



## Town of Huntsville Staff Report

**Meeting Date:** January 29, 2024

**To:** General Committee

**Report Number:** CAO-2024-1

**Confidential:** No

**Author(s):** Denise Corry, Lisa Smith,

**Subject:** Responsibilities of the Chief Administrative Officer By-law - Repeal and Replace

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### Report Highlights

- Delegation of authority to CAO regarding Human Resources Policies and Procedures
- Recommended amendments to By-law 2011-83 (Responsibilities of the Chief Administrative Officer)

### Recommendation

**THAT:** the draft "Responsibilities of the Chief Administrative Officer By-law attached to Report CAO-2024-1 be approved;

**AND FURTHER THAT:** The draft by-law be added to the February Council meeting for final approval;

**AND FURTHER THAT:** any references to By-law 2011-83 be replaced with the new adopted by-law number.

### Background

This report contains two items of consideration for Council. Due to the fact that each of these items are complimentary of each other, they have been provided together in one report:

1. Delegated Authority - Human Resources Policies and Procedures to the Chief Administrative Officer (CAO)
2. Chief Administrative Officer By-law Amendments

### Discussion

#### **DELEGATED AUTHORITY - HUMAN RESOURCES POLICIES AND PROCEDURES**

The Town continues to evolve as the community grows and operational demands and legislative framework change. As a result of the organization growth, internal and external environmental factors (i.e. operational requirements, legislative requirements, labour market etc) it is imperative that Human

Resource professionals have the ability to respond quickly and efficiently to required changes, in addition to managing the day to day operations of the municipality.

Each year, there are more and more legislated policies that are required by law for employers to implement in the workplace, In addition to policy creation, many human resources policies require annual or frequent review to meet legislative requirements or remain current with best practices.

This portion of the report has been prepared to seek Council's authorization for the Chief Administrative Officer (CAO) to assume ongoing responsibility for the preparation, maintenance and implementation of the Corporation's Human Resources and Health and Safety Policies and Procedures.

## ANALYSIS

1. In accordance with s.229 of the Municipal Act 2011, a municipality may appoint a CAO who shall be responsible for exercising general control and management of the affairs of the municipality for purposes of ensuring the efficient and effective operation of the municipality and to perform such other duties as are assigned by the municipality.
2. Further, CAO by-law 2011-83 "To confirm the responsibilities of the Chief Administrative Officer for the Town of Huntsville" provides for oversight of the administration through direct supervision of Human Resources.
3. Notwithstanding the broad responsibilities of the CAO in the Municipal Act, the existing by-law limits the CAO's ability to prepare, maintain, and implement Human Resources and Health and Safety Policies.
4. Given that the vast majority of Human Resources and Health and Safety Policies are applicable to all employees, this limitation in the By-law has been prohibitive to the CAO's ability to effectively carry out their responsibilities.
5. Many annual updates and new policies are largely administrative in nature with no financial impact. Some policies are also mandated (legislated) requirements and staff believe that delegation of these responsibilities will provide substantial streamlining and responsiveness to the changing needs of the organization ensuring that retention and recruitment practices are competitive.
6. To ensure financial accountability, policy changes that have a financial impact will be accommodated within the budget year for which it is being implemented. Where a policy change cannot be accommodated in the approval budget in any year, the delegated authority would not be applicable, and a report would have to be brought forward to Council for approval.
7. Further should the CAO determine that any policy would be best addressed by Council, a report will be prepared accordingly.
8. An annual memorandum would also be provided to Council to ensure that Council is apprised of any policy changes implemented.
9. The implementation of delegated authority for the CAO to prepare, maintain and implement Human Resources Policies is consistent with other public sector employers, including healthcare and many private sector organizations, where the senior official (i.e. Chief Executive Officer, President, General Manager etc.) is responsible for human resources policy approval.
10. Human Resources conducted an analysis of area municipalities and their process:

| Municipality              | Process                                                                                              |
|---------------------------|------------------------------------------------------------------------------------------------------|
| Township of Muskoka Lakes | CAO has delegated authority on all Human Resources Policies and Procedure except for those that have |

|                          |                                                                                                                                                                                                                                                                                                                     |
|--------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                          | financial impact.                                                                                                                                                                                                                                                                                                   |
| Township of Lake of Bays | Employment policies are adopted by Council.                                                                                                                                                                                                                                                                         |
| Town of Bracebridge      | All Human Resource and Health and Safety Policies and Procedures are now under the authority of the CAO to prepare, maintain, and implement in consultation with the Director of Corporate Services/Clerk, and subject to resulting financial impacts being accommodated with the annual approved Municipal Budget. |
| Town of Gravenhurst      | They are procedures within the management rights of the CAO through their by-law.                                                                                                                                                                                                                                   |

At the time this report was written, the Township of Georgian Bay had not yet responded to the request for information.

## RECOMMENDATION

The Chief Administrative Officer, in consultation with the Manager of Human Resources, be authorized to prepare, maintain and implement Human Resources and Health and Safety Policies and Procedures for the Corporation of the Town of Huntsville, subject to any resulting financial impacts being accommodated within the annual approved Municipal Budget.

## BY-LAW 2011-83 TO CONFIRM THE RESPONSIBILITIES OF THE CAO - AMENDMENTS

The CAO by-law and job description has not been reviewed by Council since 2011. Considering that the Town of Huntsville reviews all other job profiles on a regular basis and makes the appropriate changes based on changing scope of work, responsibilities and the changing needs of the municipality and legislated mandates, it is deemed necessary to review the responsibilities of the CAO as outlined in By-law 2011-83.

## ANALYSIS

1. The CAO is the sole employee of Council. The Job Description that outlines the expectations and duties of such a position is of significant importance and key to the success of the management and operation of the Corporation.
2. The current by-law is outdated and, as written, impedes the responsibility of the CAO in their role within the organization.
3. The role of CAO has evolved since 2011. The scope of responsibility is much more centered around human capital such as: organizational culture, building teams, health and wellness of our teams as well as ensuring the right people are in the right positions including attracting and retaining employees. These are all significant to the success of the organization and services that are provided to the community.
4. According to Strategy Corp, in their annual CAO Report (2022) attached, it was noted that CAOs remain concerned about the health and well-being of their teams, as well as ensuring they have the right people in the right positions. They quote: *"CAOs are very focused on their people, noting the exhaustion and burnout of their teams amid unrelenting workload and the widespread labour shortages in many sectors of Ontario, it's no surprise that workforce attraction, development and planning remain significant concerns for municipal administrators. As a result, CAOs are reaching deep into the "human resources" toolbox to help address these*

*challenges, looking at everything from revised pay scales to workplace culture and enhanced marketing and outreach".*

5. Further to the Strategy Corp, annual CAO Report (2022), it was reported that to be a CAO is to accept two (2) main challenges: **1)** to create and lead the team responsible for doing the work of the municipality; and **2)** to contribute to the work of solving the biggest strategic problems of the municipality. When asked "What keeps CAOs up at night?" the responses were: HR: retention, recruitment and staff well-being, Municipal financial sustainability, Council-staff relations and aspects of being a "good CAO".
6. As a municipality we also face some distinct challenges. The "grey tsunami" is starting to manifest itself, alongside departures related to workload and stress. According to OMERS almost 60% of active, full time members are eligible to retire immediately or over the next decade. This represents not just vacancies that must be filled to maintain service levels, but big gaps in knowledge and expertise marching out the front of town halls across Ontario.
7. The Human Resources Department polled the area municipalities and obtained copies of their CAO by-laws. The majority of by-laws had been renewed within the last 2 years and contained broad and sole authority over human resource administration to provide the appropriate authorities to lead the administration of the municipality.
8. The existing CAO by-law requires additional scope to manage and address these critical human capital issues internally and in a timely manner.

## **RECOMMENDATION**

To ensure continuity within the management of Human Capital and considering the evolution of the scope of responsibility it is recommended that the red-lined version of the CAO by-law, attached, be adopted by Council.

## **Options**

1. Approve the recommendations contained within the report. **(Recommended)**
2. Remain status quo. **(Not Recommended)**

## **Council Strategic Direction / Relevant Policies / Legislation / Resolutions**

Municipal Act, 2001, S.O. 2001, c. 25

By-law 2011-83 - Responsibilities of the Chief Administrative Officer

By-law 2014-134 - Appointing a Chief Administrative Officer (Denise Corry)

By-law 2022-49 - Appointing Statutory Officials (Denise Corry - Deputy Clerk)

## **Attachments**

[StrategyCorp-CAO-Survey-2022](#)  
[CAO By-law 2011-83 - Working Document](#)

## **Consultations**

- Area Municipalities

**Respectfully Submitted:**

Denise Corry, Lisa Smith,



**Manager Approval (if required):** \_\_\_\_\_

**Director Approval:** \_\_\_\_\_

**CAO Approval:** Denise Corry, Chief Administrative Officer



# Ontario Municipal Chief Administrative Officer Survey 2021/22

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

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

## ■ DEDICATIONS

This year's report includes two dedications.

First, we wish to dedicate the 2021/22 CAO Survey Report to John Duffy, one of the founding partners of StrategyCorp, who passed away earlier this year. A first-rate strategist and public policy thinker, John was a lover of cities big and small. One of John's favourite books was Calvino's *Invisible Cities*, which includes the passage:

*"In the center of Fedora, that gray stone metropolis, stands a metal building with a crystal globe in every room. Looking into each globe, you see a blue city, the model of a different Fedora. These are the forms the city could have taken if, it had not for one reason or another, it had not become what we see today."*

Italo Calvino, *Invisible Cities*

His personal and professional passions centered around city-building and making our local communities inclusive, accessible, and vibrant.

John had the greatest respect for those who shape the growth of our communities, which leads us to our second dedication, to all those have served as Chief Administrative Officers, whether they are known as Chief Administrative Officer, City Manager, County Administrator, or Town Manager. We thank you for your public service and leadership. Your continued commitment to service excellence and good governance has been steadfast in this time of great upheaval and uncertainty due to the COVID-19 pandemic.

Our municipalities have been in safe hands.

## CONTRIBUTORS



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► *Special thanks to Valrie Oldfield.*

# ■ INTRODUCTION

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

Previous editions of the report focused on:

- 2016: CAOs from Ontario's larger municipalities
- 2017: CAOs from Ontario's smaller and medium sized municipalities
- 2018: CAOs from across Canada
- 2019: Ontario CAOs from northern and upper-tier municipalities

In 2020, we paused the survey, mindful of the pressure on CAOs to adapt to the unexpected realities of the COVID-19 pandemic while continuing to deliver the services residents rely on every day. As conditions improved in the summer of 2021, we judged that there was bandwidth in the sector to begin again.

We interviewed CAOs from municipalities of all sizes across Ontario, from upper-tier, lower-tier and single-tier municipalities. We conducted the interviews for this survey in late 2021 and early 2022. It was a time when summer's public optimism that the pandemic might have run its course collided with the renewal of lockdowns and the Omicron variant.

## **SURVEY METHODOLOGY**

This year we conducted virtual interviews with 27 CAOs. Interviewees were provided with the list of fourteen questions ahead of time and while they were taken through the questions in sequential order, participants were encouraged to speak openly and not feel as if they were required to spend equal time discussing each question.

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

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

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

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

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

We continue to believe that further work of this kind is valuable. This annual survey provides CAOs an opportunity to reflect on their roles and responsibilities and on what worries them, what keeps them up at a night.

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



## CONTEXT: WHAT A DIFFERENCE THREE YEARS (AND A GLOBAL PANDEMIC) MAKES

A little over two years ago, on the eve of the 2019 AMO conference, StrategyCorp released its 2019 Survey of CAOs. Anxiety levels were the highest we had seen in the four years of our survey.

At that time, we heard that the greatest concerns of Ontario municipal administrators came from the threat of unilateral provincial change to:

- Provincial transfers and funding arrangements, with reductions planned in the 2019 Budget; and,
- Governance structures, which were under study in the Review of Regional Governance.

Over the fall, the mood improved dramatically. On the finance side, there was evidence of a more collaborative approach to provincial-municipal relations and optimistic statements by then-Finance Minister Phillips hinted that the 2020 Budget would reflect rapidly improving provincial finances. Municipal Affairs and Housing Minister Clark made it clear there would be no forced governance changes, only an invitation (and funding!) to study and embark on local initiatives.

### Then COVID-19 hit.

The global pandemic quickly forced aside all talk of restructuring and cuts and pushed all levels of government into crisis response mode. The experience of the COVID-19 necessarily exacerbated and accelerated significant transformation for every level of government in Ontario.

Government operations and service delivery changed overnight as public sector employees transitioned to remote working wherever possible, government buildings and facilities closed their doors, and internal and external services migrated online.

As the level of government closest to residents, municipalities had to move quickly to continue to provide the essential services their communities relied on day-in and day-out while also grappling with the challenges of reduced revenues and the requirement to balance their budgets per the *Municipal Act*.

But, as you will read in the pages ahead, municipalities rose to the challenge, and the transformation and change spurred by the pandemic is here to stay, in some way, shape or form.



This year's survey is different than those of past years, coloured as it is by the experience of the COVID-19 pandemic. At the time of the interviews and during the writing of this report, the pandemic was ongoing, approaching and surpassing its two-year anniversary. It was and continues to be top of mind for CAOs. To be sure, CAOs continue to be preoccupied by other issues beyond the pandemic – housing, mental health and addictions, human resources, cybersecurity, and many others. The list is long. But in many ways, these issues took on new light or importance in the face of an unprecedented public health crisis.

As you will read, many CAOs are worrying about the same things. But the survey also gives Ontario's CAOs a forum to speak to and share the innovative policy responses and commendable achievements of their municipalities. The accomplishments documented within this Report are especially impressive considering the extraordinary times that we currently find ourselves in.



## ■ EXECUTIVE SUMMARY: WHAT WE HEARD

The following is a summary of the key insights, observations, predictions, and concerns of the CAOs interviewed. What was perhaps most striking given such a wide cross-section of municipalities was the general degree of consensus among their most senior public servants on the pressing issues facing the municipal sector as we begin to emerge from the COVID-19 pandemic and focus on recovery and renewal.

As we have discussed in previous reports, every CAO faces two sets of challenges:

- **The CAO role itself:** Only the CAO can be the CAO, the lynchpin between Council and Staff, the person most responsible for creating and sustaining and team that runs the organization and the operating plans that guide it.
- **Leading on management of the inherent challenges of the community:** As head of the public service, the CAO is the lead in managing the inherent challenges faced by the community, be they related to finance, growth, economic pressure or, in the case of the past two years, the local implications of a global pandemic.



## **COVID, COVID, AND MORE COVID**

Unsurprisingly, COVID dominated our questions for this year's survey and the conversations with the CAOs. As one CAO put it, "Disasters don't take a number." Our interviewees did not sugarcoat the experience of the pandemic. The hardships were real, both within their administrations and in their communities. The pandemic and related lockdowns reduced revenues, resulting in strained municipal operating budgets, especially for those municipalities operating public transit systems. While provincial and federal financial support through the Safe Restart Agreement blunted the worst impacts, questions remain about the pandemic's legacy on municipal financial sustainability. At the same time, the impacts of COVID reached far beyond municipal finance, touching every issue from human resources and decision-making within municipal government to key community challenges, including housing and support for vulnerable communities. Nothing, it seems, has been left untouched by the pandemic.

## **THE CHALLENGES OF THE CAO ROLE**

The CAOs themselves were not immune to the pressures of the pandemic. The challenges of the job, already considerable before the pandemic, grew only weightier, with marathon workdays and difficult decision-making based on incomplete, constantly changing information. At the same time, they never lost sight of their role, acting as a centering force to their Councils, staff, and communities.

## **THE INHERENT CHALLENGES OF THE COMMUNITY**

As the CAOs reflected on the current moment and the years ahead, there was broad consensus that the three most significant issues in their communities were growth, housing (lack of supply, affordability and homelessness), and climate change. Each of these issues has received renewed salience as a result of the pandemic, which has served to highlight and exacerbate some of the cracks in our community fabric and the infrastructure and services that underpin it.

## **EXHAUSTION OF THE MUNICIPAL WORKFORCE IS THE NEW TOP ISSUE KEEPING CAOS UP AT NIGHT.**

Every year we ask what is the top issue that keeps CAOs up at night. So far, fiscal sustainability has topped the list every year. But this year it was displaced by human resources issues, with a focus on staff exhaustion due to the experience of the pandemic. In the last two years, municipal staff have given their all. CAOs wonder about their teams' capacity to dig deeper, again, to face whatever may come next. The municipal story of the pandemic is largely one of resilience, but this came with a price: staff mental health and well-being.

## **DRAMATICALLY IMPROVED PROVINCIAL-MUNICIPAL RELATIONS**

If the 2019 CAO Report was in many ways a summary of the uncertain and somewhat difficult nature of the relationship between the province and municipal sector at that moment in time, this year's Report captures quite a different picture of that relationship. Many CAOs referenced their appreciation for provincial support in the wake of pandemic, noting that the province was quick to bolster public health funding and "wrap-around" supports to help municipalities serve their most vulnerable residents.

## **LESSONS LEARNED: DOING THINGS DIFFERENTLY WORKS**

There was no single lesson from the pandemic that the CAOs imparted to us. Rather, they spoke candidly about some of the opportunities emerging from the COVID-19 experience that may be signaling a new era in the municipal sector. The sudden need for digital service delivery, as town halls closed to the public and many municipal employees moved to remote working, accelerated the digitization of municipal services from payment processing to live-streaming of recreational programs. The shift to virtual Committee and Council meetings helped democratize community engagement by enabling residents to participate on their own terms, while also preserving the role of elected representatives.

## WHAT KEEPS CAOS UP AT NIGHT?

# HUMAN RESOURCES

## FINANCIAL SUSTAINABILITY

## COVID

## CYBERSECURITY

## SOCIAL ISSUES

### MANAGING COUNCIL

### LEADING THE TEAM

#### MANAGING GROWTH

#### PROVINCIAL RELATIONS

#### CLIMATE CHANGE

#### LABOUR FORCE

Every year, StrategyCorp asks, “what are the top three things that ‘keep you at night?’”

This year, the number #1 issue was human resources, displacing municipal fiscal sustainability to second place, which had previously topped every survey. Human resources has always appeared on the list, usually somewhere lower down, but this year it rocketed to the top due to concerns about staff burnout, recruitment and retention, and succession planning.

Runner ups were distributed among concerns about municipal fiscal sustainability; future waves or recurrences of the pandemic and municipalities’ capacity to “do it again”; cybersecurity and data protection, particularly in view of enhanced and expanded digital service delivery and engagement due to the pandemic; and, the myriad of social issues in their community, including housing affordability, homelessness, and mental health and addictions.

Other notable issues worrying CAOs include elements of their job, including managing Council and their teams, and navigating the range of issues affecting their communities, such as growth and its impacts, climate change, economic challenges such as inflation and labour shortages, and intergovernmental affairs.

## THERE IS NO “TURNING BACK”

The pandemic pushed municipalities – willing or unwilling – into 21st century ways of delivering services and engaging with stakeholders. We heard resoundingly from CAOs that these efforts to modernize municipal operations and service delivery should continue. As we emerge from the pandemic, many municipalities are deciding what happens next in terms of flexible working arrangements, a “hybrid” model of Committee and Council meetings, and continued investment in digital enablement.

## THE LOOMING THREAT OF CYBERSECURITY

Digital transformation is not risk-free. As more services and interactions migrate online, concerns about cybersecurity and data and information protection have skyrocketed. In previous surveys, CAOs called out the exposure to cybersecurity threats as a result of increased use of technology in their administrations. This is true now more than ever.

## COMMUNITY SAFETY AND WELL-BEING PLANS: A PATH FOR TRANSFORMATION IN COMMUNITY RELATIONS?

A new question for this year’s survey asked about the development of provincially mandated Community Safety and Well-Being (CSWB) Plans. In some ways the plans were nothing new, as there have been pilot projects over the years focused on building the capacity of service providers to support early intervention and prevention. But many CAOs also pointed to the development of the CSWB Plans as important in terms of normalizing this approach, breaking down silos and building a governance structure to implement and monitor the transformation. Whether they will result in the meaningful change that is needed and wanted in our communities will come down to implementation.

## MUNICIPAL ELECTRICITY UTILITIES

For 20 years, municipalities have explored different paths in the restructuring of the Ontario electricity distribution sector. But moving forward, there may be opportunities for municipalities to rethink their relationship with their Local Distribution Companies (LDCs) in search of efficiencies, capacity-building and modernization to support a more sustainable future in view of both municipal and LDC infrastructure deficits.

## THE RESILIENCE OF THE MUNICIPAL SECTOR

The word “resilience” came up repeatedly in our conversations with the CAOs. It’s not a new word for the sector – municipalities have been talking about sustainability and resilience for years, particularly in relation to municipal finance and climate change. What was new was the pandemic’s heightened stakes of what it means to endure or withstand. On balance, municipalities have generally fared well during the pandemic, continuing to meet their legislative service levels and deliver the services their residents rely on. But COVID-19 will not be the last time the municipal sector will be tested. As a result, we can expect the issue of resilience to top the agenda for the next few years as municipalities seek to plan for the opportunities and risks that accompany a largely uncertain future.

## HOPE & OPTIMISM AHEAD

Although this year’s survey had a different tone and feel, informed by the unrelenting urgency of the pandemic, the overall sense of optimism and hope for the post-COVID recovery was palpable among the CAOs. Despite the burden of the last two years, many are energized by the prospect of recovery, excited to leverage their successes and lessons, build back their communities, and advance new and innovative initiatives that pre-COVID would have required years of discussion and debate. COVID has inaugurated a new world – and municipalities are ready to rise to the occasion.

## ■ A RECOMMENDATION FOR THIS NEW MUNICIPAL WORLD

In November 2020, the 1000-page report from Associate Chief Justice Frank Marrocco's Judicial Inquiry was released. The inquiry focused on a range of issues in municipal governance, including the role of the Chief Administrative Officer. Justice Marrocco places particular emphasis on the role and professionalism of the municipal CAO or City/Town Manager, which he calls “a key pillar in the structure of the municipality.” His report recommended two amendments to the *Municipal Act, 2001* regarding the role of the CAO: to mandate municipalities the size of the Town of Collingwood appoint a CAO and to describe fully the role and responsibilities of the CAO.

In our view, the current legislative description of the CAO role does not do justice to the reality of the position in ensuring good municipal governance and management. Nor do we believe that this role should be optional. **StrategyCorp’s Municipal Services Practice Group endorses these two recommendations of the Marrocco Inquiry.**

## ■ WHAT WE ASKED...

|          |                                                   |    |
|----------|---------------------------------------------------|----|
| Q01      | THE NEXT FIVE YEARS                               | 10 |
| Q02      | HUMAN RESOURCES AND WORKFORCE DEVELOPMENT         | 18 |
| Q03      | FISCAL IMPACTS OF COVID-19                        | 25 |
| Q04      | DIGITAL SERVICE DELIVERY                          | 31 |
| Q05      | VIRTUAL MEETINGS AND DECISION MAKING              | 38 |
| Q06      | PREPARING FOR THE POST-COVID-19 ECONOMIC RECOVERY | 46 |
| Q07      | BUILDING RESILIENT COMMUNITIES                    | 53 |
| Q08      | COMMUNITY SAFETY AND WELL-BEING PLANS             | 57 |
| Q09      | CYBERSECURITY                                     | 64 |
| Q10      | LOCAL ELECTRICITY COMPANIES                       | 69 |
| Q11      | LESSONS LEARNED FROM THE PANDEMIC                 | 75 |
| Q12      | HOW CAOs ARE DOING                                | 81 |
| EPILOGUE | THE WAY FORWARD, AS SEEN BY CAOs                  | 86 |





## Question 1

### THE NEXT FIVE YEARS

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



## WHAT WE HEARD...

As a first question to our CAOs, we wanted them to look to the years ahead and identify the major issues they believe will affect their communities. While not an easy exercise, the findings showed consensus around three primary issues: growth, housing issues (both affordability and homelessness), and climate change.

Each issue has become more salient during the COVID-19 pandemic, which has forced individuals and organizations across the board to reflect more closely on what they do and how they do it.

The structure of this question put a focus on pressures external to the corporation. It is notable that the concern about human resources, a factor internal to the municipal corporation, was mentioned by many CAOs as being a serious enough challenge to be on the same list as growth management, housing affordability, and climate change. Chapter 2 reports on human resources challenges.

### Number #1: Growth

The most common response from the CAOs surveyed about three biggest factors affecting their municipalities in the next five years is growth. We heard that the goal of growth management is to create complete communities, a multi-faceted challenge that requires balancing many factors related to land use planning and finance.

***"I would like to give the same answer 3 times: growth, growth, growth."***

*"The Province's inclination to support developers and issue MZOs is going to be a challenge for the [municipality]. We must ensure we are creating a complete community. Industrial lands and business sector lands are being consumed for multi residential land at a growing rate."*

#### **Impacts on municipal fiscal capacity:**

Although growth affects municipalities in different ways, the most frequently mentioned concerns were the need for additional infrastructure and the impact on municipal finances.

*"The good news is that there are more places for people to live but the new problem is that we will have to pay for the infrastructure to serve these new communities."*

*"It's a myth that DCs pay for growth."*

*"We are really struggling financially on the capital side, including growth and new amenities tied to growth."*

*"[We] went through official plan amendment to anticipate thousands of homes in short period of time...however, this creates infrastructure challenges and pressures on building/planning departments."*



**Delays in realizing growth is delaying the revenue needed for the infrastructure investments to meet growth needs:**

In some cases, gaps between planned and actual growth have forced municipalities to issue debt as development has not happened as quickly as anticipated, stressing municipal budgets.

*"Development is not occurring as quickly as anticipated. This has caused the City to borrow more money...really stretches out the window we anticipated."*

*"We have pipes in the ground, but the cheques are not coming in from developers...this is putting a financial burden on the City. Development we thought would have happened 3-4 years ago is happening now. Infrastructure built 50-60 years ago is bordering on useless."*

*"[We implemented] a 10-year tax hiatus to encourage residential development. There has been a huge boom because of this. The downside of this is that all assessment increases will be realized 8-10 years down the road."*

**Growth also puts stress on existing infrastructure:**

When growth does not pay for growth, growth-related costs fall to the tax base, putting pressure on capital budgets already stressed by the need to maintain a state of good repair (SOGR) for existing infrastructure. Many CAOs mentioned their SOGR backlog and the need to invest in infrastructure renewal and expansion to accommodate growth and comply with provincial growth and intensification policies.

*"Most projects are now vertical as the City has reached its capacity for outward development...these new vertical developments will be reliant on insufficient aging infrastructure [which] will require upgrading."*

*"Infrastructure renewal...is a huge financial burden"*

*"Most infrastructure was built post WW2. Lots of infrastructure investments from the province and the upper-tier will be required. It will continue to be a challenge to keep up with growing demand and expectations of the public in terms of infrastructure."*

**Change is challenging community cohesion:**

Some commented that the pace of change is noticeably changing the character of communities. Change, and the pace of change, are itself part of the challenge.

***"It's tough to deal with a community that has stayed the same for so long [but is now] changing so rapidly."***

*"We are on the cusp of tremendous population and business growth. Expected growth permeates every area of business at the Town. It is the defining feature for the Town and communities like us."*

*"We are a significant landing centre for immigration, and we see all sorts of demographic shifts. All our systems are well behind the shift that is happening in the community, and we are now playing catch-up."*

*"[The pace and scope of change is] a challenge to County being known as an authentic rural community. There is a lot more diversity. [It is creating] community cohesion challenges which are challenging our politicians."*

**NIMBYism is barrier to growth:**

Some CAOs noted that not all of this growth and change is welcome by residents and that staff and Councils continue to contend with NIMBYism in their communities.

*"NIMBYism – [there are] folks happy about growth and people who want things to stay the same."*

*"Growth is being impeded by special interest groups - NIMBYism, environmentalism, etc."*

## Number #2: Housing

The second major issue for CAOs is the lack of housing supply and its increasing unaffordability.

Our 2019 survey identified this concern as an emerging issue, but after two and a half years of COVID-related price increases, housing issues have spiked as a front burner issue for most of the CAOs we interviewed. COVID-19 served to accelerate the 'urban exodus' already underway in the years before, as residents vacated the GTA for smaller communities nested around it, seeking more space, more affordable housing, and a better quality of life.

The impact of the pandemic has also had the effect of further widening economic disparities in many municipalities. Many CAOs are ringing the alarm about the economic and social impacts on their communities as a result of growing unaffordability and underinvestment in social supports. While not a "new" problem, as homelessness, mental health and addictions have all been raised in our previous surveys, there is a real sense of urgency that comprehensive and integrated solutions are needed to address the myriad of issues that are causing our most vulnerable residents to be left behind.



## Housing Supply and Affordability:

Many CAOS referenced the twin challenge of inadequate housing supply and growing unaffordability of housing. Even where municipalities are succeeding in creating new stock, demand continues to outstrip supply, driving up prices even in communities considered "affordable" just a few years ago. These impacts are significant: residents are being priced out of communities while employers struggle to retain and attract employees due to the lack of available and affordable housing.

*"We're in deep trouble with housing affordability."*

*"There has been significant growth of housing in past 2 years. We have seen the most housing starts in the history of [the municipality] during COVID-19. Demand has really increased [as a result of the] shift from large centres to smaller communities due to the ability for many people to work from home. This is great for the City but puts greater pressures on the housing market and has increased prices locally."*

*"The rental market is a big problem, nearly zero rental units available. Home prices went up 70% year over year. There is a huge lack of supply."*

*"It is a big deal that people can't afford to live in [this municipality]. This is creating a major issue for retailers because they are offering lower wage jobs that people will not commute out of the City for."*

*"I have heard from number of employers [that there is] insufficient housing stock to attract employees."*

*"Lots of people [are] moving from Toronto, coming here making housing prices unaffordable. A lot of gentrification is happening."*

## A spectrum of social issues:

Several CAOs also explicitly linked challenges regarding the growing unaffordability of living to increasing incidences of homelessness, addictions, mental health, and related social issues in their communities. There was consensus that there isn't a single fix to address these challenges, but that there needs to be collaboration among the various governments and a clear understanding of the ways in which these issues are interconnected.

*"Affordable housing will only be a litmus test of larger issues."*

*"Homelessness and affordable housing – the whole spectrum. For example, [we] have about 100-150 homeless we can find housing for but more importantly, they require that 'wrap around mental health support' from the province."*

*"[The] 'have nots' will suffer more in the near future. We are seeing an increase in addiction and homelessness issues. When that starts affecting more than 20% of the local population, that is a major concern."*

*"Homelessness is really emerging...it's manifesting and not going away."*

*"Homelessness metrics are climbing, complexities of people served are draining lots of resources from the [municipality] and community agency staff and funds."*

*"There's no silver bullet for homelessness issues, there needs to be a menu of options."*

## Number #3: Climate Change

Climate change was the third-most identified issue. These interviews were conducted while British Columbia was experiencing devastating flooding in late 2021, as many Ontarians watched with empathy and concern. The identification of this issue is not new to this year's survey; however, the focus this year is more squarely financial and practical challenges of implementing climate change adaptation and mitigation strategies, while also responding to or recovering from more frequent climate events.

***"Climate problems were large before, but they are paramount now."***

*"We are experiencing extreme weather events [with] 100-year storm every 3 years. Older parts of the [municipality] see regular flooding. We are implementing a storm water charge, ready to be presented to Council."*

*"How do we respond [to climate change], not be just resilient, but be nimble when these things happen?"*

**Funding, implementation, and "who does what?":**

Several respondents noted that even with climate change adaptability or resiliency plans in place, significant questions remained about how to pay for and deliver on those plans.

*"A big challenge is the finite resources we have combined with increased expectations [that we do more.] Everyone sees us as the answer to these challenges, but we control very little of it."*

*"The [community] has developed a suite of recommendations and a path forward for the City in addressing climate change. Figuring out how to actually implement these recommendations it is still to be determined."*

*"Climate change adaptation and mitigation - as well as funding these programs [is an issue]. We declared a climate change emergency and developed the plans, but the rubber needs to hit the road with developing the infrastructure around these plans; there is a clear gap in funding for infrastructure, however."*

*"Climate change is putting immense pressure on our [combined wastewater and storm water] system causing discharges. The public has no patience for that anymore, so that will be a huge pressure on our infrastructure on the waste and storm water side."*



## ■ STRATEGYCOPR'S PERSPECTIVE:

We heard many different specific comments and issues from CAOs in response to this question, but one theme that linked each of the answers was that the solutions to each of these issues, both today and in the years ahead, must be faced in collaboration with the provincial government.

Each of the three main issues are related. They constitute, to some degree, different lenses on aspects of three related problems.

The focus on **Growth Management** is a strategic, top-down view of growth. It is all about the collective need to maintain what is important about a community while enabling it to grow. It is captured by the concept of planning for complete communities, which emerged in many of the discussions we had. The main issues are about type and pace of change, the burden of creating infrastructure to support growth, the impacts of the type and location of development on addressing and adapting to climate change, and how the financial impacts of infrastructure can be paid for and managed.

By contrast, the focus on **Housing and Housing Affordability** is more of a bottom-up view about the creation of the supply to meet the needs of individuals and families and how we address those needs as a community. It puts a focus on how much is needed, where it should go, what forms to encourage, and what other supports may be required for some individuals. The primary objective of municipal efforts is to ensure a collective supply that serves the breadth of the market and allows individuals to meet their housing goals.

While the overall topic of **Climate Change** is much bigger, particularly when viewed from a federal or provincial level, the municipal angle on climate change tends to again focus on how we plan for the use of land, how we make decisions about infrastructure, and how that will affect other aspects of the ecosystem. Today's context is that adverse events, be they floods or fires or tornados, threaten our communities more than ever and municipal governments are the first responders. In public debate, concern about climate change is frequently cited as a reason to shape our growth management policies, our infrastructure investments, and our housing choices.



The fact that growth management and housing and housing affordability were top of the list this year reflects the extraordinary change in the economics of development that came about in the past two years. It is not business as usual. These issues are often perceived to be at odds with each other. Some say that a focus on growth management or planning for climate change drives up housing costs. Others say that a focus on affordability tends to lead to poor decisions on density or infrastructure that compromise complete communities or adherence to the rules that ensure our communities tread more lightly on the Earth.

As is so often the case, each of these perspectives has elements of merit. Three examples will suffice:

- Some processes are slow or kidnapped by private interests – NIMBY or otherwise – at the expense of the public interest. So, improvements to approval processes are being made, and can continue to be made. But for today's challenges, where is the appropriate boundary between "as of right" entitlement and case-by-case review of adherence to local plans? When is due process just "red tape"? When are "necessary policies" just "driving up the cost of housing"? When does the urgent need to develop climate resilient and efficient complete communities become "crowding" and "too much change, too fast" for existing residents?
- Development related fees and charges do drive up the cost of housing, but not setting appropriate fees for development means existing taxpayers are being asked to subsidize the cost of development. The spending of every dollar is and should be scrutinized to ensure value for the payers of taxes, fees, and charges. But for today's affordability challenge would it be a better alternative to further constrain fees, and leave unbuilt, or unfunded, the infrastructure we need for complete communities? Or transfer the unpaid cost of development to the property tax base? How much is too much? When is public investment supporting private benefit?
- Failing to plan for growth and housing while taking climate change into account can create liabilities for future councils, administrations, and residents. In the not-too-distant future they will grapple with the effects of more frequent extreme events, like wildfires, droughts, storms, and flooding. Allowing development that ignores these future challenges can see new residents put directly in harm's way, or it can see communities' essential natural assets (e.g., wetlands and aquifers) stressed and their usefulness to help us adapt degraded.

These are not new debates.

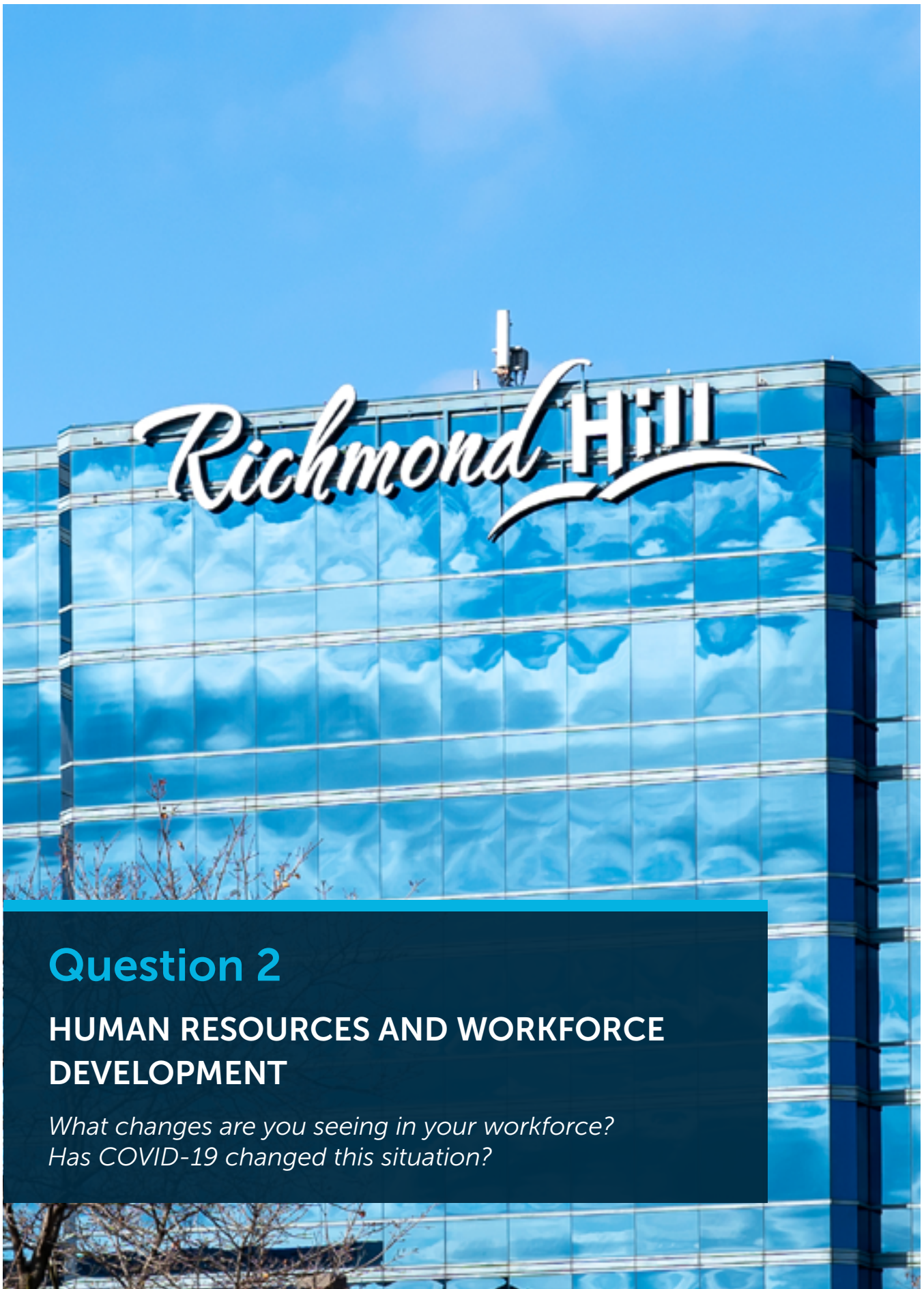
But our interviews suggest we will hear a lot more about them in the years ahead. Growth management and housing have gone from a being perennial issue to an acute problem.

In the next year, these issues will be discussed in debates over new tools, such as those mentioned in the recent Housing Supply Task Force and the recent ***More Homes for Everyone Act, 2022***. They will also be debated in the provincially mandated renewal of growth funding tools like Development Charges, Community Benefits Charges, and Parkland Dedication rates.

It is said that “to govern is to choose.” Choices will have to be made about what perspectives to favour, as we try to build complete communities, promote affordable housing choices, and contribute to reducing the land use effects of climate change and its threats to our health and safety.

It seems clear to us that the dialogue of the next year will be dominated by the challenge of “picking a lane.” The better solutions will be ones that are:

- **Data-driven:** Know what we are trying to solve.
- **Innovative:** Rethink how we fund growth and development beyond the standard tools (e.g., Development Charges, general tax levy, etc.).
- **Founded on a common commitment to achieving realistic increases in supply:** Decide what the goals are, over what time.
- **Transparent:** Measure progress and know what each stakeholder is contributing to the solution.
- **Implemented in a way that allows flexibility to local preferences:** “One size fits all solutions” tend to not work well in Ontario municipal affairs.



## Question 2

### HUMAN RESOURCES AND WORKFORCE DEVELOPMENT

*What changes are you seeing in your workforce?  
Has COVID-19 changed this situation?*

## ■ WHAT WE HEARD...

Managing people is a primary responsibility of the CAO position. In our previous surveys, we have heard about the challenges of recruitment and retention, the so-called “war for talent.” We also heard about the so-called “grey tsunami,” the long-foreseen retirement of a cohort of baby boomers that make up such a large portion of the workforce.

COVID-19 has put a greater spotlight on these issues. What was previously a second or third level of concern for CAOs has rapidly risen to the top as each of these problems has worsened.

Regarding retirement, some reported that there was a deferral of retirements during COVID. Now that the pandemic situation appears to have stabilized, some expect a wave of deferred retirements, all at once. Others reported that COVID accelerated retirements, particularly of management. Most reported the twin challenges of recruitment and retention only worsened during the pandemic.

We heard repeatedly that the baseline of HR pressures has been made worse by exhaustion at all levels of the workforce. COVID brought out the best in people. They worked longer hours and took on new or increased roles and responsibilities. They innovated and took risks. Many also faced greater challenges at home. Now they are tired – really tired.

COVID may be entering a new phase, but its effects on HR are lingering and expected to have long-term implications.

### **Recruitment, Retention & Succession Planning**

Every year, a consistent theme identified by the CAOs is how to attract the best talent, how to train them, how match skills to requirements of the jobs, and how to plan ahead in anticipating retirements and recruiting the next generation of public servants. Over the past two years of COVID-19, work efforts required in these key HR steps have been sorely tested.

#### **Attracting top talent is an ongoing issue:**

Many CAOs highlighted that their municipalities are struggling to attract qualified people, especially for management and leadership roles.

*“Recruiting continues to be an issue. COVID-19 has made it even more of an issue of bringing people into the workforce.”*

*“Across the [municipality] in general, there is a labour shortage – not enough qualified people coming into the workforce full time.”*

*“[It’s] difficult to recruit for leadership positions, [for] people who are ready to move up in the chain of command.”*

*“Municipalities are no longer seen as an ideal employer.”*



### The competition factor:

The current war for talent cuts across sectors. Municipalities are competing not only with their peer municipalities but with other sectors, where they lack an advantage in terms of being able to offer competitive salaries, benefits, and perks.

***"Recruitment is more difficult across the board. The issue of attracting talent is not only a municipal issue, everyone in the community is struggling to find that talent equation."***

*"The size/location of the Town has made it a sort of 'farm team' – as soon as people get experienced and get really good at their job, they get picked up by other municipalities."*

*"There were a number of recruitment challenges in the last 6-8 months where favoured candidates did not want to take a risk and move to [this municipality]. This issue is worsened by the fact that surrounding municipalities pay more."*

*"We try to ensure compensation and benefits are competitive, but people are extremely choosy."*

### Employee retention and engagement is also concerning:

Many CAOs spoke about how they are losing employees because of retirements or employees seeking more desirable opportunities elsewhere, an existing trend exacerbated by the pandemic. For some, this raises the stakes of keeping employees happy and satisfied, not least because staff shortages can lead to gaps in service delivery and institutional knowledge.

*"COVID-19 has accelerated retirement. Succession planning is becoming very important."*

*"A younger workforce is a good thing, but this comes at a cost of losing institutional knowledge."*

*"I am seeing a little more jumping, people moving around. Seeing it with more junior staff. They are hitting a ceiling. Their boss isn't going anywhere [and] they are quickly recognizing that they need to make a change."*

*"We are dealing with the expectations of newer, younger employees...interested in coming and getting a great experience and going somewhere else."*

*"A daycare centre...recently closed in the City because it could not find qualified workers to deliver their service."*





### **Employee expectations are rapidly shifting:**

Several respondents mentioned the need for their municipalities to offer more dynamic and flexible work arrangements to attract and retain staff. As we emerge from COVID-19, employees want and expect that some of the changes forced in by the pandemic – more flexible hours, a hybrid work model, remote working opportunities – should be here to stay.

*"There is no manual for COVID-19 response...it has fundamentally changed employee expectations. There is a new expectation that the Town should be accepting as an employer of the new reality, not only during COVID-19 but after COVID-19 too."*

*"The Town is changing from a cultural standpoint on how we interact with our prospective workforce. We're often asked about our corporate flexibility, if we have a work from home policy that is truly flexible."*

*"There is a challenge in finding people to replace retired staff, but when you start offering people flexibility and dynamic projects you can start attracting the right people."*

### **Mental Health and Morale**

While CAOs frequently mentioned tough staff workloads and related human resources challenges in our previous surveys, this year the references to staff were markedly different. In the past, the overburdened portfolios of municipal employees were often attributed to the imperative to "do more with less," driven by provincial downloading and reductions to municipal transfers as well as Council directions to keep taxes and fees low. This year, however, the focus was squarely on the unrelenting workloads due to the pandemic and downstream effects on employee mental health and well-being.

#### **Bearing the burden:**

Many CAOs talked about the immense strains of working in a pandemic, observing the rampant rates of exhaustion, burnout, stress and anxiety among their teams. Municipal services, after all, could not and did not cease when the pandemic hit.

*"A lot of people haven't had a decent break in a long time; they have been working at an unsustainable pace."*

### **"Morale has been hammered."**

*"No question there has been a mental, physical and emotional toll on the workforce."*

*"[We have] a higher incidence of people struggling with mental health issues."*

*"People are having to decide if they care more for family, or pressures of the job."*

*"People are just generally tired."*

#### **Support for staff:**

For many CAOs, addressing the mental health concerns of their staff is a priority, with several referencing initiatives to enhance programs and supports for employees.

*"Before the pandemic we did not value the physical and mental health concerns of our employees, but COVID has changed that."*

*"City went to Council to get money for mental health and resiliency of staff."*

*"We saw a lot of staff online at 2am. We tried to relieve [the] pressure last holiday shutdown by ensuring no staff were working during the break."*

### **The Remote Working Shift...for Some**

Before the pandemic, remote working or working from home (WFH) was occasional and happened only in specific circumstances in the municipal public service. COVID-19 changed all that, as many municipal employees shifted to a remote working environment. While the jury is still out on what exactly the future of work looks like post-COVID-19, there is a growing consensus that some variation of remote working is here to stay. The CAOs shared their insights on how the nature of work is changing and the benefits and downsides of this evolution, hinting as well at what the municipal workplace may look like in the years ahead.

### **The Good:**

Work from home has unlocked new benefits for municipal workforces and is empowering workers to be more upfront about what they want and need in their working environments.

*"Staff have greater expectations now. They have found their own voice and language around stress."*

*"We previously implemented Flex Time prior to COVID-19 and old-school thinkers really opposed it. However, there have been many converts due to COVID-19, they now see value of work from home."*

*"I always believed in remote work...within a couple of months, the language around WFH really changed. Everyone recognized the benefits and efficiencies."*

*"With hybrid, we are saying 'we are trusting you and empowering you' – from an organizational culture, it shows we think enough of you and that we will let you not be tied to a workplace."*

### **The Bad:**

Many municipalities encountered a wide range of issues arising from a rapid shift to remote working for some staff. The shift has not been as straightforward or seamless in the municipal sector as in other sectors. In large part, this is because of the distinct type and delivery models of municipal services.

*"Only 25% of staff can work from home."*

*"Where do we draw the line between who should be called into the office?"*

*"The expectation of work has changed. A of people who were at home during pandemic don't think it is necessary to come into the office anymore."*

*"The City's hybrid work model has proved to be complicated. There are lots of roles that can't be done from home."*

*"I have quite mixed feelings about WFH. I have not missed a day in the office throughout COVID."*

### **The Ugly?**

Some CAOs noted that they are witnessing divided and strained relationships as a result of the migration of some staff to a virtual working environment.

*"There is a real feeling of animosity from frontline workers because they had to bear the most difficult aspect of the pandemic, while their co-workers could work from home. There is a sense among this group that if you are working from home, you are really not working."*

*"COVID-19 has created a real divide in the workforce between frontline staff and staff who work from home."*

*"Councillors regularly come into the office unannounced and are looking for staff to discuss issues with. When there are no staff members there...they don't accept it."*

*"Definitely a bit of resentment between frontline and WFH staff at the beginning... it has fizzled out. There will always be some degree of angst."*





## State of the Workplace

For the public service to function effectively at all levels, a regular process of employee engagement, work planning, and performance management is vital. We heard that, like in every other area of human resources, COVID-19 through a wrench into these plans and systems.

### Productivity and engagement:

The pandemic highlighted the ways in which measuring and assessing employee productivity and engagement is becoming more challenging. Several CAOs also expressed concerns about needing to ensure that staff continue to feel connected to the organization and their colleagues, particularly in a remote working environment.

*"In some cases, we don't have the metrics to measure WFH productivity."*

*"[The] virtual world has made us more specific with task-oriented work."*

***"There is no more managing by 'I see you in your desk so you must be working'. There is a performance measurement system in place now...it's all about deliverables and time management now."***

*"The problem I see with work from home is how you maintain employee engagement over time. As more and more new people come into the organization, you don't get to connect with them in a meaningful way. I fear that over time we will move away from employee engagement which is so important to our success."*

*"I find we are more productive, but we need to recognize that some staff are disconnected."*

*"How do we keep a workforce engaged and doing what they need to be doing? This issue has me concerned."*

### Corporate culture:

A couple of respondents observed that building and maintaining a strong corporate culture has taken a hit during the pandemic. At the same time, there was recognition that culture matters and must be prioritized to support ongoing HR recruitment and retention initiatives.

*"Corporate culture is at risk."*

*"COVID-19 has had an effect on the culture of the organization."*

*"Having a strong organization purpose has become a selling point, especially for younger people."*

## ■ STRATEGYCORP'S PERSPECTIVE:

Our 2019 CAO survey recommended 10 areas of focus for effective human resources management. These 10 areas are indeed relevant for detailed review again, with particular attention to be given to adaptation to innovation and technology, leadership development, succession planning, and training and development.

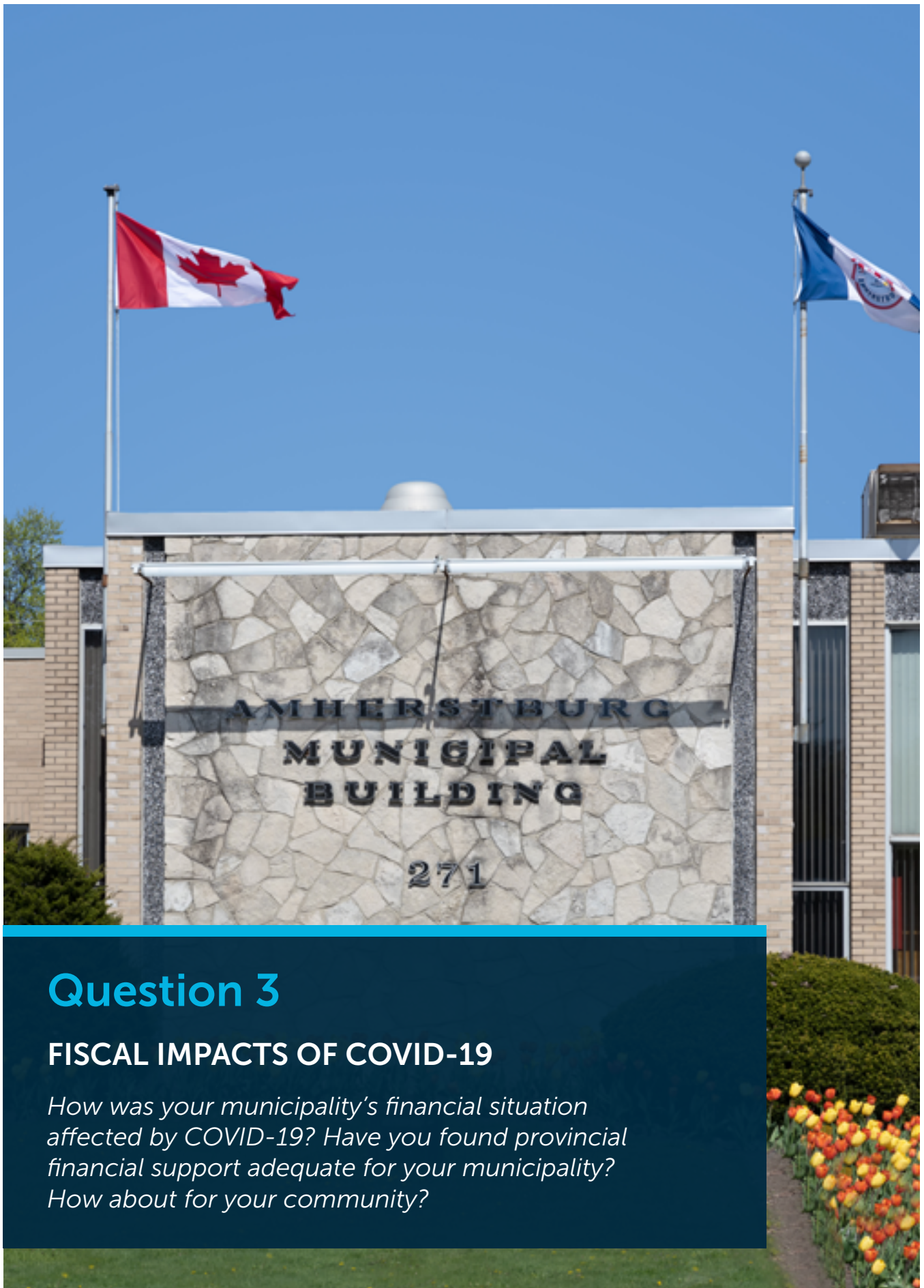
But attention will need to be given to these areas within the context of the pandemic experience and its immediate and longer-term impacts. There is no "return to normal." Rather, there is a "new normal" that HR policies and practices will need to be in step with.

For instance, prior to COVID-19, municipalities were generally weary of the widespread implementation of "work from home" policies – limited technological capability was often cited as a reason for this apprehension. Yet, as municipalities showcased their success in transitioning many staff to remote working roles within weeks of the onset of the pandemic, they continue to grapple with how to measure productivity and performance in this new environment. Since municipalities traditionally measured productivity by monitoring the time their staff spent working in the office, there is an opportunity to rethink the way that job performance is tracked, focusing on project outcomes versus time in the office or "logged on."

Municipalities must also contend with and, to some extent, embrace the changes in the nature of work spurred by the pandemic. Since a large number of CAOs this year stressed the difficulty of attracting and retaining top talent as well as new employee expectations around work from home, municipalities should build flexible working arrangements for prospective and current staff into the HR plan. This is no longer an emergency COVID-19 response measure but a long-term initiative. This will ensure that municipalities remain competitive vis-à-vis other public and private sector organizations. Several major private corporations, for instance, have already publicly embraced permanent WFH arrangements.

At a fundamental level, there is a need for a post-COVID reset, with priority given to rebuilding and reconfirming the public service values and culture; enhancing resources in addressing mental health and staff morale issues; and, restructuring the workplace environment to maximize lessons learned from the pandemic in creating effective hybrid work environments.





## Question 3

### FISCAL IMPACTS OF COVID-19

*How was your municipality's financial situation affected by COVID-19? Have you found provincial financial support adequate for your municipality? How about for your community?*



## ■ WHAT WE HEARD...

Perhaps the greatest commonality in the responses to this question about the impact of COVID-19 on municipal finance was that there was no singular answer. Pandemic impacts on municipal operating budgets varied significantly, based on their distinct revenues, expenditures, and service mix.

That said, all respondents pointed to at least some adverse impacts on their operating budgets. For example, provincially mandated lockdowns may have shuttered recreation and cultural programming, but indoor and outdoor facilities still needed to be maintained. Further, additional line items were added to the budget by way of enhanced sanitation and cleaning requirements and additional staff to support COVID-19 screening at facilities.

Many CAOs were grateful for support from the province and federal government, including the Safe Restart Agreement, which included \$2 billion for Ontario municipalities and \$2 billion for public transit authorities. This support cushioned the worst of the impacts due to extraordinary expenditures and significant revenue losses in 2020.

In 2021, the situation was slightly less dire as some restrictions lifted and there was at least a partial “return to normal” along with continued government supports. But now into 2022 and beyond, significant questions remain both about the longer-term legacy of the pandemic on municipal finance, particularly as fiscal constraint seems to be the hallmark for the future.



## Immediate Responses

Many of the CAOs indicated that their municipalities moved quickly to make changes in their operations as the impacts of a prolonged pandemic became apparent. Reductions in revenues from services, were accompanied by increases in service delivery demands in areas providing health, human services, and supports to community and businesses. Staff were redeployed to support essential municipal services where feasible, while some municipalities implemented temporary lay-offs and reduced programming in non-essential services to offset the financial impacts of COVID-19.

### Program revenues were impacted:

Several municipalities experienced reduced program revenues, notably relating to transit and recreation, as a result of COVID-19 lockdowns and restrictions.

*"The City has been impacted financially primarily through reduced revenue in recreation, transit, cultural services, parking services and additional costs, such as extra cleaning, extra staff for screening at facilities."*

*"The City and Council almost immediately jumped to the conclusion that the pandemic would be long term...we addressed transit and recreation expenditures immediately."*

*"We were really good initially, but not so good now. [The] decimated revenue really impacted our Annual Repayment Limit."*

*"On the recreation side, funds/revenues [were] decimated. We closed facilities but not a lot of operating costs went away...we couldn't leave soccer fields unmaintained."*

### Transit as a differentiator:

Municipalities with public transit systems faced a far more drastic and immediate reduction to their revenues and, in turn, increased operating deficits than those without.

*"Transit is currently at 50% ridership. This is a huge problem for the community because there was a lack of investment in transit over the years."*

*"We are going into 2022, 2023 and beyond with hundreds of millions of dollars of problems – a lot of that is on the back of transit."*

*"The Town has a small transit system, so [we are] not as hurt as some other municipalities."*

### Layoffs, hiring freezes, and service reductions:

Several CAOs spoke about being forced to lay off or redeploy staff and reduce some non-essential services. Others were able to avoid lay offs but instituted hiring freezes. It was clear, however, that the impact was not felt evenly across the organization; due to the nature of the lockdowns in Ontario, jobs in certain services areas, such as recreation and cultural services, were more vulnerable than others.

*"We implemented lay-offs in Cultural Services and allowed staff who were underemployed to be redeployed to economic development/social services."*

*"The County is running very lean right now. Luckily [we] did not have to lay-off staff...we implemented a hiring freeze and redeployment process."*

*"The Town laid off staff. Depending on where you looked in organization, you may have seen no major impacts in some areas while there were significant impacts in others."*

*"We did not wait for other levels of government to make decisions, especially June 2020 when the federal and provincial governments were slow to respond. We made the decision at that time to lay off 1500 staff members. When the federal and provincial governments stepped up, we brought people back and we were in a fairly solid financial position by end of 2020. This allowed the municipality to take a stable approach and not require massive course correction."*

## The Long(er) Term Financial Outlook

While the majority of CAOs had a positive outlook regarding their municipality's financial situation in 2021/22 due to both operational and financial constraints and provincial funding relief, several CAOs reported significant concerns about sustainable funding for the future. Municipalities heavily reliant on revenues from businesses or organizations in their communities that have seen significant reduction in their own operations and revenues or municipalities that are heavily reliant on revenues from operations with high fixed costs have been disproportionately impacted. Municipalities experiencing loss of revenue from sources such as dividends in shared assets like international border crossings, from transit operations and communities heavily reliant on tourism and hospitality, including casinos, are anticipating sustained revenue challenges.

### Many CAOs were forthright about their appreciation of provincial support:

The CAOs surveyed said that provincial funding related to COVID-19 was both welcome and essential for many. However, they did observe that more flexibility in its use would have been helpful.

***"I have nothing but thanks and appreciation for the province. They have responded in the ways we have hoped."***

*"The province has provided more than adequate funding to offset increased costs, and we are tracking to see a surplus in 2021 due to these funds."*

*"With the help of the province and the federal government, we are quite content with [the] support received. The Safe Restart money was used across the entire organization."*

*"The City is thankful for provincial funding... we have no debt and very healthy reserves. We would have had to dip in our reserves to the tune of \$5M without this funding."*

### But respondents are concerned that provincial funding supports will be discontinued:

Many municipalities are dependent on continued funding to allow for full recovery from the financial impacts of a pandemic that has lasted far longer than anyone anticipated. Some CAOs anticipate having to use their reserve funds to offset the loss of provincial relief funding.

*"Federal and provincial funding has filled the gap in 2020 and 2021, with a little bit of residual into 2022. Where we will land at the end of 2022 is to be decided, especially with recreational facilities lagging in revenues."*

*"[Our] reserve fund will be hit by 60-70%. It took 5 years to get to a good state where the City was happy with our reserves. [We] will have to start over now."*

*"Unless we can continue to receive provincial support, it will be very difficult moving forward. We're not certain of future federal and provincial funding...we are seeing year-by-year deals."*

### The need for adequate, continuous funding for social supports:

Many CAOs are anxious about meeting the long-term financial requirements of service delivery demands arising from increasing levels of homelessness, addictions, and mental health demands in their communities, which have escalated during COVID-19. Where the additional provincial funding has been used to increase service response, municipalities are concerned that they will have to continue the funding after the provincial support ends or develop 'exit strategies' to reduce service levels.

*"The provincial government will be scaling back homelessness funding. We were in a tough spot before COVID-19 and now we have become accustomed to these resources from the province."*

*"Homelessness jumped up. Provincial funding for this area was not sufficient. Three private sector partners stepped in to provide support services...almost 7x more than the province)."*

***"I am worried that a lot of people will be left behind but that is not yet visible as many of them are still being propped up by senior government funding."***

*"Provincial support has been helpful. However, a main pressure point has been homelessness response and supporting the most vulnerable in the community. The province has helped with this, but funding is ending in March 2022...the problem of homelessness is not ending in March."*

*"The Social Services Relief Fund has been a godsend. The shelter system won't go back to the way it ever was, but how is that going to be funded going forward? We have poverty in double digits in some wards while in others it is 2%. As a result, we have real disparity in our communities and the pandemic has made it worse."*

### **Focus on Businesses**

In response to our question on the efficacy of provincial funding support for their communities, CAOs comments were largely focused on the business sectors. Their answers indicated that government funding was important to businesses but that ultimately the survival of local businesses varied based on the nature of the business and their ability to 'pivot' and change aspects of their operations or service offerings.

#### **The two pandemics for business:**

Some sectors remained largely unaffected by COVID-19, including the knowledge economy and public sector, while other sectors struggled significantly, creating a critical differential in the economy. Among the hardest hit included the service industry, arts and culture, and tourism and hospitality sectors.

*"Certain segments of the business community have struggled significantly. Our municipality is a day trip community – some businesses have thrived while others have suffered catastrophic losses, largely a result of how businesses pivoted."*

*"'Creative destruction' is taking place right now. The pandemic is particularly affecting small business owners and the service industry. Otherwise, there is a recognition that people in the knowledge sector or public sector are largely unaffected."*

*"Small businesses were definitely the hardest hit and under pressure throughout pandemic."*

*"Arts and culture and the hospitality industry have been greatly affected...it has been bleak."*

#### **Booming businesses during the pandemic:**

Several CAOs mentioned some of the 'successes' of local businesses and economic development activities in their communities.

*"The tech industry has done phenomenally well during COVID-19...tech companies have been injecting money into the local economy."*

*"Manufacturing has been booming. We sold more employment lands in last 2 years than the previous 6 years."*

*"80% of businesses have been positively affected in the past 2 years. It has been very sector dependent/specific. Because people weren't travelling during the pandemic, there has been a lot of investment in housing renovations."*

*"A local jeweler told me that people have been buying jewellery hand over fist and that she had her best business year ever during COVID-19."*

*"The historic downtown business area did very well with some businesses claiming it was their best year."*



## ■ STRATEGYCOPR'S PERSPECTIVE:

When asked about the effects of COVID-19 on their municipalities and the adequacy of provincial relief funding, several themes emerged. The pandemic has had an asymmetrical impact on businesses and communities across Ontario. Thanks to government funding and by altering their business models, some businesses managed to make it through; others have not survived. Still others have prospered, taking advantage of a surge in demand for certain products and services during the pandemic.

Overall, gratitude for the short-term relief provided by the provincial government was balanced with concerns about the sustainability of municipal operations and community supports should the funding be discontinued prematurely. The provincial funding was adequate to offset the immediate financial impact of COVID-19 on the municipalities' operations and allowed them to relax some of the actions they had taken in the short term.

But the medium- and longer-term financial realities for municipalities may be less rosy due to the lingering impacts of the pandemic and the ways it has fundamentally altered how we live and work and the downstream impacts on municipal finance.

For instance, municipalities are having to grapple with the reduced need for office space and resulting impacts to the municipal tax base. As early as 2019, the Region of Peel was considering the how the shift to remote working environments could further strain municipal revenues. The Region's "Rethinking Municipal Finance for the New Economy" states that if there is a long-term aggregate reduction in demand for office-space as a result of work becoming more and more virtual, there could be a marked erosion of the commercial and office portion of non-residential property taxes for municipalities.<sup>1</sup>

Additionally, as COVID-19 forced retail stores to close their doors, many businesses had to quickly pivot and develop an online presence. Municipalities should consider how this shift away from bricks and mortar retail may reduce the commercial portion of property tax revenue and demand for commercial development.<sup>2</sup>

While it is not yet clear what trends accelerated by the COVID-19 pandemic will outlast it, a truism is that the municipal world will not return to "as it was." As a result, municipalities must be prepared to adapt quickly to shifting realities by building sustainability into their long-term financial plans.



## Question 4

### DIGITAL SERVICE DELIVERY

*Have you introduced any new ways to do digital service delivery during the Pandemic? What do you plan to retain? Do you see any downsides?*

## WHAT WE HEARD...

CAOs were eager to talk about the impact of the pandemic on the introduction of digital service delivery. The sudden need for remote service delivery accelerated the digitization of a number of municipal services, while others continued to lag. Some plan to run digital and conventional service delivery models in parallel when the 'new normal' establishes itself. The municipal world has long welcomed and encouraged successful improvements to service delivery, and the CAOs described a number of large and small innovations in digital delivery spurred by the forces of the pandemic.

### The Virtual Shift

"The show must go on," it is said of theatre. The adage is equally true when applied to municipal service delivery. At the outset of the pandemic, CAOs were tasked with pivoting online, both in terms of the internal operations of the municipality and in how it delivered (at least some) services to residents.

#### Internal operations:

Many CAOs moved quickly to accommodate remote working conditions, where possible, for their staff and implemented a range of digital tools, such as eSCRIBE, ConsignO, and VPNs to help smooth the transition. As observed earlier, of course not all staff were able or permitted to work from home.

*"Our IT team set up over 1500 employees to work from home in just 10 days from the onset of the pandemic."*

*"We were able to support all staff within a week to work from home during COVID-19."*



### Customer-Facing Services:

Many CAOs shared substantial lists of resident-centric services that migrated online, demonstrating the sheer breadth of the effort. Two of the most common services were the enablement of partial or complete payments for municipal services, such as property taxes and water bills, to be made online and the establishment of a digital process for the submission of development applications and building permits. Overall, the range of digital services varied in size and scope and were designed to be responsive to the distinct needs of the municipality: from virtual courtrooms and live-streaming recreational activities to 'one-window' customer portals and supporting seniors with assistive devices to help them access digital services.

*"The City is currently in the process of digitizing all services. During COVID-19 the City digitized over 50 internal and external services."*

***"We developed a new app for citizens to access services – book sports facilities, pay taxes, get a blue box, pay water bill, report a pothole."***

*"One innovative digital approach occurred in Recreational Services; the Town has been live streaming activity at arenas [so parents can watch remotely]."*

*"Internally, a shift in digitizing...Council approval process digitized, death certificates are now an online process, digitizing time sheets."*

### Engagement and communication with the public:

Due to the COVID-19-related public health restrictions, most in-person engagement with local residents had to cease, these interactions migrating online or over the phone. Further, as explored in Chapter 5, virtual public meetings became the norm during the pandemic. For the most part, residents and staff adapted; what choice did they have, really? But it also meant that virtual communication tools mattered more in terms of keeping residents informed and up to date. For example, a couple of CAOs mentioned redesigning their websites to improve the user experience.

*"For a significant period of the pandemic, Town Hall was closed to the public... as a result, a lot of normal day-to-day transactions had to move online. The community was willing to participate digitally."*

*"[We had] 50 service counters across the City – large transition to digital services."*

*"The Town also increased digital communications – newsletters, massive increase in use of social media."*

### Not starting from ground zero:

The biggest success factor in digital service delivery seems to have been whether the municipality had a base from which it could accelerate. Many municipalities already had initiatives underway to build needed IT infrastructure and capacity to support digital service delivery models. This put them ahead of the curve. Other elements, including modernization grants from the province, investment in staff capacity and resources, and partnerships with local businesses also made the process of migrating services online easier or, perhaps, less painful.

*"If COVID-19 hit six months earlier it would have crippled us. The digital infrastructure was not there until about a month before COVID-19...we experienced some good fortune."*

*"A year before pandemic, I talked to IT Services about having a more virtual environment and received some pushback at the time. Luckily, the City began this transition before COVID-19, despite this pushback that it couldn't be done quickly."*

*"[We] were already digitizing many services. COVID-19 accelerated it."*





## Outcomes

Not surprisingly, most CAOs cited the impact of the pandemic on the accelerated pace of implementing digital service delivery. In addition to improving public accessibility and customer service, several CAOs pointed to improvements in productivity and efficiency, an important plus given the anticipated strain of future municipal budgets.

### **The pandemic drove the pace and acceptance of digital service delivery:**

Many CAOs commented on the speed with which their organizations had to transform, noting that these kinds of changes would have taken years under normal circumstances. Several comments framed the pandemic as an opportunity for municipalities to push forward on digital service delivery: for many, COVID-19 provided the urgent impetus, but the desire had been there before. And municipalities responded and adapted, and with a good degree of success.

***"We moved 5 years in 2 months."***

*"Digital transformation happened in weeks, not months."*

*"The pandemic has allowed us to add these new methods of digital interaction to our toolkit."*

*"The pandemic has sped up the process. Despite rapid growth, we were not doing a lot to move down path of digital transformation before COVID-19."*

*"I think about my mother; she used to call it 'bills birthday', she would drive around town paying bills and accessing services. With the onset of COVID-19, however, she had to figure out how to get this stuff done ...and so did we."*

*"When I came to [the Region] three years ago, we were not able to take a single electronic transaction...now there are no cash transactions at the Region, everything is a digital payment."*

### **Making government more accessible:**

A number of CAOs observed that the virtual shift in some ways made it easier for people to access services, engage in public processes, and participate more fully in the governance of their communities. Others noted that the ability to engage digitally unlocked new segments of the population who perhaps were more disconnected from local government pre-pandemic. As the next Chapter details, in many municipalities the transition from in-person to virtual meetings was accompanied by greater public participation, for better or worse.

*"I have seen a variety of voices join the conversation that did not exist before."*

*"The shift to a virtual environment has increased reach...not everyone wants to come into a meeting at City Hall. The pandemic has given people new ways to engage where they feel a little bit more comfortable and confident."*

*"Difficult people will always find a way to engage, whether on-line or in-person."*

*"311 has gone from a 'phone us' service to a digital service – over 600 services and sub-services are now online. At any time of the day, you can connect with the City not only to raise the issue but know what stage of the process you are currently in."*

### **Not every story was one of success:**

A couple of respondents found it difficult to move online, largely due to unsophisticated IT. Further, not every service translated easily online.

*"[We] pushed some online service delivery but it has been haphazard."*

***"There have been pockets of wins, but generally we are behind. It was easy not to invest in the un-sexy IT systems in previous years."***

*"We are so far behind. There are gaping holes in IT infrastructure as a result of 0% rate increases for over a decade."*

*"[We launched] initiatives...to get arts and culture trying to engage [the] public digitally. These initiatives, however, have not been oversubscribed."*

### Finding efficiencies:

Several CAOs mentioned the savings that accompanied digital service delivery, including reduced costs and improved productivity. Others found, however, that the demand for “more and quicker” only increased during the pandemic, leading some staff to feel overwhelmed and overworked.

*“I used to really like going down to Toronto [for meetings]. With hindsight, I think half of these meeting weren’t necessary.”*

*“[Since the pandemic], I have yet to sign off on a piece of paper for approval.”*

*“Switching over to appointment only for many Town services [...] has been working great. It has made a significant benefit to the staff while not really impacting the public negatively. It helps plan workload, helps staff plan their day.”*

*“If you widen your intake and you still have the same of staff count, you will encounter issues. Our people are slammed, especially during COVID-19. As a result, the City is reviewing some efficiency opportunities.”*

### Responses to Change

Change is not always readily accepted in municipal affairs and there are always implementation risks with reforms. CAOs discussed at length how the experience of going digital has been received and the ways in which the municipal sector has been fundamentally altered. One area of risk identified with respect to digital service delivery was cybersecurity, which is discussed in Chapter 9.

### Residents:

The CAOs observed that the public attitude towards the virtual shift has been generally positive. Most residents appreciated the effort of municipal staff to move quickly to digital service provision. Of course, some expected all systems to be up and running immediately. Other residents wanted a return to Town Hall and face-to-face meetings with their Council and public servants. Many CAOs concluded that while digital service delivery is here to stay, there will likely still need to be room for more traditional, in-person customer service engagements.

*“The pandemic has created an expectation from the public that everything is going to be online and instantaneous, but we’re not there yet.”*

*“Mrs. Smith will always want to come into City Hall and pay for her property tax with cash. This will always exist...but it is not how the majority behave anymore.”*

### Municipal staff:

While many CAOs noted that their employees enjoyed some of the benefits of a more flexible and dynamic working environment, there was a strong sentiment that people looked forward to in-person interactions and a “return to the office,” even if only some of the time.

*“Work from home is not the way people want to do business here.”*

*“The virtual environment works really well but I do really enjoy being in the hallway with colleagues.”*

*“We took the approach of hiring [consultants] to help people understand the need first. The strategy was to show staff ‘let’s free up capacity so people can do more of the things they love’...buy-in has been good as a result after they realize automation is not a threat.”*

## The Long-Term Outlook

### There is no going back:

The landscape of municipal service delivery is fundamentally different from two years ago, and the future is digital – we heard that from the CAOs loud and clear.

*"Customer demand and services we provide have irrevocably changed. We will have fewer service counters, fewer people doing those transactions...everything will become increasingly digital."*

*"We will retain all of our digital service offerings as they have been efficient and welcomed by the Town."*

*"All of these new digital services will continue after the pandemic; some sort of hybrid model will continue."*

### Keeping up the effort:

For many CAOs, it is not only about continuing to offer the digital services that emerged out of the rush of the pandemic but about driving forward with digital expansion in a more strategic way that is tied to corporate business planning and budget cycles.

***"The pandemic has opened the door for doing more...we can do the work of tomorrow and not the work of yesterday."***

*"Using the pandemic as an opportunity rather than maintaining status quo so that once we emerge from the pandemic, we will see gains with public trust."*

*"COVID-19 has shown that people have done fine for the past 20 months without in-person services...it has been a positive trial and people have more space to move in that direction despite Council pushback."*

*"We are making more deliberate, thoughtful, more centrally controlled decisions on what goes forward. Not based on whoever has capacity to do it now, but what are the things most needed by the community."*

## ■ STRATEGYCOPR'S PERSPECTIVE:

Not only did Ontario municipalities have to shift most of their workforce to remote working in March 2020, but they also had to grapple with the issue of maintaining adequate levels of service delivery for their citizens while facing provincially imposed shutdowns. While some CAOs indicated that it was a smooth transition to migrate some services online because their municipalities had already been working in this direction, other municipalities were forced to quickly procure and implement various digital solutions to continue to serve residents and their communities.

While some municipalities struggled more than others with this transition, there was an overwhelming consensus among respondents that the pandemic accelerated this shift in a positive way. COVID-19 provided the opportunity to drive forward digital initiatives – both for internal corporate workflow and operations and in external service delivery – that otherwise may have taken years to get approved and implemented.

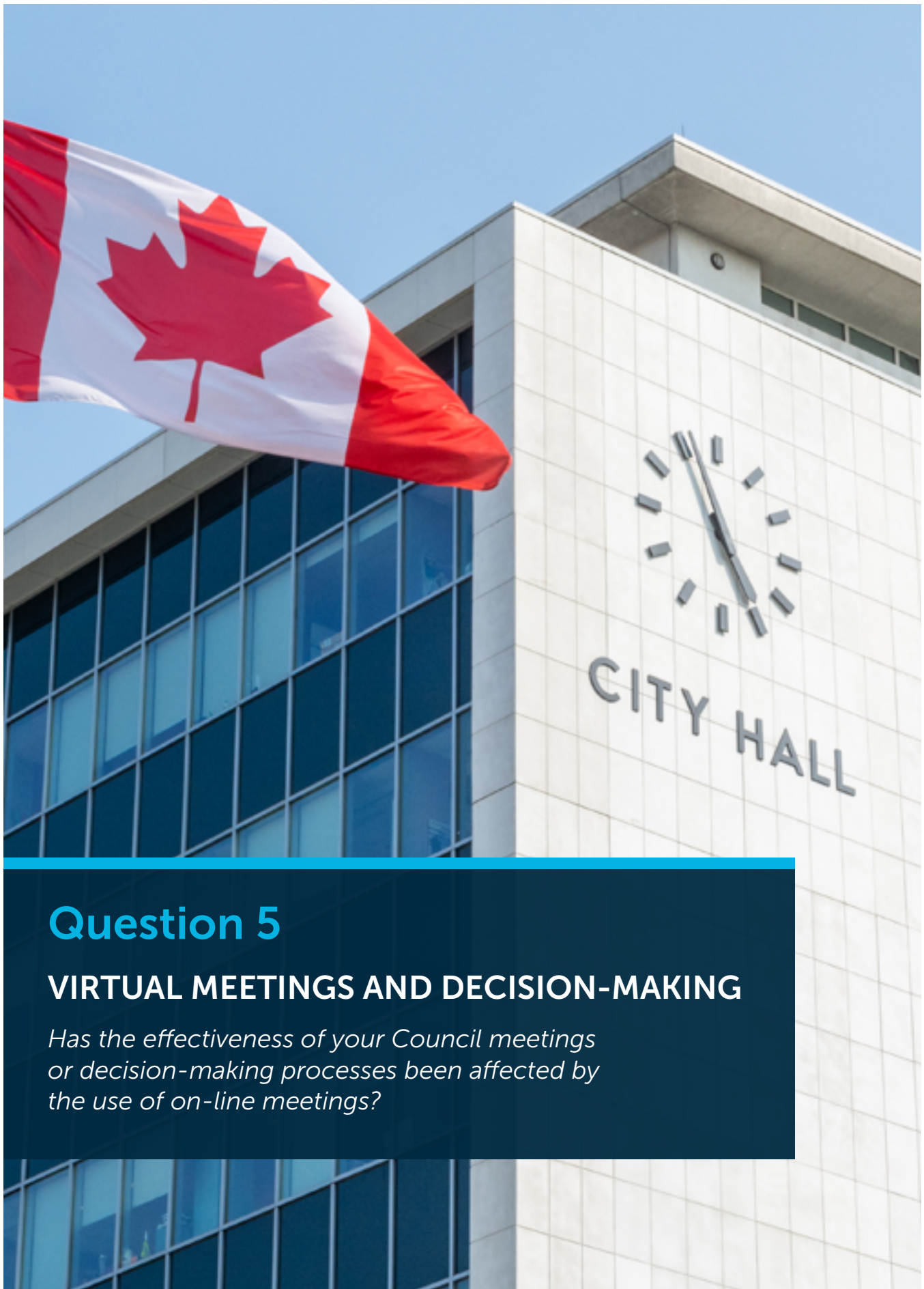
Given the swiftness of the change, of course there have been some mixed feelings. Although many CAOs welcomed some of the efficiencies brought on by digital service delivery, a few lamented the fact that in-person intimacy and comradery cannot be adequately experienced via screens.

At the end of the day, many observed that a Pandora's box – good or bad – has been opened. The world of digital service delivery is here to stay in some form, and CAOs are committed to making sure their municipalities are prepared to participate in it.

Municipalities should build on this momentum and embrace a service delivery model that places a greater emphasis on the growing digital needs and expectations of their citizens. It is also a provincial imperative, as evidenced in the establishment of the Audit and Accountability and Municipal Modernization Funds designed to help Ontario municipalities find innovative and more efficient ways to deliver services, including expansion of digital service delivery. To achieve this end, municipalities may choose to:

- **Invest in technology** systems and platforms that improve the user experience;
- **Hire more IT professionals** and upgrade internal digital literacy skills;
- **Develop robust data governance** frameworks to establish roles and responsibilities; and,
- **Minimize risk** as they inevitably move towards building more digital infrastructure.





## Question 5

### VIRTUAL MEETINGS AND DECISION-MAKING

*Has the effectiveness of your Council meetings or decision-making processes been affected by the use of on-line meetings?*

## ■ WHAT WE HEARD...

The rapid shift to video-conference meetings in March 2020 was seen by many as a technological stopgap in anticipation of a 'return to normal' by late summer 2020. With the way cleared by rapid changes in provincial and municipal legislation and procedures, both large and small municipalities demonstrated their technological agility. But by summer 2020, it was clear that online meetings would be feature of municipal life for the foreseeable future, even after the anticipated waning of the pandemic.

This year's survey probed the sudden advent of "meeting technology." How has it altered local decision-making and public engagement? Has local democracy changed? Who has benefitted – and who has not? Has human interaction been a casualty of greater technological connectivity? Are we even conscious of these changes and their effects on Council members, municipal staff, and citizens? What can we learn from our own experiences and those of our municipal peers? Here is what we heard.



## Meeting Technology: Enabler Or Hurdle?

Most respondents observed the advent of virtual meetings was a positive development, although there were some stress points at the beginning. Many noted that although some mourned the loss of face-to-face interaction, for the most part, the work simply continued. Looking ahead, most CAOs indicated that some hybrid model of in-person and virtual Council meetings was likely the way of the future.

### An initial adjustment period, but then some success:

In early 2020, the technology was a challenge for municipal organizations and for individual councillors, staff, and citizens as in-person Council and Committee meetings, public meetings, and other community engagement sessions and consultations migrated online. But overall, it was a surprisingly smooth and comprehensive transition.

*"Initially a learning curve with new Council technology."*

*"Early on, virtual Council was a big adjustment...but it is working very well for us now. Council, community engagement and committees are working very well virtually."*

*"Councillors who are older struggled to adapt technologically but have adjusted and now see the value."*

*"I have no concerns with digital meetings. Having said that, some members of our community have struggled with this online shift – the elderly community without laptops and [who are] not familiar with YouTube. But overall, it has worked really, really well."*

### The loss of personal contact:

Perhaps the most significant downside to virtual meetings mentioned by the CAOs was the interpersonal element. Several mentioned that the lack of face-to-face engagement strained the development of strong interpersonal relationships within Council, staff, and the public.

*"The problem with the digital world is that you take care of business and that is it."*

*"There is no question that there are downsides to virtual Council...we are missing those informal conversations that strengthen ties between people."*

***"Councillors can't read body language through Zoom."***

*"Council is missing the personal interaction - informal discussions, grabbing a coffee, etc."*

*"Those in-person discussions had some benefit. Relationship building has suffered during the pandemic."*

*"Council does miss the camaraderie and getting together."*

### Stay online? Return to in-person? Or hybrid?

On the whole, responses were evenly split among the respondents about returning to in-person or keeping the virtual meetings.

*"Council is anxious to get back to 100% in person Council, Committee, and public meetings."*

*"Council really wants to get back together, but a COVID-19 infection scare at a recent in-person meeting has caused some Councillors to change their opinion."*

*"Half my Council doesn't want to come in."*

*"[We have the] recognition of Council that business is getting done, and if you can do it from your home station, why go back?"*



### Planning for the hybrid model:

Others noted that a hybrid in-person/virtual meetings was the most likely outcome but that there was work and planning that needed to occur as part of longer-term implementation of this model, including investment in IT upgrades in Council and Committee rooms and formal policies around public participation and engagement.

*"It was an absolute necessity to move virtually...not many Councillors want to give up the hybrid model."*

*"Council has decided that they want to stay online at this moment, working on a hybrid model now."*

*"While Council meetings will stay hybrid, there is a broader public engagement and policy that we need to look at."*

## The Changing Dynamics of Decision-Making

CAOs talked at length about the impact of online meetings on decision-making, both in terms of finding efficiencies (or not) in the process and on the quality of the debate and outcomes.

### Efficiency of meetings:

Theoretically, when you do not need to travel to meetings, meetings are easier to schedule, and time can be spent on learning, debate, and decisions. Many CAOs confirmed that the digital transition enabled meetings to be more streamlined and focused. This resulted in time savings for both Council and staff. A few found that virtual meetings had the opposite effect or were unchanged in length.

*"Meetings did seem to be effective, got through the business quite quickly."*

*"The digital meetings have saved us time."*

***"Nobody has travel time anymore. You just get on the meeting and do the job."***

*"Streaming Council meetings has really lengthened the time of Council meetings. A recent Council meeting was 6 hours long."*

*"Council meetings in length are about the same pre- and currently in the pandemic."*

### Efficacy of decision-making:

Many CAOs noted that it was possible to continue "business as usual" for the most part with virtual Committee and Council meetings and that Councils were as productive as ever.

*"Virtual Council was not necessarily more efficient, but effective."*

*"Once Council got used to the virtual environment, we are getting a lot of stuff done."*

*"Level of debate and discussion has been high quality, not a single concern about it at all."*

*"Seems to me that Council is more or equally as engaged than in-person."*



## The downsides:

Others, however, spoke candidly about some of the challenges of virtual meeting in terms of how decisions were made, revealing issues around trust, openness, transparency, and information-sharing, particularly with the increasing prevalence and influence of social media.

*"Council has really struggled with decision-making through Zoom."*

*"General sense that it wasn't as democratic as Council meetings typically are."*

*"There was an impact on Council meetings; openness and transparency were lacking."*

*"What's hard is the visibility, and doing things is how they show they are making difference to their community."*

*"The quality of information being shared has changed, and who is influencing these decisions has changed."*

### Informal decision-making:

A few stated that although the efficacy of Council decisions was not impacted by virtual meetings, informal mechanisms of collaboration and discussion were lost due to the lack of in-person engagement.

*"Typically, more work would be done outside chambers, where they would walk down the halls and have discussions on wordings on motions."*

*"The dynamic from in-person meetings cannot be replicated online...no background stuff that helps decision-making."*

*"Decision making has not been affected. However, Council misses the informal opportunity to address issues when meeting face-to-face."*

### Making rapid-fire decisions in a pandemic:

Several CAOs raised the need for quick and nimble decision-making in response to constantly changing circumstances. They noted that they often had to make recommendations to Council with extremely limited information and felt the weight of these decisions on themselves and on their relationships with Council.

***"When we have to make decisions in a vacuum, it makes you second guess your decisions."***

*"When you apply hindsight to decisions you made a month ago, it is really easy to feel like you messed up...leads to a confidence issue for elected officials. I chose to close the hockey rinks before the province did so, Council questioned me."*

*"I am the point person for pandemic, I am constantly giving info to Council. But 1 hour later, 1 day later, information changes and we have to do something different... leads to erosion of trust."*

### Decorum, civility, and animated debate:

Overall, many CAOs found that virtual meetings made for smoother meetings, in part because of the inability to have multiple speakers at a time, the requirement of an orderly system of participation (e.g., raising a virtual "hand" to speak), and the all-powerful ability to "mute" participants. Some, however, did note that virtual meeting environments led to increased tension and incivility. One CAO observed that the pandemic gave people time to engage in issues that they would not have had time to engage in before the lockdowns, leading to many lengthy and sometimes boisterous debates.

*"Our Council members have been great in a virtual environment, and it has been more orderly compared to yelling in a small room."*

*"[We] noticed that people lost momentum online...no cheering and jeering that would have been taking place in person."*

*"It is easier to be more mean over the screen than in person."*

*"Council does not like that eye rolling is captured on camera."*

*"Civility and respect amongst elected officials and between themselves have taken a hit...why? Everyone has suffered from COVID-19. There is more rudeness and curtness – people more abrupt, dialogue more acerbic and incivility is increasing. Sometimes Councillors don't even turn on camera to talk."*

**Caution about overestimating the impact of digital meetings:**

A few CAOs warned against overstating the impact of digital or hybrid Council meeting formats, observing that quality decision-making may have less to do with the medium than with either the people making the decision or the context in which they are making it.

***"I think it depends on your Council...not whether it is in person or online. My Council is not effective but I'm not sure that it has anything to do with the virtual environment."***

*"Does it [virtual Council] change outcome of decisions? I think not. I think the electorate have become very effective at coalescing support or a lack of support for a particular initiative, development, project, whether the meeting is in-person or not."*

*"Disjointed opinions of Council have nothing to do with digital council."*

*"I noticed an increase in Council and staff incivility; however, can't attribute it to hybrid Council meetings."*

*"Everyone seems to be angry...there is a lot of built-up anger in the community. [I] have definitely observed less respectful behaviour from Council to each other and staff...not sure if it is because of the virtual setting or because everyone is on edge."*



## A More Robust And Representative Democracy?

Remote access to meetings opened them up to more participants – the commuter, the mobility-challenged, new residents and new citizens, an audience beyond the special interests and the 'city hall regulars'. The microphone is shared more equitably. Everyone can be heard, and it is harder for individuals and groups to dominate public meetings. But there are hurdles and shortcomings.

### Expanded accessibility and increased engagement:

Many CAOs observed greater community attendance and participation at Council and other public meetings than before the pandemic, in large part due to the convenience of the digital platform.

*"Prior to COVID-19 we would see a handful of community members at Council, now it is not uncommon to see dozens and dozens."*

*"Virtual is better for the community because it is more accessible...delegates can appear while at work and can listen on their phone and jump in when it is their turn."*

*"Virtual Council has been a tremendous success from an efficiency standpoint. There is also better citizen access. People want to be able to provide quick feedback or make a quick comment."*

*"It has been easier for citizens to attend... avoid commuting, travel time, waiting in line for deputations...I think the community will demand this to continue."*

*"There has been a public engagement increase with virtual meetings. People can log in from the comfort of their home."*

### Hearing from more members of the community:

Virtual meetings also enabled a greater diversity of voices who may not otherwise have been able to participate in the democratic processes of local government.

*"If you look at this with an equity lens, single parents who don't have access to childcare can now participate. The ability to participate has changed and we are beginning to see new faces, which I like."*

***"The virtual element has been very helpful to allow people who have kids, are very busy, with disabilities, to participate in Council, thus creating more accessibility."***

*"Having a model that allows in-person and digital attendance does lend itself to more engagement and participation. It also does change the tone. [There is] far less group think that comes with NIMBYism, a group of people cheering each other on, etc."*

Continued attention to inclusion and equity will be important if virtual or hybrid meetings are to continue. At least one respondent noted that digital engagement can leave some people behind, such as older adults who are not tech savvy or those who may not have access to electronic devices or broadband services.

## ■ STRATEGYCOP'S PERSPECTIVE:

In past years, StrategyCorp's CAO Survey has looked at local democracy through a variety of lenses: from the impact of social media on decision-making and public expectations to the rise of populism in politics. Past surveys focused on techniques for engaging the public and balancing local priorities. We also examined the key relationship between elected representatives and the municipal professional staff who advise them and who carry-out their decisions, with the CAO or City Manager as the fulcrum in that 'fine balance'.

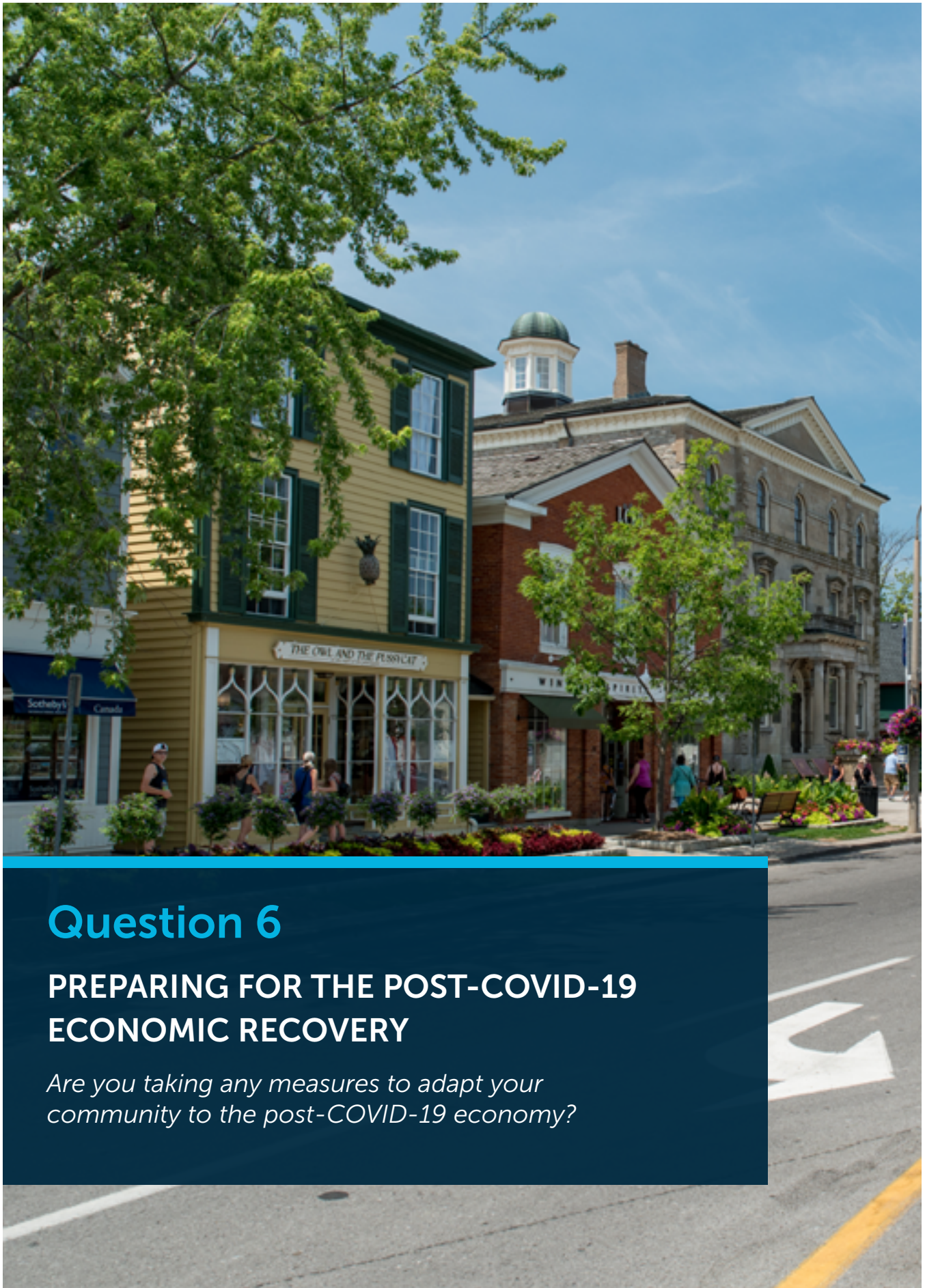
For years it seemed that technology would have its greatest effect on democracy by expanding voting, with citizens more frequently and directly deciding issues. It now appears that the real impact of technology on local democracy will not be as anticipated. Rather than seeing recall petitions, plebiscites or referendums, recent experience suggests a more nuanced and socially beneficial range of reforms. Online technology is expanding our ability to engage more residents on their own terms, to help them understand public issues and to contribute to informed solutions while preserving the role of elected representatives.

In 1835, De Tocqueville asserted in that local government in America is "the indispensable catalyst for both creating and sustaining a successful democracy."<sup>3</sup> In our time, the pandemic has accelerated slow-moving trends and yielded unanticipated results, with inevitable consequences for governments. Municipalities can once again be the laboratories and proving grounds for a more robust and egalitarian democracy.

By the end of 2021 and into 2022, many CAOs thought a return to past practices was unthinkable. Still, for other CAOs and many municipal politicians, these impacts were seen as transitory and, in some instances, overrated. On balance, the conclusion appears to be that the scope for public engagement may now be wider, but the quality of decision-making may risk erosion due to lack of in-person human interaction – among decision-makers, with municipal staff, and with residents, business operators, other municipal clients, and intergovernmental partners.

Not surprisingly, StrategyCorp's counsel is to "save the best and ditch the rest." But we have learned from our own municipal projects that the distinction can be hard to make with confidence. It may take some post-pandemic time for CAOs and their Councils to decide.





## Question 6

### PREPARING FOR THE POST-COVID-19 ECONOMIC RECOVERY

*Are you taking any measures to adapt your  
community to the post-COVID-19 economy?*

## WHAT WE HEARD...

As the provincial and federal governments injected billions of dollars into the economy to mitigate the fallout from COVID-19, many municipalities quickly realized that they needed to play some sort of role in helping their local community adapt to the “new normal.” This often involved CAOs working alongside their Councils, economic development groups, and community partners to pivot and reassess their approach to supporting the local economy and other vulnerable groups.

The CAOs interviewed indicated that their municipalities recognized the importance of supporting their communities, both business and “third sector,” in adapting to the impacts of the pandemic and preparing for the post-COVID-19 economy. The forms of support provided by the municipalities varied across the province and were driven by local requirements.

### Who And What Is Guiding The Recovery?

For many CAOs, economic recovery from the pandemic has been a key focus of their work. Some of this has been strategic in nature, through the development of formal plans to clearly elucidate what needs to be done and provide an implementation framework to realize these goals. Several CAOs mentioned that their Mayors and Councils have played active roles in driving economic recovery initiatives.

#### Plans, framework, and strategies:

Several CAOs shared that their municipality had developed specific economic and/or community recovery plans to guide the effort to “build back.”

*“We developed a Recovery Framework which has a set of measures to ensure the City is moving in the right direction. We are currently in the process of working with community leaders and organizations to align their own goals and objectives with the City’s.”*

*“[We] recently created an Economic Development and Diversification Plan, as well as an implementation roadmap.”*

***“Over the course of the pandemic, the Town has carried out a Community Needs Assessment which involves hearing direct needs from citizens themselves. A lot of this work is about community resiliency and readiness for economic recovery.”***

#### The role of Council:

In other municipalities, Council played the leading role in initiating and directing local economic recovery.

*“[We have a] monthly standing meeting with Mayor and Chamber of Commerce...”*

*“The Mayor and Deputy Mayor established an Economic Recovery Table and Social Recovery Table to stay in touch with community leaders in these spaces early on in the pandemic.”*

*“The City is focusing specifically on some areas, including the Economic Recovery Team initiated by the Mayor which includes representatives from different business sectors.”*





## What Is Being Done To Promote Recovery?

The most frequently cited examples of support provided by municipalities took three forms: a concierge program to connect businesses with funding relief programs; 'hands on support' to help small businesses transition to the digital economy; and, flexibility in the application of local standards and regulations for business operations, particularly in the hospitality and food service industries.

Some CAOs reported that their municipalities had also provided financial opportunities for local businesses to support operations during the pandemic and for post-pandemic recovery. Lastly, we also heard about the importance of supporting the cultural, creative, and innovation sectors in local communities.

### Concierge support:

Some CAOs made references to the role of their Economic Development divisions in helping businesses navigate the bureaucracy of funding applications and programs.

*"Economic Development has been active with local chambers of commerce and connecting local businesses to provincial and federal funding."*

*"The City has taken some members of the Economic Development Group and moved them away from their traditional files to look at and address small business needs (e.g., meeting 1-on-1, helping them access provincial and federal funding)."*

### Supporting digital enablement:

Several CAOs noted that their municipalities, with the help of provincial funding in some cases, took a very active role in connecting businesses with grants and funding opportunities, expertise, and staff supports to be able to establish a digital presence.

*"Small businesses struggling during COVID-19 took advantage of [the municipality's] Virtual Main Street project administered by Economic Development to help local businesses adapt to having an online presence. 100 businesses took advantage of the program...online presence is a key to business success now."*

*"The province and Economic Development have stepped in to help [local businesses], especially with getting their services online."*

*"The City's Economic Development department created a Recovery Task Force which helped 600 businesses become digital...the group spent a lot of time connecting businesses with digital platforms."*

*"We hired 5 tech-savvy employees to help small business develop digital capacity. Many of the small businesses that were supported had no idea how to do any of this. This has been the difference between success and failure for some businesses."*

### For the love of patios:

Several CAOs referenced initiatives throughout the pandemic that provided greater flexibility to local businesses, especially regarding permitting and adherence to existing by-laws. This flexibility was initially intended to help businesses, notably in the food services and hospitality industry, continue to operate in the face of significant public health restrictions. However, this approach is likely to outlive the pandemic. Many CAOs mentioned they are committed to continuing to look at how they can reduce barriers and red tape and make it easier for local businesses to survive and thrive.

*"The City will continue a more lenient approach to hospitality – such as 'business in the park', patio permits, etc. – in the future."*

*"There is now a large concentration of patios in the municipality...this result required a lot of logistics/by-law work. We had to quickly pivot, but the result has been remarkable."*

*"The Town is working with local businesses and the service and hospitality industry to provide more flexibility, such as year-round permitting, patio permits. The Town was flexible early on in the pandemic with implementing alternative payment plans, not charging interest, etc."*

*"In terms of the local economy, we have been focusing on providing flexibility...it's about trying to be sensitive to those people who are trying to make ends meet."*

#### **Providing financial support:**

Along with some of the provincial supports referenced above, many CAOs noted that their municipalities also provided direct funding supports to local businesses. Most indicated that these programs were a success, although in a few cases, uptake was not as wide as expected. Some respondents also raised that more supports are needed for the struggling creative and cultural sector, which is still deep in the midst of the pandemic even as other sectors seem to be stabilizing.

*"The County is injecting money into local business through the Regional Incentives Program."*

*"The digital element of government has allowed us to support our businesses a lot better, such as small grant programs that are small in budget but offer a lot of benefit. Providing someone \$5-15K within a central business district...these investments have been extremely beneficial."*

*"The City implemented a "Community Improvement Program" to provide small grants of \$2500 for local businesses. We only received 75 applicants in a community with 3,000 businesses, despite an aggressive marketing campaign and an easy application process. [It] seems like many businesses had their heads down...didn't even have time for a 20-minute application."*

***"The City will need to provide support for the arts and culture community 'who are still on one knee'."***

## **Supporting The Community**

When the conversation with CAOs shifted to measures being taken to support the broader community adapt to a post-COVID-19 economy, housing supply and affordability, homelessness, mental health, and labour shortages were the top issues. COVID-19 has added a new sense of urgency and commitment to action on these issues. As one CAO put it, "The understanding and need has been better than ever to combat local issues [such as] homelessness, mental health, substance abuse, housing affordability, etc."

#### **Housing and jobs:**

We heard several times about growing anxiety over the lack of housing supply and affordability and continuing labour shortages as well as the ways in which these two issues are linked. To be sure, concerns about worker shortages, particularly in the skilled trades and in smaller and rural communities in Ontario, pre-date the pandemic. But COVID-19 has also had the unwelcome effect of intensifying those labour challenges. According to Statistics Canada, the number of job vacancies in Ontario increased from 210,215 in the fourth quarter of 2020 to almost 338,835 the third quarter of 2021.<sup>4</sup> These shortages have pushed employers into offering incentives to attract workers such as higher wages, flexible hours, and staff housing. On the latter point, some CAOs noted that the worker shortage in their communities is exacerbated by the cost and availability of housing – how can you attract skilled workers if they can't find a place to live?

*"Housing and labour shortages are massive issues. Both issues have been exacerbated by COVID-19. We are working with an immigration partnership to promote new ethnic groups to the community. However, this is reliant on affordable housing, which is also an issue."*

*"Some sectors (manufacturing and hospitality) are having difficulties attracting employees."*



*"I worry that the County does not have enough tools to address the issue [affordable housing]. The community is expecting the County to do more on this issue in the post-COVID-19 environment; this will be a major point in next election."*

*"People are falling out of the middle class... if we don't get them into emerging jobs, we will be hurt by it. We can't control it, but we are affected by it."*

*"The local labour shortage has been even more acute for the service industry."*

### **Tackling homelessness, addictions, and mental health issues:**

Many CAOs also observed that economic recovery is more than rebuilding businesses and filling job vacancies. It also means addressing longstanding socioeconomic challenges and ensuring that vulnerable members of the community are not left behind. Respondents' focus on issues such as homelessness, substance abuse and mental health when they spoke about the post-COVID economy highlights the comprehensive and all-encompassing way which municipal leaders are thinking about and planning for the future of their communities.

***"The Town is being holistic with recovery, we are not only focusing on economic recovery but on social and community recovery."***

*"The City is very focused on addressing impacts the downtown area from COVID-19. We initiated an Action Plan with key partners – business, addiction and mental health, homelessness agencies."*

*"A lot of people have turned to substance abuse during the lockdown. There here has been a significant breakdown recently in the healthcare system which turns the issue into a municipal issue, although we're not equipped to deal with it...we have been forced to run addiction/homelessness centres because of the inadequate response from the province."*



## ■ STRATEGYCOPR'S PERSPECTIVE:

Municipalities have stepped in to support their communities prepare for a post-COVID-19 economy in multiple ways. Some of these have been strategic in nature – municipal and business leadership working together to understand the impacts of the pandemic and establish plans to guide the community through it. Many municipalities have also provided pragmatic supports as well. These include direct funding to business and community infrastructure (especially digital), services to connect the community to government relief funding, and flexibility in the application of municipal rules to support business adaptation of service offerings.

When speaking about a post-COVID-19 economy, the CAOs constantly reiterated the need for long term solutions for homelessness, affordable housing, and a stable labour force. Ontario municipalities should be commended for their swiftness in taking the lead to support the most vulnerable individuals in their communities – we heard from CAOs who in the midst of the pandemic were called upon to open Consumption and Treatment Services (CTS) sites or expand shelter spaces through utilizing hotel and post-secondary student residence space. Although provincial funding through the Social Services Relief Fund was extremely appreciated by CAOs as it allowed them to further address these issues, we heard a lot of anxiety from participants who are worried about what will happen in their communities once this funding dries up.

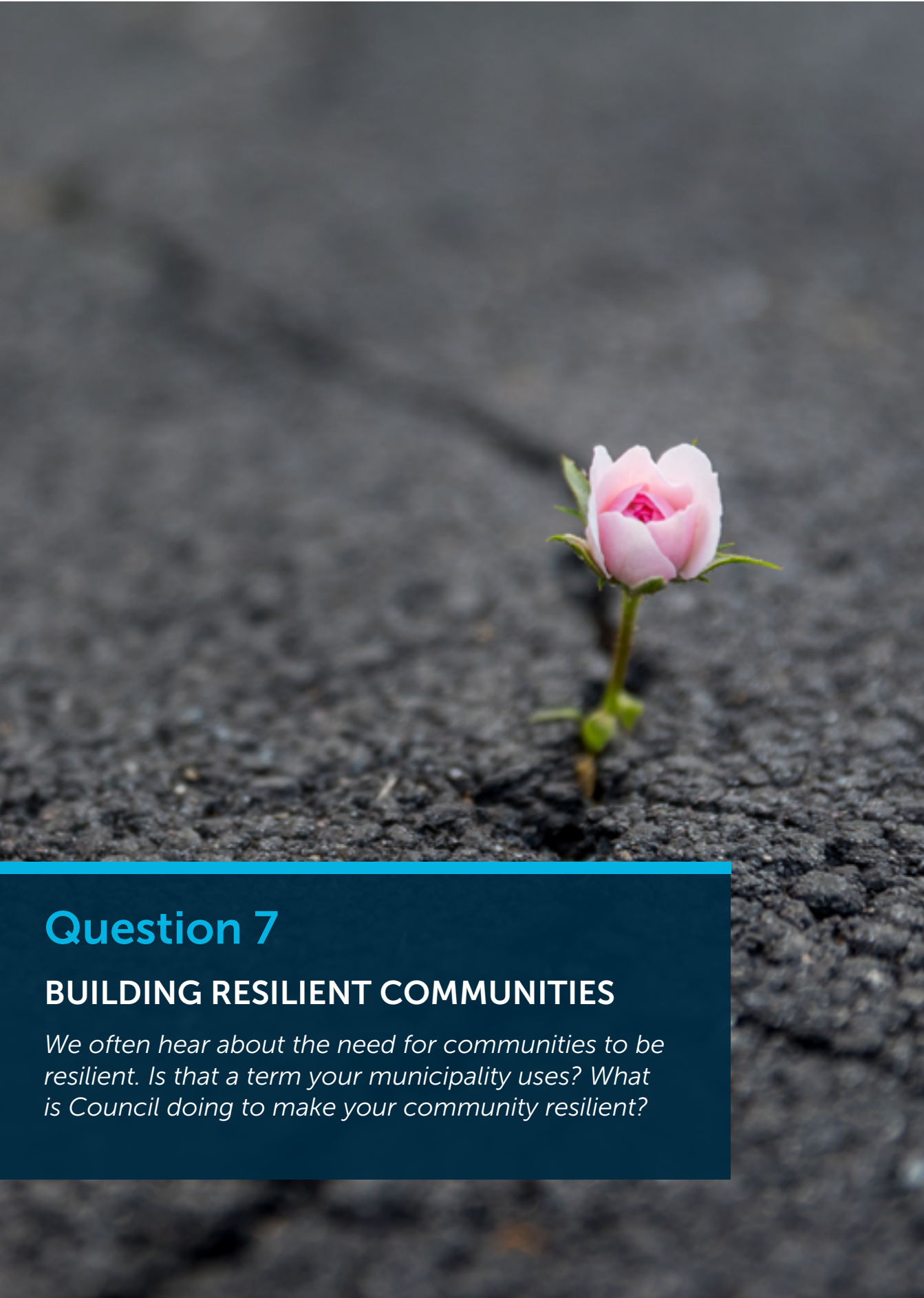
These concerns have been echoed by Canadian municipal organizations. In November 2020, the Federation of Canadian Municipalities (FCM) released its recommendations for Canada's post-COVID economic recovery, calling for a "multi-dimensional approach, bold federal leadership and strong partners on the ground" in order to adequately care for the most vulnerable individuals in our municipalities.<sup>5</sup>

The Association of Municipalities of Ontario (AMO) has similarly linked the post-pandemic recovery to the need for stable and profound community supports, recommending, for example, that National Housing Strategy (NHS) funding can be accelerated to "rapidly re-house vulnerable individuals especially those most affected by COVID-19."<sup>6</sup>

Further, some have suggested that the federal government's temporary

pandemic support program, the Canadian Emergency Response Benefit (CERB), should be reengineered into a permanent framework for a guaranteed basic income for all Canadians. For advocates, a basic income program is a more effective alternative to existing income assistance or social support programs, which are often costly, bureaucratic, and restrictive. A basic income would be a regular payment without conditions or bureaucratic red tape that can help lift people out of poverty. While there have been no federal or provincial commitments to advancing a basic income program, the experience of the pandemic is putting old and new ideas on the table about how to ensure a better and brighter future for our communities.

Throughout our discussions, CAOs were clear in expressing that the post-COVID recovery should not only be looked at through an economic lens but also a social one, and that recovery will require continued financial supports from senior levels of government. In other words, municipalities can't go it alone.

A small, delicate pink rose with a darker pink center is growing out of a crack in a dark, textured asphalt surface. The background is a blurred expanse of the same asphalt, creating a sense of depth and highlighting the flower as a symbol of resilience.

## Question 7

### **BUILDING RESILIENT COMMUNITIES**

*We often hear about the need for communities to be resilient. Is that a term your municipality uses? What is Council doing to make your community resilient?*



## ■ WHAT WE HEARD...

Resilience is a term used by many but has been used in different ways and across all elements of what is commonly referred to as ESG – Environmental, Social and Governance. The term ESG was first coined in a 2005 study titled “Who Cares Wins”, which argued that considering environmental, social, and governance factors in capital markets and investment decisions is a “win” for everyone: good for businesses, the market, and society. Increasingly, both private and public sector entities are being defined by how they handle ESG factors and how they report out on progress in these areas to stakeholders.

ESG is also taking hold in the municipal sector, increasingly influencing the way municipal administrations make decisions and manage risk while also building long-term resilience. The CAOs interviewed shared different perspectives on what resilience means in their communities and how they are responding to heightened conversations around resilience in the public arena, largely due to the pandemic.

### What Does It Mean To Be Resilient?

When reflecting on what resilient means, many CAOs talked about the challenges their communities have faced in recent years: from COVID-19 and significant job losses to major flood, tornados, and other extreme weather events. Life has not been particularly “easy” in any sense of the word.

#### Resilient as sustainability:

To some CAOs, resilient means sustainability, being prepared for financial challenges and relying on strategic planning to focus on infrastructure, economic recovery, and growth management.

*“We tend to use the term [sustainability] but tend to frame it around preparing for the future – digital transformation, being competitive in the new economy. Resiliency means seizing the opportunities rather than withstanding pressures. In the end, this approach will help us be a better community.”*

*“We are doing better than other regions because we have been doing our best to anticipate and position ourselves well for instances of pushback.”*

*“We are focusing on the link between EDI [equity, diversity, and inclusion] and resilience.”*

*“[Resilience] is a term used to discuss COVID-19 financial recovery as well as environmental sustainability.”*

#### A plan with teeth:

When discussing resiliency, some respondents observed that an ESG plan or strategy needs to be accompanied with an implementation plan, including funding commitments and partnerships, to get real traction.

*“Insurance agencies are looking at cities that have real plans that they are invested in and looking at them more favourably. The more that [the municipality] can do to articulate their plan and implement the plan will give the economy more of an incentive to invest in us.”*

*“Our planning has demonstrated our resilience. We have made huge strides. We have seen extensive coordination and collaboration of many service areas in community to understand our collective opportunities and constraints...that is going to put our best foot forward in terms of resilience in our community.”*

### Community focus:

Other CAOs focused less on the sustainability of the organization and more on the ways in which resilience is about building the community and supporting vulnerable residents.

*"The pandemic showed that we need to be more flexible and push the change in a direction that is good for the community."*

*"The sector we need to focus on for resilient is ensuring a social services safety net sector, that we have been pumping money into from social service relief fund."*

***"We can focus on economic resiliency and financial wherewithal, but you don't get there without understanding the underserved and most vulnerable in the community."***

### Climate change:

For many CAOs, resilience is further associated with preparations for responding to climate change and the growing number of extreme weather events wreaking havoc in their communities in recent years. The focus on addressing the very real impacts of climate change was particularly notable from respondents in municipalities with lake frontage, which have been dealing with increasing shoreline flooding and for which planning for future climate change events is an imperative.

*"Resiliency is baked into our Strategic Plan. The term has become trite because we have experience working with many emergencies. We have a lot of practice dealing with this stuff...you adapt or you die."*

*"The City developed a Resiliency Strategy which covered everything from flooding, heat, freezing temperatures, building renewals, etc. A number of these actions have been baked into the 10-year capital plan, 'not just mere talk.'"*

*"We are looking to create a robust and resilient community that can respond to changing weather patterns and other climate challenges."*

### Looking Forward: Planning for the Future

Resilience was most often referenced by the CAOs with respect to a future that is largely uncertain and directly coloured by the experience of the COVID-19 pandemic.

#### Words of caution:

A number of CAOs were somewhat pessimistic of the state of resilience in their communities and even about the concept itself.

*"I'm not sure what a resilient community is anymore."*

*"[We] need to ask, 'what happens when you run out of resiliency'...we are resilient up until a point, then what?"*

*"We are not as resilient as we think we are, but this is an area to grow into."*

#### Hope is on the horizon:

Other CAOs noted that even despite the challenges in building resilience and sustainability into their administrations and service delivery models, the pandemic has offered a new perspective, including new or different ways of doing things, sometimes better than before.

*"Now that the Town is emerging from the pandemic, we are showing our resiliency. People want to celebrate."*

***"The City does not view recovery to mean 'we're going back to where we were'...recovery should mean better."***

*"The City is looking to become more adaptive in terms of services: 'is there a way to change the way we deliver essential services to residents?'"*

## ■ STRATEGYCOPR'S PERSPECTIVE:

COVID-19 has heightened the conversation around resilience, broadening its meaning and resonance as we continue to run the race while the pandemic keeps moving the finish line. The pandemic raised the stakes of what it means to endure or withstand – what it means to be “resilient.” This is particularly true for municipal administrations which have been under immense pressure to continue to provide essential services in the face of uncertainty about what lies ahead.

But the need for resilience in the municipal world is not new. Municipalities have been grappling with how to ensure their organizations can effectively respond to all kinds of challenges in recent years – including the opioid crisis and growing concern about mental health and addictions to year-round extreme weather events. As we have heard, ensuring financial sustainability, responding to climate change, and protecting the community are priorities that will outlive the immediate crisis of the pandemic.

That said, responding to these changes in a broad environmental and social context will be different, with the CAOs recognizing the need to plan for the post-COVID-19 future. In late 2020, the Governor of the Bank of Canada observed that the pandemic has invited closer attention to the issue of resilience and extreme global risks. As a result, resilience and ESG are likely to only move higher up on the municipal agenda.

In January 2021, the City of Toronto became the first government in Canada to issue an annual ESG report to demonstrate its commitment to and progress on ESG priorities. We expect that more municipalities will follow suit, seeking to prioritize the environment, social well-being, and governance as they look ahead and plan for the opportunities and risks that come with an unpredictable future.



## Question 8

### COMMUNITY SAFETY AND WELL-BEING PLANS

*Was your community involved in a Community Safety and Well-Being Plan?*





## ■ WHAT WE HEARD...

The provincial requirement to create a Community Safety and Well Being (CSWB) Plan was met by the municipal sector with what might have charitably been called differing levels of enthusiasm. Some saw it as “another box to tick,” while others hoped it would be a cross-functional planning tool with the potential to enable better service delivery. Still others believed it could lay the groundwork for a reassignment of services among community partners that might bend the cost curve of service delivery.

Whatever their expectations, the requirement to create a plan and submit it to the Ministry of the Solicitor General was mandatory. As events unfolded, the deadline for completion was extended due to disruption of COVID-19. At the time of writing, most respondents had either completed a plan or were near to completion.

We asked CAOs about the process by which their plans were created, what subject areas they focused on, and what lasting value, if any, that they think the CSWB Plan will bring to their community.

### Developing the Plan

To reflect the complexity of municipal structures, the legislation was flexible as to who should lead in developing the CSWB Plan. True to the diversity of the sector, we found many different examples of where leadership in CSWB Plan development came from. Where the process was led by another level, most CAOs reported that they were actively involved, but this was not always the case. Not surprisingly, there is a correlation between those that feel they were engaged in the process and support for the final product, and vice versa.

#### Upper-tier led:

In most two-tier environments, the CSWB Plan process was led by the upper-tier with lower-tier participation.

*“A Plan is being developed, led by the Region; [the municipality] is a participant at the table.”*

***“The Plan is driven by the County; lower-tier municipalities kicked in a share of the funding and the County hired a consultant to work on the Plan.”***

*“This is a regional issue. [The municipality] was part of the planning process. I think we were engaged but that was it.”*

*“[We were] not very involved, the County led it.”*

#### Jointly led:

It was also common for there to be joint leadership of the process, particularly in communities with a strong separated city and adjacent county.

*“[The municipality] jointly produced the Plan with the County. They hired a project manager at the City to lead the initiative.”*

*“We used a multi-jurisdictional approach in its development.”*

*“The County and [separated city] jointly developed a Plan.”*

#### Lower-tier led:

In some instances, the CSWB Plan was led by lower-tier municipalities. In these situations, the planning processes tended to have a greater focus on policing, which tends to be paid for at the local level, rather than on the associated social services, which tend to be delivered at the County level.

*"Our lower-tiers led and coordinated the developing of Plan with the detachment, not done yet; County staff participated in it."*

*"The County is pretty far away from the Plan overall."*

*"The Town participated in the Plan and was very active in the development."*

#### **Police-led:**

In some cases, development of the CSWB Plan was viewed as a "police" subject and led by either the Police Services Board or the Police Service.

*"The County has a Plan; the process was led out of Police Services Board."*

*"The Plan was led by the police service who brought in an external consultant."*

#### **Engaging community partners was instrumental to successful processes:**

We saw a correlation between the CSWB Plan that were most highly supported, and those that broadly engaged a spectrum of service delivery partners.

*"The process of developing the Plan has really stressed the importance of relationships...a broad spectrum of service entities worked together..."*

*"[We had a] very good cross-representation of community agencies: policing, enforcement, community partners, health care."*

*"The City couldn't do all this work ourselves without community partners...we really enjoy the boots on the ground approach from these organizations."*

## **Focus of the Plan**

We saw examples of many different areas of focus with the CSWB Plans and variation in the desired outcomes.

#### **Changing how we think about safety:**

Some considered the Plan an opportunity to "redefine" safety with a focus on the vulnerable rather than on traditional enforcement issues.

*"The output was slanted to social issues (mental health, housing, etc.) more than to criminal issues."*

***"Our Plan reimagines what safety means for the community...we are approaching it from an EDI and anti-racism lens."***

*"The Plan focuses on individuals who 'live on the fringe.'"*

#### **Social issues:**

Mental health and addictions were identified as a key subject area for the CSWB Plans by most respondents.

*"Big areas of the Plan include addictions and mental health. Provincial agencies are not very helpful in this area; we often point to their mandate, but their mandate is not sufficient."*

*"More people are dying per capita [from addictions issues] in my community than Vancouver. The government is chewing up resources to map services...can't be that confusing to do this."*

*"We have a complex problem. Our community needs to get people into safe homes for addiction and mental health units...due to the amount of time Police spends on social issues, they were on side with that."*

#### **Systemic racism:**

Problems of inclusion and systemic racism were identified by some participants.

*"One main thing from the Plan is that we want the elimination of systemic racism. It is better to reach for the stars on this issue."*

*"We still have separate work to do to promote tolerance and address Islamophobia in the community."*



### Crime is still a problem:

While traditional crime and enforcement problems did not dominate the discussion, they were still identified by some respondents as areas needing increased attention and resources.

*"What we're seeing now is that organized crime has infiltrated northern communities at the same level as other big cities in GTA....a lot more gun violence/human trafficking/opioid addiction which has been 'off the chart'. We are seeing psychosocial issues of food insecurity and under housing. The Plan acts as a long-term game plan...it's not just about policing and jailing people anymore. The broader social approach is where we need to go...this is generational work."*

***"The heavy lifting is still to come. We have to recognize that our problems are home-grown. They are not coming from somewhere else."***

### Breaking Silos:

The result of the process was building cross-functional relationships that could deliver on-going service improvement. This was viewed by some as important as the recommendations themselves.

*"Informal conversation across thought leaders and not for profits is more interesting and dynamic than the recommendations that come out of the Plan."*

*"The Plan was time well spent...gets everyone on the same page."*

*"Development of the Plan has forced us to work together. It is interesting that this forced and mandatory legislation from the province is forcing us to break silo barriers within and across municipalities and community agencies."*

### De-tasking – not defunding – the police:

Plans were developed against the backdrop of some groups calling for structural reform to policing. The process brought together many perspectives, some very different in orientation, but which came together on common approaches, albeit for very different reasons.

*"Some people interpret the Plan as defunding the police but in reality, it is actually de-tasking rather than defunding."*

*"The Plan has created some good healthy tension...I keep trying to explain to our Police Service that this isn't defund the police, but some still struggle with this approach."*

*"Surprisingly, activists and advocates found common ground with police to take a new approach to policing."*

*"Historically we have always had the same approach to policing...we intentionally took a different approach with the Plan. We believe we can action the things people are calling for around police reform."*

### A new approach:

Upstreaming, meaning a focus on the root causes of problems, rather than just incident response, was considered a major upside on the CSWB methodological approach.

*"I am encouraged because the Plan focuses on early identification and intervention and works closely with community partners and agencies."*

***"We can't just 'throw the book at them' anymore and put them in jail."***

*"The Plan has allowed us to realize the benefits of upstreaming. Community safety is no longer just a police matter...across a whole person's lifetime there is the ability for engagement and intervention. The Plan will show [the municipality] the levers and opportunities we have to improve the community."*

### Expecting Benefits:

Many respondents spoke about the potential benefits to the CSWB Plans, including reforms to how services are delivered as well as a fundamental rethinking of "community safety" and what that means on the ground.

*"I think this Plan does matter and will make a difference."*

*"Better coordination of these services will...put our best foot forward in terms of resilience in our community. We can [try to] focus on economic resilience and financial sustainability but you cannot succeed without understanding the underserved and most vulnerable in the community."*

*"Plan may not be a silver bullet, but it has been a shift in thinking about community safety. We can't abandon policing and safety completely though...violent crime is shifting to the Region."*

*"We expect lasting benefits. We think that the pandemic and all of the things we have done around it has made us more conscious of some challenges in the community."*

*"Most of the communities are saying we have never been this far along with structural change, upstreaming, paying attention to Indigenous issues, etc. This all bodes well but we know there is still a long way to go."*

*"I am happy that we are rallying behind this initiative, so we are not just simply 'compliant'. We are focusing on how to evolve in a way that serves our community better. When you speak in that way, it makes it easier for everyone working on it."*

### Some skepticism:

Some CAOs were less optimistic that the Plans will be a benefit to the community, with a few pointing out that the effort to develop them was misplaced, given the other priorities requiring attention and investment.

*"To be blunt, I do not envision long-lasting benefits from the Plan."*

*"The priorities are all wrong. Our community has experienced more people dying every week from overdoses than COVID-19, but I couldn't find any help for that."*

*"Beyond the rhetoric, no value to these Plans whatsoever...Adds more red tape."*

***"There is a good acknowledgment of existing problems, puts a little bit of funding and focus on specific actions, but does not feel strategic and comprehensive."***

### Too early to tell:

For a couple of CAOs, more time was required to determine whether the CSWB Plans resulted in meaningful change in their communities.

*"No visible benefit to date."*

*"The Plan has been published; the Region is monitoring success...but I am currently not feeling the impact."*

*"If it is a community initiative, who is really responsible for implementing it? Too early to tell how successful the Plan will be."*





## The Importance and Challenges of Implementation

Implementation of the CSWB Plans was top of mind for CAOs. Even those that saw clear benefits to the Plans knew that the “proof was in the pudding” in terms of actually delivering and funding the recommendations within them.

### It cannot be “left on the shelf”:

There was a high degree of consensus that if it is to be a success, there must be a focus on implementation. Yet, some observed that implementation may not be a straightforward process.

***“I am adamant about the Plan being able to be actually implemented...results will be presented to EDI Committee.”***

*“What will we do to actually address these problems now that we have developed a Plan? We haven't gone far enough. If we don't do more than what we do today, the Solicitor General will only be able to check the box that we got the Plan done.”*

*“I think one thing we will struggle with is ensuring effective implementation...making sure there are leads moving the Plan along.”*

*“There are questions about implementation, especially being in a two-tier system...and especially since many services in the Plan would be offered by the County. However, the Town wants to take on these challenges and see the Plan implemented.”*

### Institutional Commitment:

The risk that “silos” could still be a barrier to implementation was made each time a CAO said implementation success was contingent on “some other” organization.

*“To be effective there needs to be a close relationship between the police services and the other service delivery partners [that serve the most vulnerable].”*

*“Implementation of the Plan depends on the commitment of the OPP.”*

*“Ontario Health is not accountable to anyone.”*

### Funding:

Several CAOs raised the challenge of allocating funds to delivering on the recommendations within the CSWB Plans.

*“To me the big test will be 'who funds what' and who will be collaborating to split resources.”*

*“Until you put funding on the table, you will be dancing around the issues.”*

*“It is nice to have a plan from 30,000 feet, but we don't even have a detox centre within the community, people had to drive an hour to get services...what is the chance someone will get off of opioids if they cannot access these services?”*

## ■ STRATEGYCOPR'S PERSPECTIVE:

"An ounce of prevention is worth a pound of cure." If there is still truth in that adage, then CSWB Plans should be on the right track, with their focus on building the capacity of service providers to collaborate and do early intervention and prevention.

This is nothing new. For years, there have been pilot projects that tried to achieve exactly that.

Perhaps what is most important about CSWB Plans is that they would make this approach the new normal. They provide for both a strategy and for rudimentary governance structures to provide on-going governance over the strategy. They also put a focus on creating the protocols needed to share the data that can allow for continuous improvement and performance measurement.

In this regard, the relationship-building, silo-busting work of creating a CSWB Plan is probably as important as the resulting Plan itself. But as many CAOs said, the proof will be in the implementation.



## Question 9

### CYBERSECURITY

*Is cybersecurity on your agenda? If so, what measures are you taking to address cybersecurity?*

## WHAT WE HEARD...

Online threats to organizations across the spectrum have become more prevalent in the past few years. While releasing a National Cyber Threat Assessment report in November 2020, the head of the Canadian Centre for Cybersecurity's Communications Security Establishment said that we are facing two pandemics: "the one that we all live with everyday in terms of our personal health. But then there's certainly a cybercrime pandemic out there."<sup>7</sup>

Municipalities are not – and have not been – immune from these types of threats. In our 2017 CAO Report, one of the respondents to a question on challenges over the next three to five years called out the exposure to cybersecurity threats due to increased use of technology. Due to the growing prevalence of these threats, StrategyCorp thought that it would be prudent to delve more deeply into how local governments are addressing cyber threats, particularly in view of the increased focus on digital services and engagement over the last two years.

### Confronting And Dealing With The Threat

Cybersecurity is an issue that is quickly finding its way to the top of the agenda for many CAOs. Several CAOs stressed that the risk of a cyber attack is something that worries them. Given this, a large proportion of surveyed municipalities have recently invested more money in cybersecurity by introducing more sophisticated protections, implementing education and training programs for staff, and hiring specialized cybersecurity professionals.



### Almost every surveyed CAO is fearful of a cyber attack:

Although larger municipalities appear to be better equipped to protect themselves from a cyber attack, nearly every CAO, regardless of size of municipality, is anxious about the threat of an attack and feels at the mercy of cyber criminals.

*"I think about it every week. I have concerns about it, it is frightening....it is the #1 issue I lose sleep on."*

*"Cybersecurity isn't going away. It is the new way that people are robbing banks."*

***"The cybersecurity environment is the wild west."***

*"This is one of the things that keeps me up at night."*

*"The Auditor General showed cybersecurity exposures in water system and critical services...all you need is catastrophe to hit and it's too late."*



### Dealing with the threat:

Many municipalities have implemented a wide-range of solutions to deal with the cybersecurity threat, ranging from raising awareness among Council, establishing staff training modules, implementing more sophisticated cyber controls (e.g., two-factor authentication, backing up, and encrypting data, etc.) and developing plans and capacity to be able to manage a threat should one arise.

*"The City is taking the threat of cybersecurity very seriously and have increased staff awareness and training about threat risk (e.g., spam and phishing emails, etc.)."*

*"Our municipality started employee education four to six months after Stratford and Woodstock were exposed to cyber attacks."*

*"Cybersecurity is a very front and centre agenda item for the City's administration."*

*"The Town recently hired one full time in-house IT person who is going through rudimentary steps to address cyber issues."*

*"Annually, the City presents a confidential report to Council so they are aware of all issues and threats."*

*"[We are] ensuring that infrastructure is in place to protect municipal assets. Looking at how systems integrate with servers...anticipating and looking at what is happening in other municipalities, increasing the IQ of users through education and training programs."*

### Cyber attacks remain inevitable:

Despite implementing greater protections, some CAOs noted that it is impossible to fully insulate their municipality from a potential attack.

*"An attack is a fait accompli. [It's] only a matter of time before an attack occurs. I am worried about Public Health Information records, financial information, etc."*

*"We have tried to follow some best practices, but we are racing against a problem that is growing very quickly...we are taking some reasonable steps, but they will not protect us entirely."*

*"We are doing everything to ensure that we are not the easiest target for these groups [cyber criminals] ...but the risk is just coming from everywhere."*



## Cybersecurity Insurance

While many municipalities are taking action to implement enhanced cybersecurity solutions, a great many CAOs are concerned about the future of cybersecurity insurance. It is becoming much more difficult to obtain cybersecurity insurance as some insurers are exiting the market or choosing to no longer provide coverage for certain municipal customers. As a result, some municipalities have chosen to self-insure while others are beginning to seriously consider it.

### Third-party insurers:

Some municipalities are struggling to find an insurer, while others are being dropped by their insurers altogether. It was also mentioned that cyber insurance is becoming much more expensive.

*"The Town is insured, and it is getting really expensive."*

*"Some municipalities today can't even get cyber insurance...surprisingly, cybersecurity was an issue during our credit rating process this year."*

*"This is one of the things that keeps me up at night...We have unsuccessfully gone to about 38 different markets to secure insurance."*

*"As insurance contracts rollover, more and more municipalities are seeing their provider dropping them."*

*"Insurance is not sustainable because prices are increasing...we may not be able to even get insurance one day down the road."*

### Self-insurance:

Due to the challenging in securing cybersecurity insurance and rising costs, several municipalities are choosing or considering self-insurance against cyber attacks.

*"Although we are insured for cybersecurity, some municipalities are looking at self insurance."*

*"We cannot obtain cyber insurance. We were able to carve out our Police Force luckily to obtain cyber insurance for them... [We are] self insured now."*

*"Our insurer just informed us that they are not renewing with us and that they are actually getting out of the cyber insurance business. Deductibles are way too high and coverage not even that great...as a result, we have pivoted to manage the risk better ourselves."*

## Intergovernmental Cooperation

Some respondents noted that the other levels of government must come in and play a greater role in supporting municipalities navigate the challenges of ensuring cybersecurity. Others stressed that more inter-municipal cooperation is required to deal with this issue.

*"What if we keep getting picked off by cyber attacks? It is surprising for an area as important as Southern Ontario that there isn't a provincial and federal expectation to safeguard digital assets and information."*

*"Right now, cyber hackers don't see a downside in attacking a municipality...there is a need to come together as municipalities to address this issue."*

*"Cybersecurity is definitely on the agenda... it is something that is being discussed with the northern Cities."*

*"[The municipality] is one of the founding members of The Ontario Municipal Insurance Exchange (OMEX)...perhaps there is an opportunity to take out the defibrillator and bring this [cyber insurance through OMEX] back to life."*

***"I see cybersecurity in the future as a shared service...other smaller municipalities, facing the same challenges, can't afford these issues. This should be an issue discussed with the province."***

## ■ STRATEGYCOPR'S PERSPECTIVE:

When asked about cybersecurity concerns, it quickly became evident that many believe it is only a matter of time before their municipality is exposed to an attack. There was a realization amongst the respondents that in a hyper-connected world, municipalities are as vulnerable to cyber attacks as any organization.

Despite these very serious anxieties, we were pleased to hear that many municipalities are strengthening their cybersecurity programs through implementing stronger cyber controls, educating and training their workforce on protecting the organization from a cyber attack, and hiring more cybersecurity professionals. Preparedness is important but keeping ahead of the game requires constant vigilance. Off-the-shelf software packages will broaden the reach of these cyber threats. In addition, quantum computing will enable faster hacking.

It remains a key challenge for municipalities to keep ahead of cyber-attacks when workarounds are devised to thwart best practices. For example, malicious programs are being used to phish and steal two factor authentication (2FA) login data from website users. A further challenge is the declining availability of cyber insurance, which also signals the loss of insurance company expert resources to deal with issues such as ransomware demands. Compound this with the resource-constraints of municipalities and the challenges are severe. As such, municipalities must align solutions with the degree of risk and prioritize initiatives to deliver the greatest value for money.

At the same time, many CAOs advocated for stronger collaboration among all levels of government. It is become increasingly clear that municipal governments can no longer manage cybersecurity in isolation – they must become integrated into what many are calling “cybersecurity ecosystems.” Although this term can mean many things, it generally refers to the forming of strategic relationships between public and private partners to share information, develop common cyber response mechanisms, and engage in collaborative decision-making.<sup>8</sup>

It seems that senior governments in Canada are hearing the call. The province recently established a Cybersecurity Centre of Excellence that is meant to provide resources for the broader public sector. The federal government also recently announced \$80M of funding to create a national network composed of multiple centres of expertise on cybersecurity that are affiliated with post-secondary institutions from across Canada, in collaboration with partners in the private sector, not-for-profits, provincial/territorial/municipal governments, and other Canadian post-secondary institutions.

The need to prepare and be ready to act is clear. Last fall, the Association of Ontario Municipalities (AMO) and the Municipal Information Systems Association hosted a Municipal Cybersecurity Forum. Robert Foster, chair of AMO’s Digital Government Task Force said that the question is “not if, but when a cyber attack” will happen and emphasized that municipalities must mitigate this risk as the gatekeepers of sensitive and, at times, proprietary information.



## Question 10

### LOCAL ELECTRICITY COMPANIES

*Does your municipality own or have an interest in a local electricity distribution company (LDC)? What is your relationship with your LDC? How active are you in the governance or management of the utility? Could the relationship be improved, and if so, how? Does your municipality have (or is it preparing) a plan to address future energy needs?*



## ■ WHAT WE HEARD...

Our question applies primarily to lower-tier and single-tier municipalities. Our conversations with CAOs highlight that municipalities have responded in diverse ways to the restructuring of the Ontario electricity distribution sector over the past two decades. Some municipalities have sold their local distribution companies (LDCs) to either Hydro One or other LDCs, or have amalgamated their LDC with other municipally owned LDCs. Other municipalities have retained total or majority ownership of their LDCs. Furthermore, some have pursued shared service arrangements between the municipality and the LDC regarding matters such as billing, collections, and other administrative functions. A few have combined electricity distribution with their water and wastewater functions into a single utility.

### Relationships with the LDC

Our discussions showcased that there is no 'one size fits all' approach for the relationship between municipalities and their LDCs. That relationship is strongly impacted by perceptions regarding the needs of the local community and the dynamics of the local government.

#### Choosing a path:

CAOs indicated several factors that influence both their relationships with their LDCs and the decision-making process about the path forward, whether that be amalgamation with another LDC, a sale, bringing on new partners, or retaining ownership.

*"The merger is the result of realizing that we will be stronger together with future opportunities such as innovating in new technologies and being responsive to changes."*

*"We brought on a private sector partner who brought different insight."*

*"We recently amalgamated with a smaller LDC...having economies of scale is helpful."*

*"We are an investor now in a utility corporation; we are not a sole shareholder. We have to think as investor. That has been a bit of a shift for us."*



### Governance practices and structures vary:

The CAOs of those municipalities that have retained some level of interest in their LDCs reported that the LDCs were separately governed; however, municipal representation in the LDC governance structures varied. In many cases, the Mayor and sometimes other Councilors represented the municipality on the LDC. In some cases, a CAO may be a fully participating LDC Board Director, or a Director of the holding company that owns the LDC. Nevertheless, CAOs work at building relationships with the LDCs serving their communities and advancing municipal priorities whether the LDC is owned by the municipality or not.

*"We [one municipality with a small share of their LDC] matter, but don't really matter."*

*"The Mayor chairs the LDC and some Councillors on the Board, but the CAO does not play any role."*



***"The LDC says rightly and bluntly that they are focused solely on the delivery of electricity ...we need to be at the table to discuss future energy needs, especially for local manufacturing who are energy intensive."***

### Loss of influence over service expansion decisions:

One recurring concern was the inability of a municipal LDC to extend its service areas as the municipality expands and lands are developed. Several CAOs whose municipalities were served by more than one distribution provider commented that service levels obviously varied between the two.

*"You can tell the difference when trying to move certain projects along...our own utility company responds at a quicker rate than Hydro One."*

*"Service delivery [to existing customers] goes well with [our provider] but discussing growth projections is quite challenging."*

### Addressing Future Energy Needs and Priorities

What are CAOs considering in terms of future strategic opportunities and energy needs? As you have read throughout this year's Report, climate change, the environment, and the impacts of growth are top of mind. Several mentioned that they are actively working with the LDCs to advance these priorities, including partnerships to promote innovation and support long-term sustainability.

### Larger LDCs?

CAOs foresee the need to establish larger LDCs and are looking at acquisition or merger opportunities.

***"I wouldn't be surprised in the future if there is more opportunity for amalgamations...I don't see a world with the amount of LDCs currently in the province."***



### Climate change and growth management:

The focus on supporting “green” initiatives and promoting environmental sustainability was a repetitive comment. In addition, several respondents emphasized the need to plan for how municipalities and LDCs will meet the increasing energy needs resulting from growth. However, a couple acknowledged the challenges involved in undertaking such planning.

*“[We are] collectively addressing greenhouse gas emissions...getting off natural gas and more electrification, greening of the grid locally.”*

*“The environment and emissions are front and centre...there is an Energy Framework at [the municipality]. More and more we are moving to adding more EV charging stations...we are looking at opportunities to make money from these initiatives.”*

*“We now have a major stake in wind farm development through our LDC.”*

*“We need to play in the sandbox better about growth challenges.”*

*“[The municipality] has a plan to identify future energy needs, especially with our own LDC, but difficult to drive outcomes with Hydro One.”*

### New ideas, new partnerships:

A couple of respondents noted that it may be an opportune time to collaborate with the LDCs to advance key priorities in their communities, including, the expansion of broadband internet.

*“I think there is an opportunity...strategic play to be made in broadband...should have a strategic conversation with our local municipalities about partnering with LDCs to expand broadband and leverage their infrastructure.”*

*“All the big telecoms are asking if they can use our infrastructure – it could be a huge win for getting more money coming in.”*

## ■ STRATEGYCORP'S PERSPECTIVE:

While mentioned in passing, two important topics received less attention in the CAOs' responses to this series of questions. A succession of Ontario governments of all political stripes has long advocated consolidating the LDC sector to create greater scale-efficiencies and more capacity and depth. Electricity restructuring at the turn of the century saw the number of municipally owned LDCs in Ontario reduced from over 300 to 58 today, with many being absorbed by the distribution arm of Hydro One. Much of this reduction was a combination of parallel municipal amalgamations and an aggressive LDC-acquisition program by Hydro One.

Some experts have argued that the current number of municipal LDCs should be substantially reduced. In 2012, the Ontario Government's Distribution Sector Panel suggested Ontario should have 8-12 LDCs, including Hydro One. As the 2019 Ontario Budget noted, the pace of LDC consolidation has slowed, although several significant inter-municipal LDC mergers are in progress. Recent ministerial directions to the Ontario Energy Board would suggest that the Ontario government remains interested in more mergers and efficiencies among smaller LDCs (i.e., below 30,000 customers).

Both the LDC sector and Ontario's municipalities face significant challenges with infrastructure modernization and in their responses to climate-change impacts and energy transition. Looking for solutions, StrategyCorp has previously reported on Australia's experience with leveraging public assets, including public electricity assets, to generate the funds to pay-down the 'infrastructure deficit' and to attract more private-sector and pension-fund investment to the electricity sector and other public infrastructure serving the public.<sup>9</sup> While CAOs see merit in generating LDC dividends for use in meeting annual municipal budgeting challenges, there is much less enthusiasm for any form of sale or disposition of municipal LDC assets. Why might this be the case?

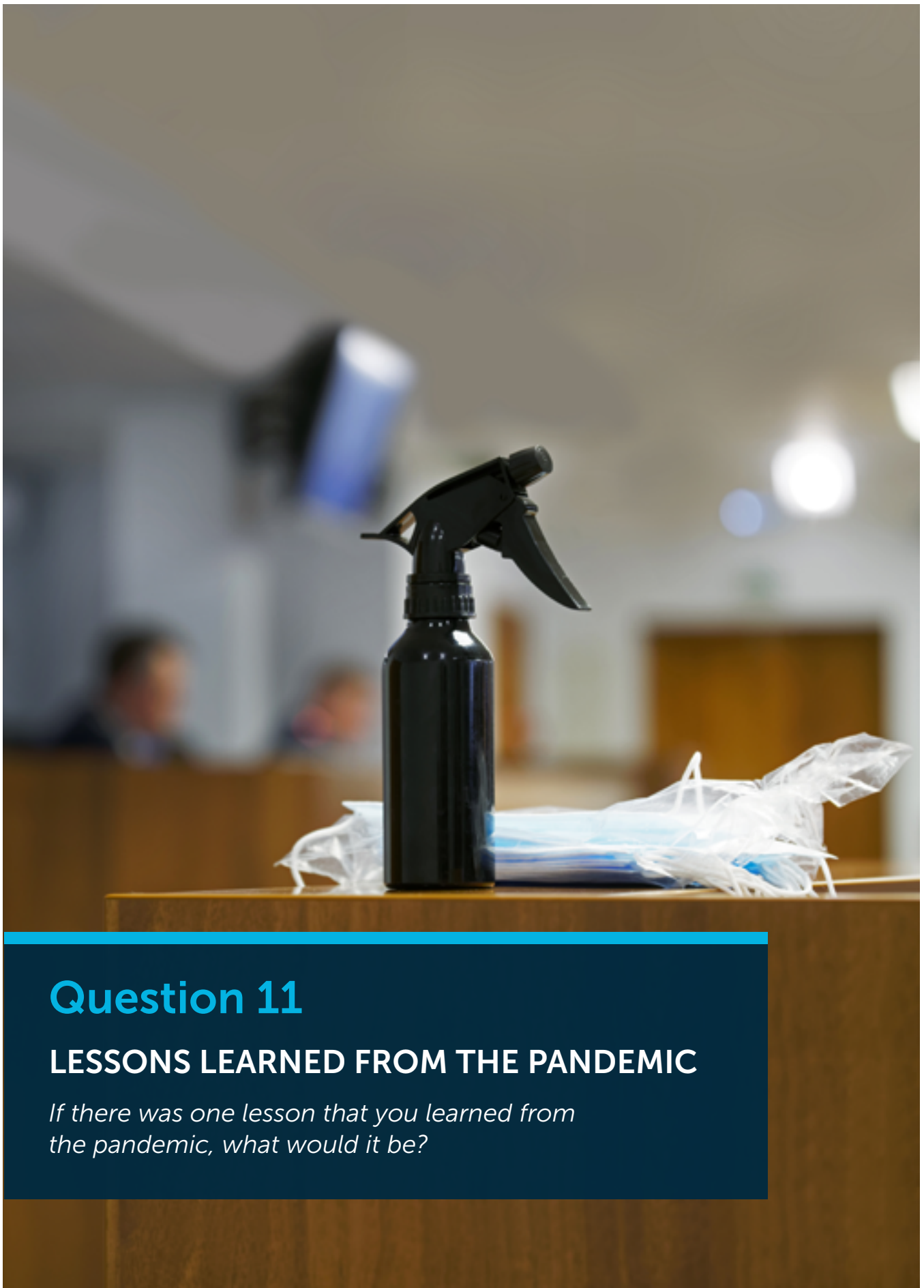
Some CAOs may not appreciate the very significant potential disposition-value



of their LDC assets. More commonly, they would cite the perceived obstacles to successful LDC divestment: concerns about loss of political influence and local economic activity; the unhappy experience of peer municipalities with a protracted, expensive, and unpredictable divestment / merger approval process; and, the discouraging impact on potential private investors, such as pension funds, of the current tax regime (transfer tax and 'departure' tax).

The Marrocco Collingwood Public Inquiry has re-asserted the role of municipal councils and CAOs in leading an examination of LDC divestment options. Recent reports by the City of Toronto and Toronto Hydro enumerate the scale of climate change and infrastructure challenges facing municipalities and their LDCs. In common with other municipalities, the Toronto reports highlight the need for equity investment to enable accelerating electrification and other climate change mitigation measures.

Short of full LDC 'privatization', for which there is little evidence of municipal support, there are a range of potential investment and partnership options for the private sector. CAOs would do well to explore the positive role that well-conceived partial or full LDC divestment might play in shouldering more the fiscal burden of the municipal and LDC infrastructure deficits. Given their own positive experience with the recent Municipal Modernization Program, municipalities should encourage their LDCs to look afresh at the efficiencies and capacity-building that might result from inter-municipal mergers and acquisitions.



## Question 11

### LESSONS LEARNED FROM THE PANDEMIC

*If there was one lesson that you learned from the pandemic, what would it be?*

## ■ WHAT WE HEARD...

Reflecting backwards on the COVID-19 experience in terms of what we can learn is not a completely rosy picture, particularly as the trajectory of the pandemic continues to hang in the balance at the time of writing.

But, true to our question, participants focused on what they could learn from the experience in terms of managing and leading their teams, working with partners and stakeholders, and continuing to plan for the unforeseen. Here are some of the big lessons they shared.



### **The importance of emergency planning:**

Some municipalities were relatively well prepared, while others were caught, as one respondent put it, “flat footed at the onset of the pandemic.” Success in adapting and managing the COVID-19 response correlated, to some degree, with the level of preparedness of the municipality. Several CAOs said their prior investments in emergency planning paid off.

*“Being prepared for similar situations helped the COVID response.”*

*“We have two amazing emergency planners who train and force us to do exercises. It has worked very well.”*

*“You can never be fully prepared for a situation like COVID but having competent people and systems in place sure does help.”*

### **Prepare for the next one now:**

There was also a recognition that COVID-19 is only the latest test for municipalities. The future was likely to bring more. A continued focus on emergency planning and preparedness will be part of municipal administration for the foreseeable future.

***“The next emergency will not be like the last emergency.”***

*“The state we are operating in now is going to be a constant state for us, whether it be health issues or climate issues, we are not able to envision what the next emergency will look like.”*

### **Good communications can't be underestimated:**

Effective communications helped many municipalities navigate the challenges of the pandemic. Administrations were often handicapped by partial or late-breaking developments. Provincial guidelines were frequently issued on a Friday afternoon for implementation the following Monday. Reliable communications channels were essential to reducing the anxieties of staff and the public as they responded to evolving situations that could change on a dime.

***"I have realized the importance of communication. Communication has changed in a lot of ways...if all we are doing is communicating virtually to residents, Council, investors, governance bodies, communication becomes much more important, especially with growing angst in the community."***

*"The importance of communication. We have had a good communications strategy. It's unbelievable how often you have to deliver the same message."*

### **Internal communications were especially important:**

The only way to empower staff was to ensure that they were well informed. More than ever, CAOs needed their teams to use their discretion to "fill in the gaps" when there were no established procedures to fall back on. In addition to communicating emerging policies and practices, it was also essential to focus on morale. Conveying the message to staff about how valued they are, in times where face-to-face meetings are impossible and workload is high, is very important.

***"Transparency was key. Being systematic about the issues that manifested themselves was crucial."***

*"We put communications front and centre, and it has had a significant impact in the workplace and has helped build trust in the community that was not existent before."*

### **Social media can be a blessing and a curse:**

The impact of social media has also been a valuable lesson, both in terms of its use and misuse.

*"The negativity of social media has been trying to wrap our arms around it all. We have had to sharpen our focus on messaging... social media is like a cyber attack, you can't wrap your arms around it all but how you manage it becomes very important."*





## Role of Municipal Partners

Many CAOs also mentioned the value of partnerships as a key lesson.

### Partnerships with peer municipalities:

Working collaboratively with other municipalities and leaning on those “who walk in your shoes” was identified a critical success factor in navigating the disruption of COVID-19, as were the relationships formed at meetings of various associations both before and during the pandemic.

*“Partnerships are the way to go. Continuing to build together and lean on each other is critical...you are able to overcome most challenges this way.”*

***“Municipalities can work together to solve problems.”***

### Community partnerships:

Participants noted the importance of social services delivery partners in areas such as mental health, shelter services, and food banks. Others referred to the role of local Chambers or boards of trade in supporting small businesses.

*“Our community partners are critical. Where we didn’t have strong partnerships in place or weak leadership to deal with these situations, it was a struggle...we don’t want issues like these to fall on the shoulders of a few.”*

## Lessons Learned from Within

Many CAOs reflected on what they learned in terms of managing their organizations and staff, observing that while effective teams have always been essential to service excellence in municipal administrations, the importance of a strong “team environment” took on new resonance. COVID-19 necessarily required CAOs to relinquish some control, trust their teams, and empower their staff to consider new and innovative ways to do things or think outside the box. The result was a resounding success.

### Relying on your team:

Many CAOs mentioned that their teams helped them – and the business of the administration – get through the pandemic.

*“Managing through a pandemic is absolutely exhausting...Working together as a team helps me get through it.”*

*“COVID-19 has taught leaders to focus more on people in some cases rather than tasks, and vice-versa.”*

*“Trust your team.”*

*“I couldn’t be in all places at all times, had to trust that the team was getting things done in a timely manner.”*

**“Don’t let the perfect be the enemy of the good”:**

Many respondents also noted that they could not be “everything to everyone” in a crisis. This meant acknowledging and accepting that perfection is not always the most realistic – or likely – outcome. Several CAOs noted that the pandemic helped shift the mindset in the senior municipal leadership away from perfectionism and towards an attitude centred on being proactive, practical, and open to learning through mistakes.

*“We’re working at a speed greater than before...more brave, less concerned with mistakes.”*

*“Recognition that we’re going to fail at things, not the end of the world.”*

*“From a Senior Leadership perspective, the number one thing they have learned is to give themselves a break and not be concerned with perfectionism.”*

*“You won’t be perfect, but you have to be very proactive and as perfect as you can get.”*

*“Being proactive is more important than getting everything perfectly right.”*

*“Prioritize.”*

### Trusting and building up staff:

A natural consequence of CAOs realizing that they could not in fact “do it all” was that it enabled some staff to fill the void, creating new opportunities for individuals to demonstrate leadership and advance within their organizations.

*“You have to be able to roll with things. It’s not useful to have a strict skillset...having a team that is willing to jump to task is key.”*

*“We have been tapping into the junior ranks to let them lead the development of solutions that make them feel better...we developed programs that reached into the bowels of the organization to get people to come play in the sandbox and it has resulted in some great things.”*

### Breaking down silos:

The pandemic also had the welcome effect of enhancing cross-department collaboration.

***“The greatest upside of COVID has been the ability to work in a fashion where silos are less pronounced, and outcomes are more focused on. When we’re clear on the outcomes, strategies to achieve them really begin to diminish the silo system we are used to working within.”***

*“Since assuming this role two weeks before the pandemic, I have been intent on undertaking an enterprise-wide approach at [the municipality]. Formerly there were 10 separate businesses doing their own thing. One thing I introduced was an enterprise-wide approach which has been extremely helpful to respond to COVID... COVID has allowed me to talk about this approach and entrench it...it has introduced a different way of working.”*



### Who knew? Necessity really IS the Mother of Invention:

Forced innovation was perhaps the biggest of the pandemic’s silver linings. As we have heard, COVID-19 pushed the municipal sector well beyond its comfort zone, and squarely into the world of 21<sup>st</sup> century technology in just a matter of days. Work from home, virtual meetings, and digital service delivery all took a sudden, great leap forward. The *Municipal Act* was amended in record time to make things all right. Most respondents said that this new comfort with innovation is here to stay.

*“COVID-19 has been like a time machine to the future.”*

*“It is important to listen and talk about out-of-the-box solutions...the management team had to sit down and not just look at traditional solutions.”*

*“If you can create a culture of innovation, especially during a pandemic, people will feel confident and comfortable that they can take risks to develop better ways of doing things and try new things.”*

*“People are ready to pivot...without this [new mindset] municipalities [will still] be very slow to respond in the future and will continue to be close-minded.”*

## ■ STRATEGYCOPR'S PERSPECTIVE:

As the path forward is being set, potential lessons learned from COVID-19 are top-of-mind.

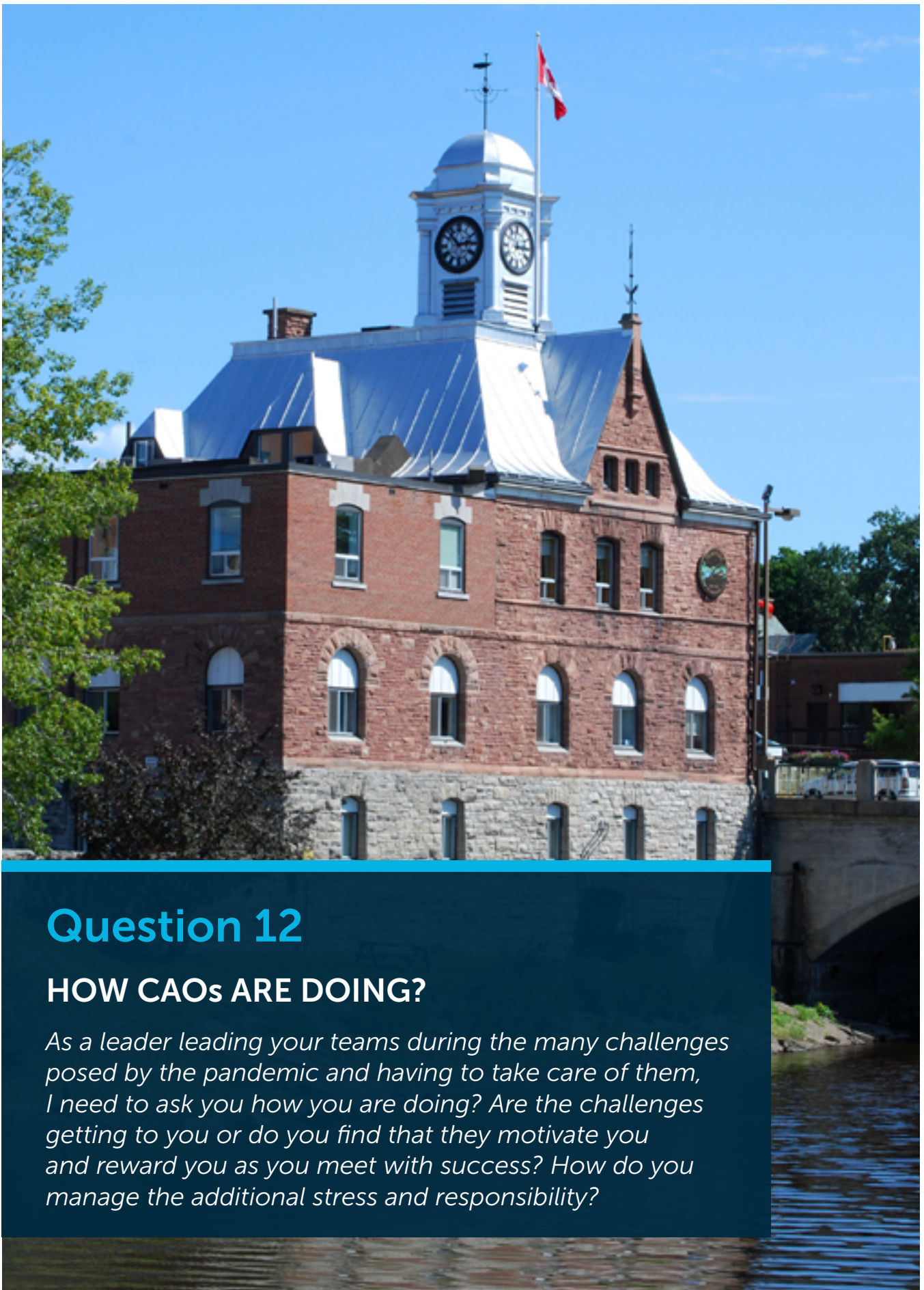
Today, "rapid implementation" has a whole new meaning in the sector, and one suspects that in many areas of service delivery, three-to-five-year implementation plans will never be looked at in the same way again.

Emergency planning will continue be a "front of the line" priority for years to come, as municipalities prepare for the next crisis. Generally, those municipalities with more robust emergency preparedness plans or systems in place before the onset of COVID-19 were better positioned to move quickly to respond to the situation in the first half of 2020.

There were also other, less obvious lessons, that CAOs took away from the pandemic that stand to have a lasting impact. As in other sectors of the economy, many expect that a hybrid model of work is here to stay. As we noted in Chapter 2, to thrive in this model, managers must embrace new ways of tracking productivity beyond direct supervision. Trust must be part of the equation. In our work, we have seen the value of trust-based relationships in the workforce and how they can contribute to a culture of empowerment. The pandemic experience has further emphasized the importance of teams and of giving staff the opportunity, license, and space to do things differently. As the saying goes, "don't let the perfect be the enemy of the good." It seems CAOs across Ontario have taken this to heart over the last two-plus years.

The pandemic proved that municipalities can continue to deliver high quality services, engage in effective decision-making, and collaborate with stakeholders and the community in new ways and in a new environment. This "can do" attitude, admittedly in a period of great stress and uncertainty, is perhaps the greatest lesson of them all.





## Question 12

### HOW CAOs ARE DOING?

*As a leader leading your teams during the many challenges posed by the pandemic and having to take care of them, I need to ask you how you are doing? Are the challenges getting to you or do you find that they motivate you and reward you as you meet with success? How do you manage the additional stress and responsibility?*



## ■ WHAT WE HEARD...

The COVID challenge that came thundering down on the municipal sector in March 2020 spurred municipal leaders into action on all fronts – to ensure that services could still be provided safely and effectively to residents; to pivot to a virtual environment for working, meeting with Committees and Council, and even delivering some services; and to be the trusted beacon for Council and for their staff in terms of charting the path forward.

As is evident from the rest of the Report, during our discussions with Ontario's CAOs, they talked at length about how they navigated these challenges, including their concern and responsibility for their employees.

But we also felt compelled to ask them how they are doing.



## How They Are Feeling

CAOs are not used to sharing how they feel. It can be a lonely position. The question gave many CAOs a moment to pause. Some even thanked us for simply asking the question. The responses were powerful, providing insight both into what it is like to be a CAO during a global crisis and the strategies they drew on to make it through.

*"Wow. Thanks for asking. I'm not sure anyone has ever asked before."*

*"Being a CAO is the loneliest job I have ever had."*

### Tired, but also energized:

Many CAOs confided in us that the challenges of the job, already substantial before the pandemic, require a great amount of energy and that the weight of the responsibilities and expectations grew only heavier with the pandemic. Many expressed that while they are tired, they know they are in it for the long haul.

*"Challenges have been a motivator; Council has been the hardest part."*

***"Dealing with the pandemic creates adrenaline...in the moment when you are confronted with it, it is energizing. But I am tired."***

*"During the COVID-19 response I feel like I have been working on a hamster wheel. I am not sure what normal looks like anymore. The thought of going back to a modest pace is not a reality I can see in the near future."*

### The emotional toll of the job:

Many have been counting the time since COVID-19 hit, and a few were candid about the impact of their responsibilities on their own well-being and health.

*"I try to lead by example and not show weakness, but it is tough."*

*"Like a lot of people in these roles, it's not for the faint of heart."*

### Focused on staff well-being:

Even in a question about themselves, several CAOs spoke at length about their staff and the importance of "being there" for them and maintaining morale during difficult times.

*"I am doing more communications now with staff than ever before. You can express how you feel...a sense of 'if you feel that way, I feel safer to express how I am feeling'. It opens the door for others when I can share some personal struggles."*

*"I want people to know that I am visibly very concerned and thankful of their work."*

## Coping Strategies

Respondents noted various strategies that have supported them in keeping up their energy and focus. Perhaps most interestingly, several respondents noted that the meaning they find in doing their jobs and supporting their communities helps keep them going.

### Healthy habits and interpersonal supports:

Several CAOs mentioned the importance of lifestyle habits in "making it through," including enough sleep, physical exercise, and calming activities like meditation. Many CAOs also mentioned the importance of interpersonal relationships – leaning on friends, family, other CAOs and municipal professionals, and even mental health professionals.

*"I exercise and I sleep. I have a very strong support system at home."*

*"My wife and I try to get out, walk, and partake in physical activity. My family is how I deal with my stress."*

***"As someone with a Type A personality, I never envisioned myself as someone who could meditate. My mind is not racing anymore...I really find that it works."***

*"I am blocking time to avoid news. I used to read every piece of news from 6am to 7pm...became a very unhealthy situation."*

*"Discussing problems and issues with other CAOs keeps me sane."*

*"COVID has made me realize more and more the benefits of a two-tier system. The CAO group is close knit...we test ideas and work through challenges in a unified manner. [We] really leaned into that during COVID. We didn't even know each other as well as we do now...the CAO group has acted as a support group."*

*"I go to therapy. I am not afraid to say it."*

**"Don't sweat the small stuff":**

Echoing one of the "COVID lessons" from the previous Chapter, a couple of responses mentioned the importance of "letting go" and having some perspective, including focusing on the big picture and what can be done, rather than what can't.

*"There is so much stress in these jobs, if you were to dwell on the negative and the issues that manifest in the weeds it would make you crazy, you have to let go and move on."*

*"For myself, I don't look at myself as the best at this work or the worst...the way I keep my mental health reasonable is by sweating certain details and not sweating over others."*

**Strong management teams:**

Reliable, effective senior management teams were also noted by the CAOs as being critical to managing the workload and stress of running a municipal administration.

*"I have a great Management Team...I don't feel like I am carrying all of the load."*

*"I am buoyed by a great Senior Management team."*

*"[I] have an amazing leadership team – joke around with the team and discuss what went well during the week."*

**Finding meaning:**

Several respondents observed that there has been a silver lining in the challenge – they are succeeding and continuing to deliver for their communities. They are doing critical work. Many are justifiably proud of what they and their teams have done and continue to do to support their communities despite the obstacles thrown their way.

*"I am driven by knowing we are making a difference in people's lives...knowing we are saving lives, especially with the vaccine rollout."*

*"I find stamina in the public good and the community."*

***"One thing that has been really important when things get crazy is to remind myself and my staff about 'why we are doing this'. We need to...remind ourselves of the impact and the people we are helping in the community."***

## ■ STRATEGYCOPR'S PERSPECTIVE:

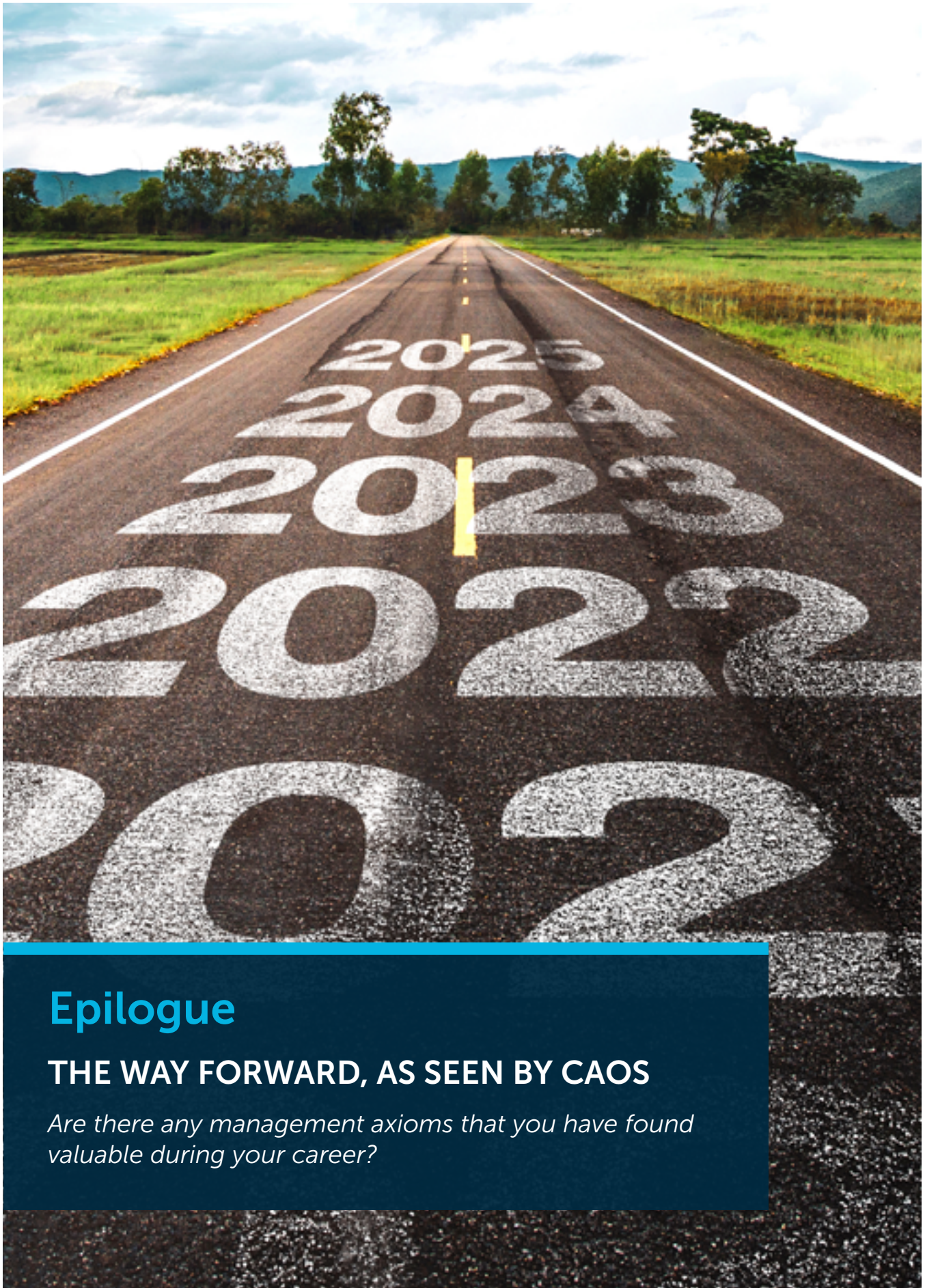
CAOs are strongly motivated to serve their communities and make a difference. They feel responsible for the people both in their organizations and in their communities. As we noted at the outset of this Report, CAOs are constantly working to balance the challenges of the job with the challenges of the community. They have been and continue to be laser-focused on dealing with the many issues thrust upon them and keeping people safe, both physically and mentally.

This comes at a cost. CAOs are tired. It has been a long haul over the last two-plus years, requiring great amounts of energy and leadership. At the same time, however, Ontario's senior municipal leaders are energized by the challenge and their sense of responsibility. They are keen to ensure that any success is shared with their teams and that their staff feel valued and supported.

It can be lonely at the top of any organization. Finding those moments to recharge – by connecting with other CAOs "who get it," keeping up a healthy routine and, most of all, spending time with family and friends – has been key to ensuring these municipal leaders "keep on, keepin' on."

As a final word, we take our hats off to them and their teams. Our municipalities are in good hands, and we are grateful.





## Epilogue

### THE WAY FORWARD, AS SEEN BY CAOS

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



## ■ RECOMMENDATIONS FOR THE WAY FORWARD



Many important events in the municipal world were overshadowed by the attention demanded by the pandemic. One such pivotal development was release of the 1000-page report of Associate Chief Justice Frank Marrocco's Judicial Inquiry in November 2020. The inquiry focused on a range of municipal governance issues, including the role of the Chief Administrative Officer (CAO). Of special significance to CAOs and City Managers looking to the future are Marrocco's conclusions and recommendations about the roles of CAOs, Mayors, and municipal Councillors.

Justice Marrocco places particular emphasis on the role and professionalism of the municipal CAO or City/Town Manager, which he calls "a key pillar in the structure of the municipality."<sup>10</sup> He also calls for greater statutory recognition and clarity for the position of CAO. His findings are summarized in the following two excerpts from the report:

"The CAO is a full-time position that comes with significant responsibility. Someone with the education and experience required to maintain a culture of integrity and to provide the best information and advice to Council should always fill the CAO role. The CAO must operate independently, advising Council and carrying out Council's direction while remaining unaffected by political influence."<sup>11</sup>

"It was apparent in the matters I examined in Parts One and Two of the Inquiry that the importance of the chief administrative officer (CAO) in the proper functioning of the Town was not appreciated. This lack of appreciation manifested itself in the manner that the role was treated publicly and in the approach to the role taken behind closed doors. This failure weakened a key pillar in the structure of the municipality, contributed to the blurring of the boundary between Council and staff, and made it easier to avoid proper procedure in the pursuit of Council's goals. It was also detrimental to the staff's confidence and morale and interfered with their efforts to provide objective information to Council."<sup>12</sup>

The Report made two legislative recommendations regarding the role of CAO that StrategyCorp's Municipal Services Practice Group endorses:

"Amendments to the Ontario Municipal Act, 2001

70 The Province of Ontario should amend section 229 of the Municipal Act to mandate that municipalities the size of the Town of Collingwood appoint a chief administrative officer.

71 The Province of Ontario should amend the Municipal Act to describe fully the role and responsibilities of the chief administrative officer."<sup>13</sup>

In our view, the current legislative description of the CAO role does not do justice to the reality of the position, either in terms of what it is or what it needs to be to enable good municipal governance and management. The critical importance of the CAO function must rest on a proper legislative foundation.

Similarly, we think that it is time to rethink the optionality of the CAO function in the municipal organizational chart. No matter how big the municipality, there is a need for the CAO role to be discharged in every municipal organization. If properly defined, as per the previous recommendation, there are circumstances where it could be flexibly combined with other roles, but the role itself, in our view, should no longer be optional.

Justice Marrocco's recommendations on the role of the CAO built on the findings of Madam Justice Bellamy in the City of Toronto Judicial Inquiries nearly two decades ago, in which she observed:

"The relationship between Council and the City Manager is a very important one. The City Manager is a leadership position...Council should give the City Manager clear and unequivocal responsibility and accountability for the overall management of the administration of the City. Not doing so undermines the City Manager's effectiveness."<sup>14</sup>

In sum, the need for clear delineation of the authority of the head of the municipal administration is not a new idea – but only legislation can make it a reality in the municipal world.

With this public call for CAO leadership fresh in our minds, we asked CAOs what useful principles or maxims that they had learned over time that they will rely on in meeting the challenges outlined in this Report. This is what we heard.

#### **On R-E-S-P-E-C-T:**

*"It is crucial that staff feel as respected as anyone else."*

*"If you can do or be anything, be kind... kindness takes you a long way."*

*"I want people to always remember that I was kind...I don't need them to remember my accomplishments."*

*"We need to get back to a sustainable and manageable pace...people need to get back to some work-life balance for sure."*

*"A respectful culture is most important."*

*"Bitter or better – you can't be both."*

*"Warriors are braver behind keyboards than in person."*

**On demonstrating leadership and being a leader:**

*"Leaders create leaders, not more followers."*

*"If you look after your staff, they'll look after your residents."*

*"I am in constant awe of the talent that surrounds me...sometimes my job is simply to empower them."*

*"Trusting and empowering your leadership team...learning to trust my team and letting them grow and achieve as professionals and leaders."*

*"There is a time and place for public engagement and other things but there must be time for actual decision-making."*

*"Trust your instincts as a leader."*

*"People need to know the goal line and know what we are working towards."*

*"You got to know your 'why'...my 'why' is that I love building a community and serving a team of people who are in the business of community building."*

*"Capturing the hearts and minds of people is important."*

**On fostering a culture of innovation and achievement:**

*"Let's help each other be right, not catch people being wrong."*

*"My job is to help you be successful."*

*"Be opened minded."*

*"If I look lost, people will not push beyond their limits."*

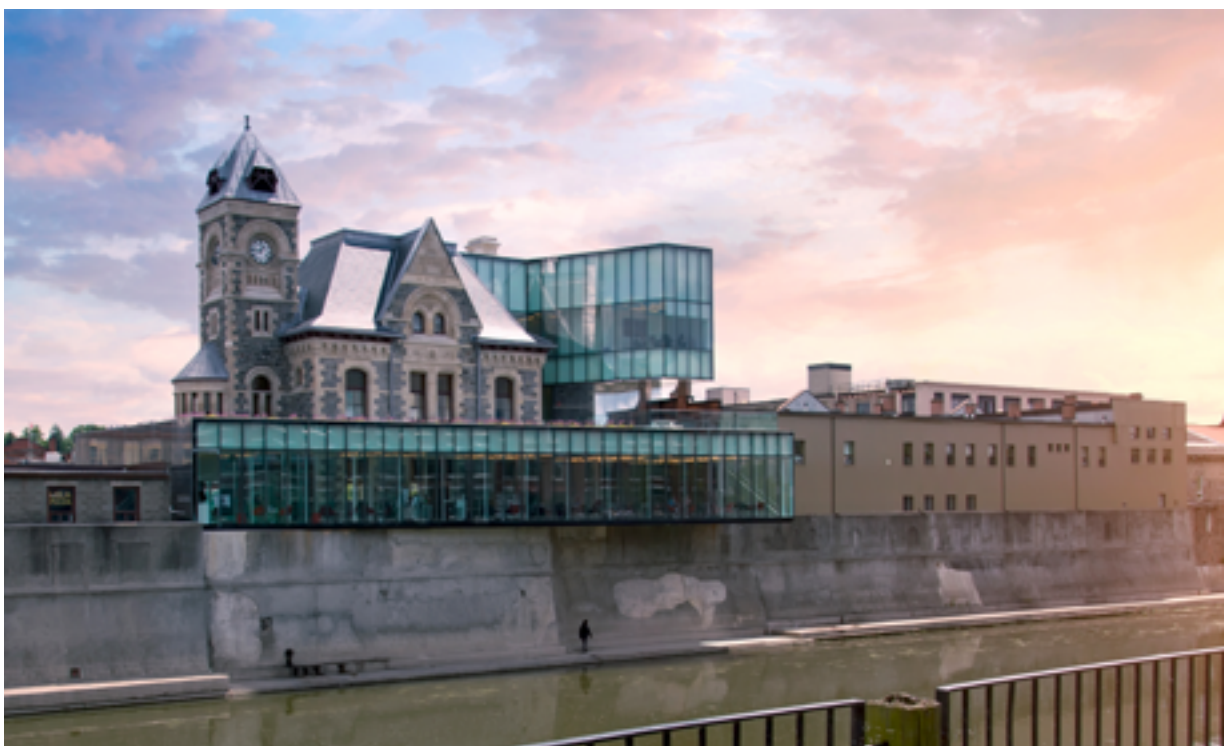
*"This is what success looks like, so let's figure out how to get there."*

*"Monday is the best day of the week."*

*"We have to be in the people business."*

*"Culture is everything... I think at the end of the day if you pay attention to the culture of the organization and see value in it, there's not much you can't solve."*

*"It is alright to take a risk and make a mistake as long as you acknowledge it and fix it...I am trying to get [the municipality] away from the mindset that failure is not tolerated."*





## **On the right management style for a CAO:**

*"Let managers manage."*

*"Being transparent, not just talking the talk but walking the walk is tremendously important."*

*"For a CAO in particular, it is so important to have a relationship with your staff and Council where you are trusting and consistent."*

*"I feel that showing people a North Star is really critical, people will find their own way to get there but they need to know where we are heading."*

*"Getting through the past 20 months has been all about teamwork...I could provide several axioms about teamwork."*

*"I want us to be brilliant at the basics...the train has to run on time. This will help us pull Council into the stratosphere and not into the weeds."*

*"I worry about the public commentary surrounding public service...this is an opportunity to show the world what we do."*

## **On timing:**

*"Getting started changes everything."*

*"Don't jump in there like a bull in a china shop; learn and listen to people and it will make you a better leader."*

*"So much bad stuff happens when issues are at a hot boil...if you move them to a low-simmer things change...that can be a day or two...it helps us advance things more reasonably than at a high boil."*

*[Attributed to late Premier Bill Davis] "Never put off till tomorrow what you can avoid doing altogether."*

*"Decisiveness is more important than the decision sometimes."*

## **On proven tools of good strategy:**

*"What's the question not asked?"*

*"What gets measured gets managed."*

*"Process is everything."*

*"I heard a CAO say: 'Hope is not a plan.' After hearing that quote in a meeting, I don't remember anything from the meeting after that -- that has stuck with me since."*

*"Good ideas come from anywhere. By no means do I think because I am the CAO that I have the market cornered on perfection."*

*"When making decisions, it's not the what but the how."*

*"Don't sweat the small stuff."*

*"The importance of implementing an enterprise-wide approach...not just jargon...for large multi-service organizations, it is absolutely critical to your success."*

*"I am an incrementalist at heart. That is how you make systematic change, and this is influenced by my background in public health."*

*"Listen first...something I always pay attention to."*

*"Surround yourself with good people and get out of their way."*

## ■ ENDNOTES

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<sup>11</sup> Ibid.

<sup>12</sup> Ibid.

<sup>13</sup> Ibid, 36-37.

<sup>14</sup> Madam Justice Denise Bellamy. Bellamy Inquiry Progress Report: A Summary of the City of Toronto's progress in implementing recommendations of the Toronto Computer Leasing Inquiry — Toronto External Contracts Inquiry. *Volume II*. (September 12, 2006).  
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## ■ OUR MUNICIPAL AFFAIRS PRACTICE GROUP

Our Municipal Affairs Practice Group is the Canadian leader in helping local governments achieve their operational and policy goals, while building institutional capacity. StrategyCorp's reputation in the municipal world is based on finding solutions that get results and are implemented.

- Our growing team of over 80 people in Toronto and Ottawa includes some of the best-known faces in public administration, including former City Managers and CAOs, Deputy Ministers, Assistant Deputy Ministers, City Planners, and former political advisors to Premiers, Ministers, and Mayors. Detailed bios are available on our website.
- Our team combines substantive experience in planning, law, management consulting, finance, and general municipal administration. We have a high degree of political acuity and understand the importance of communications.
- We have also supported municipalities in Northern Ontario and across Canada.
- If it is municipal, we can help.

### StrategyCorp's breadth of services for municipalities:

- Intergovernmental Relations
- Operational and Organizational Reviews
- Service Delivery Reviews
- Strategic Planning
- Council-Staff Relations Training
- Strategic Communications and Issues Management
- Political Risk Management and Crisis Communication
- Policy Development
- Municipal Governance Reviews
- Ward Boundary Reviews

## ■ FOR FURTHER INFORMATION



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For more information about **StrategyCorp**  
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**[www.strategycorp.com](http://www.strategycorp.com)**



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**[www.strategycorp.com](http://www.strategycorp.com)**.

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# Ontario Municipal Chief Administrative Officer Survey 2021/22

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

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 CREATING CONDITIONS FOR SUCCESS



## THE CORPORATION OF THE TOWN OF HUNTSVILLE

### BY-LAW NUMBER **2011-83**

---

Being a By-law to confirm the responsibilities of the Chief Administrative Officer for the Town of Huntsville.

---

**WHEREAS** pursuant to Section 229 of the Municipal Act S.O. 2001, c.25 as amended, a municipality may appoint a Chief Administrative Officer who shall be responsible for:

a. ~~Exercising general control and management of the affairs of the municipality for the purpose of ensuring the efficient and effective operations of the municipality; and~~

b. ~~Performing such other duties as are assigned by the municipality (2001, c.25, 2.229) Section 229 of the Municipal Act identifies that a municipality may appoint a Chief Administrative Officer for exercising general control and management of the affairs of the municipality for the purpose of ensuring the efficient and effective operation of the municipality.~~

**AND WHEREAS** the Town of Huntsville has exercised this right:

**NOW THEREFORE THE CORPORATION OF THE TOWN OF HUNTSVILLE ENACTS AS FOLLOWS:**

#### **ARTICLE 1.0 DEFINITIONS AND INTERPRETATION**

##### **1.1 Definitions**

- a. **By-law** means this By-law, as it may be amended from time to time
- b. **CAO** is an acronym meaning Chief Administrative Officer
- c. **Town** means The Corporation of the Town of Huntsville
- d. **Management Senior Leadership Team** means the members of Senior Management
- e. **Responsibilities Powers, Duties and Function** means the responsibilities listed in Schedule "A" to this By-law

1.2 Interpretation Rules:

- a. Wherever this By-law refers to a person or thing with reference to gender or the gender neutral, the intention is to read the By-law with the gender applicable to the circumstances.
- b. References to items in the plural include the singular, as applicable.
- c. The words "include", "includes", "included" and "including" are not to be read as limiting the phrases or descriptions that precede them.

1.3 ~~Statutes~~

~~Specific references to laws in this By-law are printed in italic font and are meant to refer to the current laws applicable with the Province of Ontario as at the time this By-law was enacted. For Provincial laws, the reference is to the relevant chapter of the *Municipal Act 5.0 2001, c25 as amended*.~~

1.4 ~~Severability~~ 1.3 Conflict Between By-laws: ~~s~~

~~If a court or tribunal of competent jurisdictions declares any portion of this By-law to be illegal or unenforceable, that portion of this By-law will be considered to be severed from the balance of the By-law, which will continue to operate in full force and effect.~~

~~In the event of a conflict between the provisions of this By-law and any other by-law, the provisions of this By-law shall prevail.~~

**ARTICLE 2.0 ESTABLISHMENT OF OFFICE, APPOINTMENT TO OFFICE**

2.1 PositionAppointment of Chief Administrative Officer

~~— The position of Chief Administrative Officer for the Town is established. The Chief Administrative Officer shall be an employee.~~

~~Council for the Town of Huntsville shall appoint an individual to the position of the Chief Administrative Officer (CAO) and shall establish the terms and conditions of the CAO's employment.~~

2.2 Administrative Head of the Town

The CAO shall:

- a. Be the administrative head of the Town.
- b. Perform the duties and exercise the powers and functions assigned to the CAO by the Municipal Act and any other Acts or by Council; and
- c. Be directly accountable and responsible only to Council for the discharge of the powers, duties and functions assigned to the position.

2.23 Employment Detail

The salary, benefits and conditions for service of the CAO shall be set up by Council and reviewed as required, in accordance with general employment or contractual arrangements. The position of CAO is located on the municipality's Non-Union Salary Grid and salary will be adjusted accordingly based on increases to the Corporate Band Chart, or as otherwise deemed appropriate.

**2.34** Delegation of Power and Authority by Council

~~———— The CAO is authorized to delegate any duties or responsibilities assigned to him or her by Council for the purposes of establishing an efficient and effective administrative structure, with the exception of hiring or termination of Senior Staff.~~

Where, by this By-law or otherwise, a duty is conferred on the CAO, the power and authority required to perform the duty is also delegated to the CAO. The CAO may delegate any of the powers, duties or functions given to the CAO position by by-law, the Municipal Act or any other enactment to a designated officer or to an employee of the Town as deemed appropriate.

**2.5** Limitation on Authority

The powers, duties and functions conferred on the CAO pursuant to this By-law shall not be interpreted to authorize the CAO to carry out or direct any action that would encroach upon the legislative powers of Council.

**2.46** Appointment of Acting CAO

~~———— The CAO is authorized from time to time to appoint an alternate to act as CAO on a temporary basis in the absence of the CAO from the offices of the Town.~~

~~-When the position of CAO is vacant, or if the CAO is unable to carry out the duties of the position due to extended illness or other reason, Council may, appoint an Acting CAO.~~

During the temporary absence of the CAO due to vacation, short term illness or work-related absences, the CAO may appoint an Acting CAO during the temporary absence of the CAO and, where practicable, shall give prior notice to Council of such absences and the name of the person so appointed.

An Acting CAO appointed pursuant to this section shall have all the powers, duties, accountabilities, and functions of the CAO under this By-law.

**ARTICLE 3.0 DUTIES AND RESPONSIBILITIES OF THE OFFICE OF CHIEF ADMINISTRATIVE OFFICER**

**3.1** Reporting Relationship

~~———— The CAO reports directly to the Mayor and Town Council and shall carry out the responsibilities of the office established in this By-law in accordance with ~~any and all~~ relevant and applicable by-laws and resolutions of Council.~~

**3.2** Council to Deal with Administration through CAO



Chief Administrative Officer

By-law ~~2011-83~~

The Mmayor and Mmembers of Council, in accordance with the policies established by Council, shall, except for the purpose of general public information, deal with the Town Administration through the CAO.

### 3.3 Claims and Legal Proceedings

Under the general terms approved by Council, the CAO shall have the duty and authority to:

- a. Instruct legal counsel to commence, defend or conduct any action or proceeding in any court or before any tribunal on behalf of the Town; and
- b. Settle any claim, grievance or lawsuit on the advice of the legal counsel.

### 3.4 Appointment of Town Representative to Committees

Where a representative of Town Administration is required to be a member of any Committee, Board, Association, Commission or any other group, the CAO shall appoint that representative.

### 3.2 Responsibilities Powers, Duties and Function

~~The responsibilities of the office of the CAO are~~ Are as detailed in Schedule "A" to this By-law.

## **ARTICLE 4.0 MANAGEMENT SENIOR LEADERSHIP TEAM**

### 4.1 Establishment

~~—~~ To assist the CAO in carrying out ~~his/her~~ their responsibilities, there shall be an established ~~—Management Senior —Leadership~~ Team consisting of all Directors, or any individuals the CAO may deem ~~—appropriate~~, which shall meet on a regular basis with the CAO as Chair to conduct the business of the organization.

### 4.2 Function

~~—~~ The Management Team shall discuss matters of policy which are either to be considered or which ~~—~~ have been approved by the Council and which require coordinate implementation.

## **ARTICLE 5.0 REPEAL OR PRIOR HISTORIC BY-LAWS EFFECTIVE DATES**

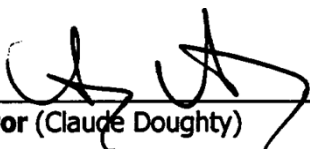
### 5.1 Repeal

By-law ~~2003-27~~ 2011-83 is hereby repealed.

### 5.2 Effective Date

This By-law shall come into force and effect on November 21, 2011xxxxxx

~~READ a first time this 17<sup>th</sup> day of October, 2011.~~

  
Mayor (Claude Doughty)

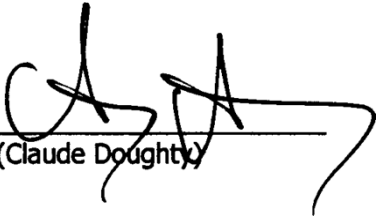


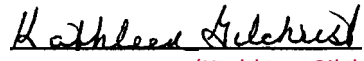
Chief Administrative Officer

By-law ~~2011-83~~

~~Municipal Clerk (Kathleen Gilchrist)~~

~~READ a second and third time and finally passed this 21<sup>st</sup> day of November, 2011.~~

  
**Mayor** (Claude Doughty)

  
~~Municipal Clerk (Kathleen Gilchrist)~~

SCHEDULE "A" TO BY-LAW ~~2011-83~~

GENERAL DUTIES, ROLES AND RESPONSIBILITIES OF THE CHIEF ADMINISTRATIVE OFFICER

Introduction

The Chief Administrative Officer (CAO) shall carry out the general duties, roles and responsibilities set out herein in accordance with any and all relevant and applicable by-laws, resolutions, policies and guidelines that may be enacted or directed from time to time by Council.

Nothing contained in this document shall be deemed to empower the CAO to perform, do or direct any act which shall in any manner or extent whatsoever encroach upon the legislative powers of Council.

~~a.~~ The general mandate of the CAO shall be: **General Duties and Responsibilities**

1.

~~b.a.~~ To be directly responsible to the Mayor and Town Council for the general management of the Town administration and for the conduct and coordination of the business affairs of the Town in alignment with plans, policies, and legislation.

~~e.b.~~ To provide advice, opinions, strategic guidance and information to Council and its Committees to assist in their determination of policies and ~~programs;programs.~~

~~d.c.~~ To be responsible for the direction and coordination of all Town Departments for the purposes of efficiency and consistency in implementing decisions of ~~Council;Council.~~

~~e.d.~~ To ~~submit~~ approve all reports required by the Council or any Committee of Council as well as the establishment of items to be considered by Council or Committee ;.

~~f.~~ ~~To coordinate all reports and recommendations to Council from Town Departments (and, in circumstances where the recommendations of the Director differ from the recommendation of the CAO to provide opportunity for that Director to come forward with separate comments and/or recommendations); and~~

~~g.e.~~ To perform all duties and exercise all powers as may from time to time be assigned to the CAO or vested in the CAO by the by-laws or policies of the Town or its Council.

~~1.2.~~ The mandate of the CAO with respect to **policy and program development** and implementation shall be:

a. In conjunction with the ~~Management Team~~Senior Leadership Team, to make recommendations to Council with respect to strategic planning processes and directions, policies and/or programs of the ~~Town;Town.~~

b. To ensure consistent implementation of initiatives and policies approved by Council through clear direction and through procedures as determined by the ~~CAO;CAO.~~

c. To coordinate the development and, subject to Council's support, the implementation of ~~short and long ranges~~short- and long-range strategies and operating plans both corporately and by operating department to ensure coordination and a corporate focus on Council objectives; and

- d. To obtain the advice of legal counsel, auditors, professionals, consultants and/or other levels of government as may be required to assist in the implementation of the Town's operations and within financial parameters established by Council.

2.3. The mandate of the CAO with respect to **communications** shall be:

- a. To make recommendations to Council with respect to techniques or methods to facilitate communications between Council, staff and the ~~public;~~public.
- b. To maintain a professional relationship with the media, Ministry officials and other government or community agencies and organizations which may be relevant to advancing the Town's goals, programs and ~~policies;~~policies.
- c. Regularly provide information to Council and/or Committees on the operations of the Town and the status of Council's various policies and initiatives; and
- d. Within financial parameters established ~~with~~by Council, to implement communication strategies to ensure the Town residents are kept informed of various Town programs, services and initiatives.

3.4. The mandate of the CAO with respect to **finances** shall be:

- a. In conjunction with the ~~Director of Corporate Services and the Management Team~~ Director of Financial Services and -Senior Leadership Team coordinate the preparation of the annual operating and capital budgets for submission to, and approval by, ~~Council;~~Council.
- b. In conjunction with the ~~Director of Corporate Services~~ Director of Financial Services to ensure the preparation and presentation of quarterly reports to Council on the current operating and capital budgets, and to advise and make recommendations concerning required adjustments to original ~~estimates;~~estimates.
- c. To exercise appropriate purchasing authority as set out in the Town's purchasing by-laws and ~~policies;~~policies.
- d. In conjunction with the Director of ~~Corporate-Financial~~ Services to exercise financial control over all operations to ensure compliance with budgets approved by Council and to ensure consistent application of policies approved by Council which have financial implications;~~;~~ and
- ~~d-e.~~ In conjunction with the Director of Financial Services, have delegation of authority to utilize the Human Capital Reserve Funds within the parameters of the approved budget to address matters related to Human Capital. -to-address-matters-related-to-Human Capital
- e-f. To encourage the ~~Management-Senior Leadership~~ Team to continually work towards improved budget performance through the identification of efficiencies and/or opportunities for revenue generation.

5. The mandate of the CAO with respect to **human resources** shall be:

- a. In consultation with the Manager of Human Resources, be authorized to prepare, maintain and implement Human Resources, Payroll and Health and Safety Policies and



Procedures for the Corporation of the Town of Huntsville, subject to any resulting financial impacts being accommodated within the annual approved Municipal Budget.

- b. In conjunction with the ~~Human Resources Department Manager of Human Resources~~ oversee the collective bargaining process with all unionized employees and to recommend to Council for approval collective agreements concerning wages, benefits and conditions of employment.
- c. In conjunction with the ~~Human Resources Department Manager of Human Resources~~ to oversee the administration of any collective agreement approved by Council and to participate in the grievance process to the degree defined by the collective ~~agreement; agreement.~~
- d. To be responsible for direction and supervision of members of the Senior Leadership Team as well as other direct reports. ~~Directors, except officers appointed under any statute, with respect to their statutory duties and responsibilities;~~
- e. ~~To oversee the appointment, promotion, transfer, demotions, suspension or dismissal of all non-unionized employees, in accordance with labour legislation and accepted recruitment or disciplinary policies and procedures, provided that any costs agreed to related to resignations, terminations or settlements, including but not limited to lump sum payments salary extensions or extension of benefits are approved by Council, except where specifically required by Provincial Legislation or relevant case law in the Province of Ontario. Recruit, retain, employ, appoint, discipline, suspend and dismiss all employees of the Town, except as provided in the Municipal Act, and subject to the provisions of the collective bargaining agreements where applicable.~~
- f. ~~To oversee the appointment, promotion, transfer, demotion, suspension or dismissal of all unionized employees, in accordance with terms and conditions of the collective agreements, labour legislation and accepted recruitment or disciplinary policies and/or practices; Responsible for labour relations of the Town and act as agent for Council in collective bargaining with all certified trade unions and recommend to Council agreements concerning wages, salaries, benefits and working conditions and, upon approval of Council, direct the administration of such agreements.~~
- f.
- g. To ~~consult advise with~~ the Mayor and Council through communication as deemed appropriate, the prior to the appointment or dismissal within their authority of any Director, exclusive of budget ~~implications; implications.~~
- h. ~~To conduct regular reviews of the performance of all Directors and all direct reports to the CAO, including taking the appropriate action to recognize and/or improve performance with established policies;~~
- i. ~~To provide the Mayor and Council, on an annual basis, with an overview of the results of performance reviews conducted by the CAO with Directors;~~
- j.h. In conjunction with the Human Resources Department promote and encourage training and development initiatives to enhance the skills and capabilities of all Town employees within the financial parameters ~~and policies~~ approved by ~~Council; Council.~~

~~k. To provide a review to Council/Committee of any organizational changes being bade between departments prior to implementation; Establish the organizational structure of the Town and determine the scope and responsibility of departments for the Town and, provided it does not exceed the Council approved budget and is in accordance with the Budget and Financial Controls Policy, the authority to restructure, create, merge, or eliminate any departments of the Town. Where this is done, the CAO shall provide a report on the changes to Council for its information.~~

~~i.~~

~~Develop, approve, and implement procedures and practices dealing with all administrative matters.~~

~~j.~~

~~l.k. To ensure any adjustments with the organizational structure below the Director level are handled within the budgets approved by Council. Ensures that the Town's Health and Safety Program is established and maintained and maintains a working knowledge of the Occupational Health and Safety Act.~~

~~4.6.~~ Other duties and responsibilities of the CAO shall be:

- ~~a. To attend (or assign a designate to attend) all meetings of Council and its Committees and to make observations and suggestions as he/she deems appropriate and expedient with the permission of the Chair; and with full right to engage in discussions concerning any matters on the agenda.~~
- ~~b. To recommend amendments to the responsibilities from time to time, as considered appropriate in the circumstances.~~

~~Shall be named as a Deputy Clerk in the Town of Huntsville's By-law to Appoint Statutory Officials and shall exercise powers as provided in the Town of Huntsville's Delegation of Authority By-law.~~