

4

MUNICIPAL ACT REFORM

The Finance and Administration Committee recommends the adoption of the recommendations contained in the following report, September 29, 2004, from the Regional Solicitor:

1. RECOMMENDATIONS

It is recommended that:

1. Regional Council endorse the principles proposed by the Association of Municipalities of Ontario (Attachment 1) as a framework for amendments to the *Municipal Act, 2001*.
2. Staff report back during the next phase of the review on the details of proposed amendments to the legislation.

2. PURPOSE

The purpose of this report is to respond to the request from the Association of Municipalities of Ontario (“AMO”) for endorsement by Regional Council of principles which would form the basis of amendments to the *Municipal Act, 2001*.

3. BACKGROUND

The *Municipal Act, 2001* (the “Act”) came into force on January 1, 2003. In June 2004, the Minister of Municipal Affairs and Housing announced that the Province was undertaking a review of the Act with a view to introducing amendments in the spring of 2005.

The review has been divided into three phases. During the summer, the Ministry invited preliminary suggestions for amendments to the Act. Submissions on this phase are due by October 14, 2004. The second phase will involve further consultation with stakeholders to develop more specific recommendations and to begin drafting legislation. The third phase in early 2005 will lead to the introduction of legislation in the spring of 2005.

4. ANALYSIS AND OPTIONS

Following the Minister’s request for input, AMO established a steering committee comprised of representatives from municipal associations. These included the Association of Municipal Clerks and Treasurers of Ontario, the Ontario Municipal

Administrators' Association, the Municipal Finance Officers' Association, the Municipal Legal Departments' Association and the Ontario Good Roads Association. Each of these associations submitted recommendations in consultation with their individual members. Based on this input, AMO developed nine principles which are to be submitted to the Ministry as a framework within which specific amendments to the Act would be developed. These principles are set out in Attachment 1.

The principles proposed by AMO are characterized as moving municipalities and the Province towards a "mature relationship". The underlying concern is that the Act is still grounded in a traditional, restrictive approach to municipal powers. The first principle is derived from section 2 of the Act which states that:

"Municipalities are created by the Province of Ontario to be responsible and accountable governments with respect to matters within their jurisdiction."

The principles reinforce this theme and, if adopted, would promote far greater autonomy for municipalities than is currently the case. AMO is seeking endorsement of these principles from individual municipal councils.

The nine broad principles are supported by more detailed recommendations which are consistent with the theme of autonomy and flexibility. Specific recommendations adopted by AMO include the following:

- Expansion of the natural person power to enable municipalities to function more like business corporations
- Elimination of highly prescriptive requirements such as statutory notice provisions
- Broader powers permitting municipalities to incorporate and hold shares
- The addition of new spheres of jurisdiction for health and environment to enable municipalities to govern more effectively in these areas
- A review of the provisions governing closed meetings
- Permitting municipalities to enact codes of conduct and appoint an integrity commissioner

In addition to the general recommendations adopted by AMO, each association is developing more detailed proposals on matters within their individual expertise and areas of interest. These are to be submitted in final form by October 14.

The principles proposed by AMO reflect many of the concerns that have been identified in previous reports to Council. Accordingly, staff recommend that the principles be supported.

Staff will report to Council in greater detail during the next phase of the review when the Province proceeds with consolidation of recommendations and begins further consultation on the draft legislation.

5. FINANCIAL IMPLICATIONS

There are no financial implications associated with this report.

6. LOCAL MUNICIPAL IMPACT

AMO has requested that all municipal councils endorse the proposed principles.

7. CONCLUSION

The Province is currently in the first phase of a review of the *Municipal Act, 2001* with the intent of introducing amendments in the spring of 2005. As a result of initial consultation with municipal associations, AMO has developed nine guiding principles as a framework for proposed amendments and has requested municipal councils to endorse these principles. These principles are consistent with concerns which have previously been identified by Regional Council and accordingly staff recommend endorsement.

(The attachment referred to in this clause was included in the Agenda for the October 7, 2004 Committee meeting.)