Participants spoke at length about how the uncertain legislative environment and constant cycle of change has made it difficult to realize progress on critical housing goals. The uncertainty has also had the inadvertent effect of bringing together municipalities and developers in a common cause for clearer rules.

“The developers are frustrated, and the municipality is frustrated for the same reasons because nobody knows what the rules are.”

- “The governance is clunky, and the upload, download, and amalgamation in some areas is making it really challenging for us to meet some of [the government's] objectives.”
- “Legislation passed but not proclaimed, announced but not enforced. One example moving very slowly: the elimination of County planning responsibilities – announced but not implemented.”
- “[Provincial legislation] has not helped, not because of the legislation itself, but because of the endless changing of the provincial policy framework. We've seen constant change and ... reversals of changes which have created the curious situation where, when we have our developer liaison group meetings, both sides complain equally about the same issues.”

Some also directly called out the impacts of policy changes on their staff, noting that their planning departments are facing significant pressures precisely at a time when it's harder than ever to hire and retain planners:

- “It's piled on expectations for smaller municipalities ... and we're struggling to even fill our position so we have to rely on an outside planning firm.”
- “The 180s that the province does is insane. That's why we have a planning manager now.”
- “Bill 23 has not helped. It's responsible for creating many labour issues. We have slowed down our application process.”

HOUSING BARRIERS NOT ABOUT MUNICIPAL PROCESS

“Market dynamics and developer behaviour have a lot more to do with housing than municipal actions or inactions.”

Most CAOs would say that provincial housing legislation to date hasn't hit the mark in large part because it has failed to address the two most significant barriers to getting more housing built more quickly: the current economic climate and need for housing-enabling infrastructure.

Today's market is exacerbating delays: Last year, CAOs pointed to macro-level economic factors – interest rate increases, rising construction costs, labour shortages and supply chain challenges – as the root cause for delays and lack of progress on housing. A year later, they doubled down on this position but stopped short of an explicit, “We told you so.”

“Anyone who really understands how housing works understands that municipalities don't control housing construction.”

- “Interest rates, the cost of stuff, it's cost prohibitive for [developers] to build homes, particularly if they are not sure if they are going to sell on the market.”
- “The financing and carrying costs, availability of trades [are] not creating any momentum towards accelerating to housing targets.”
- “No developer is going to go out there and build a big tower and have it sit there empty because people can't afford to get a mortgage.”

A few expressed continued frustration at the continued finger-pointing from the province, federal government, and even the public, despite the obvious evidence of these wider economic constraints:

- “We are getting beat up by the province and [federal opposition politicians], but developers have their permits; they just don't want to build in this climate.”

- “Meeting the housing targets is only partly a municipality's responsibility, but we're wearing so much of it. Developers are telling us that investment and housing is very challenging right now for them with increasing costs and inflation.”

“It's not us, it's them”: Several CAOs pointed out that their municipalities have fulfilled their end of the deal in providing the approvals ... but then nothing gets built. Though most attributed the lack of action to the current market conditions, a few mentioned that the priorities of developers may also play a role.

- “We have home builders with approved plans, and they have just paused. They said, ‘We're shuttering up for a year. We'll reconsider in a year whether we will start building again or whether we'll wait another year.’”
- “We've done a ton of work on the on the planning side to speed up approvals, but the market or the interest rates or whatever else – the impact that it has is beyond us. We can't force builders to take building permits.”
- “Developer priorities are a factor. There are a number of local developers who own ... developable property that do not have the same interest or pace in development as the province or we do.”

Some are skeptical that the housing situation will improve without government intervention:

“Land economics is at the core of it. At the end of the day, land costs what it costs and construction costs what it costs. Without government intervention, we won't get affordable housing because the math won't work.”

- “Given the population that we are targeting and their income, the government will have to look at low-interest loans for developers and other incentives because the current affordable housing is not affordable.”

HOUSING-ENABLING INFRASTRUCTURE

It all comes down to the pipes: Unsurprisingly, the other major barrier CAOs identified, and one in which municipalities do have a greater role, is the underground infrastructure – water and sewer – required for more housing.

- “We have a secondary plan that is almost complete that gives us greenfield development for the next 20 years. If that plan was delivered and executed, we would probably exceed the province’s objectives. The issue is that we don’t have the infrastructure.”
- “We’re running out of serviceable multi-residential lands. So now we’re faced with looking at having to expand our infrastructure, water, wastewater, storm water. With the infrastructure deficit we have, we can’t even afford what we’ve already built and now we’re faced with building more.”
- “[The developers] want to get going. It’s just that we have to get our infrastructure, like major water and sewer water lines, extended out to those areas.”

Community building goes beyond housing construction: Some CAOs pointed out that while the underground infrastructure is mission critical, there’s also a need to think more broadly about what’s required to build livable, complete communities:

“We are in the business of not just building houses but building communities. To do that, it takes the province to place a value on the role of community to create a vibrant and active space that people are going to want to live and invest in.”

- “In order to meet demands, you need more municipal infrastructure to do that. It includes water, roads, parks and many more. We have limited ability to raise revenues.”
- “From an infrastructure perspective, we don’t have the schools, community center or daycare capacity to accommodate this growth. Housing does not live in isolation and there has not been enough support for the things that go with it. I would like to see the province help a bit more.”



Big dollars are needed: While interviewees see the new provincial funding for infrastructure announced in 2024 – including the Municipal Infrastructure Program and Housing-Enabling Water Systems Fund – as a step in the right direction, they told us that it's just not enough.

The irony also wasn't lost on a couple of participants that the province announced this infrastructure funding even as it reduced the ability of municipalities to fund growth-related infrastructure through development charges.

“The biggest barrier to housing is building the underground infrastructure because it is so costly.”

- “The province and federal government need to get together on some possible infrastructure funding.”
- “Fund the infrastructure. We have a huge gap and changing the development charges is not helping. There seems to be a huge misunderstanding. I don't care ... how it comes through, we just need the support for the development of infrastructure.”

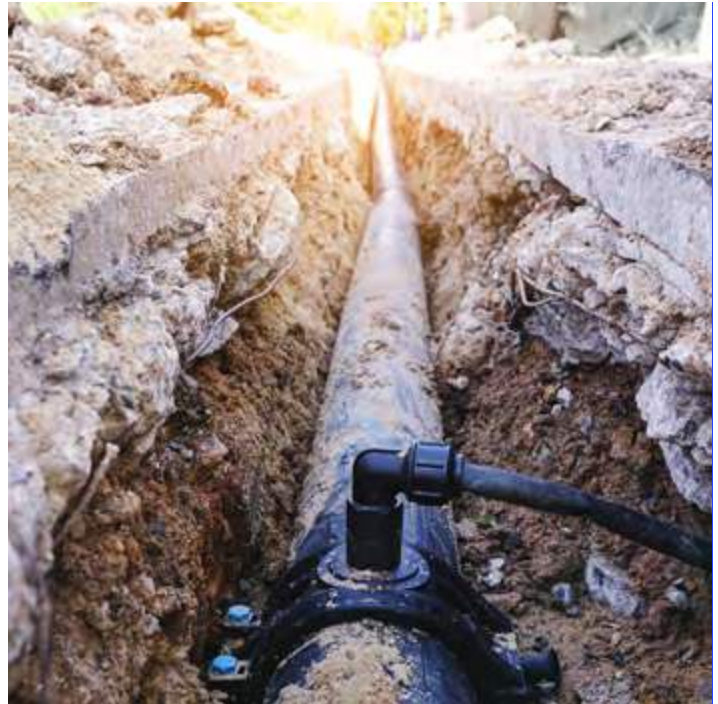
BARRIERS AT THE LOCAL LEVEL

Even as they spoke at length about the bigger, macro-level barriers to housing, CAOs also talked about the challenges they face in trying to do their part on their housing file.

NIMBY attitudes loom large: Similar to last year, CAOs in many municipalities are struggling to get their Councils and communities to accept the creation of more housing of all types.

“NIMBYISM is very much alive and well here.”

- “Just dealing with NIMBYism is the biggest thing because people want to protect their little piece of paradise, but we need to continue to grow. So, my challenge is to balance this.”
- “If we aren't willing to infill in the communities, then we have to put more on the corridors and nodes and that has been an issue. The public doesn't find either option acceptable.”



- “[We're having issues] more with infill situations with old schools, and those situations are where NIMBYism is coming out. They say that they aren't opposed to condos, but they don't want them here.”

Small, rural, and northern municipalities falling though policy cracks:

A number of participants from small, rural or northern communities noted that there are some critical differences in the housing situation in their municipalities, but that these nuances have not been fully recognized. A few called out the limitations of the province's housing enabling funding.

- “The way [the province] structured the legislation is all GTHA based. That is their focus. So, we are trying to now decipher how to get the money flowing in a different manner for smaller areas like us.”
- “I think they have a lack of understanding of the uniqueness and obstacles facing rural Ontario.”
- “The province has been non-responsive in providing information as to what they want to see for small rural communities and how they would be able to assist financially.”
- “I was just on the phone with the province talking about the housing-enabling funding but none of that money is going to rural.”

WHAT ABOUT AFFORDABLE HOUSING?

Housing affordability is still a gap: With most of the focus on the creation of more market housing, we heard that there are still wide affordability disparities.

“The emphasis is put on building homes, but the reality is that ‘what affordability is’ still has not been addressed.”

- “It also frankly bothers me that the housing crisis has been reframed as a middle-class issue and I don’t deny that there is an issue. But we are absolutely ignoring the low end of the market.”
- “When we dive into it, we see there is a housing market issue but also a social housing issue.”



Municipalities are doing what they can: CAOs told us about the steps they are taking to help meet affordability needs across the full housing spectrum, in areas where they have jurisdiction and in some cases beyond.

- “We are doing a bit for co-op housing because there is some funding from the federal level. To defend the province a bit, a lot of affordable housing has been taken on by the federal government.”
- “We already have another affordable housing program. We give \$100,000 for rental units but they have to commit to 25-years’ worth of affordability, which is 80% of market rent.”
- “We’re looking on our own to take some costly industrial lands and trying to work with the private sector. There are some developers that have a commitment to affordable housing.”
- “We got budget approval for a housing concierge position. They are going to work with property owners and the community to walk them through how to put in a secondary suite or garden suite.”

That said, most agree that the dial on affordable housing can only move with greater provincial and federal investment on both the policy and financial sides.

- “When we talked to the province and the feds, we said that we need to do more, and we think we can do more together. So, we put forward to them a third funding model. This would be a multi-year and predictable funding model. If we had this then we could have a pipeline and [move] things forward in predictable ways.”
- “When you factor in mental health and addiction issues, there is a need for the government to step in. I don’t see market forces stepping in and fixing this issue. We have been doing these things for a long time prior to the province saying we should be granting DCs and lowering tax rates for multi-residential, with little to no success.”
- “A reduction of DCs will impact us ... for affordable housing. I’m actually okay with it if it actually gets affordable housing built, [but] the province’s definition of affordable is not feasible. No one is building for that price.”

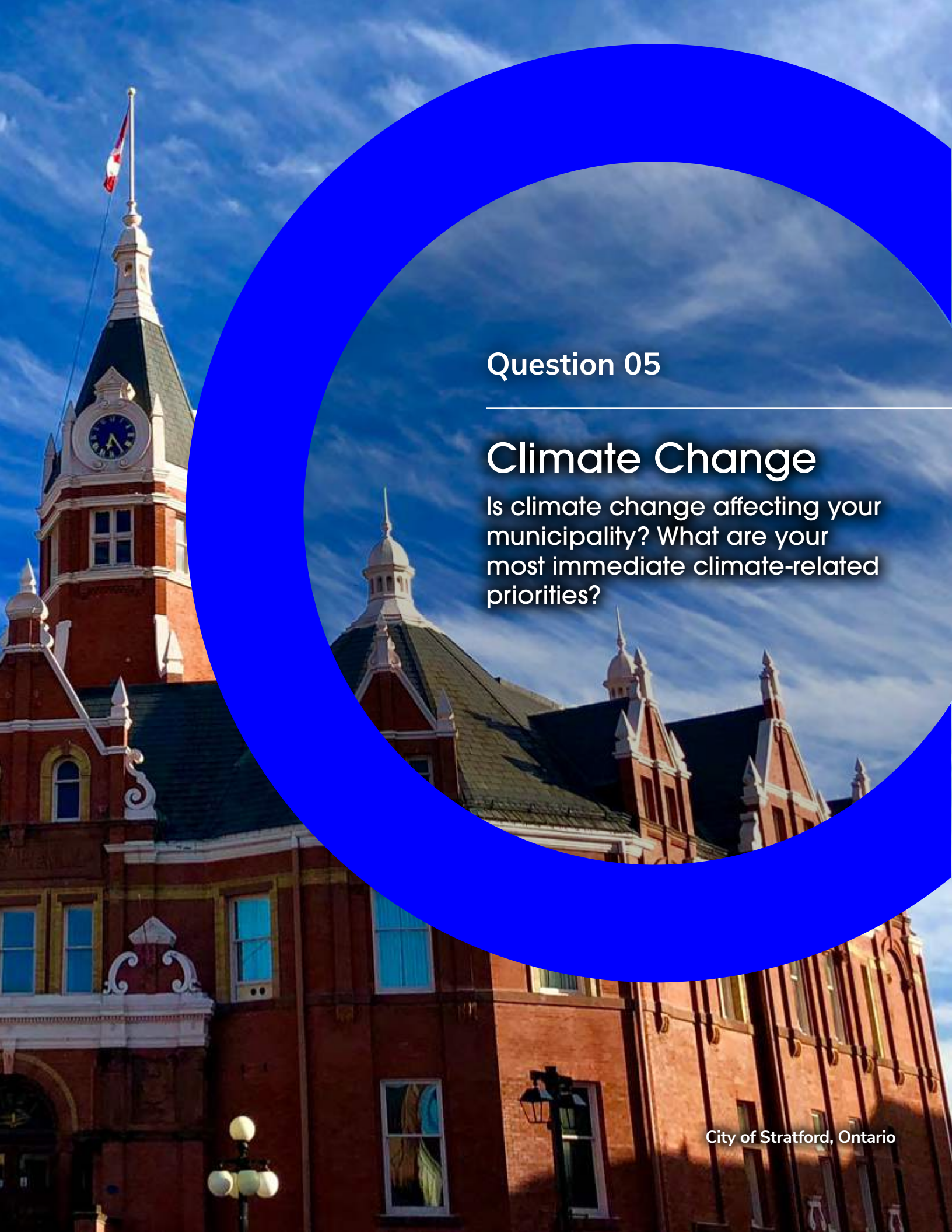
STRATEGYCORP'S PERSPECTIVE

Housing is one of the pre-eminent issues of our time and today's governments will be judged in the future on how they addressed it. Municipalities can take the lead in creating favourable conditions for housing construction, but they're doing so in an environment that has made it more difficult than ever to build. Developers and investors will wait for favourable economic conditions, including beneficial interest rates as well as access to trades, building materials, and competitive land prices before embarking on new projects.

But above all new housing depends on adequate, fully funded infrastructure. Municipalities are starting to look to new approaches to funding infrastructure, using land-value capture, municipal services corporations, and greater use of municipal debt. However, as the sector explores some of these options, it is also important to consider which are more akin to changes in governance structure than in meaningfully growing municipal revenue streams. The municipal services corporation model, for example, is mainly a tool to support how decisions are made. But it cannot and will change how municipalities pay for things.

Development charges also need to be part of the conversation. Some have said development charges were a tool to put the costs of development onto the younger generation, whereas previous generations benefitted from infrastructure subsidies from the general tax base. They further argue that this is inappropriate given the generational accumulation of wealth that has already benefited older people and that it is time for a rebalancing of how we fund critical infrastructure and services as we reconsider how progressive taxes are and principles like the "user pay" and "public benefit" models.

Many CAOs and others in the sector also continue to call for greater capital funding from the governments of Canada and Ontario. While the province's new housing-enabling infrastructure funds have been seen as a good start, the amounts are nowhere near sufficient to solve the funding gap. Without appropriate infrastructure funding – and quickly – it's difficult to see how any level of government can meet their housing goals and the needs of the people they serve.



Question 05

Climate Change

Is climate change affecting your municipality? What are your most immediate climate-related priorities?

What We Heard

Over the five years that we have been asking CAOs about climate change, we have seen progress as municipalities large and small have developed adaptation and mitigation plans and taken concrete measures to start implementing those strategies.

At the same time, we've heard rising concern over the impacts of increasingly frequent extreme weather events and record-setting temperatures on local infrastructure, municipal operating costs, and community safety in general. For that reason, advancing implementation of climate-related action plans remain very much on the municipal radar, as are questions about how best to fund those plans. CAOs know all too well that developing and approving a plan is one thing, but implementation is an entirely other – and often a more challenging endeavor.

At the time of writing, southern Ontario and in particular GTHA municipalities have experienced record rainfall and flash flooding, prompting calls for improved emergency preparation and response to be able to contend with the growing impacts of climate change.⁷ Ontario's CAOs couldn't agree more.

CLIMATE CHANGE POSES AN INCREASING THREAT

“We have areas that are chronically experiencing flooding. The frequency and severity of those events seems to be getting worse and it's causing direct impacts to our community and to our operations.”

Flooding a top concern: Many CAOs told us that of all the negative impacts of climate change on municipal infrastructure, the frequency and intensity of flooding was among the most concerning.

- “We are seeing 100-year storms now every five or six years ... It's had a significant impact and we need to address it.”

- “What we are seeing is a lot of flooding ... instead of two places that typically flood, we had 10. We had places that have never flooded that flooded twice.”
- “The biggest impact to our community is flooding from large storm events that are happening more frequently. That translates into the 100-year rainfalls that we're having more frequently than 100 years.”

Hot-button issue: This summer, Ontario has experienced multiple extreme heat alerts, which have an impact on human health, not to mention municipal programs, services, and infrastructure.

- “The heat waves are increasing in frequency. We've already had two sections of roads buckle in May, which doesn't bode well for the rest of the summer.”
- “Extreme heat and biodiversity loss. We have a number of adaptations plans for both of these.”
- “We are told by the health unit to open cooling centers and doing wellness checks for seniors and vulnerable populations.”

A number of CAOs also talked about the onset of warmer winters, which has brought negative – and some positive – consequences. But the unreliability of the weather makes it difficult to make long-term budget allocation decisions.

- “The winter of 2023-24 was the mildest winter in my entire lifetime. We barely had any snow. What will happen to the forest floor is there is not snow that helps to prevent forest fires?”
- “We are currently running a \$3-million surplus in that [snow removal] budget because we have had such a minor winter and spring.”
- “We've had some winters in the last five years where snow has been tremendous or the freeze-thaw cycle is not what it used to be and the icy conditions are increasing, which again adds to the cost to maintain winter operations.”



ADDRESSING THE PROBLEM

“The biggest investment in the next decade is fleet electrification.”

Investing in facilities and equipment: Most CAOs say their municipalities have, or are completing, climate action plans, and many municipalities are already responding with increased investment in local services, equipment, and facilities aimed at both climate change adaptation and mitigation.

- “We try to do those things locally. We have taken it seriously for our own facilities, we are trying to green our fleet and look at more EVs.”
- “On the mitigation side, the main corporate priority [is that] we have tried is to reduce emissions.”
- “We’ve actually adopted a budget account just for unusual storm-related events.”

Planning and monitoring: Municipalities recognize that effective investment in climate change response requires establishing local priorities and measuring the impact of investments and initiatives.

- “On our annual budget forms, there is now a whole section on identifying our greenhouse gas emission reduction. We are embedding that into our budget process.”
- “We have a climate change division that has been built up over the last couple of years. It’s part of our economic development group now and we have four to five staff members that are devoted entirely to these initiatives.”

- “We just recently brought forward our biodiversity plan and we’ve been tasked with integrating that lens in all that we do with our asset management planning. We’re making some good headway on that.”

It also sometimes means doing less but doing it smarter.

- “We are trying to make sure that as we plan infrastructure and buildings that we plan for climate change. The challenge is simply cost. So now we have to start thinking, ‘Okay, this means we do fewer major projects in a year, but we do them with a climate change lens.’”

SIGNIFICANT OBSTACLES REMAIN

“Is it top of mind? Yes. Do we have the money? No.”

Local political climate can be complicated: The majority of CAOs told us their Councils and communities recognize that climate change is a problem that must be addressed.

- “Getting budget approval for the climate change manager was [easier] because a lot of them had campaigned in the last municipal election on wanting to do more environmental work.”

But that view is not universal.

- “I don’t know if I have a majority of the Council who believe in [climate change].”
- “We have some climate change deniers [on Council]. There is not a lot of initiative going forward.”

On the other hand, there are many municipalities where Councils acknowledge the need to mitigate and adapt to climate change but are unable – or unwilling – to allocate the funds necessary to advance key projects and initiatives.

“[Climate change] got reinforced in the new strategic plan, but it’s like anything: If you don’t have a resource dedicated to it, nothing is going to happen.”



- “We have a lot of initiatives, but it would be nice to have the staff and resources to directly focus on this.”
- “[Council] hasn’t made tough budget decisions yet surrounding the budget. They haven’t had to put any real money towards this yet.”

Municipalities are facing competing priorities and pressures that can make it difficult to prioritize climate change, which requires significant public resources ... just like everything else.

- “We have declared a climate crisis, and we are going to integrate it, but we have a number of crises. We have an affordability crisis. Determining which item comes to the forefront is critical.”

Help from senior levels of government: While many municipalities are trying to reduce emissions and improve the sustainability of local infrastructure, there is so much that is beyond their jurisdictional and financial capacity.

- “We have a rainwater strategy under way ... there is a \$650 million gap in our funding.”
- “We’re piecemealing these responses ... there seems to be a void in leadership of how to organize ourselves.”

- “If the province was really serious about climate change, they could make impacts through the land use planning system in terms of how we build communities and densities and access to transit.”

“I tend to be of the view that yes, municipalities have a role, but the most impactful changes that governments can make are at other levels of government.”

STRATEGYCORP'S PERSPECTIVE

The warnings of climate change are abundant. We hear them from reports issued by the United Nations, here at home by the federal and provincial governments, and in the news almost daily. Like the other big challenges of today's world – housing, affordability, safety – local governments want to do their part on climate action.

Municipalities bear a disproportionate burden of climate-related infrastructure costs but lack the financial resources and revenue tools to fund those upgrades and mitigation measures. According to the Financial Accountability Office of Ontario (FAO), municipalities own and manage 70% of Ontario's public infrastructure, worth more than \$500 billion. The majority of those assets are more than 20 years old. A recent FAO report further indicates that increased flooding, extreme temperatures, and freeze-thaw cycles will require municipalities to spend an average of \$3 billion more every year on infrastructure over the rest of the twenty-first century, whereas provincial infrastructure costs are only expected to rise \$0.8 billion per year.⁸

While programs like the Federation of Canadian Municipalities' Green Municipal Fund provide some assistance to municipal governments through grants and loans,⁹ funding programs from senior levels of government are required on a much greater scale to adequately safeguard Ontario's communities from climate change hazards.

Support can also extend beyond funding and into the policy arena. Local governments are limited in that they lack authority to implement changes to provincial standards like the Ontario Building Code that could help them achieve their climate-related goals and targets. The Government of Ontario could play a key role in helping municipalities advance community sustainability by providing a province-wide legislative framework that enables municipalities to implement standards for "green" and energy efficient new builds.

Given their expertise in frontline service delivery, municipalities can be a critical partner to the provincial and federal governments in terms of helping them make headway on their own sustainability and climate goals. There's an end state in which all levels of government and their constituents can benefit.

An aerial photograph of the Toronto skyline at dusk, featuring the city's skyscrapers and the surrounding urban landscape. A large, semi-transparent blue circle is overlaid on the right side of the image, framing the text.

Question 06

Digital Transformation

Does your municipality have a digital transformation strategy?
Are you adopting AI powered tools?

What We Heard

The COVID-19 pandemic may be largely in the rearview mirror, but the digital transformation that it sparked in Ontario municipalities forges ahead. The acceleration to digitization, including payment processing, online customer service, and the live streaming of Council and committee meetings, marked a significant shift in municipal operations and service delivery that has had many lasting impacts. More recently, local governments have been exploring how the latest AI tools can help them deliver services more efficiently.¹⁰

This year, we dug deeper into the digital transformation journeys of municipalities to hear what digital implementations have proven effective, what digital services CAOs plan to sustain or enhance, and what their vision is for the future of digital transformation and disruption.

INCREASINGLY POLARIZED

Making digital plans: In the last couple of surveys, CAOs have told us that the digitization surge that began during the pandemic is here to stay. Now, many of them are working on high-level strategies to optimize new technologies in delivering municipal services and addressing the enablers required to deliver on those long-term goals.

- “We’ve been operating under a digital strategy 2.0. It established priorities, so we invested in digital service delivery and communication channels, our website, phone-based channels, access to a Virtual Administrative Assistant and other public facing e-services.”
- “We recently did a program service review and we had a digitized strategy. This is a significant change for us, so we are transforming everything, access to information and how we do our business.”
- “We have hired a new CIO but one of the first things that we did was adopt a corporate technology strategic plan for the city.”



- “[The digital strategy] is very transformative; it will help increase people’s access to information and how we use information as a municipality.”

Even municipalities without a specific strategy understand the importance of keeping up with the digital revolution that the municipal sector is undergoing.

- “I would say we are playing catch up in these areas ... There’s a lot of work to be done with getting our technology in a position to create more digital strategy transformation.”
- “We have nothing formal on that. Certainly, we are trying to move paperless, but we don’t have a formal plan at this point.”

“We have just started an IT master plan ... There is an expectation and a desire to be better in this digital world, but we are not.”

As is so often the case, resources and competing priorities have meant a lack of capacity to think about digitization at a strategic level in some municipalities.

- “All focus in IT is on cyber security.”
- “As budget allows, we look at what systems we need. In terms of an overall strategy, we do not.”

AI is (mostly) A-OK: It's no longer a question of whether municipalities are using AI, but to what extent. Many CAOs told us their municipalities are not only adopting AI but are also exploring its potential to transform service delivery and operational efficiency.

- “We are working on a pilot project that would actually take something like ChatGPT but modified for public sector use and make sure outputs are more secure.”
- “We use AI in a minor sense with report generation. We are working with a group now to create an AI reception desk to solve the after-hours and weekend issue and solve the information availability issue through AI.”
- “We have been using AI in a couple of areas. Given the size of our trunk sewer system, we have been using AI for the hundreds of sensors in the system to tell us when the flows start to spike.”
- “We do some predicative AI modelling for wastewater and infrastructure. We have some work on asset condition information and invoice scanning and accounts payable, time keeping for paramedics and long-term care facility. I would say very basic AI application.”

CAOs were also quick to point out that while their municipalities are exploring the potential for AI, they are also taking a cautious approach with the rapidly evolving technology.

- “At the arena, we have some AI to monitor the ice, but we are trying to learn more and tip toeing around it before we dive right in.”

“The corporation is already using AI and machine learning in a variety of technical areas, including public works. We know that staff is using it in their personal lives so we can sense the benefits, but we must put the guard rails in place to mitigate the risk.”

- “The use of AI and ChatGPT is everywhere. The challenge is that we have staff using it to write Council reports. We caught someone using it to write a tender. This is not the right use of AI, so we are developing operating policy for use of AI, as we need to create guard rails on the ways we don't want it to be used.”
- “We currently have limited AI-use because we don't have a policy.”

BARRIERS STILL EXIST

“Driving more of our customer service interactions to digital platforms may not be an AI thing yet, but we're finding it offers quicker, faster service for our residents and lets our staff handle a greater volume of inquiries by using digital tools.”

As municipalities embrace digital platforms, not only are they enhancing the efficiency of service delivery but also redefining the citizen-government interaction. But the shift towards digital platforms is not without its challenges, particularly in terms of integrating these tools seamlessly into existing infrastructure.





But while many residents and businesses expect to access municipal services and information from their digital devices, there is still demand for more traditional methods.

- “We venture in [AI], but we probably spend more on our communications because there is significant push back for print and mail ... A bit of a balancing act before we see the true efficiency of AI. I don’t want to do it for efficiency if it impacts the quality of communication.”

Overcoming change management hurdles: Digital transformation is as much about cultural change as it is about technology. Municipalities often face significant challenges in managing technological change, especially in terms of staff buy-in, training, system integration, and the adaptation of internal processes.

- “The only issue is the change management side. We’ve had so much change and staff are getting burnt out by [the constant change].”
- “Our neighbours see what we do, but their staff and IT department want everything in-house; they don’t want the cloud or backup because they’re trying to protect their jobs.”

Finding the right staff: As discussed in Chapter 2, municipalities are battling with the private sector when it comes to technical positions. Some CAOs told us they are lucky to have IT specialists who are propelling their digitization forward, but losing these highly valued employees is a constant worry.

- “AI is a more recent chapter – one of my directors has a post-secondary degree related to AI and he is looking at options for AI powered tools.”
- “We have found a unicorn, and he has transformed everything. Automation services probably needs six staff already ... If he leaves, we will have a real problem, so he is taking a lot of time to document the environment to make a ‘how-to’.”
- “We use AI on the back end to compile data to build the budgets. We have been very lucky that we have the right person to do it. Many municipalities don’t have the expertise to have this type of system in place.”

But as one CAO pointed out, investing in technology could help address some of the sector’s HR challenges.

- “Talking about workforce ... this is technology that will alleviate this pressure. It’s extremely difficult to predict career paths these days.”

Navigating ethical and security challenges: Adopting new technologies, especially generative AI, brings to the forefront ethical and security considerations that municipalities must address to protect resident data and ensure trust in their digital transformations. These challenges include data privacy, ethical use of AI, and securing digital platforms against cyber threats.

“Cyberattacks continue to keep me up at night ... I personally have been on the other end of a fake AI bot and it was frightening how realistic it was.”

- “We are struggling with the ethical and security considerations related to AI.”
- “Every time you hear about [a cybersecurity incident] you get a pit in your stomach.”

STRATEGYCORP'S PERSPECTIVE

It's clear that digital transformation is not a transient phase, but has become a fundamental aspect of municipal operations. While the pandemic pushed local governments to quickly adopt digital tools and services – and in some cases pushed them into speeding up projects that had sat on the backburner for years – it is perhaps not surprising in our increasingly technological society that this shift has proven to be permanent.

Today, municipalities recognize that digital services are not just alternative options but essential given resident expectations about what they can do from their devices. These services, when implemented thoughtfully and inclusively, have the potential to revolutionize how municipalities interact with their communities, streamline service delivery, and improve overall efficiency.

However, the journey of digital transformation is ongoing and complex. CAOs have largely adopted a cautious but determined approach to integrating digital tools such as generative AI, aiming to leverage its capabilities in areas such as report generation, resource management, and public engagement. Yet, alongside these opportunities, AI introduces pressing ethical and security concerns that cannot be overlooked.

In their transition to digital-first approaches, municipalities must continue to develop robust strategies to overcome resistance, establish policies, and implement modern IT infrastructures that not only embrace technological advancements but also address and mitigate potential risks. There should also be a focus on creating an environment where digital innovations drive positive change. This means staying ahead of technological trends, ensuring equitable access, and maintaining transparency and trust with the public. The future of municipal digital transformation will depend on the municipality's ability to harness these tools thoughtfully, prioritizing both innovation and the fundamental values of public service.



Question 07

Electricity

Is electricity on your radar screen? With government initiatives to decarbonize / switch to non-emitting energy, and with the IESO preparing to meet future demand, is your municipality involved in planning for energy infrastructure?

Town of Niagara on the Lake, Ontario

What We Heard

This question builds on the discussion in past years' surveys about the relationship between municipalities and their local electricity distributors (LDCs) and involvement in the regional electricity infrastructure planning process overseen by the Independent Electricity System Operator (IESO).

This year, our conversations also touched on proponents of new generation and storage projects now required by IESO to provide evidence of municipal support, such as a Council resolution. It's clear that there is a diversity of perspectives among senior leaders regarding the role of local governments in energy planning and their capacity to address energy-related issues.



ON THE RADAR? A MIXED BAG

Not high on the priority list: A few CAOs expressed the view that energy-related issues were not a municipal priority and deferred to the provincial government and the LDCs serving their municipalities. In some cases, this was attributed to inadequate funding at the municipal level.

- “I think decarbonization is mostly a higher-level government [responsibility]. It’s a Province of Ontario question more than a municipal one, in my opinion. But we are very much looking at how do we ensure the infrastructure is in place meets future energy demand.”
- “I would say that electricity is on the bottom of our radar screen ... We talk about it from time-to-time because there are some funding pots.”

Growing push for electrification: By comparison, other CAOs confirmed that their municipalities had adopted community energy plans and were pursuing initiatives to reduce carbon emissions, such as the electrification of transit and municipal fleet and the exploration of low carbon district energy.

- “I think for us it is more important and on our radar because we are a part shareholder [of the LDC serving the municipality].”
- “We believe that electrification will help reduce carbon emissions both in our Corporate Energy Plan and in the community.”

Connection between energy planning and economic development: Several participants emphasized the need not only for an adequate and reliable electricity supply to meet decarbonization and electrification goals, but also to attract new business investment. Some are frustrated about the slowness of building new electricity infrastructure needed for economic development.

- “[The delay] is a large issue for us because we have a large industrial zone, but we don’t have any power for it. We have talked to Hydro One, and they say they are working on it, but they need more transformer stations which will likely take five to seven years for anything to come to us.”
- “We’ve had a couple businesses who have expressed interest, but they need power. I went through this learning experience, and we have to ensure Council is in the know. A huge consideration is going to be locating it near power sources.”
- “We need to be more competitive when it comes to supplying power to industry. We are competing with Ohio and Michigan, and that is a big consideration.”

Financial upside for municipalities? Some CAOs noted that the provincial drive towards decarbonization and electrification could create new revenue streams for those municipalities that own LDCs and affiliate businesses, such as energy storage, energy management systems, and EV charging systems outside the regulated utility. Some municipally owned LDCs have significant non-utility affiliates while others have been slower to pursue such opportunities.

- “We see [electrification] as an opportunity for the Town to have additional revenue.”
- “I’ve talked to our CEO [of the municipally owned LDC] and the Mayor about kind of leveraging the unregulated opportunities which we haven’t done yet ... Some LDCs are very aggressive.”

Concern about capacity: A number of interviewees are concerned about whether there is – or will be – sufficient power supply to support electrification projects at the local government level and in the community more widely.

“We put in one charging station and that’s it. That’s all we’ve got power for.”

- “The main question is: ‘Do we have enough electrical power to support these initiatives?’ I don’t have the answer to that yet.”

MUNICIPALITIES AND THE IESO

Strengthening the relationship and building capacity:

Two CAOs noted the steps taken in their own municipalities to strengthen their relationship with the IESO regarding infrastructure planning. Some municipalities have also brought on staff to support this work, particularly as it relates to climate action.

- “We have strengthened our relationship with IESO. They have planning exercises that they kick up every five years and we have been a partner with them.”
- “One specific position that we have is a permanent Community Energy Plan administrator. Their role is to engage with IESO and Hydro One and working with them to provide electricity forecasts with ISO to inform their plans ... There has been huge demand in this area and the work that is coming out of the climate change space.”



By comparison, another CAO expressed serious concerns about the burden that the energy planning process can impose on a municipality directly affected by a proposed infrastructure project – especially when that project is intended to serve the needs of another community. This can lead to conflict among neighbouring communities and is a sign that greater co-ordination between different governments is needed.

Sector siloes: Some CAOs also acknowledged that there is a knowledge gap among both municipal administrators and elected officials that may be impeding progress on energy planning.

“I think it’s important that public service administrators learn more about how the energy system works in the relationship between IESO and the LDC, and the municipalities.”

- **“This [municipal opposition to a transmission project] has been an enormous amount of work for Council and we said, ‘You are fighting a battle that the province is not paying attention to. It will happen no matter what.’”**
- **“We should be coordinating better between upper-tier and lower-tier, but it is a gap for the County, and we need to put more energy into this.”**

Explicit municipal support: The experience of CAOs differs regarding the IESO procurement process, which now requires the proponents of new generation and storage capacity projects to provide evidence of municipal support. Many CAOs reported that their municipalities had not received any such requests, while a few noted that their Councils have approved motions for generation or energy storage projects.

- **“We do get a number of requests for municipal support, which have been provided.”**
- **“We have several [requests] coming and we’ve put out a resolution from our Council for blanket municipal support.”**



Community tensions: The requirement for evidence of municipal support has also sparked controversy within communities and conflict between upper and lower tier municipalities. In one case, support resolutions were denied by the local municipalities despite the upper-tier’s stated commitment to renewable generation.

- **“We have a County commitment for 100% renewable energy. A couple of wind farms and battery storage facilities got involved and they have been turned down at the area municipality level, even though we are pushing for it. A wind farm was proposed, and the area municipalities passed a motion to be a non-willing participant.”**
- **“Sometimes we get some negative community feedback on some elements of [the requests for municipal support]. We are trying to navigate through this.”**

Roles and responsibilities of Council and staff: One CAO also raised questions about the appropriate role of the CAO and staff regarding the assessment of proponent requests.

- **“[Council] delegated authority to me to provide them with a municipal support resolution if they met a set of criteria that we developed ... not sure that if I did it again, I would recommend delegated authority to the CAO.”**

STRATEGYCORP'S PERSPECTIVE

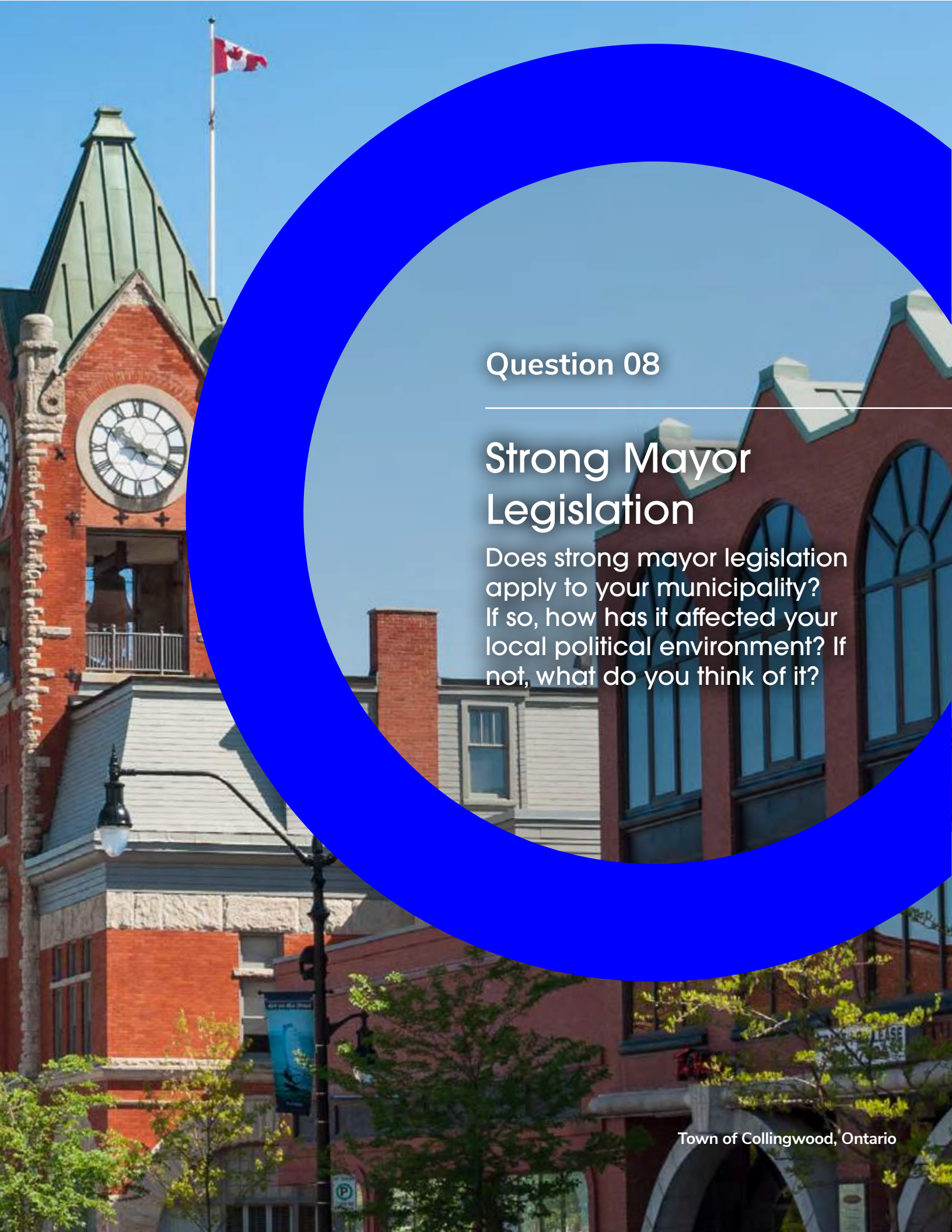
Energy-related issues should be squarely on the radar screen for all municipalities. Such issues cut across the full range of municipal concerns, including land use planning, economic development, transit, finance, and climate change. The 2023 CAO survey noted that the prospect of electrification and the transition to “net zero” present serious challenges for municipalities. Since that survey, several developments have heightened those challenges.

First, the recent report of the province’s Electrification and Energy Transition Panel emphasizes the need for stronger local energy planning and decision-making processes.¹¹ The IESO and OEB, for their part, have already taken steps to improve the regional planning process and to enhance coordination with municipalities. All CAOs should be asking whether their municipalities – at the regional and local level – are equipped to contribute effectively to energy planning processes. In addition, municipal senior leaders should consider the value of ongoing and regular engagement and information-sharing by their municipalities with the IESO and Hydro One.

Second, we’ve heard about how the IESO’s new requirement that the proponents of generation and storage capacity demonstrate evidence of municipal support has caused some controversy within communities, between municipalities, and with other levels of government. CAOs are well placed to provide guidance to Councils about the community engagement and policy review protocols and processes that support local governments in assessing the potential impacts of new generation and storage projects. However, as our survey found, there are varying degrees of interest and capacity within the municipal sector regarding such background work. Accordingly, in some cases, the project proponents may have to take the lead on community engagement and providing appropriate information to Councils.

Third, we’ve also seen growing concern within the municipal sector about whether energy infrastructure can be built quickly enough to meet the increased demand associated with both the transition towards electrification and new economic opportunities. This is coupled with concerns that the cost of this new infrastructure may be beyond the capacity of the LDC’s customers – and, in the case of municipally owned LDCs, of the municipal shareholders themselves. There are serious questions being raised about the need for new financing models and possible government funding. The CAOs of municipalities that own LDCs should assess how these issues may affect the revenue streams from their LDCs and from any affiliated non-utility businesses.

Ontario’s plans regarding electrification and the energy transition are an all-hands-on-deck exercise that could benefit from more consistent engagement with the municipal sector. The province could consider a mix of carrot-and-stick policy or funding initiatives to enhance the positive role municipalities can play in these efforts.



Question 08

Strong Mayor Legislation

Does strong mayor legislation apply to your municipality?
If so, how has it affected your local political environment? If not, what do you think of it?

What We Heard

A year ago, we asked about the newly enacted legislation expanding the powers of mayors – ostensibly to get more housing built more quickly – but it was too early for a verdict on their efficacy. Now in 2024, with strong mayor powers further expanded to an additional 21 municipalities last fall and applied to the first full year of the new budget process, we asked again.¹²

For the most part, CAOs acknowledged that strong mayor powers haven't been the affront to local democracy some had feared. Even Mayors who said that they wouldn't use the new powers or felt them unnecessary have grown comfortable with their use on a selective basis. But CAOs remain unconvinced that the legislation has led to major movement on the housing front.

Looking ahead to the future, senior leaders are still mostly wary of the possible long-term effects of this new political tool, mainly as it relates to the potential politicization of the public service. They also worry about the election cycle and the creation of a governance model that places a premium on one individual. A strong mayor system could work effectively ... but that often comes down to the Mayor's personality and leadership style.

IMPACT ON THE LOCAL POLITICAL ENVIRONMENT

If last year CAOs were deeply anxious about the potential impact of strong mayor powers on the ability of the administration to do its job, recent experience has largely allayed those fears. But there are always exceptions to the rule.

"Business as usual": Some CAOs in municipalities with strong mayor systems told us that the impact on the day-to-day business of the administration as well as the Council-staff relationship has been minimal or non-existent. Several attributed this to the disposition and leadership style of their Mayors.

- "I don't think the Strong Mayor Act has impacted our relations at all."
- "It has impacted [Council-staff relations] gently. The Mayor delegated the authority that he was given back to Council other than his right to hire and fire the CAO. He kept that."
- "I would say it has had surprisingly very, very little impact but I think that has more to do with how our current Mayor has handled it."

A couple participants also acknowledged that they've had Mayors who have always acted as strong mayors ... and never required legislation to do so.

- "We have a very strong Mayor here in terms of leadership, so he is very involved, and he leads some of the direction-setting but technically, we do not function with a strong mayor."

"We have always been 'strong mayor' without having strong mayor powers."

There were also those municipalities that said, "No thanks."

- "We have a bit of a divided Council on a lot of issues, but they were unanimous about this issue. They felt philosophically that it was wrong and that it was not a democratic way to do business ... and that collectively they should be deciding."
- "We did not take province up on strong mayors."
- "We figured the incentive for [achieving] housing targets was [not material to our overall needs] and some of the Councillors said they're not going to 'sell their soul' for [that kind of money]."
- "Our Mayor was offered strong mayor. Luckily, the Mayor declined."

Some positive perspectives: Some CAOs also suggested the enhanced authorities of the mayoral role has simplified the political interface, giving staff more opportunity to successfully advance their professional recommendations through the Mayor to Council.

- “I think my Mayor has done a pretty solid job when using it because we have an even number of Council members. We often have a tie vote ... We don’t have someone to break the tie and that can pose some challenges because it becomes a non-decision quite frequently with this particular Council.”
- “I have to give it to our Mayor. From his Council colleagues’ perspective, he’s been very engaged and involving them in the decision-making process, but he has made it clear that the organizational structure of the administration reports to him and he will make the final say on who stays and who goes.”

Challenges on Council: Positive anecdotes are always accompanied by those from the other side. In several other cases, we heard about increased tension and fractures in the relationships on Council.

- “The use of strong mayors is not beloved amongst Council members and that has created more divisiveness. It’s created a divide between the Mayor and Council members, forming little groups that vote in blocks.”
- “From a political perspective, there are a number of members of the Council that are not supportive of strong mayor powers. It’s up to Mayors to decide to what extent they use the power.”

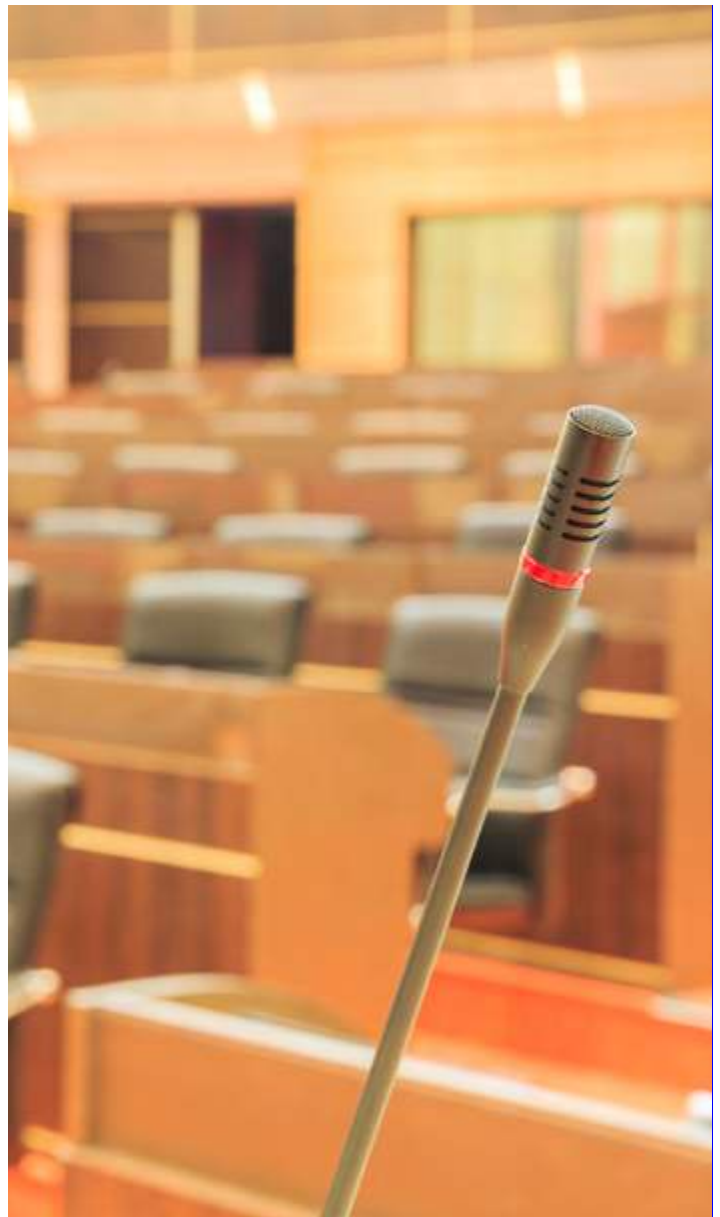
Some CAOs talked about the risk to the inclusive and consensus-based system of decision-making that has been foundational to municipal governance in Ontario.

- “I’m not a fan of the approach, I have always supported the more traditional approach in Ontario ... with Council as a whole being the decision maker.

“You have an elected municipal government and why isn’t it the majority of that body that rules? Past that, what’s the point?”

Senior staff changes: Concerned about the precedent moving forward, many CAOs also drew attention to occurrences – including some high-profile cases that became newsworthy – where Mayors used their authority to remove the CAO and other senior leaders.

- “Just reading over everything happening [in a municipality where the CAO was dismissed]. Not a good way to foster good governance.”
- “It brings in this instability into the system that is not good for good governance. I don’t know what it’s going to mean. I was really surprised by [instances where CAOs were removed through strong mayor powers].”



EVALUATING OUTCOMES

Have Strong Mayors led to more housing? Making Mayors accountable to the electorate for achieving provincial priorities was an objective of the strong mayor legislation. Whether it's the best tool for the job remains an open question, but most are doubtful.

"I haven't seen leaps-and-bounds in terms of achieving their housing targets."

- "Not sure it is achieving the goals that the province set out – if you have strong mayor powers what is the point of having Councillors if they can be overruled?"
- "My concern with strong mayor powers is that if you enact this, you hope that your Mayor will advance the provincial vision faster as they won't have to deal with Council, but that does not guarantee that they share the same goals as the province."
- "Strong mayor powers were always a set-up. There aren't enough houses. So, let's give the Mayor all the power and you can have planning. Then when you don't achieve your targets, that's your fault. I don't think the Mayors recognized that."

Adverse impacts on the public service: While the experience to date may have been fairly neutral, there are more frequent reports of destabilizing actions affecting the ability of CAOs and senior professionals to do their jobs. The long-term effect on a professional civil service may be the loss of professional objectivity and neutrality.

- "I'm concerned that it's divisive and politicizing the CAO role. I'm concerned that it's going to be seen as serving the Mayor, when you want the Mayor and the Councillors to be working together as a team."
- "The strong mayor powers have bled down to the director-level. And that's what's upset me more. I can understand the CAO, because you always have to be quasi-political. But how it's actually manifested itself is in unethical and unprofessional conversations."

Others spoke about the impact of strong mayor legislation on municipalities to recruit, retain and succession plan.

- "[For] senior staff who want to have a long career in one place and not have to move every time there is a new Mayor, I think it is problematic. I think it will turn over staff and there is enough of that already."



- “City managers and CAOs really need to take extra precautions and know that their days are even more limited than they probably were before. I think it’s led to a group effort to look at contracts and what that might look like.”

“Eventually it will start to impact the quality of CAOs, when you could be gone at the whim of the next Mayor.”

The thin edge of the wedge? Some CAOs observed that the legislation was likely just the beginning of future changes to municipal governance, including regional restructuring.

- “Strong mayor legislation may kick off a broader conversation around municipal restructuring and regional governance.”
- “I would suggest that the strong mayor legislation within many conversations is about what the future of a two-tier system will look like, specifically for some of the smaller more rural municipalities.”
- “It would be interesting for the province to look at modern governance in the municipal space, setting appropriate benchmarks for our Mayors and Councillors, which are supposed to be full time.”

Strong mayors, strong opinions: Even though the worst-case scenarios envisioned by CAOs have mostly failed to materialize – except in a few isolated incidents – many are still intensely opposed to the legislation.

- “Personally, I think it is awful. I think it is a disservice to democracy.”
- “I think it’s an incredibly short-sighted move and we will feel the repercussions of this.”
- “It’s ineffective and it pushes another burden on a municipality that we don’t have the resources for. I don’t think it is fair in a democratic society.”
- “Given what I read and I’ve seen in the press, I don’t think it is a positive move for municipal government. It brings interference and blurred lines between governance and administration.”

For many, the inherent political risk lies in too much authority in one pair of hands.

- “Strong mayors could work really well with the right mayor and strong mayors could go really poorly with the wrong mayor.
- “It depends on the Mayor, and that’s the problem.”
- “In some situations, it works if you have a great Mayor and a great Council. But from term to term you are transferring a lot of power and authority and you don’t always know if it will be used appropriately.”

“You are always one bad election from strong mayor powers becoming catastrophic.”

STRATEGYCORP'S PERSPECTIVE

As we reflect on how the provisions have imprinted themselves on Ontario's municipal scene, there are two actions we recommend to guide the evolving relationships among Mayors, Councillors, and CAOs, along with their senior staff.

For Council members, the legal requirement for a Council-staff relations policy should be revisited to reflect the new realities – looking at rules and guiding principles and at practical expectations. In light of strong mayor legislation, the policy should be expanded to define the triangular relationship among: (1) Mayors (and their political staff); (2) Council and Councillors; and, (3) the CAO and senior staff.

For CAOs, established assumptions about career-long, senior management roles in the municipal public service must be rethought. To be effective, CAOs should have clear performance expectations from both the Mayor and Council, rooted in professionalism, with periodic and objective performance evaluation. Even prior to the new legislation, terminations and abrupt resignations of CAOs and senior staff were an emerging and disturbing trend. Recent experiences suggest that it may be timely for a review of job security and severance provisions in employment contracts for senior management positions.

To bolster the status of the CAO as an apolitical general manager and chief policy advisor to the Mayor and Council, StrategyCorp continues to recommend that the *Municipal Act* be amended to confirm and define the role of the municipal chief administrative officer as a statutory position. At a minimum, these principles should be reflected in the CAO's appointment by-law, complementing the strong mayor legislation where applicable.



Question 09

Council-Staff Relations

How is the state of Council-staff relations in your municipality?
How will you be dealing with them?

What We Heard

A constructive relationship between Council and staff, where each understands and respects the other's role, is key to the successful delivery of local services and in making decisions that will allow municipalities to thrive and meet the challenges of the future.

Council-staff relations are always a work in progress, and this is to be expected in light of the changeover in elected representatives every four years, shifting demands placed on Council members by their constituents, and legislative changes that can affect the dynamic between Council and the public service. Given the fluctuations in this crucial connection, we wanted to check in on the current state of Council-staff relations today and how CAOs manage them when challenges arise.

IT'S A MIXED BAG

Respectful relations: Many CAOs reported that their relationships with their Councils were “mutually respectful and supportive” or at least “reasonable.” It’s interesting to note that so many CAOs with constructive Council-staff relations describe their situations as “fortunate” and “lucky,” a nod perhaps to how quickly that dynamic can change or how rare it is, whether due to different individuals in the roles or changing circumstances at the municipality.

“I’m very pleased to say our Council-staff relations are outstanding. They are mutually respectful and supportive.”

- “Council-staff relations are fluid, and they can change. Knock on wood, they’re good right now. [I’m] very appreciative of the current relationship we have with Council and the Mayor.”
- “I don’t take it for granted that I have really good Council members who support me.”

In a few cases, CAOs in regions and counties reported more positive relationships with their Councils than those at the local level.

- [Our politicians demonstrate] “a higher level of respect [to staff at] the County than at the local level. The more removed [elected officials] are from the direct public, the easier it is for them to respect a professional opinion.”
- “In my way too-long career, [the relationship] is one of the best I’ve ever had. I don’t know if it’s the people or the upper-tier municipality that creates separation leading to a different relationship. They respect the administration, and they stay away from getting into the weeds on most stuff.”



Not without issues: As to be expected, not all Council-staff relations are going smoothly. Even those who are relatively satisfied still face challenges.

- “For the most part the Council-staff relations are good. We will have times where we have highly debated issues and it poses a challenge to the Council-administration relationship.”

And for others, relations are downright hostile — and, too often, personal.

“Council’s conduct has been at times so terrible, it has caused me to lose sleep.”

- “It’s not going well.”
- “I felt more under threat than I ever had before in the last year ... It’s not always directed at me, but there are some bizarre comments that are clearly saying, ‘Well this is the CAO’s fault.’ We’ve had one Councillor say that staff must have been on drugs to make the recommendation that they made.”
- “The way [Council members] speak to staff and the vulgarity that is being used is completely inappropriate. It is brutal.”

WHAT’S AT THE ROOT OF THE CHALLENGES?

Loss of civility and trust: In last year’s report, we heard that COVID-era populism was leaving its mark on town halls across Ontario and that has persisted, as discussed in more detail in Chapter 11. This year, we heard more about how the increase in social incivility – both on digital platforms and in Council chambers – and declining respect and trust in government are trickling into the relationship between Council and staff.

- “There have been tensions ... I’ve been beat up a bit in the last few months. Council has been taking a lot of abuse for not much reward and the only person they can take it out on is me.”
- “More and more, the truth no longer matters, the only voice that matters is the loudest, most entertaining voice in the room or the voice you agree with.”

- “There is an ever-increasing sense of incivility and a lack of trust. Some of these elected officials like to play ‘gotcha’ — there is less conversation between administration and elected officials and trust is declining.”
- “The [new] Councillors are very untrusting and pay attention to social media too much. Their willingness to accept information presented to them by professionals is lower than their predecessors.”

Disconnect on roles and responsibilities: A number of CAOs told us that the challenges in the relationship often lie in some elected officials’ lack of understanding – whether intentional or not – of how municipal operations and policies work and their roles as members of Council.

- “They get frustrated when service delivery is poor, but it is poor because of lack of investment and lack of staff capacity ... They don’t view it as their fault, and they rail against the idea that they must fix it. They want to keep the taxes low.”

“We trip up on very operational matters that are beyond Council’s authority, and it’s created a challenge.”

Internal divisions on Council: Sometimes it’s the disagreements among Council members that pose challenges for staff. There are instances where some members of Council perceive that staff are siding with their political opponents, which strains relations between those elected officials and staff.

- “We have a split Council. One of them really believes it is their job to be anti-administration. They tend to kind of poison the environment and bring a couple of the others along with them.”

“We are hitting a time where there are significant challenges with the Mayor and Council where they are not on the same page. There are a lot of visions on Council, they are definitely in different camps. That has impacted staff and Council relationships as there is a lack of trust.”



- “The inter-Council relations are the problem that I am having. As a CAO ... you report to Council, but you also have to provide advice and there are conflicting opinions and strong opinions. There is a divided Council. It can be quite challenging.”

- “We are doing staff and Council training, and I don’t expect it to change the ‘bad actors,’ but it gives the other members of Council the powers and tools to deal with it as well.”

But not all Councils are on board with investing in training.

- “Council refused to do role and responsibilities training. When the Mayor tried to organize it, they withheld quorum.”

Communications and transparency are key: Hand-in-hand with better training for Council members is the need for staff to continue to clearly and openly communicate with Council about what, how, and why staff are recommending operational and/or policy changes.

- “We work really hard to train our staff on how to deal with Council, providing softer skills training such as strong communications to help our staff keep them out of the weeds. This creates controlled interactions between senior management and Council, which lets Council see what’s behind the curtain.”
- “Stepping into this role, Council-staff relations were at an all-time low. There was mistrust both ways, communications were not good, transparency ... I’ve worked hard to improve that, but that’s definitely a team effort.”

STRATEGIES FOR IMPROVED RELATIONS

Training, training, and more training: Overwhelmingly we heard that the key to smoother Council-staff relations was training for elected officials on the differentiated roles and responsibilities of Council and staff, as well as on procedural matters. A deeper understanding of how each role in the municipality works helps to build respect for “the other side.” In several cases, CAOs noted that they went beyond the one-and-done training sessions of the past in favour of a program of continuing education on various aspects of municipal governance and service delivery.

- “We made a really big investment in Council orientation that went well beyond the procedural and really spoke to roles, responsibilities and how we work together and how we should work together. I think that’s been key.”
- “Our Council-staff relations are very good. We had a very positive onboarding and training with the whole team ... I probably put a little more into the training and orientation.”

- “Honestly, it’s about doing the right thing for the right reason and being transparent. This goes for any organization. When you take a position, it can’t be about you. It’s not about your ego. It’s about making sure that the right things get done for the right reason and that it’s transparent.”

CAOs told us that it’s incumbent upon staff to understand what Council wants to accomplish. Some surveyed Council members at the start of the term to better understand their interests and priorities and strive to keep communication channels open throughout the term.

- “I’m very intentional about them reaching out to me. I am open to conversation. We are trying to work on ‘no surprises’ but there is a nice level of positivity and respect.”
- “We have lunch-and-learns and other times where we can communicate openly. We talk about issues off the record, and this is the value of engaging with Council outside of meetings and just having conversations where we learn and receive feedback.”

Although genuine communications aren’t a guarantee of complete success, it can go a long way.

- “The Mayor and I have a very good rapport. My strategy so far is to engage [Councillors] in one-on-one conversation. In two out of three cases, I may have some success. In one, I have no chance.”



To thine own role be true: Most local public servants join their municipal workforce to serve their communities and provide their best professional advice to Council as they make decisions that impact those communities. In some cases, when Council decides to overrule staff recommendations or send a report back for further analysis, their reasoning can be difficult for staff to understand. But CAOs remind their teams that the buck stops with elected officials – the role of Council is to make the decisions and staff’s role is to provide objective advice and information and implement Council’s decisions, however they unfold. Acknowledging that reality can help reduce Council-staff dysfunction.

“Manage the risk and probably don’t say, ‘I told you so.’”

- “Be clear that you understand that Council is driving the bus. We don’t have turf battles with Council — I think it has to be an explicit conversation.”
- “It’s a fine balance between egos, upholding professional advice, and not taking it personally ... You have to think in the best interest of the community at large and if they decide not to go with the recommendation, you also have to respect that.”

CAOs also remind their teams to always take the professional high road, even – and perhaps, especially – if others choose not to.

- “Model good behaviour, work with honour, lead with dignity and always be respectful, even in the face of incivility, hyperbole and personal attacks. Be above the fray.”

STRATEGYCORP'S PERSPECTIVE

As members of Council and staff come and go, it's only natural that the dynamics of their interpersonal relations are always evolving. But what has remained constant in the years since StrategyCorp has conducted this survey — and indeed in the decades that we have worked with Ontario municipalities — is the call for greater understanding and improved clarity on the roles and responsibilities of Council and staff in the *Municipal Act*.

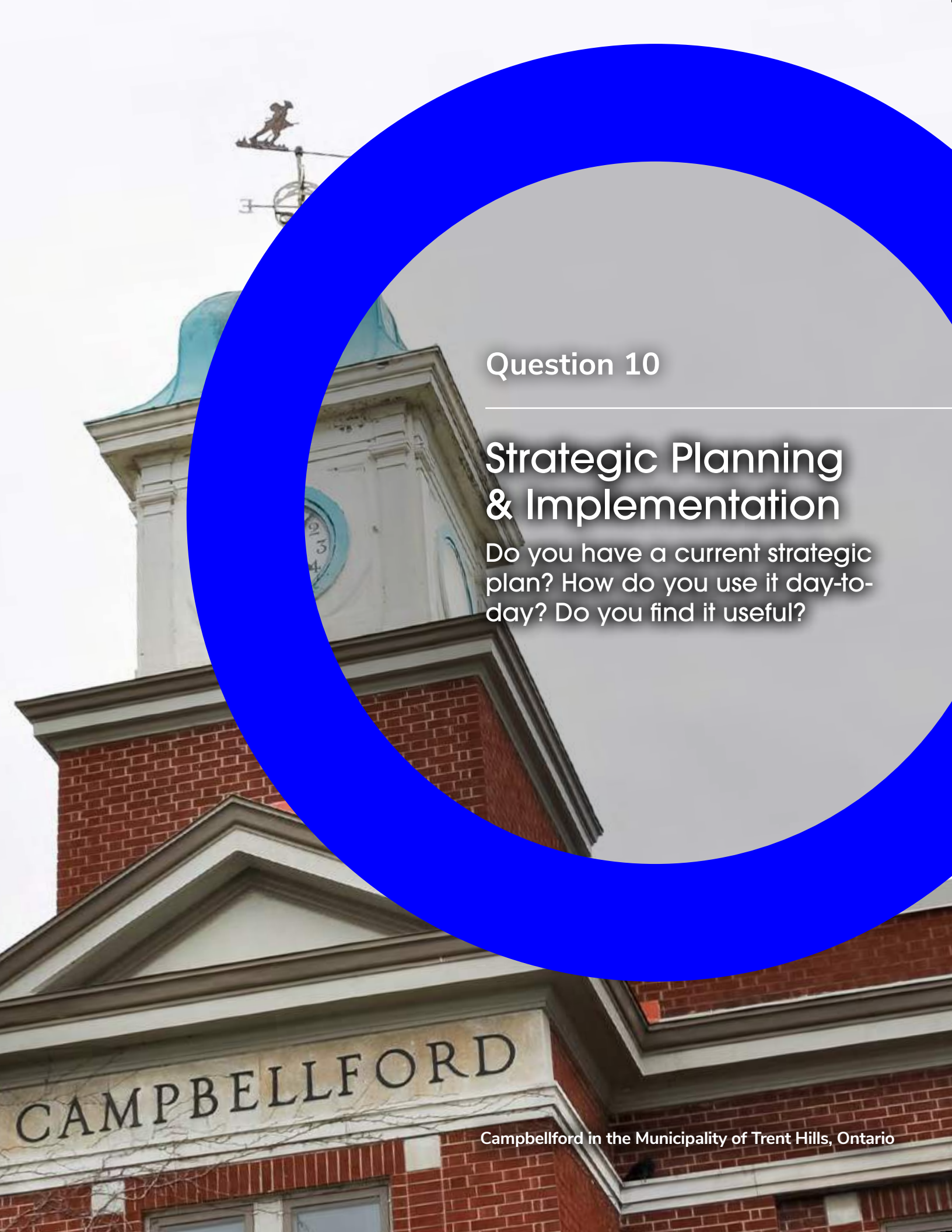
In addition to concern about the general decline in civility, we also heard distressing concerns about disrespectful workplace conduct – some gender based and some based on other diversities. But all of which undermine our ability to attract people to the service of the community – be they elected or employed.

A number of CAOs shared that they would like to see the Government of Ontario mandate training for Council members. Right now, although it is common practice in many municipalities at the outset of a new term of Council, Council training is not required by the *Municipal Act*. These CAOs join a chorus of municipal leaders and advocates calling for similar action on mandatory code of conduct training for elected officials, as well as other accountability measures to combat abusive or threatening behaviour toward staff.¹³

Earlier this year, the Minister of Municipal Affairs and Housing confirmed that the province is continuing to work on legislation to address the accountability of local elected officials.¹⁴ Further, Bill 207, an NDP private member's bill tabled in June, calls for, among other things, "annual, mandatory training provided by a third-party provider regarding the policies with respect to workplace violence, workplace harassment and workplace discrimination."¹⁵

While we await what may come down from the province, we would also suggest that there is action that can be taken by municipal leaders today. We encourage members of Council to consider the experience they want their staff and the public to have, not just the experience they get at present. There is an opportunity for Councils to work together to raise the bar in how they conduct their business and, hopefully, inspire more people to join the call to serve in local government.

This is all the more important when we reflect on the reality that fewer people are running for local office, acclamations are on the rise, and the diversity of Councils considerably lags behind the diversity of the populations they serve.¹⁶ Elected officials set the tone for the local political environment, and their role in leading by example is more critical than ever due to the polarization and increasing toxicity of the wider social landscape. There is more to be said on that issue in Chapter 11.

A photograph of the Campbellford Town Hall, a red brick building with a white stone pediment and a clock tower. A large blue circle is overlaid on the right side of the image, containing the text. The name 'CAMPBELLFORD' is visible on the stone pediment.

Question 10

Strategic Planning & Implementation

Do you have a current strategic plan? How do you use it day-to-day? Do you find it useful?

CAMPBELLFORD

Campbellford in the Municipality of Trent Hills, Ontario

What We Heard

Now nearly two years into the 2022-2026 term of Council, most CAOs we spoke to have their strategic plans in place. While some identified built-in pitfalls of strategic planning in a municipal context, including the inherent tension between the need for both flexibility and specificity, there's overwhelming consensus that strategic plans are highly valuable documents.

This year, we mainly focused on how the plans have been used and implemented. CAOs told us about what they do internally to integrate the high-level strategic plan into their business planning and budget processes. But they also acknowledged that they're still finding their footing when it comes to tracking and reporting out on progress against goals.

STRATEGIC PLANS

Champions for strategic planning: The vast majority of CAOs we spoke with have a strategic plan and consider it a critical guiding document for the organization.

- “It’s really baked into almost everything we do. We hold it up all the time, anytime we bring consultants in, it’s one of the first documents we provide them.”

- “It is useful. The strategic plan is the most important document.”

“I get asked all the time – ‘Do we really need a strategic plan?’ Well, yes, of course. You need a strategic plan because if you don’t have a strategic plan, what are you aiming for? You’re just flailing around, right?”

An imperfect tool: Among those that have and use their strategic plans, a few observed that the documents have their issues. A key challenge continues to be finding the right balance between a plan that is flexible enough to be able to address emerging priorities and issues as they arise and specific enough to be able to determine whether anything was achieved.

- “[Our plan] is not perfect. It’s tough because things change so rapidly. You want to make your plan responsive and adaptable but at the same time we need it to be specific enough to be relevant.”



- “Ours isn’t great, it has a number of statements that aren’t measurable, and you can’t say they are done. It feels like a never-ending type of thing.”

A couple of CAOs inherited strategic plans when they joined their municipality and have been surprised by both the process and the content – in particular, not including staff in the development of the strategic plan.

- “We have a focus of three strategic priorities that this Council determined. I found it unusual that Council did it in isolation of staff and that [the previous CAO] was not involved in any way ... I don’t think that’s a wise choice because there isn’t buy-in if people are not involved in the creation of something. When I arrived, I’m confident that not one of my general managers could have said what those three priorities were.”
- “There was one already in place. It’s not one that I would say resembles many other strategic plan examples. The previous CAO told me that those are Council’s strategic priorities, not ours.”

Council knowledge is a critical “do or die” factor:

Several CAOs stated that there is a fundamental lack of understanding about what a strategic plan is and isn’t among elected officials, and this can negatively impact both development and implementation of the plan. In a couple of limited cases, CAOs had difficulty in even getting the strategic plan approved by Council.

“Many elected officials do not understand strategy. Instead, they view it as a shopping list which is not strategy.”

- “Council is divided – about half who are invested and half who just voted to get it done.”
- “I needed them to ratify the plan and they turned it down ... we are going to convert it into a Council work plan versus a true strategic plan ... I don’t think they actually understand what a strategic plan is and what the benefits are.”
- “When you have this tension where you’re trying to introduce actual strategy and it’s confronted with significant push back, it’s because they didn’t do it properly.”

GOOD TO HAVE A PLAN ... EVEN BETTER TO IMPLEMENT IT

“Strategy is transformation, but we have to make it transactional on the inside.”

Creating an implementation framework: Following Council adoption of a strategic plan, most CAOs jump into action working with their teams to translate priorities and goals into initiatives, projects, and tactics.

- “[The strategic plan] is very easy to translate into operational actions, which is what’s important to me.”
- “We did an administrative implementation exercise, which was wonderful. Now that we have unpacked a list of initiatives, we’ve gone back and refined it with details and timing.”
- “From the strategic plan, we had Council prioritize a list of directives that we can bring quarterly, and we present what we are doing to address them. It’s about putting the plans in place and tracking it.”

The most reported implementation tactic is the requirement that staff include an explicit reference as to how their reports and recommendations align with the strategic plan.

- “We have changed the way that we present reports to make sure there is a connection to the strategic plan.”
- “Once we get the strategic plan, we have a link to the strategic plan in every corporate report and in every discussion, I ask my employees about how it is linked to Council’s strategy. If it’s not, then we shouldn’t be talking about it.”

Assigning ownership: Strategic plans need people to oversee and implement them. Some CAOs are building capacity within their own organizations to support strategic plan implementation and ensure there are clear lines of accountability. This helps mitigate the risk that, due to staff workloads and competing priorities, the strategic plan gets pushed to the side of the desk.

- “I repurposed a position to change their role to a strategic and intergovernmental relations position. [This individual] tracks the status of the plan and does an annual report, some of the KPIs we developed, and how we measure.”
- “We’ve got specific groups that are working under each one of those strategic tenets to make sure that we’re delivering what’s in the plan and that we have KPIs to verify we’re actually getting ahead.”

Further, several CAOs also noted how they are going the next layer down from department and business planning and aligning employee performance to the strategic plan.

- “We do annual performance management with all of our management staff ... every smart goal that a manager indicates on their performance management plan ties back to the strategic plan.”
- “When I got here, there was no standard method for evaluating the CAO’s performance ... Now there’s a set of performance objectives that are set up for my role every year, driven by the objectives in the strategic plan.”
- “In terms of my interactions with my direct reports, it’s now my basis for my conversations. We discuss, ‘How are you tracking items for these strategic priorities?’”

Money matters: For some, the budget is the real measure of a strategic plan’s success, as that’s where Council makes critical decisions whether or not to resource their priorities.

“In the next budget process, we will see the extent that the Council is prepared to align its resource allocations with the plan. That will be an important test of the plan.”

- “There is an illustration of how operating and capital projects spending is aligned with the priorities and the strategy.”
- “In our budget presentations, we tie it to the strategic plan and that gets a lot of horsepower.”



SEEING RESULTS?

A useful tool in building alignment with Council: Several CAOs reported how their strategic plans have helped their Councils focus and prioritize to a greater extent, which in turn has served to support implementation and drive positive outcomes. Senior leaders are more willing to push back against “one off requests” and elected officials seem to be more mindful of the organizational realities and capacity constraints facing their staff.

- “We’re also encouraging Council to keep it in mind when they come with the next great shiny project that they heard about at the AMO or Good Roads conference and ask, ‘Why can’t we do that [here]?’ So, we ask them, ‘Where does it fit within these strategic priorities?’ They’ll pause and sometimes there is a direct connection and that’s great.”
- “When Council wants to add things that might be outside [the strategic plan], we take their list and say, “We can only get a certain number of things done, where do you want us to focus?” It has allowed us to be a bit bolder and more courageous in our conversations.
- “[The strategic plan] has been helpful because it has focused Council on these particular areas. Before they always said that the economy was important, but they never gave us any staff to support the work. This time, they’ve been good. I was very upfront to say if we’re putting this on here, you’re going to put the resources towards it right?”

A couple of CAOs commented how the strategic plan has served as an important grounding document in communications with the public and special interest groups about what their municipalities are doing and why.

- “We have had cases where we’ve been talking to stakeholders and interest groups, and we have pointed out to them that what we’re doing is consistent with the strategic plan.”

That said, the strategic plan can also be used as a political tool in pursuit of individual agendas.

- “People can play the strategic plan when it suits them. For example, ‘We respect our heritage’ [in our strategic plan] – they think they can turn any housing development that doesn’t respect our heritage.”

Tracking and reporting is still a work in progress: Most CAOs noted that they are reporting out to Council and the public on progress against the strategic plan through annual (or more frequent) updates and dashboards.

“The dashboard helps us understand if we have succeeded. It also closes the loop – Council can use it as a talking point and staff can see how everything is connected.”

- “We have a dashboard for the current plan where it’s updated quarterly and all the various actions to keep track of, whether we’re on target, behind target or getting there.”

To optimize this effort, a few CAOs are exploring different approaches and tools.

- “Key challenge has been more about implementation tracking and reporting and finding the right level of detail for doing that. We set up a tracking mechanism, but it got pretty detailed pretty quick. We haven’t figured out how we want to report out at a corporate level.”
- “We are a little lacking in project management software that will help us track the metrics we need for our dashboard, but we are looking into this to help with roll up reporting.”

Tooting their own horns: Another area for continuous improvement among this year’s participants is sharing and communicating out on successes and achievements related to the strategic plan.

- “We aren’t that good at it as a sector about celebrating our successes and taking a pause to appreciate what we have done.”

STRATEGYCORP'S PERSPECTIVE

With many municipalities coming up on the first or second year of their approved strategic plans, it seems that things are generally going well. As we reflect on what we heard this year about strategic planning, two aspects stand out.

First, who is included in the strategic planning process matters. In our experience working with municipalities to develop or update their strategic plans, we often hear:

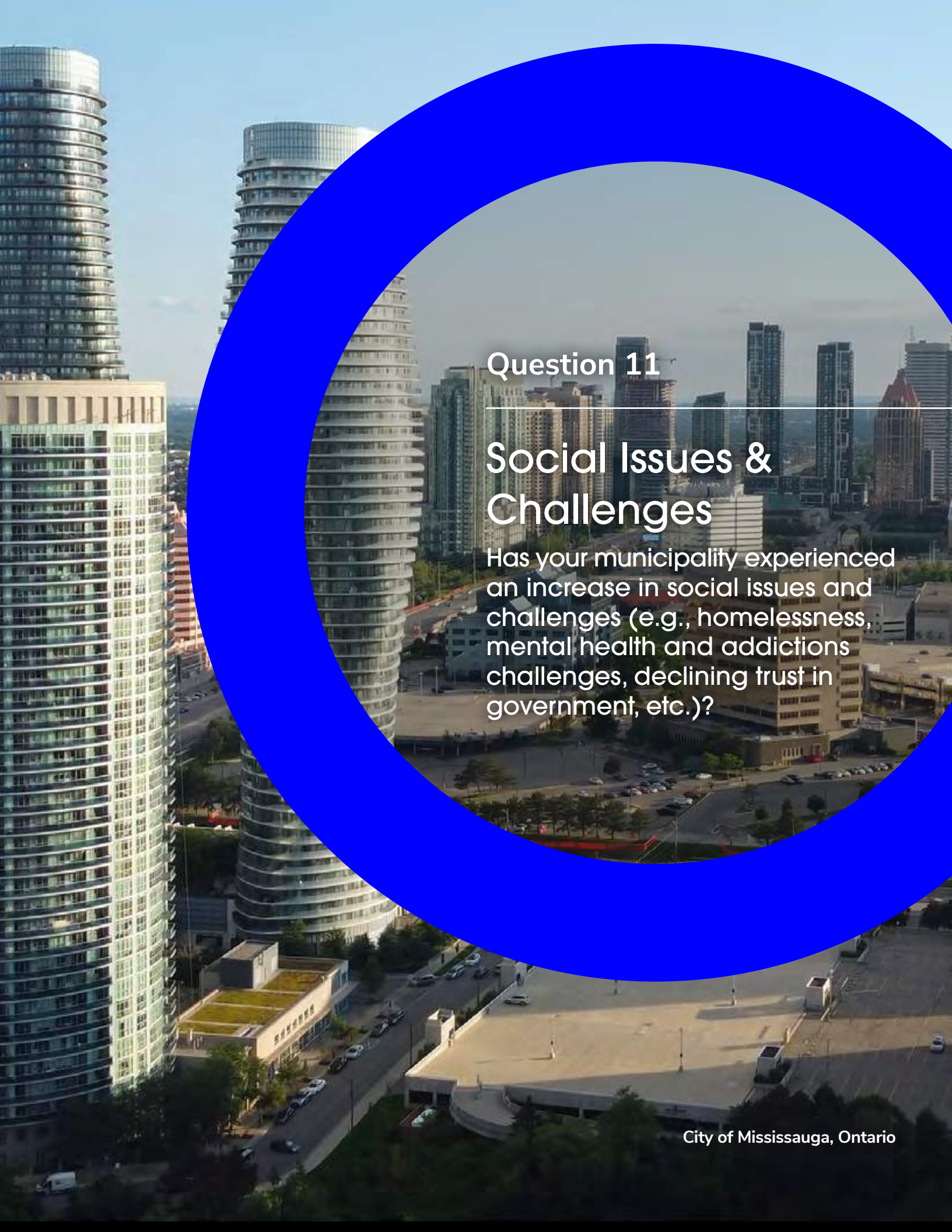
- From staff: “These are Council’s priorities, not ours.”
- From Council: “The process was led by staff, not us.”

Too often strategic plans are shelved following adoption either because Council doesn’t feel a sense of ownership over the plan or staff feels it is unachievable and untethered from the operating realities of the organization. An effective process needs to incorporate the perspectives of both Council and staff in a way that reflects and respects their distinct roles – think of it as two on-ramps to a 400-series highway. Both must find a way to safely merge their inputs, in what can be “heavy traffic.”

Council, as decision-makers, should set the strategic direction, or “what we would like to do.” Staff, responsible for implementation at an operational level, must provide input into “what must be done,” for state of good repair or legislative compliance. They must also provide insight into “what could be done” to achieve Council’s priorities.

Engaging both in the development of the strategic plan builds buy-in and creates a sense of stewardship that is critical to successful implementation, especially when it comes to making difficult choices about what to prioritize.

Second, improving the tracking and reporting out on progress against the strategic plan is an area for continuous improvement. Nearly every CAO referenced regular monitoring and reporting as part of their implementation framework, but some noted that they are still figuring out the right tools and cadence to support this effort. What’s important as senior leaders explore their options – from Excel spreadsheets to digital platforms and apps – is ensuring that ‘form follows function’ and that the upfront legwork has been undertaken to identify timelines, resource requirements, and accountability mechanisms. All of these elements are critical to the successful transformation of strategy into delivery.

An aerial photograph of a city skyline, featuring several tall, modern skyscrapers with glass facades. A large, solid blue circle is superimposed over the right side of the image, framing the text. The text is white and reads "Question 11" followed by "Social Issues & Challenges". Below this, a paragraph of text asks if the municipality has experienced an increase in social issues and challenges, with examples like homelessness, mental health, and declining trust in government.

Question 11

Social Issues & Challenges

Has your municipality experienced an increase in social issues and challenges (e.g., homelessness, mental health and addictions challenges, declining trust in government, etc.)?

What We Heard

While in our past reports CAOs raised the alarm on critical humanitarian challenges, including homelessness, income and food insecurity, and mental health and substance use issues, this year's comments hinted at a new level of crisis or visibility. Communities are pushing back more vocally against the all-too-evident consequences of these social crises, such as tent encampments and open drug use.

While Section 11(2) of the *Municipal Act* gives authority to municipalities in an array of areas, including "health, safety and well-being persons," this has not been accompanied by the tools and financial resources required to provide the wraparound supports needed to address the root causes of these challenges, a reality reaffirmed by our interviewees.

Another fallout of the pandemic has been the deepening mistrust in public institutions, spread of misinformation, and rise in populism. This societal discord persists and, in some cases, has escalated alongside worsening socioeconomic inequalities. We asked CAOs to tell us about what they're experiencing and the solutions they're employing to address these issues.



A GROWING CRISIS

"The growing crisis in mental health and addiction keeps me up at night. The more I know, the more scared I am with where we're headed."

A central concern: CAOs across the board told us that their communities are experiencing the consequences of social insecurity, including rising incidences of visible homelessness. Although the challenges are more pronounced in larger urban centres, no municipality appears to be immune.

- "We have done polling for many years Now the top issues are social issues, so you can see what is on the minds for our residents and community members."
- "This is the inevitableness of big city, big problems. We're getting some encampments and our fair share of homelessness."
- "We might have had unhoused people who couch surfed before. We now have people that come in who are homeless, visible in downtown, making business owners nervous and looking to camp on municipal lands."
- "Are we seeing a lot of homelessness now? No, but it's going to explode."

Community tensions on the rise: The public is putting more pressure on municipalities to take some sort of action, unsettled by the growing visibility of homelessness and mental health and addictions challenges – whether it's encampments in public parks or community centres operating as emergency shelters.

- "In the beginning there was a lot of empathy, but I'll say in the last six months that tone has very much shifted to 'I want this out of my parks, I want my municipality to do something about that.'"

- “There is a lot of tension. The community is getting fed up with the lack of progress in addressing these issues. They will continue to increase as we move forward.”
- “It is creating tensions with Council because it’s new to them and they are getting calls from constituents.”

CAOs, as well as elected officials, are under considerable stress to help address and mitigate the myriad of challenges facing vulnerable community members. But many also noted that responsibility ultimately sits with the provincial and federal governments. Local governments have been trying to fill the gaps where they can, but they are running out of steam and resources.

“Ask me about a pothole and I can answer you. I can tell you that you will have it fixed. But ask me when we’re going to house a homeless person, and I don’t have the answer.”

- “It’s a constant struggle because Council would like to say, ‘no encampments’, but we’ve got nowhere to take these people, and you cannot leave them out under a heat dome and not provide them with water.”
- “If City Council could pick one thing to solve, it would be homelessness and addiction and this is not even its job, which shows the irony of this issue.”
- “Municipalities are in a tough position as there is an expectation that we can address these issues, but we can only do so much.”

A couple of CAOs told us they have had some success with actions they’ve taken.

- “We have a community connections centre ... a resource for community agencies to meet with people and build those relationships. We even have a pharmacist and a nurse practitioner there who can help with diagnosis and try and connect some of our homeless people with doctors.”

But their resources are increasingly depleted and they can’t meet the demand for services.

- “In the past we did a lot of awareness campaigns but now we are at a point where we don’t have the capacity, so we don’t want to send people somewhere that there isn’t any room.”
- “The people that are experiencing homelessness are staying in emergency and in transitional housing for longer because the pipeline of stable housing is so constrained.”

Intergovernmental funding is urgently needed: CAOs once again raised the clarion call for a long-term, reliable intergovernmental funding strategy to provide needed wraparound supports and housing for at-risk and vulnerable residents in municipalities across Ontario. Municipal leaders are prepared to do their part, but in collaboration with and under the leadership of the provincial and federal governments.

- “We are aggressively moving towards these [transitional housing] goals, but we are not going to be able to do this without support from senior government.”
- “This underpins the call for more intimate relationships with our federal and provincial governments for some of these multilateral problems that we can’t solve alone. Our Council always wants to do more than their fair share, but we don’t have the resources to face this issue.”

“[Our chair] has called many times for the federal government, the province, and municipalities to get together to talk about what would be a strategy for addressing this. And we’ve had no traction on that.”

- “There is such a lack of strategy and support to address it from the provincial government as they have shown no indication of doing anything about [mental health and addiction].”



INCIVILITY AND PUBLIC TRUST

“There is just a higher level of anger in the community. I mark this as a transition out of COVID-19.”

Uncivil discourse: The widening of social inequalities and challenges has helped fuel a seemingly growing distrust of public institutions and governments at all levels.¹⁷ While not new, this trend exacerbated during the pandemic and has achieved new salience with the dominance of social media and the wide ability to share information and, notably, misinformation.

CAOs spoke at length of how elected officials and staff have been targets of harassment and misinformation and face protests that sometimes have nothing to do with municipal government.¹⁸

- “I do think there is a decline in trust in government here. I don’t think it is across the board, but we do have a minority group of people who are constantly on us and that has definitely been a challenge.

This polarization and toxicity can interfere with the actual business of the municipality and creates another layer of challenges for elected officials and staff members trying to engage with the community.

- “The Mayor has been having open houses and there are a lot of people who come to protest, a lot of 15-minute-city people. I don’t get it, but it is affecting staff well-being and impacting Councillors.”
- “Monday night was our Council meeting, and we had a lobby full of people with signs and yelling ... I think it is impacting the relationship between the municipality and community.”
- “My issue is dealing with people who are anti-believers or anti-government. I have one Councillor who loves to go onto social media. There is so much negativity around this.”

“A Councillor was chased around the grocery store by a couple of angry people [such] that the Councillor had to leave the store and is now at the point of having to go grocery shopping in another municipality because they’re being targeted, they’re known and recognized. And it happens to staff as well.”

TAKING ACTION

Enhanced security protocols: Some CAOs told us they have had to institute stricter security measures at town halls and public meetings to ensure the safety and protection of staff and Council.

- “We no longer let people show up, you have to register in advance. We also have escape plans and increased security. We even have the OPP on notice.”
- “We have investigated banning people where that behaviour is not turning around.”
- “Every single public meeting starts with our expectations and rules. We also have paid police officers. I have gotten a lot of pushback. They can be angry at the government, but it can’t be hateful ... I need to make sure that the staff knows that I have their back.”



Revisiting social media: Others noted that their solution to tackling online vitriol has been to reconsider how their organizations use social media as a communications tool.

“It’s not up to staff to solve everyone’s problem posted to Facebook.”

- “I’ve turned off all commentary on social media – we don’t allow comments. We were having an issue in town ... social media was impacting our staff and a vehicle for misinformation.”
- “If social media required you to have [to use] your name, they would behave differently. I think municipal government should get out of being on platforms and only use the ones that are more official, like LinkedIn.”
- “How did we get here from being able to use Facebook and social media for good and now to the point where I don’t even look at it?”

Proactive focus on communications and engagement:

On a more positive note, senior leaders are also exploring and implementing new tools to connect and engage with residents to foster strong relationships and build trust in local government.

- “The budget open house was done on a Saturday morning just because of the volume of people going through. We were all in the lobby getting feedback and talking and I think Council saw the results.”
- “We make quite an effort to engage with community in different ways. We do an event called ‘Neighbourhood Nights’ where we go out to the different neighbourhoods to showcase what the town is doing ... meeting residents where they’re at.”
- “We implemented an interesting piece of software – FlashVote, an Ipsos-Reid for small towns ... Trying to bring in tools that take the NIMBY out of things and ground us in facts and data.”

STRATEGYCORP'S PERSPECTIVE

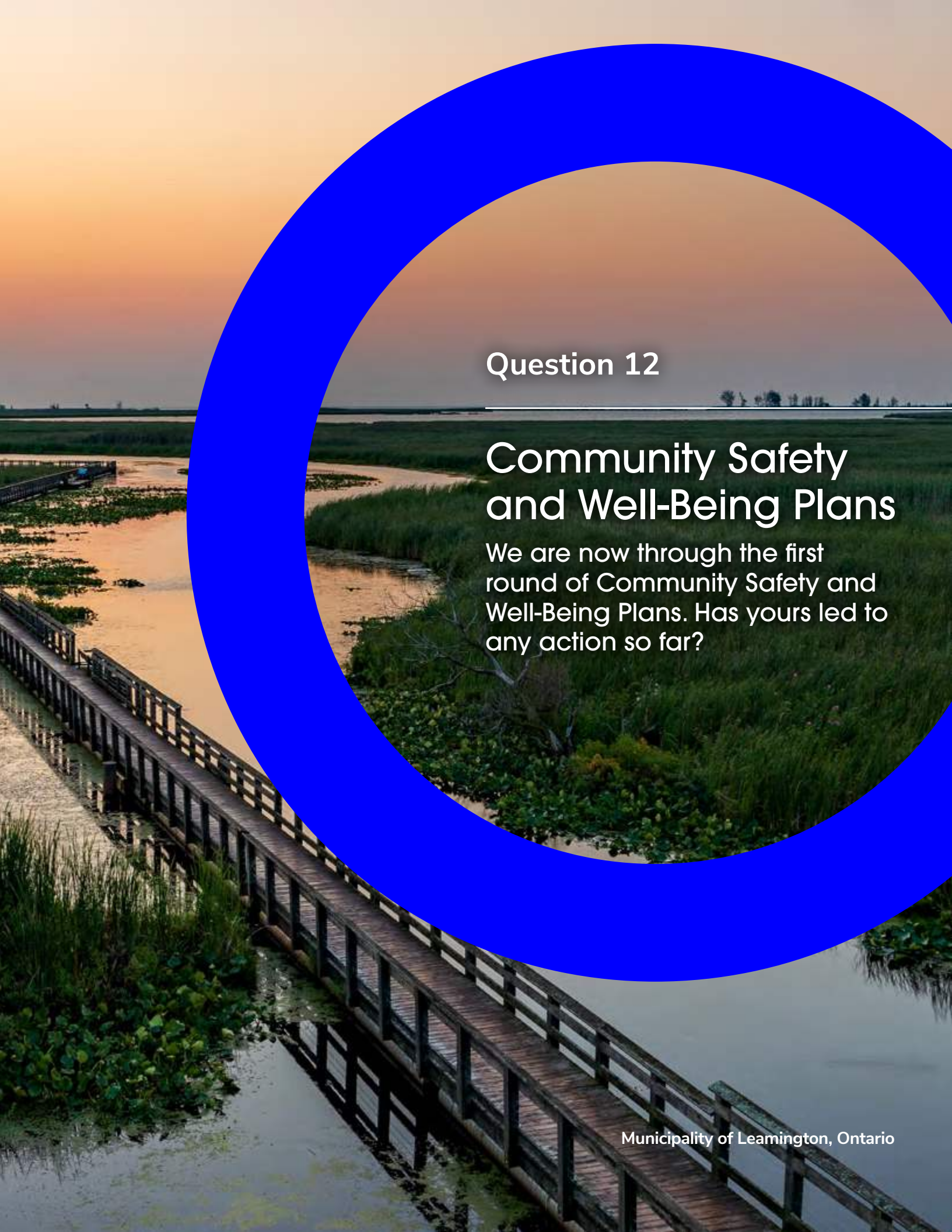
Whether it's searching for a shelter bed for an at-risk resident or tending to the immediate needs of those living in one of the province's 1,400 encampments or providing emergency services to individuals affected by the opioid crisis, municipal leaders have stepped up despite lacking the financial tools and jurisdiction to tackle these immense challenges. As discussed more fully in Chapter 12, CAOs and their teams are engaging in multi-sectoral collaboration and partnerships to meet the growing needs of vulnerable community members as best they can.

But municipalities are rapidly approaching the tipping point when they can no longer continue to subsidize other orders of government. In 2022, local governments invested \$3.8 billion more than they received in areas of provincial responsibility, including social housing, long-term care, ambulance, social services and child care.¹⁹ Increasingly, municipalities are also investing in supports for immigrants and refugees, which fall under federal jurisdiction.

The municipal property tax system cannot, and was never designed to, adequately fund social services. As discussed in Chapter 3, municipal associations at the local and national levels have called for a new fiscal deal for municipalities, and one need not look much further than our local downtowns, parks, and streets to see the urgency underpinning this advocacy effort. As was the case in our 2023 survey, StrategyCorp lends its support to these voices and supports a renewed round of discussions on "who does what" and "who pays for what."

The other challenge is that the growing intensity of issues around affordable housing and homelessness, poverty, and mental health and substance use have led to a "pressure cooker" environment in many communities. As the level of government closest to the people, municipal staff and elected officials are facing demands from an increasingly agitated public to "do something." Unlike their counterparts at the federal and provincial governments, municipal employees are accessible to the public, whether on the front lines, through email and social media, or at public meetings and events.

CAOs and their teams are exploring new methods and tools to engage with residents and build trust but there is also sector-wide work underway, including AMO's Healthy Democracy Project.²⁰ (Re)building trust bridges between governments and the public is a long game and in the interim, there is a need for greater focus on ensuring safe workplaces through formal policies and procedures that protect and support employees.



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

The Safer Ontario Act, 2018 mandated that municipalities across Ontario develop a Community Safety and Well-Being (CSWB) plan by July 2021. While municipalities were tasked with leading development of their plans, they were to do so in close collaboration with different parties, including social service providers, local law enforcement, and community members.

The intention of CSWB plans was to help more individuals get the right supports, in the right place, at the right time. The CSWB model recognizes that social challenges are often complex due to their highly intersectional nature, and that better outcomes can be created for communities by shifting from a reactionary, and largely ineffective, incident-response focus to crime prevention and the integration of social services ecosystems.

Last year, we heard that CAOs often had mixed feelings about the efficacy of their CSWB plans. While many appreciated the collaborative aspect of plan creation, some were struggling with transforming their strategies into action. With the first round of plans set to expire in 2025, we were keen to hear from CAOs about what they've learned so far while implementing them.

IMPLEMENTATION CHALLENGES

“We spent all this time talking about what we need but have no way to move forward. It feels like we’re just wasting people’s time.”

Inability to “go it alone”: While many municipalities have clear priorities for action, they can’t move forward without help from other levels of government.

- “The province legislated these plans and built buy-in but did not fund them. Their intentions were good, but at the end of the day we can’t build the emergency shelter we need.”
- “No municipality can implement its CSWB plan without provincial and federal support.”
- “While most of our CSWB goals are progressing well, housing and mental health and substance use is where we’re falling short. Our CSWB plan is good, but we need help from the provincial and federal governments.”



In the absence of designated federal and provincial funding, some municipalities are unable to allocate staff resources to oversee the implementation of their CSWB plan. As a result, staff are working on plan implementation off the side of their desks, amidst all of their other responsibilities, which is slowing progress.

- “One of the biggest things I’ve learned is that it will be a lot slower to implement than I wanted. It’s hard to find capacity for it.”

Those that have managed to task staff with plan implementation oversight have indicated that doing so has been an important success factor.

- “The amount of work that has gone into implementing our CSWB plan is very impressive. We have dedicated staff funded in partnership by us and our regional government.”

Sustaining momentum: Other CAOs attributed their lack of progress to unclear implementation accountabilities.

- “I feel like our CSWB plan is lacking what our strategic plan has, which is a focused action plan.”
- “It sat on the shelf, our CSWB Committee fell apart, nobody was doing anything.”
- “If the province were to require that municipalities work closely in an organized way with police and school boards, I think we could show positive outcomes faster.”

Interestingly, the hallmark collaborative aspect of CSWBs may in fact be contributing to implementation paralysis. Some CAOs observed that the ongoing participation of many actors across different sectors in CSWB plan implementation is diluting accountability and slowing decision-making.

- “We are trying to refresh the leadership model. We started with an extensive group of people. Now that we have built our plan, we know we need to pare this group down.”
- “Our CSWB leadership team was sometimes disengaged, so we changed the format of our meetings to include discussion questions up front. This has helped conversations flow.”

Competing priorities: At the same time, several participants indicated that responding to growing social challenges within their communities is taking precedence over certain initiatives included within their CSWB plan.

- “We’ve realized we need to prioritize our implementation actions.”

CSWB INNOVATION

Furthering community connection: Some CAOs talked about how their CSWB plans have provided them with a new way to engage their communities.

“Our CSWB plan has been valuable because it has nudged the community over to us more. This makes me really excited to renew our plan this year.”

- “Over 70 people applied to become a volunteer. This amazing group of people want to work together to address community challenges. They aren’t compensated – they just want to have a voice and contribute.”



Doing things differently: Several acknowledged that implementation has required the optimization of existing resources and developing new governance models to maximize community impact.

- “Our biggest success has been implementing a Situation Table. We’re effectively triaging individuals in crisis and connecting them to the right supports.”
- “Our CSWB plan focuses on four geographic areas that will benefit the most from coordinated action. We’ve formed Community Action Tables for each area which bring partners together to mitigate priority risk factors.”

DEMONSTRATING SUCCESS

Measuring and communicating progress: Some CAOs are concerned that their CSWB plans are ineffective – or will be viewed as such – given increasingly visible humanitarian challenges in their communities.

- “It’s very hard to identify tangible outcomes that can be uniquely attributed to our CSWB plan. We struggle to communicate to the masses that good things are happening.”
- “I don’t think our CSWB plan is working - crime and substance use continue to increase.”
- “We have a huge group of partners involved and I have yet to see the value of this plan.”

“Society is not getting better and quality of life is not improving. There are so many contributing factors that are beyond the scope of these plans.”

- “When people tell me our CSWB plan is not working, I want to ask them what they think our community would look like without the plan.”

Because the effective promotion of community safety and well-being involves addressing multiple underlying causes of social issues, it can be hard for municipalities to evaluate and communicate progress. Some are concerned that without data or tangible outcomes to showcase, it may be challenging to get decision-makers on board when it comes to beefing up funding or other resources.

- “I appreciate the spirit behind our CSWB plan but have no idea how to measure our progress.”
- “We can’t continue funding CSWB initiatives if we can’t see the result of our investment.”
- “I’d like to see more data coming out of it so we can demonstrate progress. Until we have data, I don’t think we’ll get the buy-in we need.”

Role of upper-tier and local municipalities: Amid the challenges discussed above, some CAOs are contemplating whether CSWB plans are more effective at the regional or local level. There seems to be a sense that area municipalities may be somewhat disconnected from their plans as a number of CAOs with plans at the county/regional level this year weren’t sure what was happening with them.

- “I feel like CSWB plans have the most impact at the county level. These plans need to be regional.”

“Regional CSWB plans let lower-tier municipalities off the hook.”

- “As a lower-tier government, we don’t own our CSWB plan. This makes it hard to do anything with it. We have meetings to review the plan and I’m like, ‘Why?’”
- “Because our CSWB plan is led at the county level, it’s not top of mind. We get updates on the plan, but that’s about it.”

STRATEGYCORP'S PERSPECTIVE

In asking about the implementation of CSWBs, a couple of things become clear.

First, the most successful plans are those that take sustained collaboration and engagement seriously. Ongoing partnership is critical, and municipalities must continue to engage social service providers, healthcare institutions, and local law enforcement to both show how their feedback is informing their approaches to community safety and well-being, but also to keep the pulse on community needs.

Keeping the conversation going allows the partners to identify synergies, share information and resources effectively, and continuously improve approaches to maximize community outcomes. We heard similar comments in our other studies that have touched on CSWB plans – including from police chiefs and police service board chairs across Ontario.²¹

The second finding is that breaking down siloes is the biggest single outcome when there isn't funding available to pay for new activities. Municipalities and their partners have found a way to get more out of what they do have, and this is a positive outcome.

Another key piece is that CSWB plans aren't a "one and done." They should be conceived of as living documents that are used to respond not only to community priorities outlined in the plans themselves, but also emerging CSWB conditions of collective interest. Communities' public safety, health, and well-being needs will continue to change. To effectively adapt to emerging trends and operating landscapes, municipalities should create governance structures that support both long-term social development and short-term acute risk planning. For example, a cross-sectoral table could be set up that meets regularly to track implementation progress, determine whether any unmet needs exist that are not addressed in a municipality's CSWB plan, and adjust the plan on an as-needed basis.

What was notably absent in this year's conversations on CWSB plans was the role of elected officials. Mayors, Regional Chairs, and Council members are key implementation partners – they have the power to fund programs, direct resources, and advocate for provincial or federal action.

Keeping this in mind, one option to harness the power of CSWB plans could be to treat the implementation plan process like a budget process. While not quite as labour intensive, municipalities could include similar components such as a scheduled report to Council, public engagement, and internal processes for updating the status and needs of each CSWB goal. A formal year-over-year process could also help give profile to municipal investments, as well as provincial or federal support requests, and communication to the public. Local policing and health care executives could join this process to demonstrate a team commitment to implementing local CSWB priorities. This approach could help better integrate the CSWB planning process into the regular business cycle of municipalities.



Conclusion

What keeps CAOs up at night?

As CAO, what are the top three things that “keep you up at night”?

What We Heard

Since 2016, the first and last questions in our survey have been designed to bookend the two main components of the CAO role – managing the challenges of the job and the challenges of the community. Often the issues keeping CAOs up at night are a mix of these two responsibilities, and that has proven true in 2024.

However, this year's findings are also somewhat of a departure from previous surveys as the blurring between the two sets of challenges is more pronounced than ever.

Further, CAOs were introspective to an extent we haven't heard before. There's a noticeable anxiety about the stakes of the job and the expectations upon them and the organizations they manage to meet the range and complexity of needs in their communities.

PEOPLE AND MONEY

By a landslide, CAOs are losing sleep about the two primary enablers to making anything happen in local government: people and money.

"People matters" far outstripped every other issue in this year's ranking, receiving a mention from nearly every participant. CAOs' comments focused not just on retention and recruitment challenges but more broadly on the health and well-being of their teams and their commitment to fostering a strong and rewarding organizational culture.

- "It's the issue of people – if you don't have good people everything falls apart."

"The No. 1 thing is staff. I wonder all the time. We have hundreds of staff. I worry about where they are, what are they going through, and do they feel like they are supported."

- "Recruitment, retention and attraction, staff moral ... If I'm going to stay up at night and think about stuff or stress about things it is probably going to be about that."

- "So, the first thing is the health of my team. The current state of my team. Their mental health. They are the ones rowing the boat and I see how busy they are. I have an organization full of overachievers and I can't believe how hard they work."

The second area of concern is municipal finance. This year, many CAOs spoke of financial challenges not just in terms of the gaps and shortfalls they are trying to fill, notably with respect to infrastructure, but in the context of affordability for residents. They're aware of both sides of the coin, as it were.

- "General affordability. I make money to take care of my family, but there are many in the community that struggle with high rent, gas, grocery and other prices. We notice it as well. The part that keeps me up is that I understand the criticality of sustainable infrastructure services – we can't afford to not do it either."
- "Financial sustainability. Money is air – I'm concerned with our ability to [fund what we need] without making it completely unachievable for people to live in the municipality."
- "Fiscal sustainability ... Being able to pay for things but also being able to keep ourselves affordable for our residents."

SOCIAL ENVIRONMENT

The next category of issues relates to the wider social environment in and outside of town hall. While past reports saw CAOs increasingly unsettled by challenging interactions with members of the public online and in person, this year it rocketed to the top of the list.

- "Managing the angry mob."
- "It does worry me about what is happening in our communities. Especially how easy it is for people to chime in."

“The decline in trust and respect for municipal staff and municipal government. We’re not provincial, we’re not federal, we don’t have party politics here, but we are bearing the brunt of this because we are visible in our communities.”

For some participants, the toxicity of political dialogue may be another one of the effects of the significant social challenges and inequities in municipalities across Ontario.

- “Mental health and addiction. The more I understand, the more I wake up at night.”
- “Vulnerable community members and an aging population. I start to think, man, we’ve got to think about these things in a much more organized and thoughtful way, rather than just completing this year’s budget cycle.”

Though the challenges are by no means new, tensions have considerably escalated, with the public citing concerns about safety and crime and calling on their local representatives to take action. All of this has led to an environment of heightened community friction that some fear is nearly at its boiling point.

EXISTENTIAL UNCERTAINTY

Another significant grouping of responses focused on the general sense of instability in the municipal sector and the challenges CAOs have faced in trying to manage the changes underfoot. One of the recurring themes of our 2024 survey has been the ways in which the wider political environment at the provincial and federal levels has (inadvertently) hindered municipal efforts to get things done.

- “Curve balls from the province ... I have spent a disproportionate amount of time trying to track and follow what the province is up to and thinking about what they’re going to do next.”
- “The pace of change ... The changes from the provincial government. It is very much ‘drinking out of the fire hose’ from the provincial agenda to find a way to assimilate it in a thoughtful and workable way.”

- “The political situation provincially and federally, I dread what could happen to municipalities with a government change federally. If we feel like trying to access resources is a struggle now, we don’t know what we’re in for.”

Many CAOs also turned contemplative, reflecting on their roles and anxieties about being able to best serve their communities in an environment of constant change. It might be likened to a marathon where the finish line keeps moving.

- “There are those that just govern for today, but I think our responsibility is to set up some sustainability for the organization and for the [municipality] overall.”
- “I wouldn’t say there is anything specific but it’s probably more how are we going to pull all of this off. Like, how are we going to do everything that needs to be done?”
- “What can I do today that will make this place better tomorrow? There is a lot of pressure to fix things, and I want to be part of that change, but I am only one person.”

“I worry about if I have done enough. Will I leave the organization in a better position than when I joined it? This rests heavily on my mind.”

THE PATH FORWARD

In response to the key themes that emerged in this year's survey, StrategyCorp sets out the following positions for consideration by our readers, the municipal sector, and the provincial and federal governments.

1. We encourage municipal Councils to re-commit to a culture of decision-making that builds confidence in local government.

In this survey, and in our work with Councils across Ontario, we hear many – too many – concerns about the growing polarization and toxicity of our political culture, both inside town halls and in the public.

In figure skating, the judges score both “degree of difficulty” and “artistic impression.” It is the combined score that wins. In local government, the public also gives two “scores” when they consider Council performance. Community members assess the quality of the decisions made by elected officials. They also assess the quality of how the decisions are made. Again, it is the combined score that wins.

Both “what” and “how” have always been important. But with the ceiling of “just how bad can the conduct get” seeming to get worse all the time, the professionalism of how we govern has never been more important than today.

We cannot control the tone of the public when they appear before Council, or on social media. But we can lead by example as we debate and make decisions. This builds, or at least maintains, trust in local government, and it can also inspire the next generation to serve. When the public respects its municipal government, it will more readily trust municipal officials to make often difficult decisions, even if community members do not always agree with those decisions. When that trust is lost, even routine decisions – and the people who make them – come under added scrutiny and face added challenges.

To leave the system ‘stronger than you found it’ is a legacy beyond price. It is every bit as important as decisions about taxes or growth. This is a legacy that is within the grasp of every Council.

With two years remaining in this term of Council, elected officials can help to address this problem by choosing to conduct themselves and the business of Council in a professional and respectful manner. This is why we encourage municipal Councils to re-commit to a culture of decision-making that builds confidence in local government.

2. We continue to endorse the recommendations from the Collingwood Judicial Inquiry that the Province of Ontario amend the *Municipal Act* to mandate and appropriately define the roles and responsibilities of the Chief Administrative Officer.

The pages of this survey are a litany of the challenges faced by CAOs. The role is only getting harder. As many have discussed, strong mayor powers threaten, over time, to change the character of the position from professional “head of the municipal public service” to “political appointee” serving at the pleasure of the Mayor.

So far, many Mayors have chosen to be the bulwark against this politicization, choosing to delegate their authority to hire and fire senior staff to Council – maintaining the traditional balance.

Nevertheless, this year's findings lead us once again to make the call to further enshrine and define the position of the Chief Administrative Officer to bolster this all-important position. We believe that this is in the best interests of Mayors, Councils, public servants, and the public. As more than one CAO has observed: “Even a strong Mayor needs a strong CAO

3. We support the efforts of AMO and other associations to address municipal workforce challenges at a sector-wide level and encourage municipalities to advance best practices locally and where capacity permits.

Stress is contagious. If CAOs are strained, so too are their teams. With HR-related issues topping the list yet against this year, we are pleased to see Ontario municipal associations leading the charge on workforce development. We support these ongoing efforts.

But at the same time, it is also important that municipalities do what they can to plan for and meet their local workforce needs. To avoid, in the words of John Locke, “what worries you” becoming what “masters you,” municipal leaders can draw inspiration from the recruitment and retention strategies in this report to ensure their organizations are places where people want to be.

4. We endorse the requests of the Ontario Big City Mayors ‘Solve the Crisis’ campaign to the Province of Ontario.

For years, CAOs have warned us of the growing humanitarian crisis in their communities relating to mental health, addictions, illegal drugs, and associated problems, such as homeless and other community safety issues.

This year, we heard CAOs relate concerns that go the root of quality of life, physical and mental well-being, safety, and personal security.

While the provincial and federal governments have provided some policy solutions and investments, a more cohesive approach is still required. StrategyCorp supports the requests of OBCM, including assigning a responsible Ministry and Minister, creating a task force with sector representatives and community partners, and improving support to municipalities for encampment transition services.

This and previous CAO surveys have reported on the first round of Community Safety and Well-Being Plans. Some focus on their promise of a better, cross-functional approach that bridges among the many chains of command that serve those in need. Others express frustration in turning them into action. We believe that the next round of plans can raise the bar and be a useful tool for coordinating the many streams of action required to address these systemic and structural challenges. It’s often said that “it takes a village” to do many important things. Actually, it takes the coordinated efforts of a village.

5. We continue to encourage the provincial and federal governments to work with municipalities to create a new fiscal framework that can better meet the needs of Ontario communities and advance shared priorities of all levels of government.

It wouldn’t be a municipal report if it didn’t talk about the allocation of funding and service delivery responsibilities among governments.

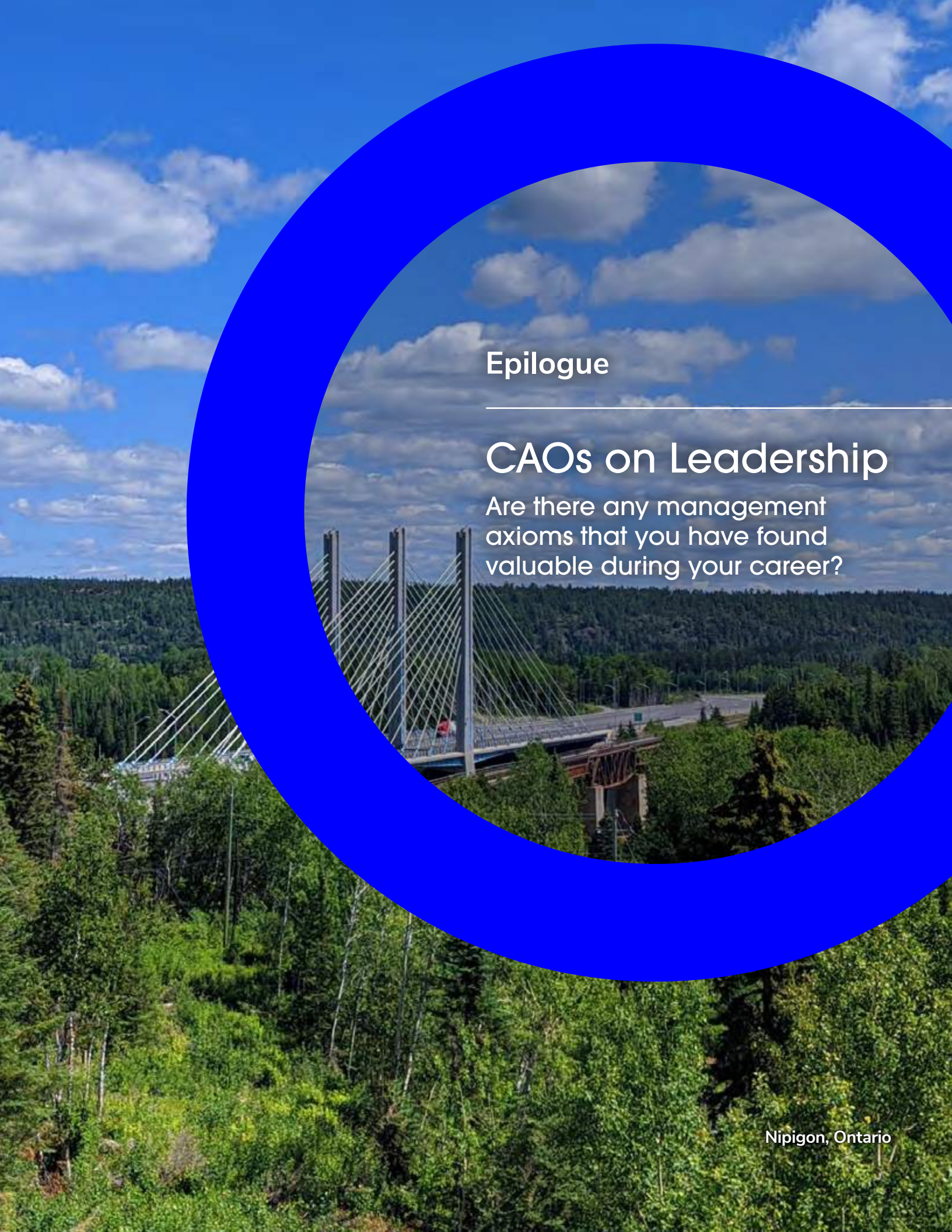
Municipal financial sustainability is a perennial concern. But calls for change to intergovernmental funding arrangements are growing more persistent and more urgent.

This is not about intergovernmental or political finger-pointing. This is about the structural misallocation of revenue tools and service responsibilities – which level of government gets the revenues and which bears the costs is out of alignment. It has not been looked at in a comprehensive fashion in a very long time. Solutions must include the federal and provincial governments and honour the concept of “one taxpayer.”

As in our 2023 report, we believe it is prudent to conduct and complete a new “who does and pays for what” exercise. Consideration must be given to new tools and revenue streams that enhance municipal financial capacity and long-term sustainability. As the demand for more housing intensifies, new ways to fund and to finance housing-enabling infrastructure need to be part of the solution.

We applaud the work of Ontario to begin to advance this file with Toronto and Ottawa, but more work is required. On some files, the federal government must also be part of the conversation.

Ontario municipalities want to move the dial on key priorities that matter to everyone, but they cannot do it with the current mix of resources and responsibilities that they have now.



Epilogue

CAOs on Leadership

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

What We Heard

Every year we ask CAOs about the principles that guide them and that they seek to impart to their teams. This is what they shared with us.

People are your most valuable asset...

- “Over the years I’ve come to the realization that leadership is a people business.”
- “People don’t care what you know until they know that you care.”
- “You need to be deliberate about working with your team, but you need to be able to understand your people.”
- “Hire the best people that you can and don’t mess with them.”
- “Build a team so strong that you can’t tell who the leader is. I want to be the dumbest person in the room.”
- “Amidst the turmoil and the noise, act with honour, dignity and humility and respect everybody.”

Engage and empower people to create solutions and get stuff done...

- “I always like to believe that you should give everyone a voice. I like smart people. I don’t care where you work in the organization. Create an environment with meaningful engagement.”
- “As a CAO, the one thing that I encourage everyone to do is bring people together to get collective thoughts to create powerful solutions.”
- “I tell people, I will give you shit if you are thinking of something, and you don’t try it.”
- “I live by, ‘If you want to do something, it’s okay to break eggs along the way.’”
- “I like to try to give my staff as much latitude as possible.”

A big part of leadership is about making difficult decisions ... and sticking to your convictions...

“If you want to make everyone happy, don’t be a leader. Sell ice cream.”

- “If you accept the call to leadership, you must be willing to be misunderstood, criticized, opposed, accused and even rejected.”
- “Have the courage to speak and act in uncomfortable situations. Be willing to lead and make hard decisions, but also seek counsel in communities, professions, and all aspects of society. It will separate the individual from the crowd, the free thinker from the follower.”
- “Three words; persevere through adversity.”
- “Never let a good crisis go to waste.”
- “Do what you say you’re going to do.”

It all comes down to trust...

- “Change is only at the speed of trust.”
- “Be your authentic self. Be a little bit vulnerable in these conversations. Putting it out there limits the hidden agenda and the confusion.”
- “All about trust at the end of the day.”

Quality is critical, but mistakes are all part of the learning process...

- “Do not let perfection be the enemy of the good.”
- “The thing I told my staff when I took this job is that we are all human and we all make mistakes.”
- “A phrase I use a lot is ‘boardroom quality.’ We talk about service excellence and this is a big part of that continuum. Have fair but high expectations.”



Strategy matters...

- “How do you eat an elephant? One bite at a time.”
- “Be prepared. It’s a quote from The Lion King. We need to prepare for any situation.”
- “Form follows function.”
- “If you talk to some of my colleagues, they will tell you that I say that ‘services drive costs.’ I don’t care about the price; I just want to talk about the service level.”

“Hope is not a strategy.”

Passion for the job....

- “I can’t imagine doing anything else. I get to do things that really matter to real people and for all the headaches it gives me, I wouldn’t trade it for anything.”
- “Monday is the best day of the week.”
- “Helping your neighbour is by far the most noble and best job in the world.”

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We understand municipalities – if it’s municipal, we can help!

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