

HARDER THAN EVER

Ontario's CAOs Share the Struggles and Strategies of a Challenging Role

By Stacy Hushion

Every year since 2016, StrategyCorp has surveyed chief administrative officers (CAOs) and city managers across Ontario to glean the insights of senior administrators on the real-time state of our communities, and to share their strategies for balancing shifting priorities while continuing to provide the services and infrastructure residents rely on.

In 2024, we heard similar themes as in previous years, but the tone from CAOs was different. The challenges are bigger and more urgent.

The tools are out of reach. Resources are stretched to the max, be they financial or human.

The job of a CAO has perhaps never been easy, but today, it seems harder than ever. And yet, as Ontario municipalities contend with constrained authorities, tools and funding, they have demonstrated remarkable resilience over the years, ready and able to tackle one crisis after



Stacy Hushion
Vice-President,
StrategyCorp's Municipal
Services Practice

another. Here's what we heard about some of the challenges facing municipal leaders and what they're doing to respond to community needs and make a difference.

Human Resources is the No. 1 Issue Keeping CAOs Up at Night

Senior administrators are worried about their people – from being able to recruit new talent and fill vacancies to keeping

the people they have happy and healthy, not to mention finding time for strategic HR projects like succession planning.

While municipal HR concerns aren't new, CAOs are finding that current staffing challenges are having a big impact, including on the ability to deliver core services and advance major capital projects critical for growth management.

"I see friends and colleagues quitting municipal politics on a weekly basis."

In an increasingly competitive job market, municipalities find themselves losing employees to their neighbours through intermunicipal poaching as well as to the private and broader public sectors. Employee expectations are also changing. The traditional advantages of local government jobs, such as a defined benefit pension and job security, may not be as attractive to today's job candidates who seek flexibility, growth opportunities, access to affordable housing and more money in their pockets.

Municipalities are rising to the challenge, experimenting with flexible work arrangements, four-day work weeks, secondment programs and other incentives to differentiate themselves as employers of choice. And while CAOs are also focused on fostering an inclusive and dynamic workplace culture, the fishbowl environment of local government can make that difficult. As the level of government closest to the people, municipal employees are more accessible and subject to greater scrutiny from members of council and the public, who do not always behave respectfully. These are singular hurdles that CAOs must navigate to create safe and attractive work environments.

"People who are interested in working in the public sector are more inclined to go to ... hospitals, universities, or colleges, where they don't get as much public backlash."

Municipal Finance Poses Greater Challenges Than Ever

As in past surveys, municipal financial sustainability is top of mind. With limited financial levers and growing pressures, the budget process is getting more difficult as CAOs struggle to walk the tightrope between making investments to ensure sustainability of municipal services and maintaining affordability for residents.

"Money is air. I'm concerned with our ability to [fund what we need] without making it completely unachievable for people to live in the municipality."

For many, infrastructure is the biggest funding gap. Along with the pressure to build housing-enabling water and wastewater infrastructure, many municipalities are worried about being able to proactively repair and rehabilitate aging infrastructure before it becomes an emergency. Even as municipalities increase property taxes, allocate funds to reserves and adopt tools like a dedicated capital levy, it's just not enough.

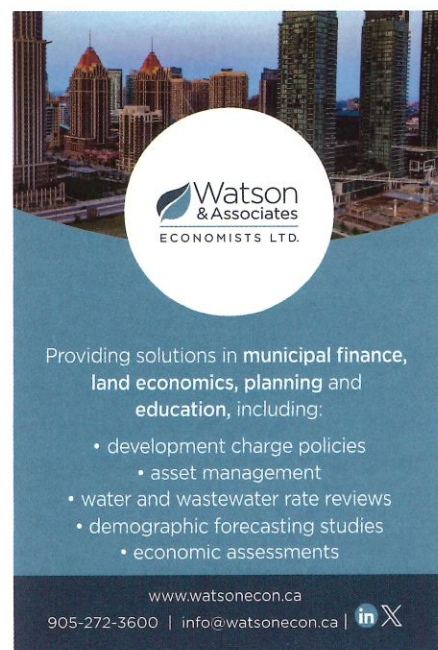
According to CAOs, and in line with the advocacy of the Federation of Canadian Municipalities (FCM) and Association of Municipalities of Ontario (AMO), a new and more sustainable funding model for municipalities is needed to better meet their needs and those of the communities they serve. This is further bolstered by the growing responsibilities of municipalities as they step up to address urgent gaps in community health and

social services in the absence of sufficient provincial and federal funding.

To be sure, there are some hopeful signs. As part of their 2024 budgets, many councils adopted – often for the first time – above-inflation property tax increases. But with many municipalities now knee-deep in next year's budget process, will that resolve hold, especially with the 2026 election looming?

Strong Opinions on Strong Mayors



We also checked in on the impact of strong-mayor powers, a year after the government of Ontario expanded the legislation to an additional 21 municipalities. Reactions and results remain mixed. Some CAOs oppose the powers on philosophical grounds, arguing that they undermine collective decision-making and local democracy. Others have selectively embraced them, finding that the enhanced authority can simplify the political interface and make it easier to get things done.



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"I haven't seen leaps-and-bounds in terms of achieving their housing targets."

But have the powers led to more housing? The legislation was ostensibly introduced to advance the province's goal to build 1.5 million homes by 2031, but CAOs doubt whether any real progress has been made on that front.

While the feared worst-case scenarios have so far failed to materialize when it comes to strong-mayor powers, serious concerns persist about their long-term implications. Municipal leaders continue to worry about the risk to the neutrality of the professional public service, which has been a hallmark of local government for nearly two centuries. They also point out the inherent threat in a governance model that concentrates authority in the hands of one individual.

"You are always one bad election from strong mayor powers becoming catastrophic."

Council/staff Relations Continue to be a Work in Progress

With or without a strong mayor, a constructive relationship between council and staff is key to the successful delivery of local services and in making responsible, citizen-centric decisions. This year, many CAOs referred to relationships with their councils as "mutually respectful," "supportive" or, at least, "reasonable." The words "fortunate" and "lucky" were also used, a nod perhaps to how quickly the council-staff dynamic can change.

"I don't take it for granted that I have really good council members who support me."



We also heard about relationship struggles, including instances of inappropriate comments by council to staff, internal divisions on council that put staff in the crossfire and swells of anti-administration attitudes. These challenges are often rooted in a misunderstanding of the distinct roles and responsibilities of council and staff, and many CAOs stressed the importance of council training and education, both at the outset and throughout the term.

"Some of these elected officials like to play 'gotcha' — there is less conversation between administration and elected officials and trust is declining."

There has also been a push for the Ontario government to implement stronger accountability measures for local councils. But elected officials can take action today to raise the bar in how they conduct their business and set the tone for the local political environment. Given the growing polarization and toxicity of civic dialogue, the role of council in leading by example, along with the public service leadership, is more critical than ever.

Social Tensions Are On the Rise Inside and Outside of Town Halls Across Ontario

While in our past reports CAOs raised the alarm on critical humanitarian challenges, including homelessness, income and food insecurity, and mental health and substance use, this year's comments warned of a new level of crisis and visibility.

Local governments have been looking at creative models of care and trying to advance their community safety and well-being plans where they can, but they are running out of steam and resources. CAOs once again raised the call for a long-term, reliable intergovernmental funding strategy to provide wrap-around supports and housing for at-risk and vulnerable residents.

"Ask me about a pothole and I can answer you. But ask me when we're going to house a homeless person, and I don't have the answer."

At the same time, residents are pushing back more vocally against the visible consequences of these social crises, such as tent encampments in local parks and homelessness in downtowns, leading to a pressure-cooker environment in many communities.