



Staff Report

Report To: Mayor Cole and Members of South Huron Council

Meeting Date: April 18, 2017

From: Dan Best, Chief Administrative Officer

Report: CAO 17.16

Subject: Bill 68 Update

Recommendations:

That South Huron Council receives the report of Dan Best, Chief Administrative Officer regarding an update on Bill 68.

Purpose:

Council Information

Background and Information:

In fall 2016, the Provincial Government tabled Bill 68, *Modernizing Ontario's Municipal Legislation Act*, which will introduce a series of reforms to the *Municipal Act*, and *Municipal Conflict of Interest Act*

Some of the key highlights are as follows:

Codes of Conduct

- Codes of Conduct will now be mandatory for all municipalities. As demonstrated in a survey that we conducted in early 2016, most municipalities already have codes of conduct for both council and staff, but we believe that this is nevertheless a positive development

Closed, Open & Electronic Meetings

- There is going to be a clearer definition of a "Meeting," under the *Municipal Act's* open meeting provisions:
 - The new definition requires there to be (1) a quorum of council members; and (2) that those present discuss issues in a way that "materially advances" the business or decision-making of council, for it to be formally considered a "meeting" that should be open to the public
 - This is similar to the definition that was favoured by AMO and several other municipal stakeholders

- There will also be an expanded number of discretionary exemptions where councils can meet in closed session. The new exemptions will include:
 - When information is supplied in confidence by the federal government, provincial government's or a crown agency/corporation
 - Certain third party information supplied in confidence
 - Trade, financial or commercial information that belongs to the municipality and has potential monetary value
 - Information related to negotiations being conducted by or with the municipality
- Under the broader changes to open meetings, there will also be a new requirement for municipalities to report back on how they intend to address a closed-meeting investigation
- Councillors will also now be able to participate in meetings electronically, as long as there is an in-person quorum of councillors

Integrity Commissioners

- All municipalities will also now need to provide their citizens' access to an Integrity Commissioner (IC)—either by appointing their own, keeping one on retainer, or working with another municipality through a shared serviced arrangement. We know from the same survey data that while most municipalities have a code of conduct, not as many have Integrity Commissioners
- The role of the Integrity Commissioner will also be changed and expanded in a number of ways, including by:
 - Expanding their authority to also include the *Municipal Conflict of Interest Act* (MCIA)
 - Giving ICs the power to provide advice to councils and local boards about their codes of conduct and MCIA obligations
 - Giving ICs the power to refer investigations to the courts
 - Giving ICs the power to initiate investigations into potential MCIA violations or code of conduct breaches
 - Giving ICs broader responsibility for public education

MCIA

- The range of penalties for *Municipal Conflict of Interest Act* (MCIA) violations will be expanded (likely new penalties will include suspensions or fines), giving judges more latitude when dealing with these types of violations
- Municipalities will also be required to create a registry that tracks all registered conflicts of interest

Fiscal sustainability

- Notably the government will not be giving municipalities access to any new revenue tools. At the AMO conference in August the Premier indicated that the

government is still open to this conversation but is looking for the municipal sector to make a specific request

- The government's current prudent investor standards will be expanded to give municipalities more investment options
- The MA will also be changed to allow tax sales to start faster, and be easier to complete
- There will be a number of technical changes to property taxation, and we will share more specific information about this as it becomes available

Staff-Council Relations

- All municipalities will have to have a formal policy on staff-council relations, addressing the formal roles and responsibilities of public servants and members of council

AMPs

- Municipalities will be given the authority to use AMPs (administrative monetary penalties) for a broader range of offences, beyond simply parking

Parental Leave

- Councillors will be guaranteed a minimum period of parental leave
- This issue was the subject of a private members bill a few weeks ago

Regional Council Composition

- There are a number of changes to regional council composition, including:
 - A new requirement for regional governments to review their council composition following every second municipal election (starting after the 2018 election)
 - Removing the requirement for a minister's regulation when changing the composition of council
 - In situations where a regional government is unable to reach consensus on a new council composition, the Minister will retain responsibility for imposing a solution
- A lower tier council will also be able to temporarily appoint an alternate in situations where the permanent member cannot attend an upper-tier council meeting
- In the government's omnibus budget bill, which was also released this week, it was announced that regional chairs will also now be directly elected

Municipal Elections

- There are a number of changes to the MA that will have an impact on municipal elections, including:
 - The lame duck period will be shortened, and the start of a new council term will now be November 15th

- A change of the individual contribution limit from \$750 to \$1,200 (this will place it in-line with the provincial limit)
- Imposing new formula-based limits on self-finance campaigns, with a maximum limit of \$25,000

Climate Change

- The municipal act will now give municipalities explicit authority to deal with climate change. While several municipalities are already doing so, this change will clear up any confusion about their authority in this area

Community Hubs

- The Minister will also gain the express authority to impose regulations on community hubs. We are told that this provision will not likely be used in the immediate term, but is designed to give the ministry greater flexibility in the future.

Misc.

- Municipalities will now be required to meet prescribed conditions before establishing small business programs
- Municipalities will be given the ability to regulate all signs in their jurisdiction (this will remove any signs that have been grandfathered in)

The Association of Municipalities of Ontario (AMO) continues to promote changes to the Bill and appeared before the Standing Committee on Social Policy on April 11. This is the deadline for submissions. At a date not yet established, the Standing Committee will meet to table and vote on amendments. In addition, it should be noted that the federal government's proposal to end, effective 2019, the 1/3 tax exemption is very much on the radar of AMO. AMO is preparing a survey to go to municipal treasurers in the next few weeks to obtain data about council remuneration and the impact that ending this approach will have on remuneration and municipal budgets. AMO is working with several other provinces that are similarly impacted so that a coordinated federal approach occurs going forward. A copy of the AMO submission is included as an Appendix to this report

The Association of Municipal Managers, Clerks and Treasurers of Ontario (AMCTO) also presented a submission. The submission includes five recommendations as well as the Associations' concerns about the legislation's overemphasis on accountability and transparency and failure to address the fiscal sustainability of Ontario's municipalities. The specific recommendations are for the government to amend the legislation to:

1. Include principles for how integrity commissioners conduct their duties (and investigations) either in the legislation or in a separate regulation
2. Remove the provision from Bill 68 that would allow an integrity commissioner to launch an investigation on their "own initiative"
3. Remove closed meeting exception "K" from the list of added circumstances in section 239 where councils can move into closed session

4. Keep the current date for starting a new session of council as December 1st
5. Establish a lengthen transition period before Bill 68 is proclaimed

A copy of the AMCTO submission is attached as an Appendix to this report.

Legal Implications:

There are no legal implications as a result of the actions outlined in this report.

Staffing Implications:

There are no staffing implications as a result of the actions outlined in this report.

Financial Implications:

There are no financial implications as a result of the actions outlined in this report.

Consultations:

Ontario Ministry of Rural and Agricultural Affairs (OMAFRA)

Related Documents:

None

Link to the Strategic Objectives:

Section 6.2.1 of the Municipality of South Huron 2015- 2019 Strategic Plan identifies key priorities and strategic directions. The following elements are supported by the actions outlined in this report:

- ✓ Administrative Efficiency and Fiscal Responsibility
- ✓ Increased Communications and Municipal Leadership
- ✓ Transparent, Accountable, and Collaborative Governance

Attachments:

Appendix A – AMO Submission

Appendix B – AMCTO Submission

Respectfully submitted,



Dan Best MPA, BA

Chief Administrative Officer