



**AMCTO**  
THE MUNICIPAL EXPERTS

**Functional Foundations:  
AMCTO's 2025 Provincial Election Priorities**

February 2025

# 2025 Provincial Election Priorities

**Commit to a Social and Economic Prosperity Review**



**Provide municipalities with stable, predictable funding and investment**



**Create a modern legislative environment**



**Enable a municipal culture that protects and supports staff**



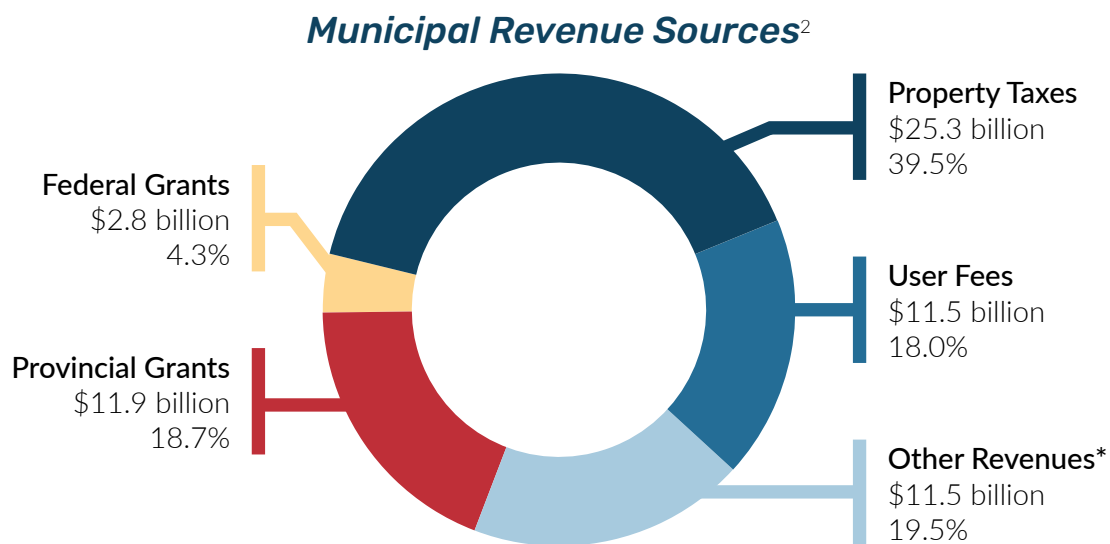




## Context

Ontario residents rely on municipalities for services every day, from the moment they wake up and brush their teeth to their commutes to work and more. Municipalities are on the front lines of community service delivery and are faced with heightened demand. Demand because of population growth, but also when it comes to service expectations and complex, interrelated needs of the public. This may include core services that municipalities are known to provide like roads, transit, policing and bylaw enforcement, as well as provincial services that are increasingly being transferred to municipalities such as public health, long-term care and social housing<sup>1</sup>.

Despite these changes, municipal revenue streams have stayed roughly the same, not growing with the economy or with inflation.



\*Includes development charges, licenses, permits, rents, investment income, etc.

<sup>1</sup> AMO. "A new provincial-municipal partnership is needed in every part of Ontario." AMO News Release, January 25, 2024. On the AMO website. <https://www.amo.on.ca/about-us/news-releases/new-provincial-municipal-partnership-needed-every-part-ontario>

<sup>2</sup> AMO. "AMO-Ontario Social and Economic Prosperity Review." Presented at the 2024 ROMA Conference, Toronto, ON, January 23 2024. [https://www.amo.on.ca/sites/default/files/assets/DOCUMENTS/Pre-Budget%20Submissions/2024/SEPR\\_ROMA\\_Presentation\\_2024\\_FINAL.pdf](https://www.amo.on.ca/sites/default/files/assets/DOCUMENTS/Pre-Budget%20Submissions/2024/SEPR_ROMA_Presentation_2024_FINAL.pdf) p. 4

Current transfers, grant funding and property taxes are not sufficient to sustain and fund such service provision. The increased reliance on property taxes comes at a cost to residents and business<sup>3</sup>.

Beyond the financial ties, the relationship between the Province and its municipalities is especially important for local government professionals, who are subject to provincial policies, laws, regulations, and financial transfer arrangements, and largely impact every area of municipal business. While governments have been supportive of municipalities streamlining and digitizing services, at times provincial policies and processes present challenges.

## ***Operating in an Outdated Environment***

Local governments in Ontario currently operate within a very outdated legislative and regulatory environment that does not always consider the differences in local government location, population, capacity, etc. It is important to recognize that some municipalities have fewer than five employees and others are larger than some provincial governments with varying financial controls, accountability regimes, and policy-making functions<sup>4</sup>. This is a key consideration to be aware of when it comes to provincial decision-making.

Over the last few years, we have seen provincial policy narrow in on municipal governance and services to the point of provincial overreach. Municipalities and their staff are ready and willing to be key partners in co-designing and delivering policies, programs and services that will best support their communities. There is no doubt that all levels of government must work together to build sustainable communities with solid foundations for economic growth and quality of life, but to do this, the right frameworks are required.

## ***The Need for Change***

We remain keenly aware that there will be international factors that the next provincial government will need to address as part of a national response strategy. Tariffs imposed by the United States will undoubtedly be felt in Ontario's communities. However, this also presents an opportune moment to build stronger communities and local economies by addressing the systemic issues that leave the hands of local leaders and municipal professionals tied.

With this context in mind, we have put forward priorities for the next provincial government to ensure the framework in which municipalities operate is modern and up-to-date. Municipalities must be able to make the best use of their resources, and access the tools they need to get the job of serving their residents and communities done efficiently and effectively. Though the Province and municipalities may be responsible for different services and have different perspectives, both levels of government serve the same people and businesses. Rethinking how we work together will help solve the complex challenges facing our communities, residents and economy.

<sup>3</sup> AMO. "Social and Economic Prosperity Review." January 25, 2024. [https://www.amo.on.ca/sites/default/files/assets/DOCUMENTS/Pre-Budget%20Submissions/2024/Pre-Budget\\_Submission\\_V7.pdf](https://www.amo.on.ca/sites/default/files/assets/DOCUMENTS/Pre-Budget%20Submissions/2024/Pre-Budget_Submission_V7.pdf) p.7

<sup>4</sup> Andre Côté, and Michael Fenn, "Provincial-Municipal Relations in Ontario: Approaching an Inflection Point," IMFG Papers on Municipal Finance and Governance, No 17, 2014. [https://imfg.org/uploads/275/1560\\_imfg\\_no\\_17\\_online\\_full\\_colour.pdf](https://imfg.org/uploads/275/1560_imfg_no_17_online_full_colour.pdf) , p.20



## 1. Commit to a Social and Economic Prosperity Review

### Why This is Needed:

- **Municipalities can support communities, residents and businesses better with enhanced clarity for who does what and who pays for what**

A joint comprehensive review of requirements placed on municipalities is long overdue. Municipalities were not designed to provide services such as public health, long-term care and social housing, for which there are outdated financial and legislative frameworks. A review of responsibilities, service delivery needs, and fiscal framework would help update the municipal-provincial partnership and delivery of public services in Ontario<sup>5</sup>. There is an immediate need to set the record straight for what services are expected of municipalities and in what capacity.

Examples:

- Municipalities are increasingly asked to manage complex challenges such as homelessness, support asylum seekers, and address mental health and addictions crises. AMO's [recent study](#) found that municipalities contributed 51.5% of the total reported funding across all three levels of government in 2024 for housing and homelessness services, amounting to \$4.1 billion<sup>6</sup>.
- Municipalities are expected to provide provincial offences collection and court services but lack the tools and resources to efficiently and effectively administer justice because of Provincial barriers that have existed for 25 years.
- Population and housing growth are determined by other levels of government but require significant investment in municipal infrastructure. A lack of consultation and integrated planning across governments makes these investments challenging to manage.

Municipalities are already overloaded with responding to immediate pressures like growth, climate and technological change, and the burden on municipalities is only increasing. This puts strain on local budgets and the ability to provide core municipal services. At a minimum, shifting where necessary, who is responsible for which service, sets a base understanding for a new provincial-municipal relationship, improving local governance and service provision.

### How We Can Work Together:

- **Review what levels of government are responsible for public programs and services to better address service delivery needs**
- **Understand the user journey of programs and services to identify barriers that can be removed by the Province**

We call on the next Provincial government to discuss with our members and other sector organizations how to rebuild fiscal and service delivery frameworks that work for municipalities and their residents.

<sup>5</sup> AMO. "Social and Economic Prosperity Review." January 25, 2024. [https://www.amo.on.ca/sites/default/files/assets/DOCUMENTS/Pre-Budget%20Submissions/2024/Pre-Budget\\_Submission\\_V7.pdf](https://www.amo.on.ca/sites/default/files/assets/DOCUMENTS/Pre-Budget%20Submissions/2024/Pre-Budget_Submission_V7.pdf) p.11-12

<sup>6</sup> AMO et al. "Municipalities Under Pressure: The Human and Financial Cost of Ontario's Homelessness Crisis". January 9 2025. <https://www.amo.on.ca/sites/default/files/assets/DOCUMENTS/Reports/2025/2025-01-08-EndingChronicHomelessnessinOntario.pdf> pg. 15.



It is essential to understand communities' needs at the local level, what is realistically feasible, and how to support effective program service delivery to residents.

## ***2. Provide municipalities with stable, predictable funding and investment that matches the value and cost of service delivery.***

### **Why This is Needed:**

- **Municipalities that can effectively plan for and invest in their communities are able to provide better overall quality of life for Ontarians**

Equally as important as reviewing the division of municipal-provincial service responsibilities is ensuring municipalities have the funding and revenue sources to be able to deliver those services. With limited budgets, municipalities of all sizes struggle financially. As demand for one service increases, others are unable to be funded. Providing services on behalf of the Province often adds to the issue with the cost of delivering Provincial services outweighing the funding provided. From increased costs of public health services to managing long-term care homes, and lost revenues from property tax deferrals and reduction of services, municipalities must fill the gap at the expense of municipal services.

Relying on the municipal property tax base which does not grow and is a limited source of revenue particularly for rural and northern municipalities, is not sustainable nor an appropriate source of funding for services such as health and social services. Tax increases unfairly place a burden on ratepayers including seniors and small businesses<sup>7</sup>. Municipalities can use their powers and ability to promote strong financial health in their communities, but ultimately, they need access to more appropriate mechanisms and sustainable revenue streams to fulfill the requirements that the Provincial government places upon them in the long-term.

Examples:

- Property taxpayers are subsidizing the Province by approximately \$3.8 billion a year to provide health, housing, social and family services<sup>8</sup>.
- With provincial changes to fees for building homes and infrastructure, and related labour and resource costs on the rise, Ontario municipalities are planning to invest more than \$250 billion over the next 10 years<sup>9</sup>.
- Expectations for digital service delivery and transformation are and will continue to put significant pressure on municipal budgets.

Existing arrangements like 19<sup>th</sup> century structures and financial frameworks no longer ensure municipalities are set up for success. A joint review of municipal revenues, costs and financial risks should be undertaken in 2025 to secure the economic and social success of Ontarians.

<sup>7</sup> AMO. "Social and Economic Prosperity Review." January 25, 2024. [https://www.amo.on.ca/sites/default/files/assets/DOCUMENTS/Pre-Budget%20Submissions/2024/Pre-Budget\\_Submission\\_V7.pdf](https://www.amo.on.ca/sites/default/files/assets/DOCUMENTS/Pre-Budget%20Submissions/2024/Pre-Budget_Submission_V7.pdf) p.2

<sup>8</sup> Ibid., p. 5

<sup>9</sup> Ibid., pg. 6



#### How We Can Work Together:

- **Alternative sources of funding from federal and provincial levels must be considered to bring stability and sustainability to municipalities**
- **Reliable and consistent funding sources should be automatically delivered to municipalities without municipalities needing to apply for support**

Municipalities must be allowed to keep more of their own revenues to pay for core municipal services. One-off provincial investments to respond to immediate challenges are helpful but will not solve long-standing issues like the infrastructure funding gap. Stabilizing and expanding multi-year allocation of funds like the Ontario Community Infrastructure Fund (OCIF), having the Ontario Municipal Partnership Fund (OMPF) keep pace with inflation, and revisiting cost-sharing arrangements enable effective long-term budget planning and funding of services that support communities.

Grants and funding that is application based are administratively burdensome. Funding arrangements and programs should not require municipalities to spend countless hours filling out applications and extensive reporting requirements in order to receive money they need to deliver services. Too often municipalities who lack the capacity to go through complex requirements and paperwork lose out on funding. Moreover, the timelines for the release of Provincial funding do not align with municipal budget preparations. Predictable, stable funding sources ensure that municipalities and their staff can plan long-term and count on funds coming into municipal treasuries.

### ***3. Create a modern legislative environment***

#### Why This is Needed:

- **Municipalities can succeed and be more efficient when barriers are removed, when legislation and regulations reflect current technologies and practices**

Outdated legislation and policy tend to not reflect the current governance, administrative and operational needs of municipalities or circumstances that residents and businesses grapple with. This creates administrative and financial burdens on municipalities and contributes to inefficient and ineffective service delivery.

For example, municipalities are tasked with providing services such as elections administration and protection of privacy, among others, but how quickly these services are delivered, how they are delivered and at what cost, largely depends on provincial legislation, regulation, policies and processes. It is surprising then that the legislation guiding municipal services such as the *Municipal Freedom of Information and Protection of Privacy Act* (MFIPPA) has not been comprehensively reviewed in over 30 years and the *Municipal Elections Act* (MEA) and *Municipal Act* (MA) haven't been comprehensively reviewed in 10 years.

While some legislation may have gone through patchwork updates over the years, this approach makes it difficult to understand, interpret, and follow. Other times simple clarification is needed on definitions, roles and responsibilities, and references to support administrators, customers, and the public.





Regular comprehensive review, and amendments to provincial legislation would help modernize municipal service delivery, ensuring it reflects best practices, is easy to implement, and maintains accountability without being overly burdensome. A complete overhaul is required for legislation such as the MA, MEA, MFIPPA, and *Municipal Conflict of Interest Act*, among others.

Examples:

- Campaign finance and third-party advertising elements of local elections have become increasingly complex making compliance and enforcement a challenge.
- Municipalities are relying on the province to establish a legislative and regulatory environment that supports digital service delivery, including deployment of artificial intelligence (AI), while still protecting privacy and data security.

Municipal administrators can provide better services to the public when the environment in which they operate is permissive and outcomes-focused, allowing them to be responsive to current and future economic, social, environmental and technological needs.

How We  
Can Work  
Together:

- **Modernize, harmonize, streamline and simplify legislation that enables local service delivery while reducing the burden on municipalities**

Primed for policy success, much of this work has already been done with municipal staff having identified problems and potential solutions based on 'on the ground' experience in Ontario communities<sup>10, 11</sup>. Implementing municipal-informed solutions that consider local impacts and opportunities will help ensure changes are effective and consistent at the local level leading to improved outcomes for Ontarians.

#### **4. Enable a municipal culture that protects and supports staff**

Why This is  
Needed:

- **Municipalities can better support and serve residents, councils, businesses and the community when staff well-being and morale is positive**

As the largest, voluntary organization of municipal government professionals, from entry level staff to municipal managers and leaders, AMCTO has heard time and again how difficult it has been for our members to provide the programs and services that Ontario communities need with limited financial resources, systems that are strained and lack resources and capacity, and legislative environments that create inefficiencies and increase costs to municipalities. This combined with the increasing reports of declining levels of trust in government, public incivility, and negative interactions between

<sup>10</sup>AMCTO. "Looking Ahead: A Proactive Submission to Modernize the *Municipal Freedom of Information and Protection of Privacy Act*." January 3 2024. [https://www.amcto.com/sites/default/files/2024-01/MFIPPA%20Submission%20-%20Fall%202023%20FINAL\\_0.pdf](https://www.amcto.com/sites/default/files/2024-01/MFIPPA%20Submission%20-%20Fall%202023%20FINAL_0.pdf)

<sup>11</sup>AMCTO. "Modernizing the *Municipal Elections Act* for the 21st Century." April 8 2024. [https://www.amcto.com/sites/default/files/2024-04/Modernizing%20the%20Municipal%20Elections%20Act%20for%20the%2021st%20Century%20Submission%20FINAL\\_0.pdf](https://www.amcto.com/sites/default/files/2024-04/Modernizing%20the%20Municipal%20Elections%20Act%20for%20the%2021st%20Century%20Submission%20FINAL_0.pdf)







*“Working in local government is the best decision I made for my career. There is no cause more noble than serving your friends and neighbours in municipal government.”*

*“The opportunities in local government are endless and there is no better way to feel like your work is making an impact until you get to see it right in front of you.”*

*“The thing I enjoy most about working in local government is the reward of seeing how my accomplishments have a direct impact on a small community.”*



our members, municipal councils, and the public, is cause for concern.

Specifically, public incivility is having a significant impact on the health and well-being of municipal professionals who are also contributing community members, mothers and fathers, sisters and brothers, sons and daughters, aunts and uncles, husbands and wives, friends, and caring citizens – and many whom got involved in local government to make a difference.

In addition, since 2021, AMCTO has been calling for change to the local accountability framework with stronger codes of conduct and a wider range of penalties and standards that protect the public, council and municipal staff from harassment<sup>12</sup>. While we are encouraged by recent support from all parties to address the issue including support from various bills before the Legislature, the next Government will need to ensure it continues to address issues of harassment at the local level with a new bill that includes adequate protections for staff.

Municipal culture and environment affect how staff show up to work and the quality of services provided to communities. In positive environments they thrive, and the benefits are experienced by residents and businesses. Yet, we are hearing increasing staff complaints about negative workplace environments caused by egregious council member conduct, and the removal of knowledgeable

<sup>12</sup> AMCTO. *Submission to the Strengthening Municipal Codes of Conduct Consultation*. July 14 2021. <https://www.amcto.com/sites/default/files/2022-11/AMCTO-Strengthening-Municipal-Council-Codes-of-Conduct-Submission%20%282%29.pdf>

senior leaders such as chief administrative officers (CAOs), which at times is matched by voluntary turnover<sup>13</sup>.

In addition, strong mayor powers blur political-administrative authority, particularly between the mayor and CAO, threatening the neutrality of the public service and politicizing local government leadership. This not only can affect public discourse and vitriol in-person and in digital public spaces, but can and has changed the dynamic between staff and decision-making<sup>14</sup>.

When mayors retain powers over staff, this negatively impacts municipal leaders and professionals leading to the disruption of municipal timelines, policies, procedures, and resources<sup>15</sup>. Lack of clarity in the legislation has also led to inconsistent implementation and undue administrative burdens on staff.

Examples (pertaining to the 46 strong mayor municipalities in Ontario):

- 87% of mayors directed municipal employees to undertake research, provide advice or carry out duties related to municipal policies, programs or strong mayor powers/duties
- More than half (54%) of mayors with strong mayor powers retained their power to appoint or dismiss the CAO, while 15% of mayors directly changed the CAO
- 65% of mayors retained the power to establish/assign functions of committees
- 33% of mayors retained the power to change the organizational structure, while 7% of mayors directly changed the structure
- 26% of mayors retained the power over employment matters, while 15% of mayors directly made staffing changes

These issues highlight further opportunities to support effective municipal operations, reduce impacts on municipal leaders and staff and enhance municipal accountability.

#### How We Can Work Together:

- **Remove authority of heads of council to directly hire or terminate any municipal staff including the CAO**
- **Clarify the roles of CAO, head of council, and staff to distinguish administrative and political responsibilities that support accountability and transparency**

Our research and key findings present a cloudy picture of legislative implementation when it comes to strong mayor powers – with gaps that require further exploration, guidance, and clarity moving forward. The MA should be revised to remove the mayor’s ability to appoint/dismiss the CAO and department heads and restructure municipal departments. Municipalities need clarity in legislation and regulation that will improve accountability frameworks, strengthen local relationships, support effective municipal operations, and reduce impacts to municipal leaders and staff.

<sup>13</sup> AMCTO. *Strong Mayor Authorities Scan Research Report One-Pager*. October 2024. [https://www.amcto.com/sites/default/files/2024-10/Strong%20Mayors%20-%20Key%20Messages%20for%20Members%20FINAL\\_1.pdf](https://www.amcto.com/sites/default/files/2024-10/Strong%20Mayors%20-%20Key%20Messages%20for%20Members%20FINAL_1.pdf)

<sup>14</sup> Ibid.

<sup>15</sup> Ibid.





## Looking Ahead

As the province's largest voluntary association of municipal professionals from across Ontario, AMCTO members are on the front lines of local government policy, management and service delivery. They are uniquely positioned to offer non-partisan, expert advice and support to the party that forms the next Ontario Government. Let's work together to ensure the lives of Ontarians can continuously improve in a way where communities can thrive and the work of all levels of government is respected and supported.

There is an opportune moment and a provincial interest in helping municipalities be more responsive to today's challenges and opportunities by ensuring foundations are functional so that local government administration remains strong and resilient.

We will continue to advocate for a more supportive and effective municipal-provincial relationship.



For more information, to provide feedback and get involved in our advocacy work, please contact [advocacy@amcto.com](mailto:advocacy@amcto.com).

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The Association of Municipal Managers, Clerks and Treasurers of Ontario (AMCTO) represents excellence in local government, management, and leadership. Since 1938, we have provided education, accreditation, leadership, and management expertise for Ontario municipal professionals. With 2,200+ members working in municipalities across the province, we are Ontario's largest association of local government professionals and the premier organization for professional development in the sector.

Our mission is to deliver professional growth, networks, advocacy, and leadership to support and strengthen the knowledge, skills, and capabilities of municipal professionals now and into the future.

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