

The Municipal Councillor's Guide

2010

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This guide has been carefully prepared. However, it summarizes and deals with complex matters. It does not include all details and does not take into account local facts and circumstances. As well, the guide refers to or reflects laws and practices which are subject to change. Municipalities and councillors are responsible for making local decisions, including for compliance with law such as applicable statutes and regulations. For these reasons, the guide, as well as any links or information from other sources referred to in it, should not be relied upon as a substitute for specialized legal or professional advice in connection with any particular matter. The user is solely responsible for any use or application of the guide.

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Introduction

Your role as a councillor today is becoming more intricate and involved. You will find yourself dealing with a variety of complex and sometimes contentious issues. Even the most seasoned councillor will encounter questions that are new.

Knowing where to go for information on the roles, regulations, requirements and relationships of local government will help you to fulfil your role. This understanding and information can help you meet your responsibilities and the municipality's goals and objectives, satisfy provincial and federal requirements, and provide continued high-quality service to the residents of your community.

This guide will cover topics that are important to know as a municipal councillor throughout your term of office. It examines the role of council and the councillor, governance and law-making in the municipal setting, the fiscal context, and land-use planning.

The guide also includes references on where you can access more information about municipal governance, and a checklist you can use to ensure you have the documents and items that will help you fulfil your role as a councillor.

The Municipal Act, 2001 does not generally apply to the City of Toronto; the City of Toronto is subject to the City of Toronto Act, 2006. All references in this Guide are to the Municipal Act, 2001; this Guide does not reference the City of Toronto Act, 2006. As many of the issues are similar in both pieces of legislation, the guide should help provide City of Toronto councillors with an understanding of many of their duties and responsibilities. However, please be aware that the legislative sections are numbered differently and, in some cases, there are differences in legal powers or duties.

For more information about your particular municipality and your role, talk to municipal staff.

SECTION 1: Role of Council, Councillor and Staff

After a few months in office, you may think that getting elected was the easy part. You may feel overwhelmed by the variety of matters demanding your attention. You may be challenged by complex issues, faced with controversial policies, or questioned by constituents. Understanding your role as a municipal councillor, as well as the role of council and staff, will assist you in addressing these situations and managing your time effectively.

One of the first things you could do, if you have not already done so, is to develop a general understanding of a primary piece of legislation that is applicable to municipalities, which is the Municipal Act, 2001. The act is a legislative framework for municipalities that recognizes municipalities as mature local governments with a broad range of powers. The act balances increased local autonomy and flexibility with requirements for improved accountability and transparency of municipal operations.

Role of Council

Section 224 of the Municipal Act, 2001 is a good starting point, as it outlines the role of the municipal council:

- “224. It is the role of council,
- (a) to represent the public and to consider the well-being and interests of the municipality
 - (b) to develop and evaluate the policies and programs of the municipality
 - (c) to determine which services the municipality provides
 - (d) to ensure that administrative policies, practices and procedures and controllership policies, practices and procedures are in place to implement the decisions of council
 - (d.1) to ensure the accountability and transparency of the operations of the municipality, including the activities of the senior management of the municipality
 - (e) to maintain the financial integrity of the municipality and
 - (f) to carry out the duties of council under this or any other act.”

Municipal councils have a broad range of responsibilities and work load. For this reason, councils often have a number of standing committees consisting of councillors only, or advisory committees made up of a mix of councillors and

appointees from the public. These committees carry out much of the work of council and then report back to council with recommendations. Examples of council committees include: planning, parks and recreation, public works, finance, administration, personnel, etc.

A committee of council is subject to similar legislative requirements that council is subject to under the act, e.g., open meetings, procedure bylaw, etc.

Previously, councils generally delegated only administrative matters to committees. Now, the Municipal Act, 2001 provides for broad delegation of council's legislative powers and duties to a committee of council. However, further delegation is subject to certain restrictions and requirements discussed in more detail under the subheading "Delegation" in Section 3 of this guide.

Role of Head of Council

Depending on your municipality, the head of council may be called a warden, chair, reeve, or mayor. Whatever title is preferred, the role of head of council as set out by the Municipal Act, 2001 remains the same:

- "225. It is the role of the head of council,
- (a) to act as the municipality's chief executive officer
 - (b) to preside over council meetings so that its business can be carried out efficiently and effectively
 - (c) to provide the council with leadership
 - (c.1) without limiting clause (c), to provide information and recommendations to the council with respect to the role of council described in clauses 224 (d) and (d.1)
 - (d) to represent the municipality at official functions and
 - (e) carry out the duties of a head of council under this or any other act."

As chief executive officer of the municipality, the head of council has special responsibilities, which are set out in section 226.1 of the Municipal Act, 2001:

- "226.1 As chief executive officer of a municipality, the head of council shall,
- (a) uphold and promote the purposes of the municipality
 - (b) promote public involvement in the municipality's activities
 - (c) act as the representative of the municipality both within and outside the municipality, and promote the municipality locally, nationally and internationally and
 - (d) participate in and foster activities that enhance the economic, social and environmental well-being of the municipality and its residents."

With such responsibilities, the head of council has a prominent and highly public profile. Many citizens within your municipality will have high and often varied expectations for the head of council. The head of council must find a way to balance these expectations.

Nevertheless, decisions of the municipality are made by council as a whole. The head of council does not have any more power than any other member of council to make decisions on behalf of the municipality.

Role of the Councillor

As a councillor, you have a representative, a policy-making, and a stewardship role to play in your municipality. Often these roles will overlap. You will be called on to consider and make decisions on issues that will sometimes be complex and controversial. Most of those decisions will have long-term consequences for your municipality that extend beyond your four-year term of office, and should be made in the context of your municipality's directions for the long-term health and welfare of your community.

Representative Role

Looking back to section 224 of the Municipal Act, 2001, you will see that the representative role of council is clearly indicated in legislation. At first glance, the representative role appears to be fairly simple and straightforward. But what does it involve?

On the one hand, you were elected by your constituents to represent their views as closely as possible when dealing with issues that come before council. However, your constituents have many views and opinions, and you cannot represent all of them all of the time.

On the other hand, election to office requires you to have a broader understanding of the issues. With many issues you will have to consider a variety of conflicting interests and make decisions that will not be popular with everyone. You should use your judgment and decide based on the best interests of the municipality as a whole.

In practice, there is no single, correct approach to the representative role and on most issues you may find that you fall somewhere between the two opposing viewpoints. You will quickly develop a case-load of citizen inquiries that will need to be investigated and, if possible, resolved. You may attract these inquiries because of your background and interests, or because of the issues in your particular ward if your municipality operates with a ward structure.

Understandably, you will want to try to help your constituents. However, be sure to familiarize yourself with any policies or protocols that your municipality may have in place regarding the handling of complaints and citizen inquiries. Although you may want to find some way of helping, remember to consult municipal staff.

Furthermore, there may be circumstances where decisions are made by designated staff that operate at arm's length from the municipality, and where it would be inappropriate for elected officials to interfere or be seen to be interfering. Examples of this would include decisions made by the fire chief, the chief building official or the medical officer of health.

Established policy usually prevails, and a councillor who has made promises that cannot be kept may lose credibility with the citizens and strain the working relationship with staff. If your municipality does not have a policy for handling citizen inquiries, complaints, and frequently asked questions, you may want to consider working with council and staff to develop such a policy.

However approachable or sympathetic you try to be, you represent your constituents by providing the services and programs that they need, not everything they want.

Policy-Making Role

Policies provide direction for municipal operations. Policy-making is another key council responsibility identified in section 224 of the Municipal Act, 2001.

Many council decisions are routine, dealing with the ongoing administration of the municipality, but others establish general principles to help guide future actions. Those are often considered policy decisions. Some policies can be specific, such as a bylaw requiring dogs to be kept on leashes in public areas, and others can be broader and more general, such as approval of an official plan.

How is Policy Made?

Ideally, policy-making involves a number of steps that requires council to:

- Identify an issue that needs to be dealt with.
- Reach agreement on the facts of the issue and the objectives to be met.
- Give direction to staff to research the issue, identify the available options and report back to council with recommendations.
- Consider the information provided by staff, taking into account demands on time, funding and other issues.
- Make a decision based on the best course of action available and adopt a policy.
- Direct staff to implement the policy.
- Work with staff to evaluate the policy and to update or amend it as required.

In many cases council refers a policy issue to a committee of council to take advantage of the committee's expertise in a particular area or to reduce council's work load. A committee of council may follow the same steps outlined above in making policy or making recommendations back to council.

In practice, however, policy-making is often less orderly because of:

- a rapidly changing environment, the complexity of issues facing local government, and the difficulty in singling out problems that require more immediate attention
- the lack of time to identify all possible alternatives and to conduct detailed research and analysis
- the legal and financial limits on what council may do
- the complexity of implementing policies and developing mechanisms to monitor and evaluate them

Council is the primary policy-making body of the municipality. The administration is responsible for carrying out council's policy decisions. The two roles would appear to be distinct, but there can be much overlap. Although staff are responsible for implementing a policy, your council should develop appropriate reporting mechanisms to help ensure that the policies are being carried out as intended, and as effectively as possible.

Accountability and Transparency

Accountability and transparency are paramount in maintaining public trust in council and in the management of your municipality. Section 224 of the act explicitly includes accountability and transparency as part of the role of council. Councillors are, of course, accountable to the public every four years through municipal elections, but it is important that procedures and policies be clearly set out and accessible, and that the day-to-day operations of the municipality be transparent.

The importance of documenting municipal policies is becoming more and more apparent. Many municipalities have developed policy manuals to provide a basis for sound decision-making and to help ensure that policies are implemented and applied in a consistent way. The policy manual is a reference and information source for council, the administration and the public. Because the policies and procedures it contains cover most of your municipality's functions and responsibilities, it can also be a valuable training and orientation tool for new councillors and staff.

Section 270 of the Municipal Act, 2001 requires municipalities to have policies on:

- sale and disposition of land

Section 1

- hiring of employees
- procurement of goods and services
- when and how notice is provided to the public
- how they try to ensure accountability and transparency to the public
- delegation of powers and duties

Section 270 also requires local boards to have policies with respect to sale and deposition of land, hiring of employees, and procurement of goods and services.

To help ensure integrity and accountability in public office, Part V.1 of the act (sections 223.1 to 223.24) provides that municipalities may pass bylaws to establish:

- a code of conduct for council and local board members
- an Integrity Commissioner
- a municipal Ombudsman
- an Auditor General
- a lobbyist registry and registrar

The Integrity Commissioner reports to council and performs in an independent manner. His or her role is to perform the functions assigned by council with respect to the application of a code of conduct for members of council and local boards as well as the application of procedures, rules and policies governing the ethical behaviour of members of council and local boards. The Commissioner's functions may include conducting inquiries into complaints from council or a local board, a member of council or a board, or a member of the public. If the Commissioner reports that a member of the council or local board has contravened the code of conduct, the municipality may impose a penalty in the form of a reprimand or a suspension of pay for a period of up to 90 days.

The municipal Ombudsman's function is to investigate, in an independent manner, decisions, recommendations and actions of a municipality, local boards or certain municipal corporations.

In addition, section 239.2 of the act provides that municipalities may appoint investigators for closed meetings. Should a municipality not appoint an investigator, the Ontario Ombudsman is the closed meeting investigator, by default, for the municipality (see [Public Business is the Public's Business](#) on page 30 below).

The Auditor General may assist council in holding itself and municipal administrators accountable for the quality of stewardship over public funds and achieving value for money in municipal operations. The Auditor General's responsibilities do not include the responsibilities of the municipal auditor.

The Municipal Act, 2001 authorizes a municipality to establish a public registration system for lobbyists and to do other things in relation to the lobbyist registration system, such as establishing a code of conduct for lobbyists and prohibiting former public office holders from lobbying for a designated time period.

Other statutes may require specific or general codes of conduct as well. For example, section 7.1 of the Building Code Act, 1992 (BCA) requires municipalities to establish and enforce a code of conduct for the chief building official and inspectors. Municipalities may choose to include the code of conduct in their building bylaw. The BCA outlines the purposes of the code of conduct and requires that the code of conduct provide for its enforcement. The code of conduct must include policies or guidelines to be used in responding to allegations that the code of conduct has been breached and must set out the necessary disciplinary actions. The BCA also requires the municipality to ensure that the code of conduct is brought to the attention of the public.

Stewardship Role

The public may view council as responsible for ensuring that the municipality's financial and administrative resources are being used as efficiently as possible, and in a way that is consistent with council's objectives. To refer back to section 224 of the Municipal Act, 2001, part of your role, together with the rest of council, is to ensure that administrative policies, practices and procedures are in place to implement the decisions of council and to maintain the financial integrity of the municipality. All of this can be promoted through good policy and monitoring practices.

Specific legal standards may be set out in legislation. For example, section 19 of the Safe Drinking Water Act, 2002 states that owners of municipal drinking water systems shall exercise "the level of care, diligence and skill in respect of a municipal drinking water system that a reasonably prudent person would be expected to exercise in a similar situation." This statutory standard of care is expected to come into force on January 1, 2013, and would carry potential penalties for those who fail to carry out their duty.

To be effective in this stewardship role, council should be satisfied that policies are in place on staff reporting requirements and processes to help ensure that:

- Policies adopted by council are being implemented.
- Staff are administering services and programs as council intended.
- Rules and regulations are being applied correctly and consistently, and everyone is being treated equally.
- Funds are being spent only as authorized, and the municipality's resources (financial and otherwise) are being used as efficiently as possible.

There is a fine line between council's overall stewardship of the municipality and the administration's management of day-to-day activities. Council monitors the implementation of its approved policies and programs, but the practical aspects of its implementation and administration are a staff responsibility.

Several things should be done before council can monitor and measure the municipality's administrative effectiveness and efficiency. With input from municipal staff, council may wish to:

- Define corporate objectives and set goals and priorities.
- Establish clear administrative practices.
- Provide specific guidelines and directions to staff on the applications of those policies.
- Delegate appropriate responsibilities to staff to the extent such delegation is permitted under municipal legislation.
- Establish a personnel management policy that emphasizes the recruitment, hiring, evaluation, training and development of staff.
- Ensure that policies with respect to most operations of the municipality are in place, with special note to mandatory policies required by the Municipal Act, 2001.
- Establish a policy and procedure for staff to report to council on administrative activities.
- Develop protocols for the flow of information between council and staff.
- Consider establishing a protocol for sharing approaches with other local governments and Aboriginal communities that share a common interest in community health, culture and economy.

Establishing and following such policies and guidelines enables council to leave the day-to-day details for the staff to manage. Council is then more free to:

- Deal with exceptional situations.
- Concentrate on ensuring that policies are current.
- Listen to issues raised by the public and represent the broader community interest.

Measuring performance in key program areas is another excellent way that council can better understand and make improvements to the way your municipality delivers services to residents. Under section 299 of the Municipal Act, 2001, the Minister of Municipal Affairs and Housing has established the Municipal Performance Measurement Program (MPMP), which collects and reports information from all Ontario municipalities on the efficiency and effectiveness of municipal services.

The Municipal Councillor and the Strategic Plan

A strategic plan can be considered an essential part of municipal governance. It is

a document that looks to the future, clearly setting out the municipality's vision and priorities. Becoming familiar with your municipality's strategic plan is an effective way of understanding both the organization and the broader environment in which you will be working. Your municipality's administrative, financial and planning decisions should reflect and support the strategic plan.

Decisions, both popular and unpopular, are more easily made when seen in the context of your municipality's broader, long-term strategy. The plan is a framework that encourages consistency in municipal decision-making among both councillors and staff. When developed with public input, the plan represents a shared view of the municipality's future and encourages public commitment to achieving it.

Not all municipalities have a strategic plan. If yours does not, you should consider all the ways that having a strategic plan in place would benefit your community, and encourage your council colleagues, municipal staff, and the public to work together to develop and implement one.

If your municipality does have a strategic plan, you may want to find out when it was developed and determine if the time has come to review the plan, and perhaps update it.

Role of Staff

A key feature of effective and efficient councils is a well-developed understanding of council-staff relations, more specifically the role of each party. Just as section 224 of the Municipal Act, 2001 outlines the role of council, section 227 sets out the role of staff:

“227. It is the role of the officers and employees of the municipality,

- (a) to implement council's decisions and establish administrative practices and procedures to carry out council's decisions;
- (b) to undertake research and provide advice to council on the policies and programs of the municipality; and
- (c) to carry out other duties required under this or any act and other duties assigned by the municipality.”

There are also some specific provisions about the duties of some officers of the municipality, such as the clerk and the treasurer.

Many municipalities realize the importance of council-staff relations. Some councils have established programs that require employee input into operational policies and procedures. Programs like this recognize the experience and expertise of staff. They also encourage communication between management staff and council.

To assist staff in meeting council's expectations, council could:

- Have a policy requiring comprehensive job descriptions for all staff that specify individual duties and responsibilities.
- Provide clear policy decisions and directions.
- Develop policies in an open and consistent manner.
- Adopt policies that complement and reinforce staff efforts to improve administrative operations.
- Consult with staff before deciding on policies and programs.
- Direct that orientation be provided to new staff.
- Establish a staff training and development policy.

As a councillor, you can also assist staff by:

- Making yourself aware of the full range of duties and responsibilities of staff.
- Preparing for council meetings (reviewing the agenda, talking to staff about the history and background of issues, and knowing your constituents' situations and concerns).

Staff, in turn could:

- Provide well-organized agendas, with supporting materials.
- Provide sufficient, timely information and analysis to make council's decision-making easier.
- Notify council of changes to legislation and programs.
- Provide advice on policy (including options and recommended actions) that identifies the costs and benefits for the community in human and financial terms.
- Notify council immediately of any unintended or unexpected impacts of policy decisions.

Continuing education is increasingly important to municipal staff and councillors. Reflecting this trend, many municipalities have developed a detailed policy on training and educational opportunities for staff. Training, development and networking opportunities are provided through:

- courses run by colleges and universities
- conferences, seminars and meetings delivered by professional associations
- books and journals that are designed for municipal government; and
- workshops, information sessions and conferences offered by the Ministry of Municipal Affairs and Housing, the Association of Municipalities of Ontario (AMO), the Association of Municipal Clerks and Treasurers of Ontario (AMCTO), the Ontario Municipal Management Institute (OMMI), the Ontario Building Officials Association (OBOA) and other well-recognized municipal organizations (for websites, see under Websites – Municipal Organizations below)

SECTION 2: An Overview of Local Government

A municipality may be described as an incorporated area created by the provincial government and endowed with certain powers and responsibilities.

In addition to municipalities, there are a number of other locally governed boards and special-purpose bodies, such as school boards, health units, library boards and conservation authorities, with responsibility for public services at the community or regional level.

In northern Ontario, most of the population lives in municipalities, but most of the land mass is “unorganized territory” – i.e., territory which is not incorporated for municipal purposes. Local services boards have been created in some localities to deliver basic community services to the residents of these areas without municipal organization.

Your day-to-day activities as a council member will often involve working with local boards and commissions, other municipalities, other levels of government and various municipal associations. All of these bodies play a part in the functioning of local government.

This section will provide you with a general description of municipal government structures and services, and of the links between municipalities and other players in the local government sector. For more detailed information, you may wish to consult other materials located on the Ministry of Municipal Affairs and Housing site at Ontario.ca/mah.

Municipal Government

A municipality is defined in section 1 of the Municipal Act, 2001 as a “geographic area whose inhabitants are incorporated.” Section 2 of the act provides that “municipalities are created by the Province of Ontario to be responsible and accountable governments with respect to matters within their jurisdiction, and each municipality is given powers and duties under the act and many other acts for the purpose of providing good government with respect to those matters.”

Municipal Roles and Responsibilities

The Municipal Act, 2001 establishes the basic framework for municipal government. Section 8 of the act provides that the powers given to municipalities under all acts should be interpreted broadly so as to allow the municipality to

“govern its affairs as it considers appropriate and to enhance the municipality’s ability to respond to municipal issues.”

Authority for important municipal activities can also be found in many other acts, including the Planning Act, the Building Code Act, 1992, the Social Housing Reform Act, 2000, the Police Services Act, the Fire Protection and Prevention Act, 1997, the Emergency Management and Civil Protection Act, the Ontario Works Act, 1997 and the Day Nurseries Act, all administered by the provincial government. (You can find a more complete discussion of municipal powers in [Section 3: Councillors as Law Makers.](#))

It is important to note that some municipal services are mandatory – they must be provided; others are optional – they may be provided at the discretion of council.

Also, in a two tier system of local government, some services are delivered by the upper tier municipality. Upper tier municipalities often co-ordinate service delivery between municipalities in their area or provide area-wide services. In many cases, services are assigned by legislation to upper or lower tiers either exclusively or non-exclusively. Waste management is a good example. Frequently lower tier municipalities are exclusively responsible for collecting garbage, while the upper tier municipality is exclusively responsible for disposal and for broader waste management matters. In other cases, responsibility can be shared by both levels of local government. Both upper tier and lower tier municipalities, for example, can provide parks and other recreational facilities.

Certain responsibilities set out in the Municipal Act, 2001 may be transferred from one tier to the other with triple majority approval – i.e., approval by a majority of members on the upper tier council, and approval by a majority of the lower tier councils which have a majority of the electors within the upper tier.

As a citizen and a taxpayer, you have some idea of municipal functions. However, as a councillor, you may need to deepen your knowledge of municipal functions and become familiar with the programs and services that your municipality does or does not provide. If your municipality is part of a two tier structure, you should know the responsibilities of the upper tier and lower tier municipalities in your area.

Consolidated Municipal Service Managers

Consolidated municipal service managers (CMSMs) are service delivery agents for social assistance, childcare, and affordable and social housing. Municipalities that are CMSMs may also have certain responsibilities in connection with land ambulance and public health services, as well as courts administration. Consolidation of such services helps enable them to be planned and administered on a regional basis, even in areas not served by two tier systems.

In the southern part of the province and in Greater Sudbury in northern Ontario, CMSMs are simply designated municipalities. Most are upper tier municipalities; however, some are single tier municipalities. Their service areas follow current or historical upper tier boundaries and include separated municipalities within the boundaries (see [Municipal Structures](#) below). Separated municipalities usually have consolidated municipal service agreements and joint governance arrangements with the upper tier municipality in their service area.

In northern Ontario, outside of Greater Sudbury, bodies called District Social Services Administration Boards (DSSABs) provide these services. These boards serve both the municipalities and the unorganized territory in their districts. DSSABs are not municipalities, but separate legal entities created by legislation.

As a councillor, you may wish to keep a list identifying the consolidated municipal service manager and other service delivery agents for your area.

Municipal Organization

The official name of your municipality may include a term such as township, village, town or city. And you will be familiar with terms such as county or region used in the names of upper tier municipalities. However, such terms usually do not determine the legal powers and responsibilities of a municipality. The Municipal Act, 2001 distinguishes between the following three types of municipalities:

- upper tier municipalities within a two tier municipal structure
- lower tier municipalities within a two tier municipal structure
- single tier municipalities which are not part of a two tier structure

The City of Ottawa, for example, has the status of a single tier municipality for legislative purposes, as does the Town of St. Mary's (although geographically located within Perth County) and the Township of Matachewan in northern Ontario. The City of Cambridge in Waterloo Region, the Town of Hawkesbury in the United Counties of Prescott and Russell, and the Township of Melancthon in the County of Dufferin are examples of lower tier municipalities in a two tier system. The Regional Municipality of Durham and the United Counties of Leeds and Grenville have the status of upper tier municipalities.

Some municipalities have opted to use the generic term "municipality" in their official name, as in the Municipality of Grey Highlands (which has the status of a lower tier municipality in the County of Grey). The Municipal Act, 2001 allows your municipality to change its official name as it sees fit, as long as the new name is not already used by another municipality and proper notification is given. However, the change of name will not affect its status as an upper tier, lower tier or single tier municipality.

The Municipal Act, 2001 standardizes and clarifies municipal roles and responsibilities for the three types of municipalities – that is, the upper tier, lower tier and single tier structures.

Two Tier Municipal Structures

If your municipality operates in a two tier structure, the upper tier municipality delivers certain services for the lower tier municipalities within its geographical boundaries.

Lower tier municipalities may also be referred to as local municipalities. Membership on local council is by direct election, either by wards (i.e., election by the electors in one ward only) or “at large” (i.e., election by the electors of the whole municipality).

Elections to upper tier councils (i.e., counties and regions) are usually indirect – i.e., the upper tier council is usually composed of the heads of the lower tier councils and certain councillors elected to the lower tier councils who also sit on the upper tier council (e.g., deputy reeves, deputy mayors or regional councillors). There are exceptions to the rule that upper tier councillors are members of a lower tier council. In Waterloo Region, for example, the upper tier council consists of the mayors of the lower tier municipalities plus regional councillors directly elected by ward – the latter councillors do not sit on a lower tier council.

The head of the upper tier council is typically called the warden or the chair and is usually elected indirectly as well – which in this case means elected by and from among the members of the upper tier council, usually at the inaugural meeting of the new council. Once again, there are exceptions to this rule. For example, in Halton and Waterloo regions, the chair of regional council is elected by the electorate at large from across the region and does not sit on a lower tier council. Other regional chairs, such as those of Peel and Durham regions and the District of Muskoka, are appointed by the upper tier council without being previously elected to any municipal office.

Single Tier Municipalities

Single tier municipalities are also referred to as local municipalities and include:

- single tiers created by the amalgamation of former regions, such as the cities of Toronto, Ottawa, Hamilton and Greater Sudbury (generally large, self-contained service areas with sole responsibility for all municipal services, including all consolidated municipal services)
- single tiers created by the amalgamation of former counties, such as the Municipality of Chatham-Kent and the City of Kawartha Lakes (with sole responsibility for most municipal services, including most consolidated municipal services)

- separated municipalities in southern Ontario – such as the cities of Cornwall, Barrie, Brockville, Brantford, Guelph, Kingston, London and Windsor, the towns of Gananoque, Prescott, Smiths Falls, St. Marys and the Township of Pelee – which are not members of the upper tier municipalities in which they are geographically situated, although they share responsibility with them for consolidated municipal services and some other services
- all municipalities in northern Ontario

Changes to Council Composition

There are provisions in the Municipal Act, 2001 under which a municipality – by local initiative – can alter the composition of its council, including changes to the size of council, members' titles, and the method of election. The provisions apply, with some differences, to all municipalities except for regional municipalities, which can only make changes to their councils if authorized to do so by a regulation made by the Minister of Municipal Affairs and Housing in response to a request by the region.

Northern Ontario

Whether you are a councillor in northern Ontario or not, it is important to understand that local governance in northern Ontario is different in some ways from governance in the rest of the province. For administrative purposes, northern Ontario is divided into territorial districts, which are not municipalities. All municipalities in northern Ontario are single tier. There are currently ten District Social Services Administration Boards (DSSABs) that provide consolidated municipal services. These DSSABs serve both municipalities and unorganized territory. The City of Greater Sudbury is designated as a Consolidated Municipal Service Manager (CMSM) similar to the cities of Hamilton and Ottawa in southern Ontario.

Most of northern Ontario is not organized for municipal purposes. The Ministry of Northern Development, Mines and Forestry (MNDMF) assists residents of communities in unorganized territory to set up local services boards (LSBs) to deliver basic services.

LSBs are established under the Northern Services Boards Act. Their powers may include fire protection, water supply, garbage collection, sewage, street and area lighting, recreation, and public library service. LSBs are not considered municipalities, but come under the Municipal Act, 2001 for certain purposes (see Local Boards and other Special Purpose Bodies below). The MNDMF provides funding to help offset LSB costs.

Area services boards are also provided for in the Northern Services Boards Act, but none have yet been established. They are intended to serve areas larger than those served by LSBs.

Local roads boards (LRBs) are established under the Local Roads Boards Act. MNDMF allocates funding and, in conjunction with the Ministry of Transportation, supports the maintenance and construction of local roads in areas without municipal organization.

For more information on northern services boards, see the MNDMF site at: mndm.gov.on.ca.

Municipal Restructuring

The Municipal Act, 2001 (sections 171 to 186) sets out a process for locally developed proposals for municipal restructuring, which includes annexations and amalgamations. A locally developed restructuring proposal is implemented through a Minister's order, at the Minister's discretion.

Municipal restructuring proposals describe details such as new boundaries, effective date, council composition and transitional provisions. Before voting on a restructuring proposal, the council of the municipality must give notice, hold at least one public meeting, and consult with persons and bodies as the Minister of Municipal Affairs and Housing may prescribe. In areas with a two tier municipal government, triple majority support is required: support by the upper tier and a majority of lower tier councils representing a majority of electors within the affected municipalities. Councils of any separated municipality included in the proposal must also consent. In areas without an upper tier government, the prescribed level of support is a double majority. This means a majority of the local municipalities and local bodies in unorganized territories affected by the proposal, representing a majority of the electors.

Municipalities that have been created or restructured through special legislation (i.e., Toronto, Hamilton, Ottawa, Greater Sudbury, Haldimand County, Norfolk County and regional municipalities) may use the Municipal Act, 2001 process only for annexations considered minor by the Minister (e.g., boundary adjustments).

Contacting the Ministry of Municipal Affairs and Housing early in the development stage of the restructuring proposal helps to ensure appropriate form and content and may eliminate problems of completeness, interpretation, and compliance with applicable legislation and regulations. Whenever possible, municipal staff should provide to ministry staff a draft of the municipal restructuring proposal and a legal description of the lands to be annexed before it is given final approval by the municipal councils.

Aboriginal Peoples

First Nations peoples occupied Ontario prior to the arrival of the first Europeans. As well, it is possible that a Métis people may have emerged in the area of your municipality. It is important that municipal governments be aware of which Aboriginal peoples may have a history in their area and how the outcome of that history may play a role in current municipal decision-making.

Ontario is blanketed by treaties between the Crown and First Nations. It is important to know the content of any treaties in your area to ensure that any municipal decision-making is informed by commitments made in the treaties. Prior knowledge of treaty rights (established or asserted) can provide for better informed decision-making when developing processes, policies or decisions.

As well, engaging with Aboriginal peoples who share your municipality's interests in community development (health, culture, economy) can help your municipality understand where your municipal actions may intersect with the Aboriginal communities' interests. Stronger communities can result from joint action that builds upon all communities' strengths.

Local Boards and other Special Purpose Bodies

As a councillor, you likely know that there are many kinds of local bodies – public bodies involved in the provision of services at the local government level. They are known by various names: municipal service boards, school boards, police services boards, boards of health, hospital boards, transit commissions, library boards, conservation authorities, children's aid societies, planning boards and land division committees, for example.

Local bodies are mentioned in legislation administered by different provincial ministries. For example, the Ministry of Municipal Affairs and Housing administers the Municipal Act, 2001 and the Planning Act. The Municipal Act, 2001 enables municipalities to establish municipal service boards (see below) and municipal services corporations. The Planning Act provides for the establishment of planning boards and land division committees.

The Ministry of Education administers the Education Act, which governs district school boards and other school authorities (sometimes called school boards). The Ministry of Community Safety and Correctional Services administers the Police Services Act. That act establishes police services boards for municipalities. The Health Protection and Promotion Act – which establishes boards of health – and the Public Hospitals Act – which regulates and empowers boards of hospitals – are administered by the Ministry of Health and Long-Term Care. Public library boards are regulated under the Public Libraries Act, administered by the Ministry of

Culture. The Conservation Authorities Act, administered by the Ministry of Natural Resources, establishes conservation authorities.

Local bodies established under the Municipal Act, 2001, and under other statutes, may also be local boards (see the definition of “local board” in section 1 of the Act, as an example).

There are special rules for local boards. To illustrate, provisions in the Municipal Act, 2001 regulate local boards in a number of contexts. A particular example is the requirement for local boards to adopt and maintain policies with respect to sale and other disposition of land, hiring of employees, and procurement of goods and services (see section 270, among others, for more information). Other contexts where there are rules for local boards include open meetings (similarly see sections 238 and 239), fees and charges (Part XII), audit requirements (sections 296 and 297), remuneration of employees (sections 283 and 284), and governance of, dissolution of and changes to local boards (sections 216 and 196).

The rules and the kinds of local boards (or other local bodies) to which they apply can vary significantly in the Municipal Act, 2001 and in other legislation. As with any other subject in this handbook, those with an interest may wish to familiarize themselves with the particular context.

Municipal Service Boards

Municipal service boards are local bodies that may be established by an individual municipality or by two or more municipalities. The municipality or municipalities can decide:

- the name, composition, quorum and budgetary process
- eligibility of persons to be board members
- manner of selecting members
- term of office
- number of votes of board members
- rules, procedures and policies the board must follow; and
- relationship to the municipality, including financial and reporting relationship

Municipalities may also wish to consider whether it would be useful to delegate some of their powers to municipal service boards.

A municipal service board must have at least two members. Generally, former public utility commissions, parking commissions and boards of park management are now municipal service boards.

Council-Board Relations

Local boards and other special purpose bodies have varying degrees of independence from municipal council control. Some local boards may be mandatory (i.e., legislation may require that they be in place when certain services are chosen). Police services boards and public library boards may be mandatory in this sense. Other local boards, including municipal service boards, are optional (i.e., your council may set them up at its discretion); once established, however, their operation must comply with relevant statutes.

Some boards or bodies may be beyond effective control of council for practical or legal reasons. Bodies such as school boards, hospital boards, boards of health, conservation authorities, and district social service administration boards, for example, generally operate quite independently of council. The school boards operating in your municipality are independent of your council and have their own elected governing bodies. In the school context, the general role of municipalities is to run school board elections and collect school taxes.

You should become familiar with the responsibilities of local boards and other special purpose bodies serving your municipality and be aware of their relationship to council.

Municipal Associations

The Municipal Act, 2001 recognizes municipalities as responsible and accountable governments and endorses the principle of ongoing consultation between the provincial government and municipalities on matters of mutual interest. Subsection 3(1) of the act requires the provincial government to consult with municipalities in accordance with a memorandum of understanding (MOU) entered into between the provincial government and the Association of Municipalities of Ontario (AMO). The MOU provides for consultation between the provincial government and AMO when the government is proposing a change in legislation and regulations that will, in the provincial government's opinion, have a significant impact on the current municipal budget or budget cycle. The MOU also provides for provincial consultation with AMO on the negotiation of certain agreements between Canada and Ontario that have a direct municipal impact.

AMO is a non-profit organization that represents almost all municipalities in the province. AMO provides a variety of services – including the gathering and dissemination of information, policy development and inter-government relations. AMO meets regularly with the Minister of Municipal Affairs and Housing and other provincial ministers to discuss issues of interest to municipalities. For more information on this association, see the AMO web site at amo.on.ca.

Some municipal organizations, such as the Rural Ontario Municipal Association (ROMA) and the Organization of Small Urban Municipalities (OSUM) are integral parts of AMO. Many others have memberships in AMO, including:

- professional associations such as the Association of Municipal Managers, Clerks and Treasurers of Ontario (AMCTO), the Municipal Finance Officers' Association of Ontario (MFOA), the Association of Municipal Tax Collectors of Ontario and the Ontario Municipal Engineers Association
- regional municipal groups such as the Federation of Northern Ontario Municipalities (FONOM) and the Northwestern Ontario Municipal Association (NOMA)
- specialized organizations, often related to specific municipal service areas, such as the Ontario Good Roads Association (OGRA), the Ontario Library Association (OLA), the Ontario Non-Profit Housing Association (ONPHA), and the Association of Local Public Health Agencies (alPHA)

The City of Toronto and a few other smaller municipalities have chosen not to be members of AMO. With respect to the City of Toronto specifically, subsection 1(3) of the City of Toronto Act, 2006 states that "... it is in the best interests of the Province and the City to engage in ongoing consultations with each other about matters of mutual interest and to do so in accordance with an agreement between the Province and the City." Signed in 2008 between the Minister of Municipal Affairs and Housing and the Mayor of Toronto, the Toronto-Ontario Cooperation and Consultation Agreement formalizes existing co-operative practices and commits the two governments to prior consultation on policy and financial matters of significant impact.

Other municipal political associations – such as the Large Urban Mayors Caucus of Ontario (LUMCO), the Single Tier Mayors and Regional Chairs of Ontario (MARCO) and the Association of Francophone Municipalities of Ontario (AFMO) – also meet regularly with the Ministry of Municipal Affairs and Housing. Contacts between the Ministry and municipal associations are co-ordinated through the Intergovernmental Relations and Partnerships Branch of the Ministry.

Lists of municipal and related associations, together with contact information, can be found in the [Municipal Directory](#) published by [AMCTO](#). Additional sources of information are listed in the [Resources section](#) at the end of this guide.

SECTION 3: Councillors as Lawmakers

Perhaps the biggest way you can make an impact on your municipality is through your council's bylaws. The policies established by you and the rest of council will shape the long-term health and well-being of your community for years to come. Most councillors are aware of this role. However, you should also be aware of the various legal limitations on your municipal powers.

Legal Considerations on Exercising Power

A fundamental consideration is the constitutional position of local government. The Constitution Act, 1982 (formerly the British North America Act, 1867) states that provincial governments have the exclusive right to pass laws respecting municipal institutions. Because municipalities are provincial creations, generally they only do what they have been authorized to do by the provincial government. A number of general consequences follow from this:

- A provincial government would give a municipality only those powers that it may exercise itself within the division of federal and provincial powers under the Constitution.
- A municipal bylaw may not override a conflicting provincial statute, and a bylaw that was valid when passed may become invalid if an overriding provincial statute is later enacted.
- If a municipality takes action for which it does not have statutory authority, or that exceeds the limits of its authority, the courts could quash the action as being “*ultra vires*”, i.e., beyond the powers of the municipality.

Canadian Charter of Rights and Freedoms

There is a further constitutional implication for local government. Part 1 of the Constitution Act, 1982, contains the Canadian Charter of Rights and Freedoms. The Charter is relevant for all levels of government, including municipalities, in passing laws and taking other action.

Sources of Law

As a councillor, it is important to consider the statutory power for actions you plan to undertake. This means trying to keep up to date with the ever-changing body of law affecting municipal activity.

Given the complexity of the law, you should consult your municipal solicitor whenever any legal issue is in question. At the same time, however, it is useful to have at least some familiarity with the sources of municipal law.

Statute Law

An important source of law that will affect your municipality is found in the statutes or legislation enacted by the provincial government.

Municipal Act, 2001

As previously mentioned, one of the most significant provincial statutes governing Ontario's municipalities is the [Municipal Act, 2001](#). This act gives your municipality flexibility to deal with local circumstances and to react quickly to local economic, environmental or social changes. An up-to-date, consolidated version of the act is maintained on the provincial e-Laws website at e-laws.gov.on.ca.

Other General Acts

There are many other statutes that apply to municipalities but are focused on specific activities, such as the Planning Act, Line Fences Act, Building Code Act, 1992, Police Services Act, Fire Protection and Prevention Act, Safe Drinking Water Act, 2002, Accessibility for Ontarians with Disabilities Act, 2005, Emergency Management and Civil Protection Act, and Ontario Works Act, 1997. These and all other Government of Ontario statutes are available at e-laws.gov.on.ca.

Acts Specific to Individual Municipalities

If your municipality was restructured, it may have its own special act that establishes particular aspects of its governance or structures (e.g., the City of Toronto Act, 2006; the Town of Haldimand Act 1999; the City of Hamilton Act, 1999; the Town of Norfolk Act, 1999; the City of Ottawa Act, 1999, and the City of Greater Sudbury Act, 1999).

Private Acts

A number of private acts have been passed for specific municipalities. These acts result from applications by individual municipalities to obtain specific powers not found in the general acts. They give flexibility in the way particular municipalities deal with issues that are of concern to them.

Regulations

Regulations are laws made under legislation such as the Municipal Act, 2001 and the Municipal Elections Act, 1996. The power to make regulations is usually delegated to the Lieutenant-Governor in Council or a minister of the Crown.

Regulations often provide further direction as to how certain provisions of acts are to be applied. For example, a regulation made under section 216 of Municipal Act, 2001 provides more detail on making changes to and dissolving local boards, while a regulation made under the Municipal Elections Act, 1996, authorizes the use of certain forms during elections. Most Ontario regulations can be found on the Internet at e-laws.gov.on.ca.

Federal Statutes

There are some federal statutes, like the Canada Mortgage and Housing Corporation Act, that may affect your municipality's activities.

Administrative Law

In addition to statute law, you should also be aware of administrative law. Administrative law generally applies to decisions by boards and tribunals, and to the interpretation and exercise of powers delegated by legislation to bodies other than the legislature.

Boards and Tribunals

Boards and tribunals are part of the executive branch of government, but they are empowered by statute to exercise decision-making authority that overlaps with the authority traditionally vested in the courts.

The Ontario Municipal Board, for example, holds hearings on such matters as long-term borrowing, land use planning, and boundary adjustments involving territory without municipal organization. Similar bodies that your municipality may deal with include the Ontario Labour Relations Board, the Workplace Safety and Insurance Board, the Assessment Review Board, the Conservation Review Board, and the Landlord and Tenant Board.

The decisions that result from these boards and tribunals form administrative case law that may impact significantly on your municipal operations.

Case Law

Even if you are aware of the statutes affecting your operations and of relevant administrative law, you still may not have a complete picture of legal positions

on specific issues. The meaning and scope of these is interpreted by various court decisions over the years, and this “judge-made law” or “case law” is also important.

Municipal Powers

The Municipal Act, 2001 and other provincial legislation give all municipalities a variety of powers. These powers fall into various categories: natural person powers, broad permissive powers, spheres of jurisdiction in a two tiered system of local government and specific powers. Because of the complexity, inter-weaving and limitation of municipal powers set out in numerous statutes and regulations you are encouraged to seek the advice of staff and your solicitor with respect to specific municipal authority for any proposed action or bylaw.

Natural Person Powers

The Municipal Act, 2001 provides municipal government with natural person powers, giving them flexibility similar to what individuals and corporations have in managing their organizational and administrative affairs. These powers may enable your municipality – without the need for specific legislative authority – to hire staff, enter into agreements and acquire land and equipment. It is important to be aware that natural person powers are not an independent source of authority for a municipality to act in a particular area. For example, a municipality cannot undertake waste management under its natural person powers; however, once a municipality has a separate source of authority for waste management, it can use its natural person powers to do everything a natural person can do with respect to waste management.

Municipalities, like other levels of government, have powers that are not available to individuals. For example, municipalities have the ability to regulate or prohibit certain activities, require individuals to do certain things and establish a system of licenses, permits, approvals and registrations. Municipalities also have other essential governmental powers, such as the authority to levy taxes and to enforce municipal bylaws.

Broad Permissive Powers

The Municipal Act, 2001 provides municipalities with broad permissive powers to give them flexibility in meeting their communities’ expectations and fulfilling their responsibilities.

A municipality has broad permissive powers to pass bylaws respecting the following matters:

1. governance structure of the municipality and its local boards
2. accountability and transparency of the municipality and its operations and of its local boards and their operations

3. financial management of the municipality and its local boards
4. public assets of the municipality acquired for the purpose of exercising its authority under this or any other act
5. economic, social and environmental well-being of the municipality
6. health, safety and well-being of persons
7. services and things that the municipality is authorized to provide
8. protection of persons and property, including consumer protection
9. animals*
10. structures, including fences and signs*
11. business licensing *

** For two tier governments, these powers are spheres of jurisdiction and not broad permissive powers. Single tier municipalities have all eleven broad permissive powers. Municipalities in two tier systems have the first eight broad powers plus the spheres of jurisdiction set out below.*

Spheres of Jurisdiction in Two Tiered Systems of Local Government

In addition to the broad permissive powers described above, municipalities in two tier systems are given powers through the spheres of jurisdiction set out below. All the powers in the spheres are included in the broad permissive powers, but they are set out separately so that the pre-existing division of the powers in the spheres between the upper tier and lower tier municipalities can be preserved. The table at the end of section 11 of the act sets out the details of how the spheres of jurisdiction are divided between the upper tier and lower tier municipalities.

For example, in some two tier municipal systems, waste disposal is assigned exclusively to the upper tier and, as a result, the lower tier municipalities cannot provide that service. In the case of the “animal” sphere of jurisdiction, the sphere is not assigned to the upper tiers and therefore only lower tier municipalities can exercise this power. In other cases, such as the “highways” sphere of jurisdiction, the sphere is assigned non-exclusively to the upper tiers and consequently both the upper- and lower tier municipalities can exercise the power.

To the extent that the broad permissive powers go beyond the powers in the spheres of jurisdiction, both upper- and lower tier municipalities can exercise the powers.

The spheres of jurisdiction are the powers to pass bylaws respecting the following matters:

1. highways, including parking and traffic on highways
2. transportation systems, other than highways
3. waste management

4. public utilities
5. culture, parks, recreation and heritage
6. drainage and flood control, except storm sewers
7. structures, including fences and signs
8. parking, except on highways
9. animals*
10. economic development services*
11. business licensing*

* Again, because these three powers are spheres, they are not included as broad powers for municipalities in a two tier system of government.

Animals, economic development services, and business licensing are not broad powers for municipalities in two tiered systems of government because they are powers which were divided between upper and lower tier municipalities before the amendments made by the Municipal Statute Law Amendment Act, 2006. For two tier municipalities, these three powers remain shared spheres of jurisdiction so that the pre-existing division of powers can be retained.

If there is a conflict between the bylaws passed under a sphere by an upper and a lower tier, the upper tier bylaw will prevail. This conflict rule only applies where both the upper tier and the lower tier bylaws are passed under a sphere. In any other circumstance, the upper tier bylaw does not automatically override a lower tier bylaw with which it conflicts – e.g., if an upper tier bylaw passed under the broad powers conflicts with a lower tier bylaw passed under the broad powers, there is no rule as to which will prevail.

Licensing

Powers to license are set out in section 151 and other sections of the Municipal Act, 2001; they are also set out, in the case of single tier municipalities, in the broad powers and, in the case of two tiered municipalities, in the spheres of jurisdiction. Municipalities have authority to license most retail businesses – such as taxicabs, tow trucks, adult entertainment establishments, trailers, trailer camps, motor vehicle racing, etc. A municipality may be able to impose conditions on a license.

Generally, municipalities do not have powers to license:

- manufacturing or industrial business unless they are selling raw materials by retail
- the sale of goods by wholesale; or
- the generation, exploitation, extraction, harvesting, processing, renewal or transportation of natural resources

A municipality may be able to suspend a license for up to 14 days without a hearing if continuation of the business poses a danger to health and safety and

if the conditions in the legislation are met. A municipality also could possibly suspend – without a hearing and for a period not exceeding 28 days – a license authorizing a business to operate on municipal property for reasons which include:

- the holding of a special event
- construction, maintenance and repair of the property; or
- pedestrian, vehicular, or public safety, or public health

A municipality may be able to require payment of administrative penalties for failure to comply with a bylaw relating to a business license. This is a new tool for licensing enforcement which may be viewed as an alternative to court prosecutions. Factors for the municipality to consider include, among others, the appropriate assessment of the penalty as well as providing reviews of the penalty by an independent person or body. Municipalities would need to develop procedures to implement the system. There may be both advantages (e.g., avoiding court backlogs and setting hearing at convenient times) and disadvantages (e.g., costs of establishing and maintaining an administrative penalty system) to administrative penalties that should be considered before implementing such a system.

Specific Powers

Specific powers are any powers given to municipalities under any act other than the broad permissive powers and the spheres of jurisdiction. Some specific powers are set out in the Municipal Act, 2001. These specific powers granted to municipalities fall into two categories:

1. powers associated with the broad permissive powers or spheres of jurisdiction dealing with highways; transportation systems; waste management; public utilities; culture, parks, recreation and heritage; drainage and flood control; structures including fences and signs; animals; economic development services; health, safety and well-being of persons; economic, social and environmental well-being of the municipality; etc.; and
2. powers not associated with the broad permissive powers or spheres of jurisdiction dealing with a number of areas including enforcement of bylaws; changes to municipal boundaries; regulating the demolition or conversion of residential rental properties

Specific powers are also found in many other statutes such as the Building Code Act, 1992 and the Police Services Act.

Municipal Limitations

As previously mentioned, the Municipal Act, 2001 and other provincial legislation place some limitations on your municipality's powers. These limitations reflect common-law and provincial government policy. For example, in general:

- Your municipal bylaws cannot conflict with federal or provincial statutes or regulations (section 14).
- The broad permissive powers and the spheres of jurisdiction are subject to procedural requirements (rules) and other limitations existing in specific powers (section 15).
- Except where expressly authorized, a municipality can only exercise its powers within its municipal boundaries.
- The government may, by regulation, further limit the powers of a municipality (section 451.1).

In a two tier system, furthermore:

- A municipality is prohibited from regulating non-municipal systems under six spheres of jurisdiction – public utilities; waste management; highways; transportation; culture, parks, recreation and heritage; and parking (subsection 11(8)).
- A municipality is prohibited from using a sphere of jurisdiction to regulate activities of the other tier which are authorized under that sphere of jurisdiction (subsection 11(7)).
- A municipality cannot pass a bylaw under the spheres of jurisdiction or broad permissive powers if the other tier can pass the bylaw under a specific power (paragraphs 4 and 5 of subsection 11(4)).
- A municipality cannot pass a bylaw under the spheres of jurisdiction or broad permissive powers if the other tier has the exclusive power to pass the bylaw under the spheres of jurisdiction (paragraphs 1 and 2 of subsection 11(4)).

Delegation

The Municipal Act, 2001 provides municipalities with broad authority to delegate powers and duties. Delegation of minor matters may allow your council to streamline its decision-making and focus on the larger matters, making council's agendas more manageable. Delegation builds on a municipality's authority to create local bodies (e.g., advisory committees) to assist with local decision-making. The Lieutenant Governor in Council and the Minister of Municipal Affairs and Housing may make regulations restricting or imposing conditions on the delegation of powers.

In addition to administrative matters or matters that a natural person could delegate (e.g., buying and selling real and personal property, hiring staff, and entering into agreements), council can delegate legislative matters (e.g., local transit routes, noise, fencing, licensing, signage, animal control and garbage pick-up bylaws) and quasi-judicial powers (e.g., revoking or suspending licenses) to certain persons or bodies subject to certain restrictions (sections 23.1 to 23.5). Legislative and quasi-judicial matters can only be delegated to one or more

members of council or a council committee, or to a body having at least two members and of whose members at least 50 per cent are council members and/or appointees. In addition, minor delegations – such as temporarily closing a highway or imposing conditions on a license – can be delegated to officers, employees or agents of the municipality (section 23.2).

Powers that cannot be delegated include (section 23.3):

- appointing or removing statutory officers
- imposing taxes
- incorporating corporations
- adopting or amending official plans
- passing zoning bylaws
- passing bonusing bylaws related to small business counselling and municipal capital facilities
- adopting community improvement plans which envisage bonusing
- approving municipal budgets
- other powers as prescribed

Legislative powers require decisions that usually involve policy decisions having general application. Factors to consider in determining whether a decision is a legislative decision include:

- Does it create a rule?
- Is it a one-time thing?
- Does it apply to one person or situation or to many?
- Does it apply to a wide geographic area?

In general, quasi-judicial powers involve the making of decisions that may affect individual rights or privileges.

Council can revoke a delegation unless the original delegation bylaw limits the ability of council to revoke the delegation. A council cannot prohibit the revocation of a delegation by future councils.

Council can create an appeal body (whether composed of themselves or another body) to hear appeals of the decisions made by a person or body to which any decision-making authority has been delegated (section 284.1).

Exercising Municipal Powers

Most councils consider it a best practice to exercise their municipal powers and conduct business in a clear and consistent fashion. As a councillor, you should become thoroughly familiar with proper procedures and necessary conditions with respect to calling and conducting council meetings, enacting bylaws and other resolutions, and administering and enforcing bylaws.

Calling and Conducting Meetings

Your municipality's affairs are handled at council meetings. Every municipality and local board is required by the Municipal Act, 2001 (section 238) to pass a procedural bylaw to govern the calling, location and proceedings of meetings. Meetings, as defined in subsection 238(1) of the act, are any regular, special or other meeting of a council, of a local board or of a committee of either of them.

Meetings of Council

The powers of your municipality are generally exercised at a meeting properly called and constituted. Even if you and the rest of council all happen to agree on a certain course of action, this unanimous position might not bind your municipality unless it is expressed at a meeting of council, and meets the procedural and other legal requirements that may apply.

Council meetings are customarily either regular or special. Although the frequency of regular meetings is up to council, they are usually held at regular intervals and at locations set out in the procedural bylaw. An exception is the date of council's first meeting after an election, which is regulated by section 230 of the Municipal Act, 2001.

The Municipal Act, 2001 emphasizes openness and transparency for council as well as its local boards and committees. Section 238 requires procedural bylaws to provide public notice for all meetings but the method and content of notice is generally up to the council. Section 239 requires records to be prepared and kept for meetings regardless of whether the meeting is open or closed to the public.

Section 240 of the act provides for special meetings to be called, subject to the municipality's procedural bylaw. For example, the clerk might call a special meeting upon receipt of a petition from a majority of councillors. Many municipalities require a minimum notice period for holding a special meeting, with the time, location and purpose of the meeting clearly stated in the notice.

Public Business is the Public's Business (Open and Closed Meetings)

Public demand for greater openness and access has become a major issue at all levels of government. In this context, Ontario statutes include provisions related to the transparency and accountability of local government, including the conduct of meetings and the public's right to attend them.

Municipal legislation acknowledges the importance of transparency and openness to the public through a legislated accountability framework. The accountability framework includes municipal elections every four years, at which time the public can hold councillors directly accountable for their actions. In addition to that

fundamental accountability mechanism, municipalities are subject to a number of other accountability measures.

For example, section 239 of the Municipal Act, 2001 states that all meetings of council or a local board must be open to the public. However, a meeting or part of a meeting may be closed for discussion of certain matters set out in section 239, including, among others:

- security of property
- personal matters
- acquisition or disposition of land
- labour relations
- litigation and advice subject to solicitor-client privilege

Section 239 does not apply to police services, library and schools boards, which are subject to rules about meetings under other legislation.

Under sections 239.1 and 239.2 of the act, a person may request an investigation of whether a closed meeting complied with the act and the municipality's procedural bylaw. The municipality may appoint an independent investigator who may report with recommendations to council. If the municipality does not appoint an investigator, the Ontario Ombudsman may investigate.

Hearings

Some meetings or a part of a meeting may be considered a “hearing” within the meaning of the Statutory Powers Procedure Act. One example might be a meeting where your council is considering revoking a business license. Because common law requires that the individual license holder be treated fairly, it may be necessary to hold a hearing even though this measure is not required by the Municipal Act, 2001. In such instances, the Statutory Powers Procedure act provides for minimum rules for proceedings (which would take precedence over the provisions of your municipality's procedural bylaw) – such as the following:

- All proceedings are to be held in public, unless otherwise ordered for reasons of public security or to protect confidentiality.
- All parties are entitled to proper notice and are entitled to attend any hearing to submit evidence and to answer arguments.
- A record of the proceedings is to be compiled, including:
 - any documents by which the proceedings were commenced
 - notice of any hearing
 - documentary evidence
 - a transcript, if any, of oral evidence
 - the decision and reasons for the decisions, where reasons have been given

A municipality may delegate its authority or requirement to hold a hearing under its broad delegation powers in the act (sections 23.1 – 23.5).

Privacy and Confidentiality

Personal privacy and other confidentiality issues are an important practical and legal consideration for municipal councillors and staff. As a councillor (as with the other matters in this handbook), you should become familiar with your responsibilities in this area, as well as with the relevant legislation and policies.

The Municipal Freedom of Information and Protection of Privacy Act is a primary statute in this context. It sets out rules for collection, use and disclosure of personal information. Accordingly, councillors (and staff) may only disclose personal information in accordance with those rules, and councillors and staff may or may not be authorized to obtain or use personal or other information in the course of their duties. This means, among other things, that at times councillors may not be able to obtain this kind of information from staff.

Freedom of information legislation, and other statutes and laws, also regulate other kinds of confidential information.

Councillors who may have received personal or other confidential information in the course of their duties will have related responsibilities. These generally include protecting and safeguarding the information. Councillors should check with municipal staff about appropriate measures and the municipality's practices – for example, providing for physical security to help prevent unauthorized disclosure or loss of confidential information.

Quorum

A quorum is often understood to mean the minimum number of members needed to conduct business at a meeting. Section 237 of the Municipal Act, 2001 sets out quorum requirements for municipal councils. Usually it is a majority of members. In addition, you should be aware that:

- If a council is unable to hold a meeting for a period of 60 days or more, because of a failure to obtain a quorum, the Minister may declare all the members' seats vacant and require an election (see section 266 of the Municipal Act, 2001).
- Members may be ineligible to vote at or participate in a meeting because of a conflict of interest (see section 5 of the Municipal Conflict of Interest Act).
- If, because of conflicts of interest, a quorum of members is not constituted for a meeting, the remaining number of members at the meeting may nonetheless be deemed by legislation to be a quorum. The remaining number cannot be less than two (see subsection 7(1) of the Municipal Conflict of Interest Act).
- Where, in the above circumstances, the remaining number of members is

less than two, it may be possible to get a court order to authorize a council or local board to consider and vote on a matter (see subsection 7(2) of the Municipal Conflict of Interest Act).

Bylaws and Resolutions

The powers of your municipality are generally exercised by either bylaw or resolution. Bylaws are the primary form of action. Section 5 of the Municipal Act, 2001 requires that, except where otherwise provided, the powers of council must be exercised by bylaw. All bylaws must be:

- signed both by the head of council or presiding officer of the meeting at which the bylaw was passed and by the clerk; and
- under the seal of the corporation

Many municipalities have additional requirements that must be met before a bylaw can be passed, such as holding a public meeting, giving public notice, or obtaining the approval of a provincial ministry or board.

Many council decisions are also recorded in a resolution, which is simply an expression of a decision or wish of council. Resolutions are submitted in the form of a motion and adopted by majority vote. The formalities for adopting a resolution are not as strict as those for passing a bylaw. Resolutions usually deal with routine administrative and internal management matters.

You should also note that resolutions may be used to record your council's views on a specific issue. Such resolutions often express the municipality's position on various issues or concerns about existing government policy, regulations or funding; they may call for changes in the provincial-municipal relationship. After adoption, they are sent to the appropriate government agency, association or member of parliament.

The powers of your council are exercised by bylaw for matters or for actions that will affect the public. If in doubt, passing a bylaw is always the safest approach since courts have on occasion invalidated council actions that were expressed only by resolution.

Procedural Requirements

When enacting or amending bylaws, proper procedures are important. For example, before passing a bylaw, generally, an open council meeting would be in session and there would be a quorum of members in attendance.

While councils have been known to pass some bylaws on the day they were first presented, proper procedures remain important. For example, your municipality's procedural bylaw may require advance notice of the introduction of most bylaws.

Also, it may not be practical to pass some bylaws at one sitting because of statutory rules; for example, bylaws under section 75 of the Drainage Act.

Conflict of Interest

A member of council may have a pecuniary interest in a matter that is before council at a meeting. In most such cases, the legislation provides that the member is required, among other things, to:

- Disclose the interest and its general nature before the matter is considered at the meeting.
- Not take part in the discussion or voting on any question in respect of the matter.
- Not attempt to influence the voting before, during, or after the meeting.
- Forthwith leave the meeting, if the meeting is closed to the public.

See the Municipal Conflict of Interest Act, and Section 5 of the guide for more information.

Limits on Council Decisions

Largely as a result of court decisions, your actions and those of the rest of council must meet several conditions.

Good Faith

Your action must not be based on fraud, oppression, or improper motive. While these restrictions seem sensible, the question of what constitutes bad faith may be unclear and is a matter of court interpretation.

Public Interest

If a municipal power is exercised only to serve the interest of private persons, the courts would normally quash the action. It is council, however, that determines what is in the public interest. For example, if your council (in its pursuit of the public interest) takes an action beneficial to a private person, it doesn't necessarily mean that action is not in the public interest.

Reasonableness

Under section 272 of Municipal Act, 2001 a bylaw passed by council within its powers and in good faith cannot be quashed or reviewed by the courts because of unreasonableness in its provisions. The courts have held, however, that unreasonableness might be evidence of bad faith and in this way have justified their continued review of questions of reasonableness.

Discretion

You may question whether some municipal actions involve discrimination because they are not applied equally. The courts have held that there must be a statutory authority for any discrimination and that, in the absence of such authority, a municipality cannot discriminate. Subsection 8(4) of the Municipal Act, 2001 specifically authorizes bylaws under the Municipal Act, 2001 to differentiate on any basis a municipality considers appropriate. However, this power to differentiate does not extend to the financial bylaws set out in subsection 8(5) of the act. As a result of this differentiation power in subsection 8(4), a municipality can, for example, use its “animal” powers to regulate dogs differently in rural and urban portions of the municipality.

Enforcement of Bylaws

Navigating the legal complexities of enacting a bylaw is only the first step. In practice, a bylaw will have little value unless your municipality has the determination and the means to enforce it. Before a bylaw is passed, careful consideration of the bylaw may be helpful. Implications of the enactment may include such issues as:

- How will the bylaw affect the community?
- Will it impose restrictions or hardships on particular areas or groups of people? Will public reaction be favourable? If not, how will council respond?
- What will it cost to administer the bylaw?
- Can existing staff be expected to handle the additional responsibilities, or will more staff be required?
- Is council prepared to enforce the bylaw and enforce it consistently?

General Responsibility for Enforcement

Action by Citizens

If a ratepayer is dissatisfied with the level of enforcement provided by a municipality, the ratepayer may bring the alleged offender before the courts. To do so, the ratepayer must appear before a justice of the peace or provincial judge and “lay an information” (a sworn document setting out the details of the offence).

Action by Police

When citizens or council are unwilling or unable to enforce compliance, they often call on the local police force which, under the Police Services Act, enforces municipal bylaws. If your area has no local police force, council may enter into an agreement with the Ontario Provincial Police to enforce bylaws. You should keep in mind that

the police have extensive responsibilities and it may be preferable for your council to look to other means of enforcement.

Action by Municipal Enforcement Personnel

Council may decide to hire one or more bylaw enforcement officers. Council should decide if these persons will act only on complaints or will actively look for infractions. In either case, your municipality will benefit from employing bylaw enforcement officers that have diplomacy, tact, and negotiating skills because most complaints can be settled out of court.

Penalties

The Municipal Act, 2001 provides that a municipality may establish a system of fines for offences of a bylaw of the municipality (section 429). This includes a minimum and maximum fine for the offence for each day or part day that a contravention continues; provision to fine for each occurrence of a multiple offence; escalating fines for repeat offences; and special fines to reduce or eliminate any economic advantages resulting from an offence. However, the act prohibits a municipality from establishing fines for an offence for which specific fines are set out in legislation (subsection 429(4)).

The municipality can also establish a procedure for voluntary payment of penalties out of court for bylaws related to parking, standing or stopping of vehicles, or related to animals at large or trespassing (section 432).

Other Bylaw Enforcement Powers

In addition to penalties, other powers related to bylaw enforcement include:

- the power of entry for purposes of inspection, search and seizure (sections 435 – 439)
- A municipality may make an order requiring certain persons to discontinue a bylaw contravention and to undertake work to correct a contravention of a bylaw; and the municipality can carry out work at the person's expense if the person is in default of a work order (sections 445 – 446).
- A municipality, local board or ratepayer can ask the courts to restrain bylaw contraventions (section 440).
- A municipality can ask the courts to close a premises to any use if a trade, business or occupation is operating on the premises without a license (section 447).
- A municipality can ask the courts to close a premises to any use if activities or circumstances on the premises are, cause, or contribute to a public nuisance in the premises or in the vicinity of the premises (section 447.1).
- A municipality must ensure that an inspection is conducted of a building that contains a marijuana grow operation if notified of this by a police force. The

person who conducts the inspection must take actions to make the building safe and to protect the public (section 447.2).

All of the above powers are subject to various restrictions and conditions as set out in the act. When contemplating one of these powers, you should check the details of the legislation and consult with municipal staff and/or the municipal solicitor.

As previously mentioned, other statutes such as the Building Code Act, 1992 and the Fire Protection and Prevention Act, 1997 also contain bylaw making and enforcement powers. You should consult with the appointed staff and your solicitor regarding their obligations, operation and limitations.

Actions Against the Municipality

In addition to actions your council can take against individuals within your municipality, there are actions citizens can take against your municipality.

Ultra Vires

Under section 273 of the Municipal Act, 2001 any person may apply to the Superior Court of Justice to quash a bylaw in whole or in part for illegality. In the past, many bylaws were found to be passed without authority (a legal doctrine sometimes called “*ultra vires*”) because the municipality did not have the specific authority to pass the bylaw and the courts tended to interpret municipal legislation in a restrictive manner. The Municipal Act, 2001 provides municipalities with broad powers to allow a municipality to govern its affairs as it considers appropriate and to enhance its ability to respond to municipal issues (section 8). It is possible that the courts will be less likely to quash a bylaw because it is “*ultra vires*.” Recent court decisions appear to support this view.

Civil Action for Damages

As a corporation, your municipality may be sued for failure to carry out, or negligence in the conduct of, its statutory duties. For example, damage to vehicles caused by poorly maintained roads or an injury suffered in a fall on an icy sidewalk could result in a civil suit. You and the rest of council should ensure that your municipality has adequate insurance to cover this type of civil action.

Given the triviality or nuisance nature of some of the complaints that may be brought against your municipality, both the legislature and the courts have come up with certain restrictions to protect municipalities from litigation. For example, subsection 44(9) of the Municipal Act, 2001 limits potential municipal liability for personal injury caused by snow or ice on a sidewalk to cases of “gross negligence.”

Risk Management

More and more, municipalities are adopting risk management strategies to address public liability. Generally, risk management strategies seek to minimize the effects and costs of public liability suits against a municipality. This involves identifying potential hazards and implementing the appropriate measures to reduce or eliminate them in your community.

You may find that the biggest areas for potential liability are public works or parks and recreational services. Risk management initiatives therefore tend to concentrate on these service areas.

Appeals

Where specifically allowed by statute, an individual may appeal municipal decisions to the courts and to certain quasi-judicial bodies such as the Ontario Municipal Board and the Assessment Review Board. Several examples can be found in land use planning, with appeals of decisions made by committees of adjustment, land division committees and councils.

Judicial Review

This form of relief is limited to situations where your municipality proposes to act, or has acted, without power or beyond its powers, or has refused to exercise a mandatory power. In these circumstances, an individual may take action to bring the matter before the courts for a legal remedy.

What to Consider as a Law Maker

The complexities of municipal law can be daunting even for a highly experienced councillor. As you go about the work of serving your constituents and contributing to council, you may find the following suggestions helpful:

1. Be aware of the legal framework within which your municipality must operate and the need for legal advice.
2. Familiarize yourself with provincial legislation, such as the Municipal Act, 2001 and the Planning Act, and how they relate to your municipality, and review your municipality's existing bylaws.
3. Municipal staff, however knowledgeable, should not be expected to provide you with legal advice; that is the responsibility of your municipal solicitor.
4. Learn how to work within the legal framework and complications you may encounter in order to achieve your municipality's objectives. Don't let them become an excuse for inaction. Ask for advice on how things can be done differently.

5. Make sure your municipality has adequate insurance coverage to protect both staff and councillors in the exercise of their duties. There is legislative authority for councils or boards to provide legal liability insurance or to reimburse the costs and expenses incurred by a council or board member, or employee involved in any court action or other proceeding. Insurance should be considered an essential protection.
6. Familiarize yourself with accessing federal and provincial statutes, regulations and orders electronically.
7. Support the development or enhancement of a basic municipal library in hard copy or on-line, which includes all of your municipality's documents including: minutes of meetings, official plans, strategic plans, budgets, performance measurements, bylaws, resolutions, policies, studies, inventories, registries, etc.

SECTION 4: The Fiscal Context

Since the 1990s, people have talked about the financial constraints on local municipalities. Largely because of urban growth and aging infrastructure, municipalities face greatly increased expenditure demands. To meet or balance these demands, your municipality must manage its finances effectively. In particular, the fundamentals are: an effective cash management and budgeting system; effective capital financing policies; regular financial reporting to council; and regular programs, services, and delivery reviews.

Financial Administration

Budgeting

Budgets are powerful management tools that help your municipality define levels of municipal services and identify how revenues are to fund expenditures. Budgeting involves a process of prioritizing projects, programs and service levels in light of limited financial resources.

Your council is required to prepare and adopt an annual budget that includes estimates of all amounts required during the year (see sections 289 and 290 of the Municipal Act, 2001). However, your municipality has flexibility as to the format and level of detail of its budgets. While the operating and capital components of budgets are inter-related, some municipalities prepare them separately.

Municipalities are now legislatively required to prepare annual financial statements in compliance with the Public Sector Accounting Board (PSAB)'s standards (see section 294.1 of the Municipal Act, 2001). PSAB acts as a national standard-setting authority that is committed to addressing accounting and financial issues of local governments. As a national organization, PSAB helps to ensure completeness and consistency in financial reporting across Canada. Although PSAB does not prescribe the way municipalities budget, it is prudent to keep these principles of financial reporting in mind when preparing the budget.

Since 2009, municipalities must comply with PS 3150 – Tangible Capital Assets (TCA) for external reporting. Prior to 2009, municipalities often recorded TCAs as expenditures in the year they were purchased, and no TCA was recorded on the municipality's statement of financial position. Now, PSAB requires municipalities to record TCA on the statement of financial position and to amortize (expense) the asset over its useful life on the statement of operations. This has implications for

municipal budgeting as amortization expense will need to be considered when preparing a budget. Similarly for post-employment benefits and solid waste landfill closure expenses, municipalities must consider them when preparing a budget, as they are also captured by the new PSAB standards (see PS 3255 and PS 3270 respectively).

In light of the new PSAB standards, the *Municipal Act, 2001* was amended and a regulation passed to address these changes. Ontario Regulation 284/09 (Budget Matters – Expenses) states that a municipality may exclude certain expenses (amortization expenses, post-employment benefit expenses and solid waste landfill closure and post-closure expenses) from the budgeted amounts for which revenue must be raised during this transitory period. The ministry is to initiate a review of the regulation before the end of 2012.

The regulation may assist municipalities in the transition to incorporating full accrual accounting in the budgeting process while PS 3150, PS 3255 and PS 3270 are being adopted.

Municipalities must include “surpluses” or “deficits” (as determined according to legislation) from the previous year’s operations in its budgeting process (see sections 289 and 290).

Section 291 of the *Municipal Act, 2001* allows municipalities to prepare and adopt a multi-year budget covering a period of up to five years. Generally, multi-year budgets must comply with the balanced-budget provisions of sections 289 or 290 of the Act. Council must review and re-adopt multi-year budgets each year after the first, still in compliance with section 289 or 290. Nothing prevents a municipality from amending or revoking a multi-year budget.

Essential Elements of Budgeting

In a nutshell, budgeting involves three key elements: planning, co-ordination and control.

1. Planning. Planning may begin with the development of broad statements of your municipality’s needs and what it hopes to accomplish for several years ahead. This means thinking strategically, clarifying the challenges facing your municipality, and setting priorities. This may help provide a framework for your municipality to identify:

- services or functions that must be provided
- services or functions currently provided that do not need to be provided
- services or functions not being provided that could be provided

2. **Coordination.** Most municipalities have a budget committee to coordinate the budgeting process. The budget committee includes part or all of council and senior staff and usually has the mandate to:
 - Produce and circulate an approved statement of municipal priorities and goals to department heads.
 - Provide technical budgeting assistance through finance staff to departments.
 - Evaluate individual budgets submitted to the committee.
 - Consolidate departmental and local board budgets into an overall budget document for council's review and consideration.

3. **Control.** Once a budget is approved, quarterly or monthly reports to management and council may help show whether actual expenditures and revenues conform to the budget. Significant variances may need to be addressed and a course of action prepared and approved to get back on track by alleviating or at least minimizing the variances. Once you and the rest of council adopt the budget, it may serve multiple purposes as a municipal policy document, an operations guide, a financial plan, and a communications tool.

Preparation of the Budget

While the time of year when budgets are started and finalized varies greatly among municipalities, the steps usually taken include:

- establishing a budget timetable
- initiating a budget plan, supporting data and guidelines
- evaluating/reviewing draft estimates
- compiling an overall budget document
- approval of the budget and levying bylaw(s)
- budget implementation and budgetary control

Check with your municipal finance staff to see how your municipal budgeting process is completed.

Operating Budgets

Operating budgets are normally used to plan for your municipality's day-to-day expenditures, such as salaries, wages, benefits, heat, hydro, maintenance of buildings and infrastructure. As a policy document, your operating budget may include a statement of budgetary policy in the form of goals, objectives and strategies. As a communications tool, the budget may help provide summary information that is suitable for use by the media and the public.

As an operations guide, operating budgets often attach or include a chart of the municipal organization, a description of workforce organization (what each municipal department, board and commission does) and sufficient data to provide a basis for comparison (for example, the previous year's budget, spending in the previous year, and current year-to-date spending on operations).

As a financial plan, a budget usually includes projected operating expenditures and revenue sources for the period covered, and is formatted in such a way that it parallels a municipality's accounting and financial reporting system. This may facilitate the monitoring and evaluation of the budget performance.

Capital Budgets

A capital budget typically provides for infrastructure to be maintained or new infrastructure needs to be met in the future. It may set out the specific capital projects to be approved for the budgetary period, such as capital improvements, land acquisitions, new facilities and equipment, and it identifies a source of financing for each.

Through capital budgets, your municipality can plan future operating budget expenditures, debt repayment and potential reserve fund needs to manage the financial position of your municipality over a specific period of time.

The capital budget process typically calls for a coordinated inter-departmental effort and results in a financing plan for the new construction, acquisition or replacement of municipal assets.

Financial Reporting to the Public

Subsection 295(1) of the Municipal Act, 2001 states:

“Within 60 days after receiving the audited financial statements of the municipality for the previous year, the treasurer of the municipality,

- (a) shall publish in a newspaper having general circulation in the municipality,
 - (i) a copy of the audited financial statements, the notes to the financial statements, the auditor's report and the tax rate information for the current and previous year as contained in the financial review, or
 - (ii) a notice that the information described in sub-clause (i) will be made available at no cost to any taxpayer or resident of the municipality upon request; and
- (b) may provide the information described in sub-clause (a) (i) or (ii) to such persons and in such manner as the treasurer considers appropriate.”

Annual Financial Statements

Municipalities are required to prepare their annual financial statements in accordance with Canadian Generally Accepted Accounting Principles (GAAP) for all levels of governments as recommended by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants (see section 294.1 of the Municipal Act, 2001).

Prior to 2009, expenditures by municipalities on tangible capital assets were typically reported as capital expenditures in the period that these assets were acquired. They were not generally reported as assets in the statement of financial position.

As of January 1, 2009, changes to PSAB principles require municipalities to prepare their financial statements on a full accrual basis. This produces a more comprehensive indication of the financial position of municipalities.

Full-accrual accounting standards require municipalities to more fully account for their tangible capital assets – such as roads, bridges, buildings and water systems – as assets in their financial statements. The new standards also require municipalities to include amortization of assets in their statement of operations. This change provides information regarding the consumption of tangible capital assets in the delivery of municipal services.

Financial Information Return (FIR)

The Financial Information Return (FIR) is the main data collection document used by the Ministry of Municipal Affairs and Housing (MMAH) to collect financial information from municipalities on an annual basis.

All municipalities are required to submit FIR data to the ministry by May 31st of each year (see subsection 294(1) of the Municipal Act, 2001).

The FIR provides a method of capturing detailed standardized financial and statistical information that allows comparisons of municipalities over time. The information is used by MMAH and other ministries for policy analysis purposes respecting municipal performance. The information is also used by municipalities, municipal associations, the financial community, the academic community, the Ontario Municipal Board, ratepayer groups, libraries and consulting firms.

You can view the data by municipality, by schedule or by multi-year. A provincial summary of all the municipal returns into one FIR for the province is provided.

The FIR data is used for a number of purposes such as:

- developing provincial fiscal policy

- developing municipal finance policy
- monitoring local sector performance
- examining the financial status of municipalities
- preparing municipal debt limit reports
- forecasting and budgeting
- preparing local economic profiles and information on local services and service levels for use by industry
- requests for financial and statistical data

The forms are prescribed by MMAH, which also provides detailed instructions for their completion and other advice and assistance that may be needed.

Municipal Performance Measurement Program (MPMP)

The Minister of Municipal Affairs and Housing requires municipalities to provide the ministry and taxpayers with annual information about the efficiency and effectiveness of municipal operations (see the ministry website at mah.gov.on.ca/Page297.aspx). This program was introduced for the 2000 municipal reporting year.

MPMP enhances municipal accountability by measuring service delivery in key areas. The program is universal – all municipalities must report performance measures for services that they are responsible for providing. MPMP is also a management tool. It allows municipalities to track performance over time and to identify service areas that merit further attention due to either strong or weak performance. The ministry encourages municipalities to use MPMP results as well as results from internal systems of performance measurement in the budgetary process.

MPMP measures the following service areas: local government, fire, roads, police, transit, wastewater, storm water, drinking water, solid waste, parks and recreation, libraries, and land use planning. Efficiency measures are defined in terms of costs per unit – e.g., operating costs for solid waste diversion per tonne and total costs for solid waste diversion per tonne. Effectiveness measures monitor progress toward a goal and are often expressed as a percentage – e.g., percentage of residential solid waste diverted. Both efficiency measures and effectiveness measures are used to provide a balance between the cost of delivering services and progress towards goals.

An MPMP Advisory Committee and working groups review existing and new MPMP measures annually. Representatives of municipalities and municipal associations sit on the Advisory Committee, while municipal practitioners add practical expertise on service area working groups.

Municipalities are required to submit MPMP results annually to the ministry through schedules in the Financial Information Return. Municipalities are also required to

publish MPMP results annually for local taxpayers. Many municipalities choose to publish their results on the municipal website.

In order to make it easier for municipalities to access and use MPMP data, a query and analysis tool was developed by the ministry and the Association of Municipalities of Ontario (AMO). The tool, known as the Municipal Information and Data Analysis System (MIDAS), is owned and administered by AMO. Financing is provided by the Ministry of Finance. Ontario municipalities can access MPMP and FIR data through MIDAS free of charge. Using MIDAS, municipalities can create custom reports on the MPMP measures and municipalities that interest them. Comparisons with MPMP results from similar municipalities can provide a context for interpreting local MPMP results.

The Municipal Auditor and the Audit Function

Municipalities must appoint an auditor licensed under the Public Accounting Act, 2004 for a term not exceeding five years. The auditor must not be an employee of a municipality or local board of a municipality (see section 296 of the Municipal Act, 2001).

The municipal auditor's responsibilities extend to the municipality's local boards and may extend to a joint board if the municipality assumes the largest share of the board's operating costs. A municipal auditor reports to council.

The Auditor's Responsibilities

The auditor's role in the financial management of your municipality is important. His or her responsibilities include:

- annually auditing the accounts and transactions of the municipality and its local boards, and expressing an opinion on their financial statements
- performing duties required by the municipality or local board

In connection with these responsibilities, a municipal auditor has the following special powers:

- rights of access at all reasonable hours to all records of your municipality or any of your local boards
- the ability to require from current and former members of council and local boards and from current and former officers and employees of your municipality and local boards, such information and explanation as in his or her opinion is necessary to carry out the duties of the auditor
- the ability to require any person to give evidence on oath respecting the above information and explanation
- the right to attend any meeting of members of council or any local board, and to receive all notices relating to the meeting which any member of council is entitled to receive

- the right to make representations at the meeting on any matter that concerns the auditor

See section 297 of the Municipal Act, 2001 for further information.

The Audit Committee

Most municipalities form an audit committee to prepare for the auditing process and to assist the auditor. Its members usually include one or more councillors, the treasurer, and the chief administrative officer (if the municipality has one). The committee reviews financial statements, discusses any matters deserving attention, reviews findings of the audit and makes general inquiries of both staff and the auditor to get more information about financial issues.

Financial Transactions

Prior to 2009, municipalities were generally required by PSAB to account and report their financial transactions on a fund basis (modified accrual accounting). The three main funds were the revenue (operating) fund, the capital fund, and the reserves or reserve funds. Municipalities also account for trust funds.

PSAB's new standards now require municipalities to account for and to report their tangible capital assets in their statement of financial position.

When a municipality purchases a capital asset, the asset is captured by the schedule of tangible capital assets. This schedule captures the cost of newly acquired capital assets. Any capital assets that do not meet the municipality's capitalization threshold will be expensed in the statement of operations in the current year.

Statement of Operations

In general, the statement of operations reports the surplus or deficit from operations in the accounting period. The statement displays the cost of municipal services provided in the period, the revenues recognized in the period and the difference between them. It summarizes cost-of-service information at a functional level – for example, social services, recreation, general government, justice, transportation, and utilities, to name a few.

Statement of Financial Position

The statement of financial position provides information about the municipality's financial position in terms of its assets and liabilities at the end of the accounting period. It reports the municipality's net debt, and its accumulated surplus or deficit, because these figures are indicators that can be used to determine whether a municipality's financial position has improved or deteriorated.

Reserves and Reserve Funds

Reserves and reserve funds are used, among other things, to account for transactions which, for legal or policy reasons, require that amounts specifically earmarked for a particular project or purpose be identified and spent on that project or activity. Usually, the use to which these discretionary reserve funds may be put is specified when the reserve or reserve fund is established. They generally may not be converted to other uses without council's approval.

From an accounting perspective, reserves and reserve funds will be part of the overall accumulated surplus of the municipality.

Trust Funds

Trust funds are funds held in trust by municipalities. An example would be funds held on behalf of residents of homes for the aged. Trust funds are not generally accounted for as part of a municipality's assets. A municipality acts as a trustee for such funds.

Sources of Municipal Revenue

Revenues may be seen as income for your municipality. They are typically used to pay for the services that the residents of your municipality receive. Some examples of revenue that municipalities may receive include:

- property taxes
- special area taxes
- payments in lieu of taxes
- conditional and unconditional grants
- user fees and charges for services such as recreational and cultural facilities (libraries, pools, etc) and local improvement charges (sidewalks, etc)
- licenses, permits and rents
- fines and penalties
- investment income
- development charges

Payments in lieu of taxes are payments made to municipalities for properties exempt from taxation. While all real property in a municipality is assessed, certain properties are exempt from taxation. For example, property owned by the Crown and property belonging to the municipality is exempt unless it is occupied by a tenant who would be taxable if the tenant owned the land.

Property Taxes

The property tax is your municipality's main source of revenue. It consists of two main components – a tax base and tax rates.

Assessment (Tax Base)

The base for property taxation is the assessment roll. The Assessment Act authorizes the valuation of real property and outlines the procedures for making the valuations; it defines those classes and types of properties that are subject to taxation and those which, although assessed, are exempt from taxation. (In some cases, municipal councils are authorized to exempt certain properties from taxation. For example, section 6.1 of the Assessment Act authorizes councils to exempt property used by veterans and, for special circumstances, private legislation also authorizes councils to exempt properties from taxation.)

In 1998, the provincial government developed a new tax assessment system called the Ontario Fair Assessment System (OFAS). At that time, the provincial government also transferred responsibility for assessment services to the municipal sector. The assessment process is now carried out by the Municipal Property Assessment Corporation (MPAC), which is responsible for determining the assessment valuations based on the policies stipulated in the Assessment Act. Every municipality is a member of this corporation and pays MPAC for the services it receives.

The assessment of land under the OFAS is based on current value, as measured by the price that would be paid by a willing buyer to a willing seller at arm's length.

The annual province-wide reassessments for 2007 and 2008 were postponed by the provincial government in 2006 due to the Ombudsman's review of the Ontario property assessment system. As a result of the Ombudsman's recommendations, section 19.2 of the Assessment Act was amended in 2007 to provide that land is to be valued every four years, instead of every year, beginning with the 2009 taxation year. Related to this amendment is the re-enactment of section 19.1 of that act, which provides for the phasing in, over a four-year period, of an eligible increase in the current value of land that occurs in connection with a general reassessment. Adjustments to the current value of land in other circumstances are to be governed by regulation.

If a ratepayer in your municipality believes that the assessed value, as shown on his or her notice of assessment, is not appropriate, there are avenues for redress. First, a ratepayer can request that MPAC reconsider the assessed value placed on the property. The ratepayer can also appeal to the Assessment Review Board (ARB). Beginning in 2009, the Request for Reconsideration (R for R) is the mandatory first step for property owners of the residential, farm and managed forest property classes; however, the R for R is not mandatory for owners of business properties. The deadline for submitting an R for R is March 31st and applicants can appeal to the ARB within 90 days of getting MPAC's decision if they are not satisfied with the R for R results. If a business property owner forgoes the R for R process, the deadline for applying to the ARB is March 31st.

As a councillor, you should be aware that there are seven main property classes (residential, multi-residential, commercial, industrial, pipeline, farm, and managed forests) in which properties are generally categorized on the assessment roll. In addition, your municipality has the discretion to establish up to five more classes which are subsets of the multi-residential, commercial, and industrial classes. These five classes include new multi-residential, office buildings, shopping centres, parking lots and vacant land, as well as large industrial properties.

Subclass tax rate reductions for certain properties, including vacant and excess land in the commercial and industrial classes, and farm land awaiting development, are also provided for. (Section 8 of the Assessment Act and section 313 of the Municipal Act, 2001 contain more information on subclass reductions.)

In addition to subclass tax reductions, municipalities are required to provide property tax rebates for vacant commercial and industrial buildings. These rebates are based on the length of time the building is vacant during the tax year. Section 364 of the *Municipal Act, 2001* and Ontario Regulation 325/01 provide more information regarding eligibility, the application process, and how the rebate is to be calculated.

Pipelines

Pipelines used for the transportation or transmission of gas and oil are assessed according to a formula set out in a regulation made by the Minister of Finance. Assessment is based on the diameter of the pipe, type of pipe, pipe material, and length of pipe. The Minister of Finance establishes the tax rates on pipelines for education purposes by regulation, and these rates vary from municipality to municipality. The taxes collected for education purposes are given to the school boards (see Tax Rates below). The municipal rates are set by each municipality in which the pipelines are located and, in a two tier system, are shared with the upper tier.

Tax Rates

A tax rate is that rate applied to each dollar of taxable assessment to determine the amount of taxes to be paid. In simpler terms, a tax rate of 1.23000% raises 1.23 cents per dollar of assessment.

Tax rates are a tool to generate revenues for:

- single or lower tier municipalities
- upper tier municipalities
- school boards

For each of these purposes, there are distinct tax rates for each property class

within municipalities. Each municipality, whether upper tier, lower tier or single tier, has the discretion to set its own municipal tax rates. However, the Ministry of Finance sets education taxes annually.

Special Area Taxation

In addition to lower tier taxes and upper tier municipal taxes, section 326 of the Municipal Act, 2001 allows municipalities to impose special area rates. A municipality can apply these area rates for any service as long as it is a “special service” (i.e., the service is not being provided throughout the municipality, or is being provided in a different way or at a different level in different parts of the municipality) and the Minister has not passed a regulation preventing the service from being area-rated. Currently, Ontario Regulation 585/06 prevents certain health programs and services from being area-rated. The area rates apply only to properties within an area which is receiving an additional benefit from the special services. Services for which municipalities commonly apply a special area rate include waste management, fire, sewer and water. Again, each property class within the special area rate jurisdiction will have its own tax rate set by the municipality.

Setting Tax Rates

To make sure that taxes are not shifted arbitrarily from one property class to another, the provincial government imposes restrictions on the relative tax burden on the different property classes through a number of mechanisms such as tax ratios, transition ratios and ranges of fairness.

Tax Ratios

A tax ratio defines the municipal tax rate of each property class in relation to the residential class tax rate, essentially determining the proportion of the tax burden of the municipality that would be borne by each of the property classes in the municipality. For example, a tax ratio of 2.0 for the commercial class means that the municipal tax rate for the commercial class, once established, cannot be more than 2 times the rate for the residential class. Single tier municipalities have the power to set their own tax ratios; however, in two tier systems, tax ratios are established by the upper tier municipality. Municipalities with authority to set tax ratios are also limited in that they must adhere to transition ratios and tax ratio ranges of fairness set by the provincial government.

Transition Ratios

Tax ratios were initially provided by the provincial government in 1998 in the form of transition ratios. The calculation of the transition ratios were based on 1997 taxes and 1998 assessed values. In the year that the new system came into force

– the 1998 taxation year – the provincial government established transition ratios for each municipality. These ratios were starting points to enable municipalities to share taxes among classes under the new system in the same way that they were shared before 1998. In effect, they maintained the status quo in tax burdens for the different property classes at the time of the 1998 reassessment.

Tax Ratio Ranges of Fairness

In 1998, the provincial government also established fair tax ranges for each class of property. The provincial government requires municipalities with the authority to establish tax ratios, if they have tax ratios outside the range of fairness and are making changes to these tax ratios, to move the ratios into or towards the range of fairness. If the tax ratios are already within the range of fairness, the ratios may be moved up or down but cannot move outside the range of fairness.

It is important to note that the vast majority of transition ratios that were prescribed in 1998 fell above the range of fairness, as they represented the historic property tax burden relationship in those municipalities. Although some municipalities have lowered their tax ratios towards the range of fairness since 1998, the vast majority of tax ratios still remain above the range.

Levy Restrictions on Multi-Residential, Commercial and Industrial Classes

In addition to the above restrictions on tax ratios, legislation prohibits municipalities from applying municipal levy increases to any of the multi-residential, commercial or industrial property classes where the tax burden on any one of these classes, relative to the residential class, is above the provincially prescribed average tax ratios for these classes. The average tax ratios prescribed by the provincial government are 2.74 for the multi-residential class, 1.98 for the commercial class, and 2.63 for the industrial class.

Prior to 2004, municipalities affected by this rule were required to pass on any tax increases to all other classes in the form of a budgetary levy increase, or reduce the tax ratio in the affected class below the provincially prescribed average. (Reducing tax ratios also shifts some of the tax burden to all other classes.) As of 2004, Ontario Regulation 73/03, as amended by Ontario Regulation 64/04, provides partial relief from the levy restriction. Municipalities now have the option of applying a tax increase to property classes that are subject to the restriction, but the tax increase is limited to not more than half of any tax increase that is applied to the residential class.

This levy restriction only applies to general levies of a municipality. Only a small number of municipalities are affected by this restriction (in that they have tax ratios above the prescribed provincial average). You should ask your treasurer if your municipality is affected by this rule.

Reduced Rates for Farm and Managed Forest Classes

In 1998, the provincial government specified that farm lands, farm outbuildings and managed forest properties could only be taxed at 25 per cent of the residential rate established in the municipality.

Under recent changes initiated by the provincial government, upper tier and single tier municipalities have been given the option to further reduce the municipal tax rate on the farm property class to below 25 per cent of the residential tax rate. Lowering the farm tax ratio in one year does not, however, prevent your municipality from raising it in a subsequent year, as long as the ratio does not exceed the 25 per cent limit. The tax ratio for education purposes remains at 25 per cent of the residential rate for farm and managed forest properties.

Tax Tools

To help mitigate tax shifts resulting from reassessments, and in order to meet capping requirements (discussed below), your municipality has several tax tools under the Municipal Act, 2001. These tools are summarized as follows:

Optional Classes

As stated earlier, single tier and upper tier municipalities have the flexibility to create, in addition to the standard property classes, up to five optional classes: new multi-residential, office building, shopping centre, parking lots and vacant land, and large industrial. Creating optional classes helps to mitigate tax increases that business properties would face.

The optional class for new multi-residential encourages new multi-residential construction by charging these classes of properties lower tax rates (closer to those charged for single-family residential properties) for up to 35 years.

Phase-In Programs

Single tier and upper tier municipalities have the authority under the Municipal Act, 2001 to create a tax phase-in program for properties to implement tax increases and decreases in more manageable amounts following reassessments. While this option was available for the last reassessment, which occurred commencing in 2009, mandatory phase-in of assessments in increments of 25 per cent between 2009 and 2012 province-wide essentially eliminates the necessity to implement this option.

Graduated Tax Rates (Banding)

Single tier and upper tier municipalities have the authority under the Municipal Act, 2001 to create two or three bands of assessments for commercial and industrial properties for the purposes of applying graduated tax rates. Graduated tax

rates allow your municipality to shift some of the tax burden from lower-valued properties to higher-valued properties while maintaining overall class revenues. For municipalities which have established the shopping centre, office building, and large industrial property classes, graduated tax rates can also be established for each of these optional classes as well.

Lowering Tax Ratios

Your municipality can alter your tax ratios toward or within the range of fairness established by the provincial government. Lowering ratios for a property class lowers the resulting tax rate on that class and decreases its yield of tax revenues.

Tax Relief for Low-Income Seniors and Disabled Homeowners

Under the Municipal Act, 2001, single tier and upper tier municipalities are required to provide deferrals or other relief from tax increases attributable to reassessments to low-income seniors and disabled homeowners. A municipal bylaw to provide this type of relief also applies to school taxes. A similar bylaw adopted by an upper tier municipality also applies to its lower tier municipalities.

Rebates for Charities and Heritage Properties

Under the Municipal Act, 2001, single tier and upper tier municipalities are required to provide property tax rebates to registered charities and may also include similar organizations, as determined by your municipality. The rebate amount for a registered charity must be at least 40 per cent, and your municipality has the flexibility to rebate up to 100 per cent of an organization's property taxes, including the education portion of the tax. Local municipalities also have the authority to provide property tax reductions or refunds to owners of buildings designated under the Ontario Heritage Act as being of architectural or historical value. The amount of relief must be between 10 per cent and 40 per cent of the taxes (municipal and education) levied on the property.

Mandatory Capping for Multi-Residential, Commercial and Industrial Classes

Notwithstanding the variety of tax tools described above, municipalities are required to limit tax increases resulting from property tax reform and re-assessment on properties in the multi-residential, commercial and industrial classes to five per cent per year. Tax increases are based on the prior year's annualized taxes (amounts a property actually paid, assuming no changes occurred on the property). However, if changes did occur, the prior year's annualized tax on the property would have to be adjusted to reflect the change.

Increases can exceed five per cent if there are levy increases on these property classes in the municipality and if the municipality has chosen to use the powers discussed below. The cost of limiting tax increases on properties in a property class for a year is generally paid for by clawing back the tax decreases that would occur on other properties in the same class in that year.

Commencing in the 2005 taxation year, municipalities were given enhanced power to move capped properties to CVA taxation more quickly. Four new capping features were made available to municipalities, which now could:

- increase the amount of the annualized cap from five up to 10 per cent per year
- coupled with the above, implement a minimum annual cap increase of up to 5 per cent of the previous year's annualized CVA-level taxes
- after application of both of the above tools, move capped or clawed-back properties directly to their CVA taxes, if they fall within \$250 of the CVA tax level; and last but not least
- establish a minimum threshold for properties which became eligible for new construction or new to class treatment in 2005. A floor could be established to tax these properties at up to 70 per cent of their CVA tax level in 2005, the floor increasing with higher amounts each passing year until 2008, when these properties could be taxed at 100 per cent CVA taxation.

As of 2009, additional capping features were added to allow municipalities to remove properties from capping and clawback, once properties have reached their CVA-level taxes. If municipalities select this option, properties would be eligible to exit capping if they reached their CVA level in the prior year. Moreover, if properties switched from being a capped to clawback property between 2008 and 2009, or switched from being a clawback to capped property in this time, municipalities could also elect to eliminate these properties from the mandatory capping provisions. With the selection of these options, progress to CVA-level taxation will be accelerated as properties that have reached CVA-level taxation will remain there. With each year, fewer properties will fall under the cap/clawback where these options are selected, with future assessment changes for the properties being mitigated by the assessment phase-in program.

Levy for General Municipal Purposes

The amount to be raised through taxation is determined when council adopts its annual budget. Estimated revenues from all sources other than property taxes, including any available surplus from the previous year, are deducted from the estimated total operating expenditures to calculate the levy. Simply put, tax rates are calculated after the budget is determined. Even in cases where the budget

remains constant from one year to the next, tax rates may fluctuate because of property reassessment.

Levy for Region, County and School Purposes

The levy for any upper tier municipality is calculated by the upper tier in the same manner as the local levy for general municipal purposes is calculated by the lower tier or single tier. In other words, municipalities determine their total expenditures, subtract their non-tax revenues, add any surplus/deficit amounts and then calculate their tax rates. The tax rates calculated for the upper tier are uniform throughout the lower tier municipalities within their jurisdiction. The amounts raised by each lower tier depend on the amount of assessment and the types of properties located within its boundaries. Upper tier taxes are collected by the lower tiers and are remitted to the upper tier in installments.

For school purposes, the Ministry of Finance prescribes in each year a single education tax rate for residential, multi-residential, and new multi-residential properties across the province. Farm and managed forest properties are subject to a rate of 25 per cent of the residential rate.

For each reassessment year, the provincial government resets the residential education tax rate to ensure that education tax revenues for the class remain constant. For business properties, education tax rates are calculated annually by the provincial government for every municipality, recognizing local reassessments. All education taxes are collected by the local municipality and remitted to the local school boards on a quarterly basis.

Tax Billing

Each year, MPAC provides every municipality with a copy of the assessment roll to calculate taxes for the following year. The roll contains the following information about each assessed property: the roll number, description/identification of the property, the name of the assessee, the property's assessed value, the type of assessment (for example, residential, commercial, industrial), the tax qualifier (for example, taxable, tax exempt, exempt but eligible for payment in lieu) and, in the case of residential properties, the type of school board the assessee supports under the Education Act.

The roll is known as the "returned assessment roll for the year." Under subsection 340(1) of the Municipal Act, 2001, the treasurer of your municipality is required to prepare a "tax roll" based on the last returned assessment roll for the year. For the most part, the tax roll shows the contents described above. It also is required to show the total taxes payable and a breakdown of the taxes payable for general and special local municipal levy, for general and special upper tier levy, for each

school board, and for all other purposes.

The tax roll is later amended to show any adjustments made from assessment appeals, errors and omissions and supplementary assessments. For tax-rate-setting purposes, single tier and upper tier municipalities have the discretion to use either the returned roll assessments or the assessments depicted on the tax roll, provided the adjustments have been made before the tax rating bylaw has been set. In two tier systems, local municipalities must use the local assessments that were used by the upper tier in setting their tax rates.

Preparing tax bills is the responsibility of your treasurer. The treasurer is required to send a tax bill to every property owner at least 21 days before any taxes shown on the tax bill are due. As required by the Municipal Act, 2001, the tax bill separates the school levies and upper tier levies from the general local levy and other special rates. This lets the taxpayer know how taxes are directed for these separate purposes. Although rarely exercised, your municipal council may pass a bylaw to authorize two separate tax notices, with one notice specifying only the amount of education taxes payable.

For tax billing, your council must also consider:

- whether taxes will be paid in one lump sum or in installments
- the dates on which payments will be due
- penalties for late payments
- discounts for advance payments

Many municipalities have adopted an installment payment system. Installments are convenient for taxpayers and provide the municipality with a steady cash flow, reducing the need for temporary borrowing. A further reduction in borrowing is possible if your municipality introduces an interim levy even before adopting its annual budget.

Your municipality must pass a bylaw to levy interim taxes. The interim amount levied on a property shall not exceed 50 per cent, or a prescribed percentage of the total taxes, both municipal and education, levied on the property for the previous year. To ensure that the amount raised by the interim levy is the expected amount, it is important to calculate the levy based on a percentage of the total taxes for the previous year, and not on any other factor (for example, a percentage of the previous year's tax rate).

Municipal council can also set a minimum tax amount to be paid. If the calculated taxes on a property are less than the specified minimum amount (e.g., \$100), the taxes payable would automatically be increased to that minimum amount. Council can also set a zero tax amount and if the taxes calculated for a property are less than a specified amount (e.g. \$25), the taxes would automatically be reduced to zero.

Through bylaws, you and the rest of council can authorize discounts for advance payments at a rate and manner specified. Discounts encourage prompt payment of property taxes. Similarly, penalties discourage late payments of taxes. Under section 345 of the *Municipal Act, 2001*, your municipality can pass bylaws to impose late-payment charges (penalties) on unpaid taxes. Taxes that are not paid by the due date may be subject to a penalty of 1.25 per cent of the amount of taxes on the first day of default and interest of 1.25 per cent per month if the taxes continue to be unpaid. Interest cannot be compounded. Taxes that remain unpaid after the end of the current year are called tax arrears.

Your municipality is also required to pay interest to ratepayers on overpayments arising from administrative error or changes under the Assessment Act. Interest on monies owed by your municipality to ratepayers, as a result of an error or a change under the Assessment Act, start to accrue 120 days after the error is corrected or your municipality is notified of the change.

Tax Collection

Your municipality can use a number of methods to collect unpaid taxes, including requiring tenants to pay their rent to the municipality instead of their landlord, garnishment of debtor's revenues, seizure of goods and chattels, and legal action in court.

Part XI of the *Municipal Act, 2001* and the *Municipal Tax Sales Rules* regulation (Ontario Regulation 181/03) provide the ultimate remedy for collecting outstanding property taxes – selling the property in question to recoup the property taxes owed. Where the property tax on a property goes into arrears for a period of three years, your municipality can initiate the tax sale procedure to effect collection.

In 2006, amendments to the tax sale provisions allow a municipality, after a failed tax sale, to vest a property free of provincial Crown liens (subject to sharing the proceeds of sale of the vested property with the province in certain circumstances). In addition, municipalities now have two years instead of one year to consider vesting the property. Municipalities may also re-advertise land that has failed a tax sale, without starting the tax sale process all over again.

Municipal council can also, upon the recommendation of the treasurer, write off taxes without conducting a tax sale, provided a written explanation is given as to why a tax sale would be ineffective or inappropriate.

Government Contributions

Payments in Lieu of Taxes

Payments in Lieu of Taxes (PILs) are payments made by provincial and federal governments and their agencies on property they own and occupy. They also include payments that the provincial government makes on property that it leases from other exempt bodies, such as municipalities or the federal government. Municipalities also make PILs on their public utilities, such as transit, sewer and water utilities.

PILs are either calculated on the assessment of land or based on a prescribed per-person or per-bed amount. Often called the heads and beds payments (for example, payments on institutions such as hospitals, universities and correctional institutions), these are currently based on \$75 per bed, student or inmate.

Generally, lower tier municipalities in a two tier system are required to share PILs with the upper tier. However, sharing of PILs between a local municipality and its school boards is limited to residential PILs only (i.e., including residential, multi-residential, farm and managed forest classes).

Grants and Subsidies

Grants and subsidies are contributions made by the provincial and federal governments to assist a municipality to meet the costs of delivering services to its residents. Provincial grants play an important role as a revenue source for municipalities, accounting for \$6.5 billion in annual revenues in 2008.

Conditional and Unconditional Grants

Conditional grants are made for a specific program or service, whereas unconditional grants may be used as council decides to meet the cost of any budgeted, current operating expenditure. Conditional grants account for about 85 per cent of total provincial grants and are subject to specific eligibility and spending criteria. The major conditional grants are for transportation, health, social services and the environment. Unconditional grants, which represent about 15 per cent of total provincial grants, consist mainly of funding provided through the Ontario Municipal Partnership Fund (OMPF). The OMPF replaced the Community Reinvestment Fund as the provincial government's main transfer payment to municipalities in 2005. Eligible municipalities received \$949 million in 2009 through the combined benefit of the OMPF grant (\$704 million) plus reduced costs from the uploads of the Ontario Drug Benefit (ODB) and the Ontario Disability Support Program (ODSP) Administration (\$245 million).

In 2010, the government will provide \$1.2 billion through the combined benefit

of the OMPF (\$625 million) plus reduced municipal costs from the uploads of ODB, ODSP administration, and the phased upload of ODSP and Ontario Works benefits (\$570 million).

The Ontario Municipal Partnership Fund – a clear and transparent system of grants – is part of the provincial government’s overall commitment to support municipalities. The fund assists municipalities with their share of social program costs, includes equalization measures for areas with limited property assessment, addresses challenges faced by northern and rural communities, and responds to policing costs in rural communities.

Other Revenue Sources

The revenues available to municipalities from other sources are more significant than revenues from federal and provincial government contributions, both in amount and in impact on the municipal budgeting and financing process. Moreover, these revenues are increasingly important for the operation of municipalities.

Many municipalities have diversified and expanded their revenue bases in recent years to reduce their dependence on municipal taxation as the major revenue source. However, the introduction of other revenues should be carefully examined by your municipality to assist in deciding whether collection costs and potential administrative problems outweigh the possible benefits of the additional revenues.

User Fees

Section 391 of the Municipal Act, 2001 describes the power of your municipality to impose fees and charges for services it provides and for the use of municipal property. Your municipality has discretion to determine the services for which it will charge a fee, the amount of the fee, the basis for calculating the fee, and who will pay the fee. Examples of fees charged by municipalities include (but are not limited to) fees for licenses, permits and services such as water, waste, sewage, transit, recreation and special police enforcement.

Ontario Regulation 584/06 provides that a municipally or local board cannot impose a fee for:

- capital costs captured by existing bylaws or agreements under the Development Charges Act, 1997
- processing planning applications
- conducting municipal elections
- collection of school and upper tier taxes; or
- use of municipal highways by a telecommunications business, an electricity generator, transmitter, distributor or retailer, or a gas producer, distributor, or storage company for its wires, cables, poles, conduits, equipment, machinery or other works

However, a municipality or local board can impose fees to recover the cost of issuing permits authorizing the use of its highways for the works of telecommunication, electricity or gas businesses.

Under Part XII (Fees and Charges) of the Municipal Act, 2001, municipalities also have the power to impose local improvement charges for capital projects that provide a benefit to nearby properties, or properties that abut the work. These charges allow a municipality to recover the property owner's share of the costs associated with the capital work. Ontario Regulation 586/06 sets out the rules and procedures for imposing these types of charges, including how a work can be initiated as a local improvement and the methodology for apportioning costs to be recovered. Examples of local improvement charges include those for sidewalks and for water and sewer connections.

Licenses, Permits and Rents

Revenues under this category include those from the issuing of licenses, permits and fees pertaining to businesses, vendors, trailers, and animals. These revenues also include items such as rents charged to use or occupy municipal properties, and concessions or franchises to use or operate municipal facilities.

Under the Building Code Act, 1992, the total amount of building permit fees collected by a principal authority (e.g., municipality) must not exceed the anticipated reasonable costs of the authority to administer and enforce the Act within its jurisdiction. Furthermore, the Act includes fee transparency requirements, such as public meetings, before permit fees are changed. The Building Code also requires that council provide an annual report to council on the total fees collected, the direct and indirect costs of delivering services, and the amount of any reserve fund that has been established by the municipality.

Fines and Administrative Penalties

This source of revenue includes fines imposed for contravening municipal bylaws, fines related to the Building Code Act, 1992 and various other acts. The most common fines are for local parking or traffic violations and for violations of building regulations. A municipality can also impose administrative penalties for contravention of parking and licensing bylaws. Administrative penalties for parking can only be used if the provincial government has authorized their use by regulation.

Investment Income

During the year, your municipality may have cash on hand (for example, from reserve funds) that is not immediately needed to meet expenditure requirements. This cash is often invested to earn income. These temporary surpluses can also arise because of interim tax collections or grant payments. It may be sound financial

management to seek a higher return on these monies through wise investment practices, rather than allowing the funds to remain in a bank account bearing little or no interest. Treasurers customarily research and recommend investments, subject to the limits set by statute and by your council's policy.

Development Charges

Development charges are amounts levied to pay for growth-related capital costs such as roads, sewers and transit. They are used to fund the initial capital costs to build infrastructure needed to serve new growth (both residential and non-residential). Development charges do not pay for operating costs or for the future repair and rehabilitation of infrastructure.

The Development Charges Act, 1997 (DCA) allows municipalities to impose development charges on land developers and builders through a municipal development charge bylaw. Before passing the bylaw, your municipality must prepare a detailed background study of all costs likely to be incurred because of new development and must hold at least one public meeting. Most municipalities use a consultant to help prepare the study. Development charge bylaws can be appealed by residents and interested parties to the Ontario Municipal Board. Municipalities must enact a new development charge bylaws every five years.

Under the DCA, your municipality may recover up to 100 per cent of the growth-related capital cost for services such as water supply, waste water, storm water management, roads, electrical power, police and fire protection services. Your municipality may not impose development charges for hospitals, city halls, land for parks, entertainment facilities, tourism facilities or waste management services.

For all other services not listed above, your municipality may recover up to 90 per cent of the growth-related capital costs through development charges. Such services include, but are not limited to, libraries, homes for the aged, recreational arenas and transit.

Development charges are payable when a builder applies for a building permit. Your municipality can deny a building permit if the development charge is not paid.

Financing Sources

Sources of capital funding fall into three main groups: internal sources, external sources and debt or lease financing.

1. Internal financing sources include the transfer or use of funds from or identified in the current-year operating budget or existing reserves and reserve funds to assist in the financing of capital works. The sale of existing

assets which your municipality no longer requires (e.g., surplus real estate or buildings) can also generate funding for new capital projects.

2. External sources of financing include other government grants (both federal and provincial), fund-raising or donations, and third-party contributions under public-private partnership arrangements.
3. The third source – debt, lease or other kinds of financing – includes external borrowing and other long-term repayment obligations.

Debt Management

The debt position of your municipality is of interest to the provincial government. Generally, a municipality may not commit more than 25 per cent of its total own-purpose revenues to service debt and other long-term obligations without obtaining prior approval from the Ontario Municipal Board (see Ontario Regulation 403/02 – Debt and Financial Obligation Limits). Often, the limit for a municipality is referred to as the annual repayment limit. Through the Financial Information Return, municipalities submit data annually to the Ministry of Municipal Affairs and Housing on their long-term liabilities and debt charges.

Some of the indicators that municipalities use to assess their ability to service debt are: debt per capita, debt charges per capita, debt charges as a percentage of revenue, debt charges as a percentage of the municipal levy, debt-to-assessment ratio, and debt charges to tax rate ratio.

The decision to use debt or pay-as-you-go financing is a local decision of the municipality. Either method may be beneficial to individual municipalities in certain circumstances. However, evaluating the long-term financial impact of a proposed approach is a best practice that municipalities use prior to making these decisions.

Accounting for Tangible Capital Assets

A major factor in determining a government's financial ability to maintain its existing service levels is information about the stock, use and condition of its infrastructure. Comprehensive, cost-based systems for services would not likely be developed as long as the true cost of using infrastructure is ignored. If the cost of using infrastructure is not reported properly, that cost cannot be accurately taken into account, and governments cannot best exercise their stewardship responsibilities.

PS 3150 requires local governments to report tangible capital assets (TCA) beginning with their 2009 financial statements. This applies to all assets where a municipality has control over the economic benefits, whether or not the municipality actually owns those assets.

Capital assets such as works of art and historical treasures are not subject to capitalization and amortization, since it is not possible to make a reasonable

estimate of the future benefits of such property. However, existence of such property must be disclosed in accordance with PS 3150.42(e).

It may assist you as a councillor to have more information about what capitalization and amortization are from the standpoint of tangible capital assets. Amortization refers to the process of allocating the cost of an asset to the periods of benefit over the useful life. The life of a capital asset, other than land, is finite and is normally the shortest of the physical, technological, commercial or legal life. Capitalization refers to the systematic charging of the acquisition costs of a tangible capital asset to operations over the same period that its benefits are to be enjoyed.

Capitalization of assets is both a business practice and a financial practice. Business decisions by government managers, with respect to the use of assets and the costing and reporting of government programs, may be improved by capitalizing tangible capital assets. Capitalization of this kind may involve the development of annual and multi-year capital budgets as well as an annual operating budget. Generally, the value of each asset included in an approved capital budget that is subsequently acquired is spread (i.e., amortized) over its useful life.

Schedule of Tangible Capital Assets

The schedule of tangible capital assets captures the acquisition cost for the capital asset, the reporting of amortization, and the net book value of the capital asset.

A tangible capital asset is a non-financial asset having a physical substance that is acquired, constructed or developed, and:

- Is held for use in the production or supply of goods and services.
- Has a useful life extending beyond one year and is intended to be used on a continuing basis.
- Is not intended for sale in the ordinary course of operations.

For example, a municipal community centre is a tangible capital asset.

Acquisition of Tangible Capital Assets and Estimation of Amortization

The year of acquisition of tangible capital assets (TCA) is important because it is used to establish an asset's initial value as well as its accumulated amortization. The asset's expected useful life at the time of acquisition is also important in establishing its accumulated amortization at the time of the inventory.

Significant improvements that extend an asset's original life span, increase its capacity, or reduce its operating cost are often capitalized and amortized.

The estimated useful life of an asset is in some cases determined with a view to

its expected useful life to the local government, not necessarily the life of the construction materials used in its construction.

Classification

PS 3150 dictates the disclosure of the cost, additions, disposals and amortization of each major category of assets. The primary category deals with what an asset objectively is – be it land, building, equipment or one of several other objects.

Each asset is typically classified as to its “functional” category, which identifies the functional service area in which the asset is used. This may be useful in reporting the total amount of assets by their principal use. It may also be useful in determining the annual amortization by asset function.

Capital Threshold

The capitalization threshold defines the minimum dollar level a municipality will use to determine which expenditures will be capitalized as assets and amortized and which expenditures will be treated as current year expenses. Expenditures that are above the threshold amount and otherwise meet the definition of a TCA are capitalized. Those that fall below the threshold are expensed in the year incurred. The threshold, therefore, has a significant impact on the size of the TCA inventory and the complexity of managing subsequent acquisitions and disposals.

Employing a capitalization threshold in an organization’s capital asset accounting policy may significantly reduce the number of assets the organization must track and record. The size of a municipality or the size of its service areas also come into play when setting capitalization threshold levels. Municipalities vary greatly in size, so what is relevant to one may be immaterial to another.

Valuation

Once the capital inventory is assembled, opening asset values are determined.

TCAs are to be valued at cost. PS 3150 provides a brief summary of what is to be included in the capital cost of an asset. Capital costs must be “directly attributable” to the asset being acquired, constructed, developed or bettered.

PSAB has decided that historical cost is the most appropriate value to apply to an asset, since it is the most objective and measurable amount. Because the historical records on some TCAs may be incomplete, transitional tools to determining the opening balances for TCA are necessary.

For the purposes of implementing the new PS 3150 standard, there are three additional ways to determine the approximate opening historical cost of a TCA:

1. Deflated (or discounted) reproduction cost, which is defined as taking the current cost of reproducing the asset in its same physical form (substantially the same materials and design) and using an appropriate index to deflate the current cost to arrive at an estimate of the asset cost at the time of acquisition.
2. Deflated (or discounted) replacement cost, which is defined as taking the current cost of replacing the asset in a different physical form but with the same productive capacity and using an appropriate index to deflate the current cost to arrive at an estimate of the asset cost at the time of acquisition.
3. Appraisal, which is defined as a professional assessment of what the asset is currently worth given its current age and condition. An inflation index is typically applied to the current appraised value to arrive at an approximation of asset cost at the time of acquisition.

PSAB's guidance on alternative approaches for cost measurement suggests that municipalities use a consistent method to determine historical costs, unless they can demonstrate that a different method will provide a more accurate approximation of historical cost. Post-standard implementation, PSAB recommends that municipalities use only the actual cost of acquiring an asset, not the approximation methods above, to establish its carrying value in their financial records.

Amortization

With the implementation of TCA accounting, amortization becomes an expense charged to annual operations.

There are different methods in estimating amortization:

Straight-line method: The most common and easiest method of amortization is straight-line. Straight-line amortization is calculated by dividing an asset's original cost by its estimated life in years. This method provides a constant annual amortization amount each year. It is commonly used for buildings.

Unit-of-output method: Some assets deteriorate based on their usage. Such assets are designed to produce a finite amount of product or service. For these types of assets, unit-of-output may be the most logical amortization method. The unit-of-output method determines amortization based on asset output by dividing an asset's cost by its total expected productive output. The amortization cost per unit is then multiplied by the actual production to the TCA inventory date to determine the accumulated amortization of that asset.

Declining-balance method: Some assets are more efficient when new, providing more and better services in the early years of their useful life. The declining-balance method of amortization applies a constant percentage to the unamortized

value of the asset each year. Because the unamortized value of the asset declines each year, the annual amortization declines as well. Declining-balance amortization is commonly used for vehicles and computer equipment. This method results in higher annual amortization in the early years of an asset's life and lower annual amortization in later years. This may be the most appropriate amortization method when repairs and maintenance are expected to climb as an asset ages.

Useful Life

As the above methods indicate, most amortization methods require an estimate of useful life. Numerous factors make the determination of useful life a decision requiring judgment based on each circumstance. PS 3150.28 lists the factors to be considered in estimating the useful life of TCA. Whatever the amortization method chosen or the estimate of useful life assigned, the valuations should be subjected to due scrutiny.

Amortization methods determine the rate at which capital costs are assigned to the statement of financial operations. Typically, to the extent possible, these mirror the rate at which the asset's benefit to the municipality is used up. The financial statements may then better reflect capital consumption. Useful life also has a significant effect on assignment of costs to accounting periods – when assigned conscientiously at the outset, assignment of costs may minimize occasions where a large gain or loss is triggered on disposal or replacement of the asset.

Furthermore, both the amortization method and estimate of useful life should be reviewed on a regular basis. PS 3150.30 lists the events that may trigger a need to revise these estimates.

Non-Depreciable Assets

Normally, land is not amortized since its life is infinite. The exceptions may be land improvements or land acquired for a landfill where the subsequent land value will be impaired as a result of its use.

Residual Value

If it is expected that the residual value of a TCA will be significant, municipalities may wish to estimate the future financial amount they might receive on the disposal of the TCA. For example, if a municipality generally retains vehicles for five years, there may be a trade-in value for those vehicles. An asset's residual value is deducted from the gross cost (or initial valuation) before the amortization amount is determined.

Salvage value is what remains after an asset has been substantially used up, but does not necessarily relate to value expected to be received on asset disposition.

For example, landfill sites may have some salvage value once the capacity of the site has been used up and the area landscaped (as parkland for instance). The salvage value is generally not subject to amortization.

Accumulated Amortization and Net Book Value

Once a municipality has established the appropriate amortization method and actual annual amortization amount, one final exercise may remain before the initial financial records for a TCA can be recorded: the determination of the previous years' amortization and recording of the accumulated amortization.

Capital Work-in-Progress

While an asset is under construction, the costs are generally accumulated in a capital work-in-progress asset account. Cost accumulation would cease when the asset (or a component part of it) is put into use. At that point, the costs would be transferred to the appropriate TCA account. Amortization does not generally begin until an asset is put into use.

Disposal and Write-Downs

According to the new accounting standard, an asset's recognized net book value could also change when the value of future economic benefits is less than the net book value of the asset in question, and the decline in value is expected to be permanent. In these cases, the asset's net book value is typically reduced, or written down, to reflect the decline in the asset's value. PS 3150.34 provides a list of conditions that may indicate that write-down is appropriate.

Asset Disposals

At times, an asset is sold outright. The difference between the proceeds from the sale of the asset and the remaining net asset value is typically recorded to the current year as either revenue or expense. The cost of an asset would also be adjusted if it were destroyed, lost, abandoned or replaced. This element of TCA accounting practice requires that municipalities maintain an accurate, permanent record of their assets in the form of a capital asset register. The register addresses the need to account for disposals with accurate information about each asset's history.

Expenditures vs Expenses

Capital Expenditures or Capital Purchases

A capital purchase is generally seen as one that results in the acquisition, construction, development or betterment of a tangible capital asset.

Starting in 2009, PS3150 states that capital expenditures will not be reported in the statement of operations. Capital purchases are not considered as expenses, while the amortization from the tangible capital assets is expensed in the statement of operations.

Operating Expenses

An operating expense is generally seen as something that is consumable or has a short life. Operating expenses are often incurred in the performance of an ongoing program, or for expenses on goods that are consumable or have a short life, or on projects of a constantly recurring nature. For example, fire and police protection, park maintenance, and garbage collection costs are typically recorded as operating expenditures.

The following table provides some working examples, showing ways capital budget expenditures have been distinguished from operating budget expenditures in the past. This table includes items for consideration when municipalities are identifying items as capital expenses or operating expenses. The matters listed are suggestions only, and are not necessarily accurate or complete in actual local use or circumstances.

Table 1: Examples of Capital Expenditures and Operating Expenses

Type of Facility	Capital Budget Expenditure	Operating Budget Expense
Streets	Physical alteration of street capacity or design	Paving repair, seal-coating
Traffic	New or upgraded signal equipment	Equipment repair, lane marking
Public Buildings	Major remodelling and structural alterations, new construction	Preventive maintenance repairs that do not significantly upgrade the structure or increase its previously estimated useful life (e.g., minor roof repair)
Water Treatment	Rehabilitation of major components of a treatment facility to extend useful life or capacity, new construction	General repair or maintenance of equipment or facilities to continue operations

SECTION 5: Land Use Planning and the Building Code

Community or land use planning can be defined as managing our land and resources. Through careful land use planning, municipalities can manage their growth and development while satisfying important social, economic and environmental concerns. More specifically, the land use planning process balances the interests of individual property owners with the wider needs and objectives of your community, and can have a significant effect on its quality of life.

You have a key role to play in land use planning. As an elected representative of the community, you are responsible for making decisions on existing and future land use matters and on issues related to local planning documents.

It is important to note that land use planning affects just about all other municipal activities and almost every aspect of life in Ontario. Council will need to consider these effects when making planning decisions. Public consultation is a mandatory part of the planning process. You and your colleagues (especially if you are in a growing municipality) will devote a large part of your time to community planning issues. You may also find that much of your interaction with the public involves planning matters.

Good planning contributes significantly to the long-term, orderly growth and efficient use of services. It touches all of us and helps us to build the kind of communities we want. On a day-to-day basis, it is sometimes difficult to see how individual planning decisions can have such impact. Making decisions on planning issues is challenging and, for these reasons, it is important to understand the planning system and process.

The Planning Framework

The Planning Act provides the legislative framework for land use planning in Ontario. It is the basis for local planning administration, the preparation of planning policies, development control, land division, provincial interests relative to municipal land use planning, and the public's right to participate in the planning process. Although the Planning Act is the primary legislation governing municipal land use planning in Ontario, you should also consider other related legislation such as the Greenbelt Act, 2005, the Places to Grow Act, 2005, the Environmental Protection Act and the Ontario Heritage Act when dealing with planning matters. In some cases, there may be provincial plans (e.g., the Greenbelt Plan) and regulations associated with these statutes which also need to be considered.

The legislative framework under the Planning Act includes processes and tools for planning and controlling development or redevelopment. These tools include official plans, zoning bylaws (including minor variances), subdivision plans, site plan control and community improvement plans. The approval of land use planning documents and applications is the responsibility of the assigned, prescribed or delegated approval authority. This can be different depending on your local circumstances and the type of planning document or application. Your municipal staff, municipal planning authority or planning board officials will advise you which body approves what in your municipality or planning area.

You should be aware that the Planning Act creates a provincial policy-led system requiring that decisions made by councils on planning documents or exercising any authority that affects planning matters under the act “shall be consistent with” the Provincial Policy Statement (PPS). The PPS contains clear overall policy directions on matters of provincial interest that relate to land use planning and development. For example, the PPS has policy directions regarding building strong communities, the wise use and management of resources, and protecting public health and safety.

This means that the PPS must be followed in the municipal decision-making process and in developing planning documents. Every planning situation must be examined in light of pertinent PPS policies. Where a provincial plan is in effect, planning decisions must conform with, or not conflict with, the provincial plan.

The PPS makes it clear that planning authorities, including councils, are encouraged to go beyond the minimum provincial standards in specific policies when developing official plan policies and when making planning decisions – unless doing so would conflict with another policy.

The Ontario Municipal Board

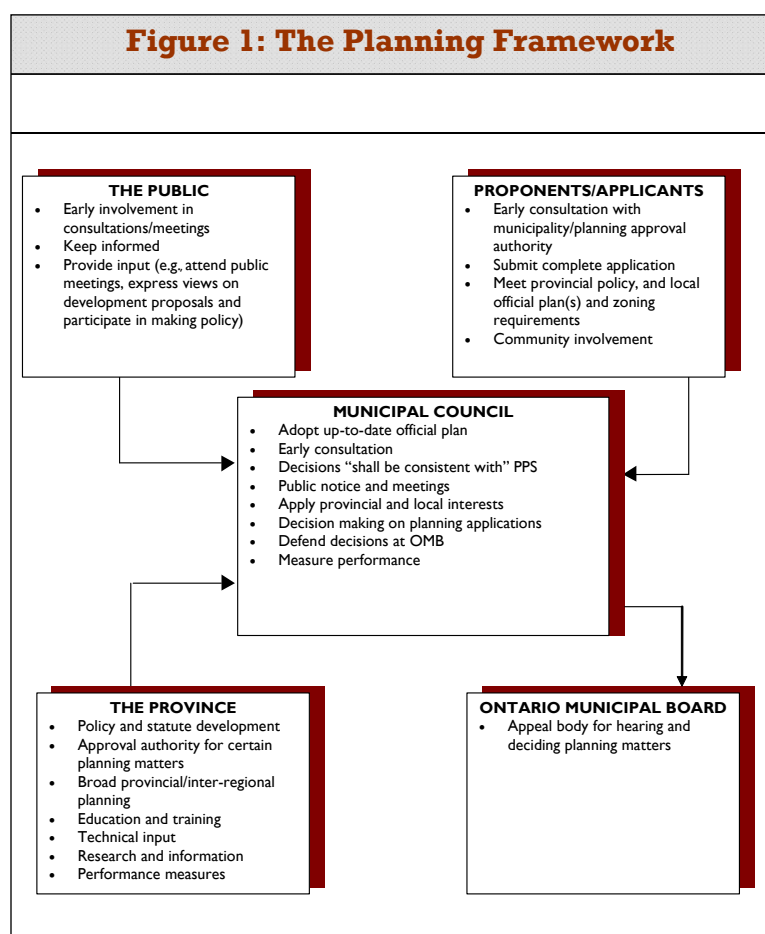
Of course, people do not always agree on planning decisions made by local planning authorities. Because of this, the Ontario Municipal Board (OMB) exists as an independent tribunal to hear appeals and make decisions on a variety of contentious municipal planning matters. When people are unable to resolve their differences and/or disputes on decisions made by local planning authorities, they can appeal those decisions to the OMB. The failure of a planning authority to make a decision on most planning applications within specified time periods can also be appealed to the OMB.

When a matter is appealed to the OMB, the Board takes the place of the approval authority and can make a decision within the authority provided for in the Planning Act. The OMB’s decision on all matters (appealed to it under the Planning Act) is final except when the matter has been declared to be of provincial

interest by the Minister of Municipal Affairs and Housing, when the OMB allows for a review, or when the courts allow for an appeal.

Any person or public body, subject to meeting certain requirements, can appeal a planning decision with reasons to the OMB or, in the case of minor variance and consent application decisions, to a Local Appeal Body (LAB), if your municipality has taken up the option to establish one. Some planning decisions regarding policies and applications relating to settlement areas, employment areas and second unit residential dwellings cannot be appealed. In such cases, you should always ask municipal planning or legal staff to advise you whether the matter can be appealed. This is also one of the reasons why it is important for you, along with the rest of council, to consider all relevant local and provincial interests in your decisions so that you are comfortable with the decisions.

Figure 1 (below) provides you with an overview of the responsibilities and roles of the main parties involved in the planning system.



Municipal Planning Tools

This section describes the key planning tools provided by the Planning Act to help municipalities plan and control development. Reviewing your own municipality's planning documents and discussing them with planning staff will give you a better understanding of their use and application.

The Official Plan

An official plan describes your municipality's policies on how land should be used over the long term to meet the specific needs of your municipality. It is prepared with input from you and your municipality's citizens and businesses.

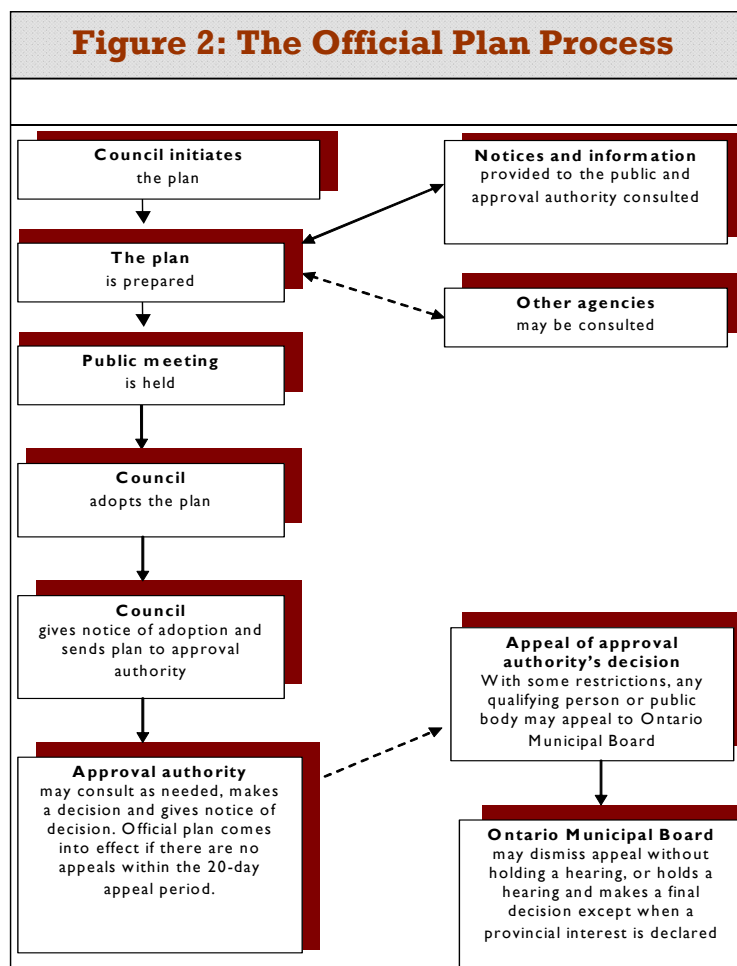
An official plan addresses issues such as:

- Where new housing, industry, offices and shops will go?
- What environmental features are to be protected ?
- What services like roads, water mains, sewers, parks and schools will be needed?
- When, and in what order, parts of your municipality will grow?
- Community improvement initiatives

When preparing an official plan, municipalities must inform the public and give people an opportunity to voice their concerns and opinions. For example, council must hold at least one public meeting before the plan is adopted. A special council meeting open to the public, prior to the public meeting, is also required for the statutory five-year official plan review. When the plan has been adopted, the Planning Act requires that notice of adoption be given to any person who asked for it. Once adopted by the municipality, a copy of the plan is sent for final approval to the appropriate approval authority. The approval authority is the Minister of Municipal Affairs and Housing or the upper tier municipality that has been assigned or delegated the authority to approve lower tier municipal official plans. It is the responsibility of the approval authority to approve, refuse or modify the plan in whole or in part. Once approved, the plan then comes into effect at the end of the 20-day appeal period provided for in the Planning Act if no appeal is made.

However, if disputes result in all or part of the plan being appealed, the OMB deals with the matters under appeal and makes a final decision. If the OMB approves the plan, it then comes into effect.

Figure 2 (next page) provides an overview of the key steps in the official plan process.



This flowchart focuses on the basic process – some steps/details are not shown.

As a councillor, you should be aware that council may amend an official plan at any time. For example, the needs of a community change and evolve and changes may be necessary to allow desirable development that your current plan does not permit. These changes may be made through an official plan amendment, which is prepared and approved in the same manner as the plan itself. An amendment can be initiated by the municipality or by the public.

In addition, it is important to recognize that official plan amendments of some municipalities are exempt from approval. In these cases, the approval authority has exempted a municipality from requiring its formal approval of the amendment. However, after a municipality gives notice of its adoption of an official plan amendment, any person or public body that has made an oral submission at a public meeting or a written submission prior to adoption, or the approval authority, can appeal the adoption to the OMB within the 20-day appeal period allowed by the Planning Act, provided the amendment is of the type permitted to be

appealed by the Act. If there is no appeal, the amendment comes into effect automatically on the day after the appeal period expires. You may wish to ask your municipal staff if your municipality's official plan amendments are exempt from approval by the approval authority.

Your municipality's official plan provides the overall direction and guidance for planning in your community. Once approved, it means that:

- You and the rest of council and municipal staff must follow the plan.
- All public works (for example, new sewers) must conform to the plan.
- All bylaws must conform to the plan.

If your municipality has an official plan, you are required to revise the official plan at least every five years to ensure it conforms with provincial plans, has regard to matters of provincial interest and is consistent with provincial planning statements. In addition, policies dealing with areas of employment lands must be re-examined.

The Zoning Bylaw

The zoning bylaw controls the use of land. It implements the objectives and policies of the official plan by regulating and controlling specific land uses (and as such, must conform to the plan). A zoning bylaw achieves this by stating exactly:

- permitted uses for which land may be used
- where buildings and other structures can be located
- which types of buildings are permitted
- lot sizes and dimensions, parking requirements, building heights and setbacks from a street or lot boundary

As with an official plan, your municipality must consult the public when preparing a zoning bylaw. A public meeting must be held prior to or in conjunction with the passing of the bylaw. Citizens may make their views known either verbally at the public meeting or through written submissions before the bylaw is passed. Only a person or public body that does this may appeal all or part of a council's decision provided the matter may be appealed. Your municipal staff can advise you on which matters can and cannot be appealed.

Your municipality must also give 20 days advance notice of the public meeting and provide information about the proposed bylaw. After all concerns have been fully considered, council has the authority to pass or refuse to pass the zoning bylaw.

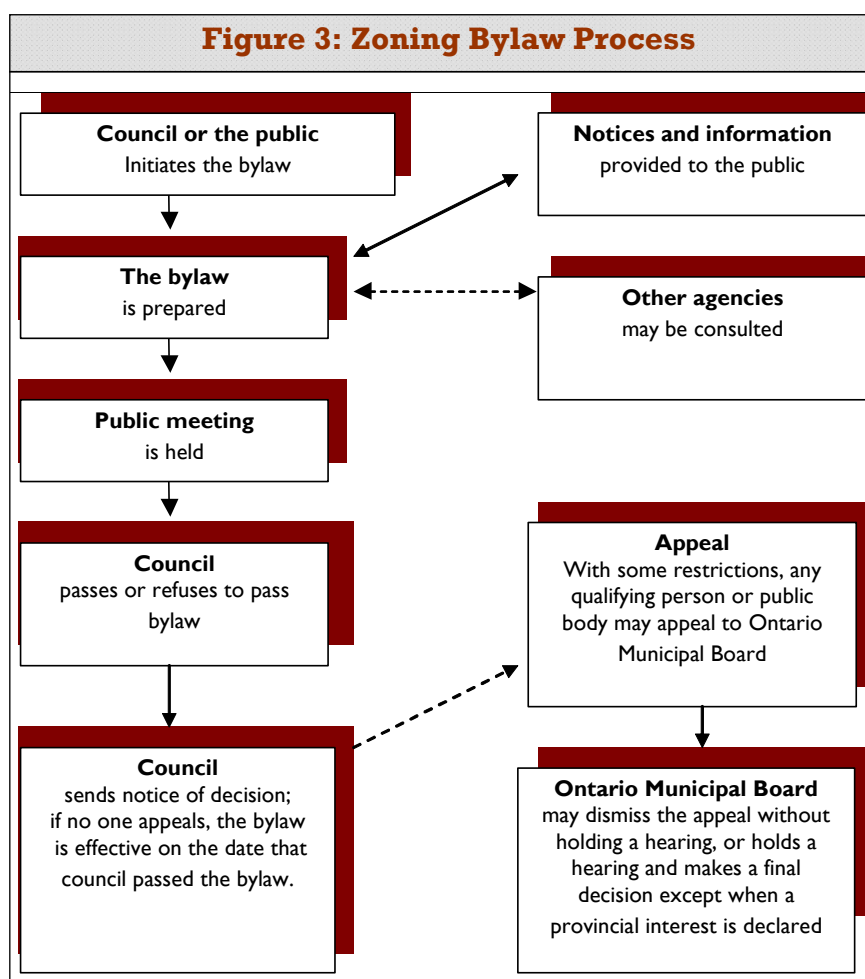
Zoning bylaw amendments (or re-zonings) may be necessary when the existing bylaw does not permit a proposed use or development of a property. A zoning change can be granted only if it conforms to the official plan. Accordingly, a re-zoning follows the same basic process as the zoning bylaw itself, including appeal

rights to the OMB. An amendment can be initiated by the municipality or by the public.

Any person or public body, provided certain requirements are met, may appeal your council's decision to the OMB within 20 days of the date the notice of the passage of the bylaw is given. This can be done by filing the appeal with your municipal clerk. When an appeal is lodged, the OMB holds a public hearing and may approve, repeal or amend the bylaw. If no appeal is filed within the appeal period, the bylaw is considered to have taken effect on the day it was passed by council.

A municipality must update its zoning bylaw to conform to its official plan within three years following the official plan's five-year update.

Figure 3 (below) provides you with an overview of the zoning bylaw process.



This flowchart focuses on the basic process – some steps/details are not shown.

Minor Variances

Generally, if a development proposal does not conform exactly to a zoning bylaw, but follows its general intent and purpose and respects the official plan, an application may be made for a minor variance. For example, a property owner with an odd-shaped lot may propose a development that does not meet the zoning bylaw's minimum side yard setbacks. In this case, granting a minor variance eliminates the need for a formal re-zoning application. However, unlike a zoning amendment, it does not change the existing bylaw. A minor variance allows for an exception from a specific requirement of the zoning bylaw for a specific property, and allows the owner to obtain a building permit.

Minor variances are obtained by applying to the local committee of adjustment, which is appointed by council to resolve minor problems in meeting zoning bylaw standards. The application is followed by a public hearing and a decision on the application.

Any person or a public body may appeal a decision of the local committee of adjustment to the OMB or a local appeal body (LAB) if the municipality has chosen to establish one. The OMB or LAB may dismiss an appeal or make any decision that the committee could have made on the original application.

Plans of Subdivision

The provisions of the Planning Act apply when a property is proposed to be subdivided into separate parcels of land that can be sold separately. A subdivision plan must be prepared and submitted to the appropriate approval authority. Your municipal staff, municipal planning authority or planning board officials will advise you which body approves subdivision plans in your municipality or planning area. Subdivision approval ensures that:

- The land is suitable for its proposed new use.
- The proposal conforms to the official plan in your municipality, as well as to provincial legislation and policies.
- Your municipality is protected from developments that are inappropriate or may put an undue strain on municipal facilities, services or finances.

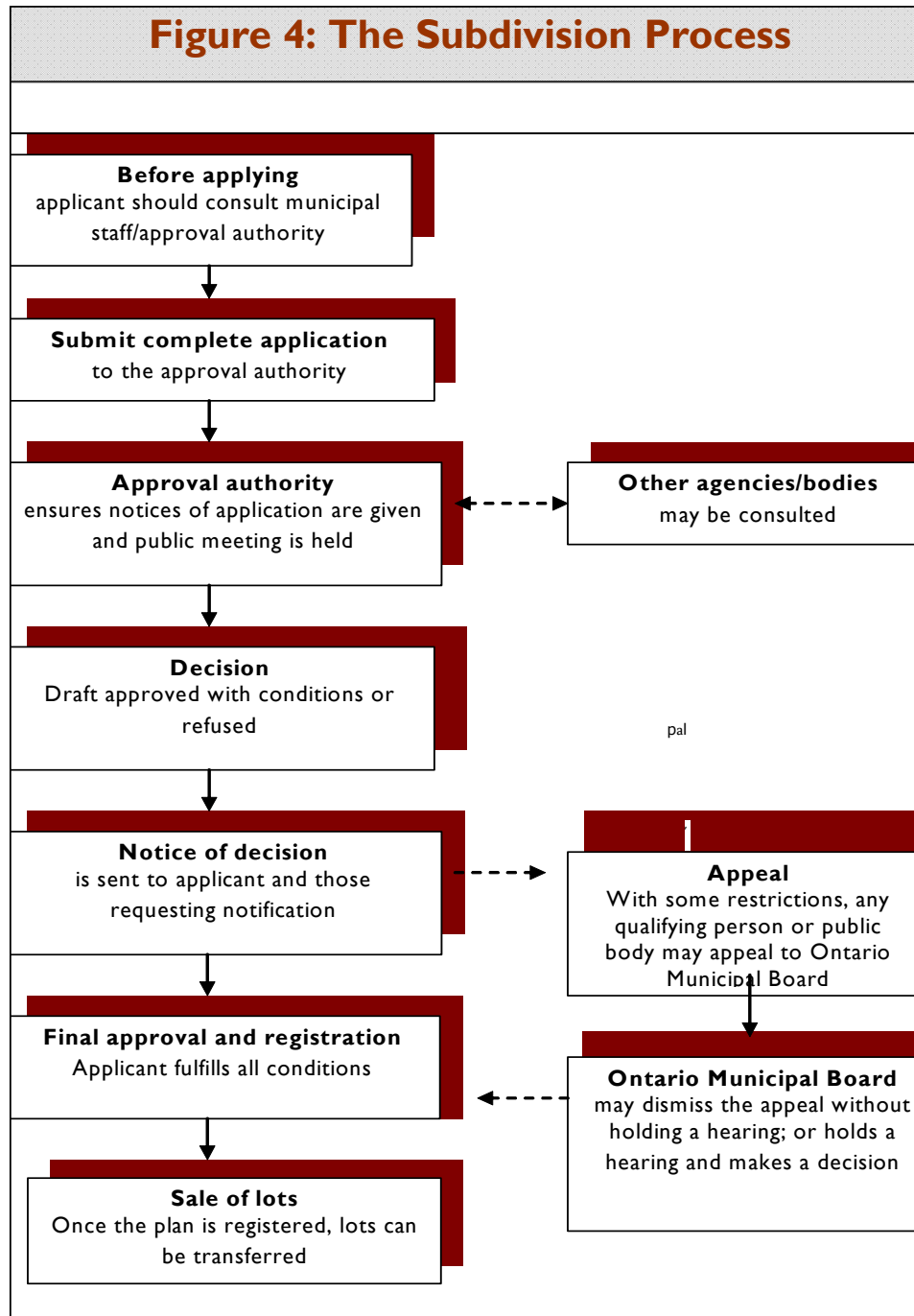
The process begins when a property owner (or an authorized agent) submits a proposed draft plan of subdivision application to the approval authority for its review. The approval authority consults with municipal officials and other agencies that are considered to have an interest in the proposed subdivision. In addition, a public meeting must be held with advance notice. Each application is reviewed in light of existing policies and regulations.

Comments received from the consulted agencies (including the municipality in which the proposed subdivision lands are located) are also reviewed. The approval authority may either “draft approve” or refuse an application. A draft approval will generally be subject to one or more conditions that must be fulfilled before the subdivision plan is eligible for final approval and registration. These might include a road widening, parkland dedication, signing of a subdivision agreement between the municipality and the developer, and re-zoning requirements.

For example, the proponent may be required, as a condition to granting final approval, to enter into a subdivision agreement with your municipality and/or the approval authority to guarantee that services within the subdivision (such as roads and sidewalks) will be constructed to your municipality’s standards. When all draft approval conditions have been met, the subdivision plan receives final approval and can then be registered. The registered plan is a legal document that sets out the precise boundaries of the property, the dimensions of the blocks and building lots (including facilities such as parks and schools) and the widths and names of all streets within the property.

Any person or public body who make their views known by making an oral submission at the public meeting and/or a written submission to the approval authority before draft approval is granted may appeal a decision or conditions within 20 days of a decision being given. However, only the applicant or a public body may appeal conditions of approval after the 20 days have expired. A person or public body who has made an oral submission at the public meeting or a written submission to the approval authority before it made its decision, or made a written request to be notified of any changed conditions, may appeal any changed condition. Figure 4 provides an overview of the subdivision process.

Subdivision approval authorities also have authority to grant approval to condominium proposals pursuant to the Condominium Act, 1998. Although the condominium approval process has not been included in this section, it is similar to the subdivision process with certain modifications.



This flowchart focuses on the basic process – some steps/details are not shown.

Consent to Sever Process

Your municipality can also use the land severance process for subdividing property. For example, a property owner who wants to create only one or two

new lots may apply for a land severance (also called a “consent” because the consent of a severance-granting authority is necessary). Authority may reside with a municipal council, a committee of adjustment, a land division committee, a municipal planning authority, a planning board or the Minister of Municipal Affairs and Housing. Municipal staff will advise you which body is responsible for land severances in your municipality.

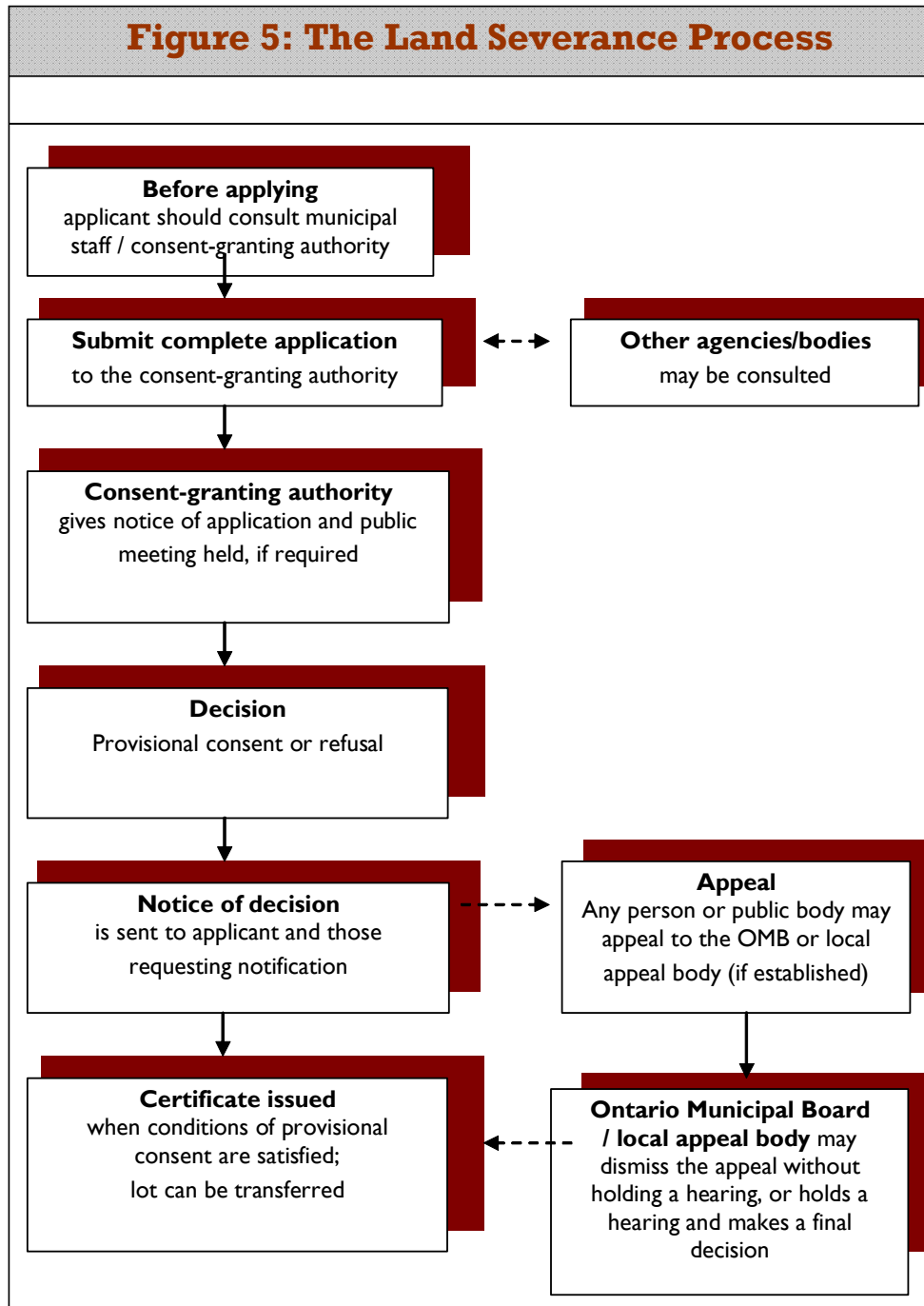
When evaluating a severance application, the approval body consults with the municipality in which the subject lands are located and with agencies that are considered to have an interest in the proposed severance. Like a subdivision plan, a severance application must conform to the approved official plan and the approval authority’s decision must be consistent with the Provincial Policy Statement as well as conforming to any provincial plan that applies. A public meeting, if required, must also be held with advance notice. Once the approval body has made a decision, it must notify any person or public body that has requested notification within 15 days. A 20-day appeal period follows the giving of the notice.

Similar to a subdivision draft approval, a severance approval (known as a provisional consent) may have certain conditions attached to it. There may be requirements for a road widening, parkland dedication or a re-zoning. If the severance conditions are satisfied within one year, the approval authority issues a certificate of consent. If any of the conditions remain unsatisfied, the provisional approval expires automatically.

Appeals to the OMB – or to the LAB, if the municipality has chosen to establish one – must be filed with the consent-granting authority. When a decision is appealed, the OMB or LAB holds a hearing and can make any decision that the approval authority could have made on the application. Figure 5 provides an overview of the land severance process.

It is important to note that a severance approval (or plan of subdivision) is required in order to sell, mortgage, charge or enter into any agreement for a portion of land for 21 years or more. If the two parts are split already (by a road, for example) consent may not be needed. Other instances requiring land severance approvals include rights-of-way, easements and changes to existing property boundaries.

If a landowner is proposing to create a number of lots, a plan of subdivision rather than a consent is generally the best approach for the proper and orderly development of the property.



This flowchart focuses on the basic process – some steps/details are not shown.

Site Plan Control

Site plan control gives municipalities detailed control of how a particular property is developed. Council can designate areas of site plan control, in which case

developers must submit plans and drawings for approval before undertaking development. Further, you may require a site plan agreement with a developer. The agreement could set out details such as parking areas, elevations and grades, landscaping, building plans and services. The agreements can be registered on title and must be complied with by the owner and all subsequent owners.

Community Improvement

The community improvement plan (CIP) is another important municipal planning tool. The Planning Act allows municipalities to prepare community improvement policies in a CIP. The policies describe plans and programs that encourage redevelopment and/or rehabilitation improvements in a community. Municipalities are required to consult with Ministry of Municipal Affairs and Housing as part of this process.

Such improvements may include industrial area remediation and redevelopment, streetscape and facade improvements, refurbishing of core business areas or heritage conservation of homes or commercial buildings. They may also include land assembly policies to make projects feasible or to create financial incentives that encourage increased housing choices, mixed densities and compact spatial forms in redevelopment and/or rehabilitation areas.

The Role of the Public

It bears repeating: the public has an essential role in the planning process. Planning decisions made by you along with your fellow council members directly affect the people living in your community. The planning process is designed to give citizens the opportunity to examine planning proposals and register their concerns and ideas before decisions are made, and also to appeal decisions.

To ensure that stakeholders are involved and understand details of the planning process, the Planning Act provides for certain regulations to be issued. For example, regulations exist that set down procedures for public involvement in the process, procedures for giving notice of planning applications and other procedures. Your municipal planning approval authority or planning board officials can explain the regulations related to public involvement in your municipality.

A Balanced View

Before approving any planning application, you and the rest of council, should look closely at all the related environmental, social and financial costs and benefits that may affect your municipality.

Environmental considerations include the effects of development on land, air and water. Social considerations include the local need for housing and job opportunities, as well as the possible demand for additional services such as schools, parks, day cares, nursing homes, group homes and other social support facilities.

From a financial point of view, when developing new official plans or assessing planning applications, council should weigh the benefits of additional tax revenues in light of:

- the initial capital costs of the hard and soft services that will be required
- the ongoing costs of maintaining those services
- the effects of both the initial and long-term costs on the tax rate and the existing ratepayers

Responsible community planning involves examining both the potential positive and negative impact of a proposed development on your community. The policies your municipality adopts should reflect a balance between maintaining financial stability, meeting social needs and respecting the environment.

Land Use Planning in Northern Ontario

What are the Differences?

If you are a councillor in northern Ontario, you probably know that some aspects of land use planning are different in your region. This is partly because northern Ontario has large areas of territory without municipal government. Responsibility for land use planning in some northern municipalities and in areas lacking municipal organization is shared by planning boards, the Minister of Municipal Affairs and Housing, and the Ministry of Natural Resources.

Some examples of land use planning procedures followed in northern Ontario that differ from those followed in the rest of the province are listed below:

- In territorial districts, the Minister of Municipal Affairs and Housing can define a planning area that may include two or more municipalities, one or more municipalities and unorganized territory, or only unorganized territory. The minister can establish a planning board to handle land use planning activities in these areas.
- Members of planning boards representing municipalities are appointed by the local municipal councils, and members from areas without municipal organization are appointed by the Minister of Municipal Affairs and Housing.
- A planning board is authorized to prepare an official plan for a planning

- area. A planning board also has the power to pass zoning bylaws for areas without municipal organization within a planning area.
- Several planning boards have been delegated a range of other land use planning responsibilities from the Minister of Municipal Affairs and Housing, such as the power to grant consents, approve subdivision applications and administer minister's zoning orders.
 - There may be some variations in the processing of consent applications where the minister is the approval authority.
 - In some areas without municipal organization or planning boards, the Minister of Municipal Affairs and Housing makes decisions on land use matters. For example, the minister has put zoning orders in place in certain areas to control land use and development.

Ministry of Natural Resources

As a councillor, you should know that the Ministry of Natural Resources is involved in all activities related to the use of Crown land, water, fish, forestry, wildlife and mineral aggregates in northern Ontario. Before Crown land is developed, the ministry consults affected councils and planning boards and takes any existing official plans and policies into account.

Conclusion

Land use planning decisions in our provincial policy-led system are made by informed councillors who consider both technical advice from professional planning staff and the views of the community. Your involvement in community planning will require you to make decisions on issues of public concern that often may be controversial. Despite this, your participation in a process that will determine the future of your community may well be one of the most enduring and gratifying contributions you can make as a councillor. You can access additional information on the Land Use Planning page of the Ministry of Municipal Affairs and Housing website at mah.gov.on.ca/Page186.aspx.

The Building Code

The Building Code Act, 1992 (BCA) lays out the legislative framework governing the construction, renovation and change of use of buildings. The Building Code is a regulation made under the BCA; it sets out technical and administrative requirements for the construction and demolition of buildings in Ontario.

The BCA defines the purposes of the Building Code to include the establishment of standards for public health and safety, fire protection, structural sufficiency, energy conservation, water conservation, environmental integrity, and barrier-free accessibility of buildings.

Municipalities are responsible for the enforcement of the Act and the Building Code within their jurisdiction and councils must appoint a chief building official and building inspectors, as necessary. The chief building official and inspectors must meet qualification requirements established by the Building Code, which consist of successful completion of Building Code legal and technical examinations in their area of practice.

Chief building officials and inspectors are to perform their duties in accordance with a code of conduct established by the municipality in accordance with the BCA.

The role of a chief building official includes establishing operational policies for the enforcement of the BCA and Building Code and coordinating and overseeing their enforcement. This includes issuing building permits for the construction or demolition of buildings that conform to the requirements of the BCA and the Building Code. These requirements include compliance with the list of applicable law in the Building Code, making the Building Code a powerful enforcement tool.

Chief building officials and inspectors are also responsible for exercising powers and performing other duties assigned to them under the BCA and the Building Code, including reviewing plans, inspecting construction, and issuing orders. Since 2006, building officials have also been responsible for reviewing and approving “alternative solutions.” The 2006 edition of the Building Code introduced an objective-based format to promote innovation and flexibility in design and construction. It continues to include prescriptive requirements, which serve as benchmarks for evaluation.

The Building Code includes service level standards that municipalities must meet, including time frames for making a determination on a building permit application – i.e., issuing a permit or refusing to issue a permit, giving full reasons- and time-frames for construction inspectors following the receipt of notice from the building permit holder. For example, the Building Code sets a ten-day time frame for the approval or refusal of a building permit application for a house. Chief building official and inspectors also have the power to issue orders when buildings are found to be unsafe and, in emergency situations, the power to take actions to remedy the unsafe conditions.

The Code is subject to regular review and update. The current edition dates from 2006, and the next edition is expected to be released in 2011. However, interim Code amendments are frequently made to reflect government priorities, innovations in construction and design, changes in other jurisdictions, emergency situations, and coroner’s jury recommendations.

Additional information on the BCA and Building Code is available by telephone from the Ministry’s Building and Development Branch at (416) 585-6666, by fax at (416) 585-7531 or on the Building Code website at ontario.ca/buildingcode.

A Councillor's Checklist

The following is a list of documents and materials which you may want to have close at hand to help you in your work as a municipal councillor. This is a guide and is not intended to be exhaustive. You may wish to add items. Some of the documents on this list may not be applicable to your municipality; if any are applicable but are not available, you may want to have some prepared by your municipal staff.

Do you have?

- A copy of the Municipal Act, 2001
- A copy of the Planning Act
- A copy of the Municipal Conflict of Interest Act
- A copy of your municipality's procedural bylaw
- A policy manual and/or list of important municipal bylaws
- A copy of your municipality's strategic plan
- A copy of your municipality's official plan
- A copy of your upper tier official plan (if applicable)
- A copy of your municipality's zoning bylaws
- A copy of the Provincial Policy Statement
- A copy of any provincial plan (e.g., Greenbelt Plan, Growth Plan) that may be in effect in your area
- A chart or list of who does what in your area – lower tier, upper tier and consolidated municipal service manager responsibilities
- A list of local boards and authorities in your area and the representatives
- A list of council committees and the representatives
- A copy of the current Ontario Municipal Directory (published by AMCTO)
- A list of local representatives on municipal associations
- A list of your property classes and tax rates
- A list of your tax relief and rebate programs
- A copy of the most recent financial statement of your municipality
- A copy of your previous and current year municipal budgets and schedule of budget reporting to council (monthly, quarterly)
- A copy of your municipality's most recent Municipal Performance Measurement Program (MPMP) report
- The procedures for putting an item on the council agenda

NOTE: Most statutes and associated regulations can be found on the e-laws website at Ontario.ca/e-laws.

Resources

Books and Articles

Allingham, J. and Ciprietti, B. *Let's Talk About It*. Burlington, Ontario: A Different Drummer Books, 1976.

Auerback, S. and James, A. *The Annotated Municipal Act*. Toronto: Carswell (two volumes, loose-leaf).

Bens, Charles K. *The Courage to Lead*. Toronto: Municipal World, 2003.

Chipman, John G. *The Ontario Municipal Act: A Comprehensive Guide*. Toronto: Canadian Law Book Inc., 2003.

City of Burlington. *Strategic Planning: A Process that Works*. Burlington, Ontario, 1991.

Clarke, Brian H. "Consider Municipal Politics." *Municipal World* mwmagazine.net/files/clarke.pdf

Cuff, George. *Cuff's Guide for Municipal Leaders: A Survival Guide for Elected Officials*. St. Thomas, Ontario: Municipal World, 2002.

_____. "Landmines of Being the Mayor." *Municipal World*, May and July, 2005.

_____. "The Mayor." *Municipal World*, July and August, 2003.

Dean, Fred. "Lame Duck Council: Restricted Acts after Nomination Day in Ontario." *Municipal World*, October, 2003.

Findlay, S. "Nurturing Successful Relationships in Municipal Leadership." *Municipal World*, July, 2007, pp. 33-36.

Gurski, Mike. *Building Privacy into Municipal e-Government*. Office of the Information & Privacy Commissioner of Ontario, 2002. ipc.on.ca/images/Resources/e-gov.pdf

Hanson, H. and Boisclair, J. *The Role of Auditing in Canadian Municipal Administration: Practices, Perceptions and Challenges*. Ottawa: Canadian Comprehensive Auditing Foundation, 1983.

Kearns, Carolyn. "Excellent Leaders: What to look for in municipal elected officials." *Municipal World*, April, 2003.

Resources

- Kitchen, H. *Municipal Revenue and Expenditure Issues in Canada*, Canadian Tax Paper 107. Toronto: Canadian Tax Foundation, 2002.
- Makuch, Stanley. *Canadian Municipal and Planning Law*. Toronto: Carswell, 1983.
- O'Connor, Rick, Sidebottom, Peter-John and White, David G. *Conduct Handbook for Municipal Employees and Officials* (2nd ed). Toronto: LexisNexis Canada Inc., 2003.
- Richards, Jerry. *The municipal restructuring process in Ontario*. Toronto: Legislative Library (Legislative Research Service), June 1998. ontla.on.ca/library/b14tx.htm
- Rogers, Ian MacF. *Canadian Law of Municipal Corporations* (2nd ed). Toronto: Carswell, 1988. (This book is supplemented with updates.)
- Rogers, Ian MacF. *Municipal Councillors Handbook* (6th ed). Toronto: Carswell, 1993.
- Rust-D'Eye, George. *The Ontario Municipal Act: A User's Manual 2007*. Toronto: Carswell, 2007.
- Tindal, C.R. *You and Your Local Government*. Toronto: Ontario Municipal Managers Institute, 1982.
- _____. *Citizen's Guide to Government* (2nd ed). Toronto: McGraw-Hill Ryerson Limited, 2003.
- Tindal, C.R. and Tindal, S.N. *Local Government in Canada*. Scarborough: Nelson Thomson Learning, 2000.
- _____. "Guide to Good Municipal Governance." Toronto: *Municipal World*, 2006.

Province of Ontario Resources

A wide variety of government publications and other resources on [local government](#), [land use planning](#), [housing](#), [building regulation](#) and related topics can be accessed from the Ministry of Municipal Affairs and Housing website at mah.gov.on.ca/page41.aspx. Some resource materials can also be ordered from Service Ontario Publications at publications.serviceontario.ca.

Specifically, the Citizens' Guides to Land-use Planning can be accessed at mah.gov.on.ca/Page338.aspx, and the Provincial Policy Statement at mah.gov.on.ca/Page215.aspx. The Growth Plan for the Greater Golden Horseshoe can be accessed from the Places to Grow page of the Ministry of Energy and Infrastructure website at placestogrow.ca/index.php?option=com_content&task=view&id=9&Itemid=14.

The Ontario Gazette (Notices and Regulations) is published weekly in print and online at ontario.ca/en/ontgazette/STEL01_033657

Ministerial responsibility for public statutes as assigned by Orders in Council can be accessed at e-laws.gov.on.ca/html/tables/publicstatutes/elaws_t_pu_st_mrpbs.htm

The FIR is the main data collection tool used by the Ministry of Municipal Affairs and Housing to collect financial and statistical information on Municipalities. The FIR is a standard document comprised of a number of Schedules which are updated each year to comply with current legislation and reporting requirements. It is available online at oraweb.mah.gov.on.ca/fir/welcome.htm.

Websites – Municipal Organizations

Association of Municipalities of Ontario (AMO) amo.on.ca

See [AMO](http://amo.on.ca) site for links to:

- Federation of Northern Ontario Municipalities (FONOM)
- Northwestern Ontario Municipal Association (NOMA)
- Ontario Municipal Administrators' Association (OMAA)
- Organization of Small Urban Municipalities (OSUM)
- Rural Ontario Municipal Association (ROMA)

Association of Municipal Managers, Clerks and Treasurers of Ontario (AMCTO) amcto.com

Association française des municipalités de l'Ontario (AFMO) afmo.on.ca

Federation of Canadian Municipalities (FCM) fcm.ca

Municipal Engineers Association (MEA) municipalengineers.on.ca

Municipal Finance Officers' Association of Ontario (MFOA) mfoa.on.ca

Ontario Good Roads Association (OGRA) ogra.org/home.asp

Ontario Municipal Management Institute (OMMI) ommi.on.ca

Ontario Professional Planners Institute (OPPI) ontarioplanners.on.ca

Ontario Public Works Association (OPWA) opwa.ca/contact.asp

See the current Ontario Municipal Directory (published by [AMCTO](http://amcto.com)) for a more complete list of associations with contact information.

Websites – Other

Canadian Government Information on the Internet:

library2.usask.ca/gic/v1n1/cannon/cannon.html

Canadian Urban Institute canurb.com

E-laws website e-laws.gv.on.ca

Intergovernmental Committee on Urban and Regional Research muniscope.ca

Indicators of Effective Municipal Corporate Management [mah.gov.on.ca/
Page1328.aspx](http://mah.gov.on.ca/Page1328.aspx)

Municipal World municipalworld.com/index.htm (Note articles by George B. Cuff, Jan., Feb., Mar. & Apr. 2007).

Ontario municipalities mah.gov.on.ca/Page1591.aspx

Your Local Government website yourlocalgovernment.com

Contacts

We hope that this guide has provided you with an overview of the many duties and challenges you can expect to face. The guide is no substitute for legal or financial advice, of course, but you may want to keep it handy for use as a quick source of information. For more detailed information on any aspect of your duties, you should consult the reference sources listed in this section, talk to municipal staff, contact a professional advisor, or call a municipal or planning advisor in the nearest Municipal Services Office (MSO) of the Ministry of Municipal Affairs and Housing, as listed below.

Municipal Services Offices

MSO – Central

777 Bay Street- 2nd Floor, Toronto, ON M5G 2E5
General Inquiry: 416-585-6226, Toll Free: 1-800-668-0230
(serving Dufferin, Durham, Halton, Hamilton, Muskoka, Peel, York, Niagara, Simcoe and Toronto)

MSO – Eastern

8 Estate Lane, Rockwood House, Kingston, ON K7M 9A8
General Inquiry: 613-545-2100, Toll Free: 1-800-267-9438
(serving Frontenac, Leeds & Greenville, Haliburton, Hastings, Kawartha Lakes, Lanark, Lennox & Addington, Northumberland, Ottawa, Peterborough, Prescott-Russell, Prince Edward, Renfrew, Stormont Dundas and Glengarry)

MSO – Western

659 Exeter Road, 2nd Floor, London, ON N6E 1L3
General Inquiry: 519-873-4020, Toll Free: 1-800-265-4736
(serving Brant, Bruce, Chatham-Kent, Elgin, Essex, Grey, Haldimand, Huron, Lambton, Middlesex, Norfolk, Oxford, Perth, Waterloo and Wellington)

MSO – Northeastern

Suite 401, 159 Cedar St., Sudbury ON P3E 6A5
General Inquiry: 705-564-0120, Toll Free: 1-800-461-1193
(serving Algoma, Cochrane, Manitoulin, Nipissing, Parry Sound, Sudbury and Timiskaming Districts)

MSO – Northwestern

Suite 223, 435 James St S., Thunder Bay ON P7E 6S7
General Inquiry: 807-475-1651, Toll Free: 1-800-465-5027
(serving Kenora, Rainy River and Thunder Bay Districts)

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