

AMO Municipal Finance and Economic Development Task Force

Terms of Reference

Context:

The economic environments of Ontario and Canada have changed substantially over the previous few years. This has led to an interest in relocalizing critical supply chains, facilitating investment in next generation industries, addressing scarcity of skilled talent, and matching talent to available jobs.

Municipal governments are major players in the provincial economy, investing more than \$55 billion each year in services and capital which facilitate economic, social, and cultural development that underpin Ontario's prosperity. Municipalities also manage, maintain, and operate nearly half-a-trillion dollars worth of capital assets aimed at improving transportation and goods movement, environmental and human health, access to recreation and other benefits.

Municipal financing tools do not meet the investment needs of communities to maintain services and support population and economic growth. This has led to an estimated "state of good repair" backlog in infrastructure financing of \$52.1 billion. Significant funding increases are needed beyond this amount to adapt assets to climate change and build resilience for economic and social activity.

The provincial government's response to the housing crisis has been to reduce the ability of municipalities to collect Development Charges for certain types of housing, resulting in a reduction of municipal infrastructure resources of nearly \$1B annually. The multivariate pressures on municipal governments from economic, fiscal, social, and environmental forces requires municipalities to assess options to best position communities as engines of growth and prosperity for the future.

Finally, as the economic environment changes, it is also likely that the federal and provincial governments will seek to prioritize spending in ways which reduce government debt and attract new companies and industries to Ontario and Canada. While municipal governments individually are active in economic development efforts, a municipal framework to consider economic and skills development, infrastructure funding and municipal finance has not been put forward and, a consistent municipal voice in these policy areas would help to align AMO and municipalities to engage with policy makers in these areas.

Purpose:

The Task Force will help AMO to develop policy and advocacy positions that increase consideration of municipal interests in the areas of municipal finance and funding sources for municipal services and infrastructure, economic, labour market and skills development.

Mandate:

The Task Force will provide advice to AMO regarding matters of municipal finance, funding sources for municipal services and infrastructure, economic, labour market and skills development. This advice will be used by AMO to develop advocacy positions for the consideration of the AMO Board.

On a confidential basis, Task Force input may inform AMO-MOU discussions relevant to the mandate. The Task Force will provide a forum and resource to AMO in the relevant areas to improve expertise and influence with municipal governments, the province, federal government, industry, and business associations amongst others.

While specific topics for consideration by the Task Force will be set through discussions between AMO staff and the Chair and Vice-Chair, discussion areas may include:

- the current municipal fiscal framework, including, property assessment and taxation, user fees, alternative revenue sources, debt and investment, and the evolving municipal-provincial fiscal relationship;
- exploring future funding sources for municipal services and infrastructure, such as grant programs, expansion of user rates, and expanded revenue tools, especially in light of changing investment needs to manage changes in climate and population growth;
- integration of federal, provincial, and municipal economic development and labour market development policies and programs to support innovation, productivity, and prosperity across industries and regions;
- municipal interests in immigration and settlement of newcomers as it pertains to addressing labour market challenges.

Once study topics are agreed, AMO will develop a workplan to guide the Task Force's agendas and direction in subject areas.

Membership:

Membership will be drawn from across the municipal sector, including elected and appointed officials and will include: Northern, rural, county, single-tier, small and large urban representatives as well as geographic representation. In addition, staff, and municipal officials with expertise in finance and service design, economic development, labour market and skills development, immigration and settlement will be sought.

Additionally, the Task Force will engage with the Ontario Chamber of Commerce, the Economic Development Council of Ontario, and the Toronto Board of Trade. As appropriate, the Task Force will engage with labour organizations, representatives of training organizations such as Colleges Ontario and others specific to an area of examination.

Meetings:

Meetings will be managed by the Chair in consultation with AMO staff, including setting direction for areas of examination, developing agendas, and identifying relevant stakeholders to engage. In the absence of the Chair, the Vice-Chair will assume the Chair's duties. If both the Chair and Vice-Chair are unavailable, AMO staff will assume these roles.

Frequency:

The Task Force will normally meet three to four times per year. As needed, sub-groups may be established to provide additional focus on issues and may meet more frequently.

Duration:

The Task Force is established initially for two years but may be extended to four years. At the two-year mark, mandate and membership will be reviewed to ensure continued integration with AMO priorities, Board representation and membership.

Integration:

AMO staff and the Task Force Chair and Vice-Chair will ensure integration between Task Force work and directions of inquiry and AMO Strategic Priorities. AMO staff will coordinate the work of the Task Force with other AMO Task Forces and the AMO Board will remain the ultimate integration and decision-making authority on any recommended positions or advice provided.