



REPORT TO COUNCIL – 2024 AMO CONFERENCE

The 2024 AMO Conference took place between August 18 and August 21. The following is my report to Council regarding my attendance at the conference with respect to workshops, delegations, trade show and delegate interactions.

Workshops:

Asset Management : Psychological Safety:

Christina Benty (Strategic Leadership Solutions) presented this workshop not about the technicalities or regulations regarding Asset Management but rather the psychological barriers to successfully implementing it and effectively using it including:

- What could possibly get in the way of evidence based decision making?
- Why might we not attend to the things we should attend to?
- What is the most important conversation we need to have?

The workshop dealt with how to be a leader in using Asset Management for our communities. It is imperative that as community leaders we actually lead for the betterment of the community. This includes:

Telling People the Truth: It is imperative that we think beyond the next election. We need to be honest with people on what we can do and what we can afford to do. Trying to politically please everyone is a path to certain destruction. Asset management demands we think beyond the four year term and be honest with ourselves and our constituents. We were not hired to be the “complaint department” or the “wish list department”. Being leaders demands that we face the truth and speak the truth.

Think Strategically: We as leaders must think strategically and base our decisions not on the flavour of the month or “want of the month” but what is best overall. We have seen evidence that ignoring existing infrastructure so that we can build something else is not the way to go. Case in point is Montreal who knew back in 2013 that they should be investing \$200M a year in underground infrastructure but chose to only invest \$8M and results have been seen now with ruptured water mains

Data does not drive results – Culture does: Not only does Council need to be honest with itself but we must ensure that there is a culture among staff that it is not only OK to speak the truth to Council but it is encouraged. Staff must present the full picture to Council and then Council assumes the responsibility for decisions. The proper conditions must exist in order for us to make the right decisions. There should be no “fear of others” but rather a culture of “right conditions” including:

- Healthy debate

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- Curiosity & safe questions
- It's not personal
- No intimidation

There is absolutely nothing wrong with doing “less better”. In Brock we are constantly dealing with residents or issues where ageing infrastructure is failing while we talk about building more. We have been warned about this in the past and it is crucial to remember as we talk about capital budgets, master plans, revenue sources, and operating deficits.

I have reached out to Christine Benty about attending Council for a workshop. I cannot begin to convey the vital information she gave during the workshop without going on for many more pages. Politicians who continue to only think about the next election will get short term praise for long term pain.

MPAC – Meeting Evolving Partner Needs

This workshop was presented to update partners on the ongoing improvements being implemented by MPAC through innovation and the modernization of products and services. The review of property taxation, which has apparently been the delay in assessments, is still ongoing. MPAC is actively participating in this review. It should be noted that recent news reports (following AMO) would lend concern as to whether this property tax review is making any headway.

MPAC continues to evaluate all services and products to the public and municipalities. MPAC is aiming at becoming a trusted source of data which can help grow its revenue and reduce its need for being funding through public sources. MPAC has a commitment to enhance property tax literacy which is an area of continued concern as most of the tax paying public does not understand how their property tax bill is arrived at.

MPAC data is helping to provide information critical to understanding the housing crisis. In 2013 56% of residential properties were valued at less than \$500K. In 2023 only 6% of residential properties are at less than \$500K and that is primarily in the north.

MPAC is developing an enhanced property owner experience by launching a new “owner hub” online.

In the end, there is no timetable for new assessments. While the result for any municipality once the new assessments are released will be zero net revenue growth there continues to be the belief that there could be isolated and dramatic issues for some property owners whose property values increase materially beyond the average assessment growth. There will be no mechanisms in place to deal with these issues and municipalities and municipal leaders must acknowledge this and be ready for it.

The above-mentioned issue could certainly be pronounced in Brock Township which saw dramatic swings in property values as people migrated up from Toronto and other large areas in the south during and after the pandemic. Some property values changed by as much as 500% or more.

Municipal Risky Business – LAS

Municipalities manage and extraordinary amount of risk every day. This workshop was to discuss mitigation solutions for better management of these risks.

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The Township of Brock is already utilizing many of the LAS provided digital tools to help mitigate risk and improve efficiency and productivity including our new website builder, Escribe, and others.

Insurance risk related issues remains high for all municipalities including cyber risk. Every municipality must constantly evaluate their risk including knowing:

- What risks are present
- Where is the risk
- How can we mitigate or exploit it

Some historical risks are becoming more difficult to deal with. AI is making cyber risk more likely since it is improving the look of phishing emails, learning the writing styles of individuals, and even impersonating video of individuals.

The “old day” risks also continue to cause municipal angst. These include traditional road and sidewalk issues like slip and falls and car damage from potholes. Sidewalk issues can also come from indirect issues like pathways being blocked by trees. LAS provides services for video scans and assessments for possible risk. By having video information many potential claims can be avoided. Some claims have been proven false with timely video evidence of the state of infrastructure, signage, and other municipal responsibilities in the area of the claim.

Facility liabilities must be comprehensively reviewed including lighting. Poor lighting has been found to be a liability when it may impede the safe use of facilities by residents. Lighting that was acceptable ten or fifteen years ago is now recognized as a safety concern.

Financial risk also includes opportunity costs. With changing interest rates municipalities must ensure that their investment policies permit them to maximize return on investment while maintaining regulated safeguards on funds. Many municipalities are still making less than 1% on invested funds while the cost escalation of capital projects is still in the area of 5 to 7% per year. A rising variance between things like the construction cost index and the return on invested funds (reserves) causing a financial risk to the viability of future projects.

Enhancing Long-Term Financial Sustainability

This session was designed to explore two important tools in municipal toolboxes – debt and investment including how and why municipalities should think differently about these options when trying to address operating and capital needs.

The value and responsibilities involved with debt financing were explored. Many municipalities “fear” debt but it is an integral part of funding long term capital projects (similar to mortgages being an integral part of house purchasing). However, when it is being considered it is staff’s responsibility to fully disclose the short and long term implications on the operating budget. Debt is not “magical money” and must be repaid which will place a strain on the operating budget.

Some municipalities are more vigorously reviewing “connection charges” vs. “development charges” and are looking at upfront financing schemes for developers who “use up” municipal servicing (water and sewer) without putting shovels in the ground in a timely manner.

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Grants require more disciplined use. Many municipalities are taking the approach that unless the project is ready to go (beyond just “shovel ready”) then grants are being left unapplied for. Grants have many times been the start of economic pain for municipalities. In the 1970s many communities built community centres and arenas with the new found “gold” from the Wintario grants. Many of those municipalities soon realized the operating pain of these facilities and the long term capital replacement problems. Grants can be beneficial but they can also be viewed as “bribes” enticing municipalities to spend money where they may not have originally intended. The lure of “free money” often causes people to make bad decisions.

Long term models of the municipality are critical to be able to effectively determine the short, medium and long term implications of infrastructure spending.

The Power to Say Yes: Enabling the Big Build of Ontario Electricity System and Preparing for Energy Procurements

Both of these sessions discussed Ontario’s demand for electricity due to economic and population growth and how new infrastructure is required and community support will shape the future. The IESO and Minister of Energy and Infrastructure discussed the crucial role that councils play in supporting economic growth and clean energy goals in their communities and across the province.

The Minister emphasised the need for municipal approval of projects and the need to educate the public who will no doubt lend their voices to decision making processes.

Many lessons have been learned from the first round of procurements. The upcoming Long Term 2 Procurements will have two streams – Energy and Capacity. A new Agricultural Impact Assessment will be required for any project proposed on Prime Agricultural Lands. The details of these assessments have not yet been determined. Also, a Council may give it’s preliminary support for a project subject to an acceptable assessment which would essentially provide two opportunities for a municipality to “approve” a project.

Many municipalities who signed up on projects admitted that there was not much information at the beginning. I stressed to The Minister and IESO that the “ball was dropped” during the first round and Brock Township Council and staff were caught off guard and did not have adequate information to make timely and responsible decisions. The Protection for prime agricultural areas continues to be a work-in-progress. IESO admitted to bad communication and education.

Better communication process is supposed to be forthcoming with a “roadshow” to help all those involved.

While support from the municipalities will be critical, leaders were reminded to think beyond today or the next election. While public education and support is always preferred municipal leaders were reminded that sometimes they have to make decisions for the broader and long term good – after all, that’s what we were elected for.

Many “fears” and “warnings” about various projects never came to fruition and many were based on misinformation through word of mouth and social media.

Opening Remarks: Andrew Coyne

While I don't usually include the remarks during the keynote speaker's address I feel it is important nowadays.

Mr. Coyne addressed the growing problems in our society with a shrinking responsible press replaced by wide open social media with no safeguards to ensure that the truth is being brought to the public. There is an ever increasing threat to democracy and municipal leaders must navigate the declining tone of discourse between elected officials and the broader community.

Brock Township suffers from this in an ever growing way. We have next to no media in Brock. Social media both locally and internationally is flooding our residents with lies and misinformation which everyone, including politicians, can become susceptible to. It is increasingly important that we continue to evaluate The Township's ability and responsibility to enhance communications with all residents.

Delegation – Minister of Transportation

I attended a delegation with the Minister of Transportation and Regional representatives regarding transit initiatives as well as the petitioning for a Beaverton stop on the newly reconstituted Northlander train.

I thanked The Minister for his and his staff's work on moving the Beaverton Bridge project along through the provincial procurement process. I then put forth the case for a stop in Beaverton for The Northlander. With about 26,000 residents and 5,400 jobs within a 15 minute drive of the proposed station it would make daily commuting to Toronto a possibility and by cutting travel time from over 5 hours to under 2 there could be substantial savings. The savings would come in the form of socioeconomic improvements for residents and a dramatic improvement in the environmental impact of cutting down on the vehicular traffic from Brock to worksites or even to GO Stations located in South Durham.

With 60% or more of our residents commuting out of Brock for employment any improvement to mass transit would be welcomed. Having a station in Beaverton would also provide benefits for tourism allowing people to visit Brock without having to drive many hours from larger centres in the south.

I stressed that I understood the complexities of changing train schedules for added stations and informed The Minister and his staff that Brock Township and Durham Region were ready to work with The Ministry even if this was a long term project.

Ministers' Forum

During the annual Ministers' Forum many questions were raised. My initial question to The Minister of Finance and Minister of Municipal Affairs and Housing was when The Province would move on developing a new funding arrangements with municipalities. For years The Province (along with other provinces) have advocated for new funding deals with Ottawa and have grown frustrated by the lack of action on that front. Ontario municipalities and AMO have also grown impatient as more and more items are becoming part of a damaged property tax system. Small municipalities like Brock cannot compete with larger neighbours when such items are expected to be part of the property tax system. Before I could ask my question it was, more or less, asked by another delegate however I think all would agree it was not answered.

My question pivoted to my backup. Before that I informed the ministers that I echoed the question from the other delegate on funding and I did not believe the question was answered. I inquired about when The Province was planning on repopulating the Greenbelt Advisory Council which currently has only two of nine members and no chair. The response I received from my comment about the prior question not being answered and the Greenbelt question drew a rather harsh response from The Minister. Following the ministerial response it was agreed by other delegates that neither question had been answered. This is very much “par for the course”.

The Minister for Municipal Affairs and Housing however did tell me as part of his response that municipalities have been “made whole” as promised when legislation was enacted which impacted things like Development Charges. I believe that we should have staff confirm this as I intend to do at The Regional Finance and Council meetings this month.

Networking and Discussions with Delegates:

AMO conferences, like others, are excellent opportunities to network and discuss municipal issues with other delegates from municipalities across Ontario. I spoke with a number of delegates about a number of shared concerns and issues. Many are facing long term capital financing issues like Brock.

One other area of mutual concern appeared to be public engagement. Brock is not the only municipality which has lost reliable media coverage and a dwindling way to interact with residents. I shared with many Brock’s desire to conduct surveys to gather public input on critical issues but only to have dismal results or results that are unreliable. My discussions with marketing and PR firms confirm that formal polling services can cost many thousands of dollars. While these systems are not to be ruled out if needed for critical evaluation processes the cost makes them a rarity rather than a trusted regular source of public information gathering. During my discussions with other delegates an idea cropped up about a “home grown” polling system. While The Township does not likely have a reliable database of phone numbers (due to extensive cell phone use) we do have a reliable database of taxpayer names and addresses.

Any system of polling or surveying relies on a statistical reliable response from the public and a response which is adequately random in order to gather results which can be relied upon. One possible solution therefore would be to have a random selection of taxpayers/residents from our database contacted by mail and asked to complete a survey (on the phone, online, or other media). There would be a need for staff time and resources to be spent but any serious attempt at gathering reliable public input must have investment. I believe it to be an important consideration that staff look at developing so that future input from the public can be reliable and statistically important.

In conclusion, I believe the 2024 AMO conference was very productive. It’s difficult to know if a conference will be worthy of the investment until the itinerary is published (and by then the money is spent). I ask Council to consider the contents of this report and ask staff to consider Brock implications for action.

Respectfully submitted,

Walter Schummer - Mayor