

COMMITTEE OF THE WHOLE - JUNE 19, 2006

REVIEW OF PROPOSED AMENDMENTS TO THE MUNICIPAL ACT

Recommendation:

Councillor Tony Carella, Chair of the Intergovernmental Relations Committee, recommends:

That appropriate staff be directed to review proposed amendments to the Municipal Act, and provide written comments on how such amendments shall impact the City of Vaughan, for presentation to and discussion by the Intergovernmental Relations Committee, at its September meeting.

Economic Impact:

Nil.

Purpose:

To ensure that the City of Vaughan is prepared to offer comments on the proposed amendments to the Municipal Act to the Minister of Municipal Affairs in a timely fashion.

Background - Analysis and Options:

The proposed amendments to the Municipal Act announced by the Minister of Municipal Affairs and Housing are expected to be enacted sometime in the fall of 2006. If the City of Vaughan is to provide comments on the amendments in a timely fashion, staff will be required to review the proposed legislation during the summer hiatus, in order that the outcome of such a review can be discussed by the Intergovernmental Affairs Committee early in September, in time for the committee to make recommendations to Council, for possible forwarding to the Minister for his further consideration.

Relationship to Vaughan Vision 2007:

This report is consistent with the priorities previously set by Council and the necessary resources have been allocated and approved.

Conclusion:

The amendment of the Procedural By-Law as contained in this recommendation will ease the burden of responsibility currently imposed on the City of Vaughan's regional councillors.

Attachment:

AMO Alert, received June 15, 2006

Report prepared by:

Councillor Tony Carella

Respectfully submitted:

per
R. Cardile
Tony Carella
Councillor - Ward 2

Alert

To the immediate attention of the Clerk and Council

June 15, 2006 – Alert 06/029

Helping Farmers

Issue: The National Farmers Union (NFU), Ontario Office, adopted a resolution at its annual regional meeting in April 2006 advocating a property tax deferral for farmland for a period of up to three years. This particular approach advocated by the NFU, or a similar tax deferral measure, affords municipalities a means of locally responding to their farmlands citizens.

Background:

The National Farmers Union promotes the position that farmers are facing a serious cash flow crunch and an interim property tax deferral could provide some breathing room until short and long-term solutions to the farm income crisis are implemented.

The City of Ottawa, at its meeting of May 24, 2006, approved a *Farm Grant Program* to provide financial relief to working farmers. The grant program, equivalent to the penalty charges and fees amounting from the tax deferral, will assist eligible farm property owners by allowing the June 22nd tax installment to be paid on December 7, 2006. There are eligibility conditions to the grant, including that: the property must be defined by MPAC in the farmlands property class; taxes must have been paid up to date before the June 22nd installment; and, the final 2006 tax installment is to be paid in full on or before December 7, 2006.

The NFU resolution, which calls for a similar property tax deferral for farmland, reads:

- WHEREAS the farm crisis is having a profound negative impact on all farmers in Canada, and
- WHEREAS the small amount of relief offered to farmers by the provincial and federal governments in the spring of 2006 is inadequate to meet current financial obligations and pay anticipated input costs, and
- WHEREAS most farmers are not in a position to be able to take on additional debt financing in either the short or long term, and
- WHEREAS payment of municipal taxes is impossible for many farmers at this time,
- THEREFORE BE IT RESOLVED that the NFU request all municipalities to forgive the interest that would otherwise be owed on the tax not paid, for a period of up to 3 years, as a sign of solidarity with farmers in Canada.

The NFU acknowledges that property tax relief will not solve the farm crisis, but advocates the interim tax relief to assist in what has been a sharp decline in realized net farm income.

Action: AMO has agreed to circulate this information for local consideration.

This information is available in the Policy Issues section of the AMO website at www.amo.on.ca

For more information, please contact: Patricia Swerhone, AMO Senior Policy Advisor, at 416-971-9856, ext. 323.

Alert

To the immediate attention of the Clerk and Council

June 15, 2006 – Alert 06/028

Province Introduces Changes to the Municipal Act

Issue: Minister of Municipal Affairs and Housing John Gerretsen has tabled a Bill entitled the *Municipal Statute Law Amendment Act* that introduces some significant changes to the *Municipal Act*.

Analysis:

The *Municipal Act* is the cornerstone of the provincial-municipal relationship. The changes proposed in the Bill help move Ontario toward a more mature relationship with municipal governments by reducing Provincial micro-management and providing broader, accountable authority for municipal governments to pass laws. Broader authority and less prescriptive regulation signal that the Province believes the municipal order of government is respected, responsible, and accountable. Ontario's municipalities will be able to strengthen good governance, encourage economic growth, and promote a high quality of life as a result of improvements in this legislation.

The new Act stops short of offering municipalities broader taxation authority. While more permissive taxation tools would not have begun to offset the high cost of providing downloaded provincial community health and social services, it was viewed as a potential source of some relief for cash-strapped municipalities. Premier McGuinty has acknowledged the fiscal challenges that Ontario municipalities are struggling with and he has made a strong commitment to addressing them within the broader context of reforming the "fiscal architecture" shared by the Federal, Provincial and Municipal orders of government. AMO supports these efforts and continues to call on the Provincial government to work with AMO to create a viable plan to restore fiscal sustainability for Ontario municipalities over a manageable period of time.

Highlights of interest to municipalities:

The general structure of the 2001 Act has been maintained which will assist municipalities in their work with the legislation.

Enhanced Powers

- Broad permissive powers in the following areas:
 - Governance structure within the municipality including local boards with some restrictions
 - Accountability and transparency of the municipality and its operations and those of its local boards
 - Financial management of the municipality and its local boards
 - Public assets of the municipality acquired for the purpose of exercising its authority
 - Economic, social and environmental well-being of the municipality
 - Health, safety and well-being of persons
 - Services and things that the municipality is authorized to provide under subsection (1)
 - Protection of persons and property, including consumer protection
 - Animals
 - Structures including fences and signs
 - Business licensing

- The Spheres of Jurisdiction from the 2001 Act are also continued as is the rule related to those powers in two-tier situations; additional rules to deal with areas of new broad powers;
- Expanded power to delegate council authority and duties with some restrictions;
- Enhanced powers of entry, abilities to levy fines and penalties.

Accountability

- Permissive authority to establish Codes of Conduct, an Integrity Commissioner, Ombudsman, Auditor General, and a Lobbyist Registrar;
- Clarity around provisions governing open meetings and when meeting can be in-camera;
- Rules and investigation related to compliance with open meeting rules, including potential role for Provincial Ombudsman.

Financial and Administrative

- Greater flexibility to collect user fees on a full cost recovery basis and more capital works are eligible for local improvement charges;
- Added tools for economic development and greater authority for Business Improvement Areas (BIAs), Community Improvement Plans (CIPs);
- No new tax tools are proposed at this time although Administrative Monetary Penalties authority is provided;
- Specific, rigid provisions for sale and disposition of land, procurement, notice, among other matters have been replaced with general requirements for municipalities to adopt their own policies in these areas.

Background:

Minister Gerretsen first committed to reviewing the *Municipal Act* in June 2004 and has repeatedly stated that it is intended to come into effect in December 2006 or January 2007.

AMO promoted broader powers and greater flexibility for municipalities during the discussion with the Province leading up to the 2001 Act. We continued to promote this framework with Minister Gerretsen and developed in 2004 the following nine key principles in concert with staff Associations along with a series of recommendations.

1. Municipalities are responsible and accountable governments.
2. New legislation shall enhance existing municipal powers.
3. The Province shall stop micromanaging municipal governments.
4. Where there is a compelling provincial interest the province shall when regulating municipal government define at the outset that interest.
5. Provincial legislation shall be drafted with the expectation of responsible municipal government behaviour and not as a remedial tool.
6. Accountability means mutual respect between municipal government, the Province and other public agencies.
7. Resources for municipal governments shall be sustainable and commensurate with the level of responsibility.
8. The *Municipal Act* shall include principles that will protect the *Municipal Act* and municipal powers from all provincial legislation.
9. The Province shall commit to increasing the understanding and awareness of municipal government within all ministries.

The courts and provincial governments across Canada have recognized the changing relationship between the provinces and their municipalities by recognizing that municipal powers should be interpreted broadly to confer broad authority on municipalities. AMO had suggested that the *Municipal Act* should recognize this new relationship and the Bill does that, providing for broad interpretation of municipal powers under the *Municipal Act* as well as any other Act, which is a key change.

Action: We will review the Bill in detail, provide comments to the Province, and appear before Standing Committee after the Bill has received Second Reading. We encourage the Opposition Parties to give this Bill priority so that new councils at the end of the year can operate in a framework that is more reflective of the courts and the maturity of municipal government

This information is available in the Policy Issues section of the AMO website at www.amo.on.ca

For more information, contact: Pat Vanini, AMO Executive Director, 416-971-9856 extension 316; or
Scott Vokey, Senior Policy Advisor at 416-971-9856 extension 334