

Toronto Membership in the Association of Municipalities of Ontario

Date: November 25, 2024

To: Executive Committee

From: City Manager

Wards: All

SUMMARY

This report addresses the intergovernmental and financial considerations of Toronto rejoining the Association of Municipalities of Ontario (AMO). This report recommends that the City join AMO to reinforce Toronto's role as a leader in the municipal sector, and support Toronto's interest in fiscal sustainability, knowledge sharing and municipal collaboration.

RECOMMENDATIONS

The City Manager recommends:

1. City Council direct the City Manager to facilitate Toronto's membership in the Association of Municipalities of Ontario (AMO) and negotiate and enter into any agreements required while retaining its direct government to government relationships and its ability to enter into direct intergovernmental agreements, subject to the adoption of the 2025 budget.
2. City Council request the Mayor to include fees for membership in the Association of Municipalities of Ontario in the 2025 Operating Budget submission, estimated at \$160,000 for 2025.

FINANCIAL IMPACT

AMO membership is an annual fee, based on a flat fee amount plus a per household charge. Should approval of Toronto's membership in principle be received, up to four City Councillors may represent the City at AMO. If membership is approved by Council, the membership cost of approximately \$160,000 will be included in the 2025 Operating Budget submission as appropriate.

The Chief Financial Officer and Treasurer has reviewed this report and agrees with the information as presented in the Financial Impact Section.

DECISION HISTORY

On June 18, 2019, City Council adopted EX6.6 - Effective Collaboration with Ontario Municipalities, which directed the City Manager to explore options for more formal participation in the Association of Municipalities of Ontario (AMO), and to seek opportunities for City of Toronto staff to collaborate with AMO on issues of mutual interest.

<https://secure.toronto.ca/council/agenda-item.do?item=2019.EX6.6>

On May 14, 2019, City Council adopted MM7.2 Effective Collaboration with Ontario Municipalities, which directed the City Manager to report back to the Executive Committee in June 2019 on the intergovernmental relationship benefits and the economic benefits of rejoining the Association of Municipalities of Ontario at this time, as well as possible costs and time frames involved in rejoining the Association.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.MM7.2>

At its meeting of September 28, 29, 30 and October 1, 2004, City Council directed that the City of Toronto suspend its participation and membership in the Association of Municipalities of Ontario, and continue to pursue a government to government relationship with the Provincial and Federal governments.

<https://www.toronto.ca/legdocs/2004/agendas/council/cc040928/pof7rpt/cl006.pdf>

COMMENTS

Association of Municipalities of Ontario (AMO)

AMO Membership

The AMO is a non-partisan, non-profit association representing most Ontario municipalities (currently 422 out of 444 total). Through policy development, cost-saving programs, conferences and training opportunities, AMO strives to provide municipal officials with tools to succeed, and programs to help maximize taxpayer dollars.

The governing body of AMO is the Board of Directors, elected every two years at the AMO's Annual Meeting. The Board of Directors comprises 43 elected and non-elected municipal representatives which meets five times per year. An Executive Committee of the Board, responsible for the business of the Association between Board of Director meetings, meets monthly. The [current AMO By-law](#) allows for Toronto to rejoin with up to four representatives on the Board of Directors.

AMO Memorandum of Understanding (MOU)

AMO has a [Memorandum of Understanding \(MOU\) with the Province of Ontario](#) that is similar in form and content to the City of Toronto's Toronto-Ontario Cooperation and Consultation Agreement (T-OCCA) required under the City of Toronto Act, 2006. First signed in 2001, and enshrined in the Municipal Act in 2004, the MOU commits the Province of Ontario to prior consultation with AMO on:

- proposed provincial changes to legislation and regulations that will have a significant financial impact on municipalities; and
- negotiation of agreements with the federal government on specific matters that have a direct municipal impact.

Schedule C of the MOU, "Protocol for Consultation with AMO in Canada-Ontario Negotiations on Matters that have a Direct Municipal Impact", specifically sets out the conditions and terms for AMO to represent Ontario municipal interests in negotiations with other orders of government, including on issues such as immigration, housing, and municipal infrastructure. In addition, Schedule C states that in the negotiations between Canada and Ontario, Ontario will endeavour to ensure that Canada's funding programs respect municipal priorities as identified by Ontario in consultation with AMO.

AMO's role under both the MOU and the Protocol is to consult with its membership, consolidate views, align municipal perspectives and present these perspectives as approved by the Board for discussions with Ontario and the Government of Canada, where applicable.

Should Toronto rejoin AMO, the City would continue to engage with the Provincial government under the T-OCCA framework where specific Toronto issues may need to be addressed (e.g. New Deal negotiations). This would be in addition to the AMO MOU process, where it may be beneficial to the City to take a more provincial-focused response.

Toronto's Historic Collaboration with AMO

The City of Toronto suspended its participation and membership in the Association of Municipalities of Ontario (AMO) in 2004 in favour of pursuing a direct government to government relationship with the Province of Ontario and its own "seat at the table" in working with the federal government. As noted below, the City has advanced this objective in the last 20 years and continues to seek out opportunities for bilateral engagement.

Toronto has worked diligently to establish its own enabling legislative framework with the Province of Ontario, pursued revenue sources commensurate to the City's responsibilities, and secured a seat at the table in government-to-government negotiations over the last 20 years. This is evident most recently with the Ontario-Toronto New Deal agreement reached in November 2023. The New Deal provides the City with financial support (\$1.2 billion in operating funding over three years and significant capital relief over ten years resulting from upload of the Gardiner Expressway and Don Valley Parkway) in exchange for meeting various core commitments related to housing, transit, shelters and other priorities.

City staff regularly collaborate with AMO staff on issues of mutual interest and jointly participate on intergovernmental tables. This includes tables established through agreements with other governments, working groups where a formalized common approach is desired, and in an ad-hoc manner to ensure the municipal sector is aligned when dealing with other governments. Through formal membership in AMO, it is anticipated that this collaboration will be strengthened.

Examples of current and past collaboration includes:

- **Canada Community Building Fund Oversight Committee.** City staff participate on a joint Canada, Ontario, AMO and Toronto table, established via the joint Canada, Ontario, AMO and Toronto Administrative Agreement to the Canada Community Building Fund.
- **Joint and Several Liability Working Group.** City staff participated in an AMO working group with other municipalities on the issue of joint and several liability. The group was convened by AMO following the Premier's January 2019 commitment to consult with municipalities on this issue and submitted recommendations to the Province.
- **Canada-Ontario Immigration Agreement.** Annex D to the Agreement (Partnership with Municipalities) outlines separate roles for AMO and Toronto, and Toronto has signed a separate Memorandum of understanding as part of this to support the Canada-Ontario Immigration Agreement. Toronto is an observer on AMO's Federal-Provincial-Municipal Immigration Committee.
- **Affordable Housing and Homelessness Task Force.** The Executive Director of the City's Housing Secretariat is a member of this AMO Task Force. This is an exception to AMO's usual rule that Task Force members must be either elected officials or staff from AMO member municipalities.
- **National Housing Strategy Trilateral Coordination Forum.** The Executive Director of the City's Housing Secretariat is the municipal co-chair (along with AMO).

Intergovernmental Considerations of AMO Membership

Toronto's Relationship with the Province of Ontario and Government of Canada

The fundamental principle underpinning Toronto's intergovernmental approach since 2004 has been to ensure that Toronto maintains direct government to government relationships with Ontario and Canada on key issues and has a seat at the table in government-to-government negotiations to ensure that the City represents its own priorities and interests.

While AMO is an effective advocate for its member municipalities, the City of Toronto should continue to retain its direct government to government relationships with the Province of Ontario and the Government of Canada to ensure that the City's intergovernmental priorities and requests are not mediated through AMO or subsumed

with other municipal perspectives. As a broad-based and member-driven organization, AMO could not be expected to fully articulate and represent all of Toronto's interests.

Toronto is a major economic hub and delivers programs and services that provide broad benefits to the region and the province as a whole, including housing and homelessness services, public health, social services, newcomer integration, transit and transportation, and anti-poverty initiatives. Toronto's size and scale make the City unique in Ontario; this has been recognized and reflected in the fact that the City has its own legislative framework in the City of Toronto Act, 2006 (COTA).

COTA is enabling legislation that provides the City with its fundamental source of authority, and distinguishes Toronto from all other Ontario municipalities which are governed by the Municipal Act, 2001. COTA is broad and permissive legislation that provides the City with authorities commensurate with its size, responsibilities, and status as an order of government.

COTA also enables the City to have direct bilateral agreements with the Government of Canada on matters within the City's jurisdiction. Specifically, subsection 1(4) of COTA states: *"The Province acknowledges that the City has the authority to enter into agreements with the Crown in right of Canada with respect to matters within the City's jurisdiction"*. COTA also provides for a Toronto-Ontario Cooperation and Consultation Agreement (T-OCCA). Like the AMO MOU, T-OCCA, which was first signed in 2008 and subsequently renewed in 2011, 2016, 2019 and 2024, provides a formal process for ongoing City-Provincial consultation on matters of mutual interest.

As part of the City's ongoing evaluation of the effectiveness of membership in intergovernmental advocacy groups such as AMO, City staff would assess the benefits of membership on a regular basis to ensure the City's interests are represented.

Membership Implications

AMO Membership Fees

AMO membership is an annual fee, based on a flat fee amount plus a per household charge. The flat fee and per household charges are tiered into five different categories according to the number of households within a municipality; the greater the number of households, the higher the flat fee and the lower the per household charge. If the City of Toronto were to join, it would be billed as a "Category 5" municipality (over 20,000 households) and charged an estimated flat fee of \$12,647 plus \$0.1116 per household above 20,000, for a total charge of approximately \$160,000 (adjusted for inflation) for 2025. Toronto would be by far the largest municipality in this category, with over fifty times the number of households compared to other municipalities in the same category that are billed the same per household charge.

Program Administration and Fees

AMO also charges to recover the costs of administering programs on behalf of other governments for Ontario's municipalities. AMO administers the federal Canada Community Building Fund (CCBF) on behalf of Ontario municipalities excluding Toronto

and charges an administration fee of up to 0.5% of total funds allocated to facilitate this. Toronto is a signatory to the CCBF agreement, along with AMO and Ontario. This allows the City to receive and administer its CCBF allocations directly. AMO has confirmed that the City would continue to receive its share of annual funding directly from the Government of Canada and would remain directly accountable to the federal government for its administration of the agreement (see Appendix 1).

Board Appointments

Toronto's membership in AMO would have no impact on the City's appointment responsibilities for the Ontario Municipal Employees Retirement System (OMERS) governing boards, or its arrangements for City appointments to the board of the Municipal Property Assessment Corporation (MPAC) (see Appendix 1).

Membership Process

To become an AMO member, Toronto is required to declare their membership intentions to AMO, which will generate a membership invoice from AMO. Once the membership dues are paid, Toronto will be an AMO member for the 2025 calendar year.

As noted previously, the current AMO By-law allows for Toronto to rejoin with up to four representatives on the Board of Directors. AMO's by law No. 2 states that " c) *Any increase or decrease in the number of Caucus Directors shall be approved by special resolution of the Members, except AMO's Board of Directors is authorized to determine the structure of the City of Toronto's participation and representation on the Board and that its representation will be no more than four (4) Director positions.*"

The AMO board is currently comprised 43 Directors, which includes elected officers, ex officio members, and elected representatives that make up 6 caucuses:

- County Caucus (4 elected, plus Eastern Ontario Wardens Caucus Chair and Western Ontario Wardens Caucus Chairs)
- Large Urban Caucus (6 elected + Ontario Big City Mayors Chair)
- Regional & Single Tier Caucus (6 elected + Mayors and Regional Chairs of Ontario Chair)
- Rural Caucus (5 elected + Rural Ontario Municipal Association Chair)
- Small Urban Caucus (5 elected + Ontario Small Urban Municipalities Chair)
- Northern Caucus (4 elected + Presidents of Northwestern Ontario Municipal Association and Federation of Northern Ontario Municipalities)

Each caucus elects a Chair, which is part of the AMO Executive Committee and the AMO-MOU Table with the province of Ontario. Following discussion with Toronto, the AMO Board would approve amendments to the caucus structure to incorporate Toronto members.

The AMO Board would determine which caucuses Toronto's AMO Board Members would participate in, or whether there would be a Toronto caucus in addition to the six existing caucuses.

Conclusion

Toronto has established itself as a unique and critical municipality to both Ontario and Canada. Membership in AMO will help to reinforce Toronto's role as a leader and collaborator in the municipal sector while ensuring other levels of government continue to recognize the unique challenges and opportunities of the City. Membership in AMO will also support Toronto's interest in fiscal sustainability, knowledge sharing and municipal collaboration.

CONTACT

Jean Abou-Saab, Deputy Chief of Staff, Intergovernmental & Agency Relations,
City Manager's Office, 437-553-7633 / Jean.abousaab@toronto.ca

SIGNATURE

Paul Johnson
City Manager

Appendix 1: Letter from AMO President to Mayor Chow