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A STUDY OF CAO EDUCATION AND CAREER TRAJECTORIES IN ONTARIO

**Key Findings, Opportunities
and the Importance of
Mentorship**

LEADERSHIP'S NORTH STAR
Ethics and Integrity in Action

THE YEAR NO ONE EXPECTED
CAOs Faced Unprecedented
Challenges in 2025

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5090 Explorer Drive, Suite 510
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Phone: 905-602-4294
www.amcto.com

Executive Director
David Arbuckle, MPA

Published by

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media company

63 Albert Street, Suite 601
Winnipeg, MB R3B 1G4
Phone: 888-705-8870
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The Power of Connection, Network and Collaboration

Over the past several months, I've had the privilege of travelling to various AMCTO Zone meetings and to represent AMCTO as a delegate at conferences across Ontario and in Manitoba. I have had the opportunity to meet with many of you as members and you have graciously hosted my attendance. Each visit has offered me a unique glimpse into the incredible diversity of our province and country, from the northern municipalities where innovation often grows out of necessity, to fast-growing urban centres navigating rapid change, to small towns rooted in deep community connection and pride.

In early September, I visited Winnipeg for the Manitoba Municipal

Administrators Conference. This gave me an opportunity to visit a city I have never been to before and learn about issues our neighbours face. I met and got to know some wonderful new friends who shared their insights into their association's membership and their own experiences in their communities. Later that month, I was in Niagara for the Municipal Finance Officers' Association's conference. This was a great conference with many familiar faces but also new ones.

What has stood out while attending these meetings and conferences is the dedication and passion of municipal leaders. Whether in administration, finance, customer service, planning or clerk's services, every conversation has underscored the vital role that



local government professionals play in shaping the daily lives of residents, and the work that keeps you all going with the commitment to service you each bring to your daily lives in local government.

I often reflect on the impact AMCTO has made on me through relationships, opportunities and training. The power of collaboration and network has left the biggest impact. Through our network, I have been included in presenting at conferences and Zone meetings, where I have developed friendships that have become lifelong, and have been pulled into experiences allowing me to learn and to teach. You may also have these same reflections about your own experiences as a member, or you may be a new member who is trying to carve out your path forward. Either way I hope that you can take advantage of any opportunity to speak, volunteer, teach, learn and mentor through our Association.

One of the takeaways from my recent travels is the ability to hear directly from our membership about priorities, successes and obstacles. Having real conversations about burn-out or morale, sharing the innovative approaches that some of you are adopting in your workflows or how it's a struggle to face things day after day, makes me feel seen. I certainly hope it makes you feel the same. True courage is born from connection to one another, strengthened by our networks and amplified through collaboration.

Speaking up and sharing where you truly are when you connect with someone helps us more than we realize in the moment. It builds a deeper bond almost immediately. It can relieve stress simply by expressing a thought, but it can also help to relieve someone else's stress when they realize they aren't alone.

As we head into an election year, we know that unique pressures can hit all municipal staff, so it's important that we remember the "why" of what we do. Public service is changing. There is more demand, more criticism and more public pressure. Municipal employees are facing emotional fatigue, fewer resources and burnout, while harassment has become more common than ever.

We often feel caught in the middle between council directions, public expectations and limited resources. So it's easy to lose sight of the "why" of what we do, and appreciation can feel scarce. Remember that the passion that has led you to public service and kept you here, although challenging, is also profoundly impactful. Municipal staff build and maintain the spaces where life happens every day: the roads that we drive, the water we drink, the parks our children play in and the programs that connect us as a community. The "why" of what we do is essential; it helps turn fatigue into fulfillment.

As AMCTO leans into the work behind establishing a new Strategic Plan, I hope to hear from more members. I invite you to contact me at any time to share your own experiences or just to have a chat. I am excited for what the next few months bring and look forward to seeing more of you at upcoming forums, training or Zone meetings! 🍷

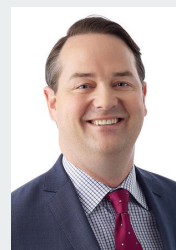


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The 2027–2030 Strategic Plan/Rebranding Discovery



David Arbuckle, MPA
Executive Director,
AMCTO

It seems like just yesterday that AMCTO was beginning the process to create the 2022–2026 Strategic Plan. Well, time flies when you are providing programs and services to the best membership in the known universe!

Flash forward to this fall, where the Association is again on the cusp of strategic plan renewal, and this time, it comes with a twist!

Strategic planning is more than a roadmap – it's an opportunity to collectively define our priorities, strengthen our community and ensure that AMCTO continues to deliver the value,

advocacy and leadership our members expect and deserve. As we continue to shape the future of our organization and the municipal sector, your feedback plays a vital role in guiding where we go next.

Every member brings a unique perspective shaped by your professional experiences, community size and local realities. Whether you work in a small township or a large city, your insights help us understand the evolving challenges and opportunities facing municipal professionals today. When you share your thoughts, you ensure that our strategy reflects the





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Your input directly influences how AMCTO focuses its efforts in the years ahead: the programs we deliver, the advocacy we pursue and the partnerships we build. It also helps us identify where we can better support you through professional development, leadership resources and networking opportunities that truly meet your needs.

As for the “twist,” AMCTO is incorporating the discovery phase of an Association rebranding initiative.

AMCTO’s brand and associated brand assets, like our logo, tagline and even our Association name, have transformed over time, due to factors such as changing market perception, expansion into new markets, the need for modernization, etc.

It is important for any organization to periodically look at itself to ensure that its brand is properly aligned to its members as well as to the sector it serves. That is why AMCTO will be conducting a rebranding discovery phase in conjunction with the strategic planning work. The rebranding discovery work will assist the Board of Directors in making future decisions related to AMCTO’s overall brand and associated assets.

In the fall of 2025 and winter of 2026, AMCTO will be asking you for your feedback on both the new Strategic Plan and the rebranding discovery. By taking a few minutes to provide your feedback, you help shape an organization that represents and empowers you. The strength of AMCTO has always come from its members – your knowledge, your passion and your commitment to good local governance.

As we plan for the future, your voice will ensure that AMCTO remains responsive, forward-thinking and rooted in the needs of Ontario’s municipal professionals. ■■■



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A STUDY OF CAO EDUCATION AND CAREER TRAJECTORIES IN ONTARIO

Key Findings, Opportunities and the Importance of Mentorship

By Thomas Thayer, MPA, CMO, AOMC

I started my master's degree in public administration (MPA) at Western University during a time when significant legislative changes were occurring in Ontario and impacting municipalities. Legislation affected development and development finance, along with ongoing asset management pressures, which continuously weigh on politicians and staff as we try to

navigate capital financing, lifecycle asset replacement and reasonable budget increases.

Arguably the most impactful change was strong mayor powers. Strong mayor powers can put chief administrative officers (CAOs) and mayors in conflict and, given the high-level definition of the CAO in legislation, potentially imperils the role's necessity. As a CAO,

I've become aware of these aspects of the role, so for my major MPA paper, I wanted to focus on a topic that had practical applications to my profession.

My idea was to survey Ontario municipal CAOs to study their education and career trajectories across the province. I wanted to better understand not only the challenges facing the profession, but more so about the individuals

What Factors Benefited Your Career?

Primary Themes	% of CAOs identifying this as a primary theme (n = 122)	Example Statements
Mentorship/ opportunities	46.7%	Excellent mentors/managers/CAOs who saw talent and attributes in me and provided me with training opportunities to advance my skillset.
Skills	23.8%	Strong work ethic, solid knowledge and research skills, good leadership skills.
Education and experience	16.4%	Education beyond degree and experience across multiple departments.
Experience	9.8%	A variety of experience in leadership roles, in multiple municipal departments; private sector experience/background.
Other	3.3%	

The themes were taken directly from the statements of the 122 respondents.

who comprise it: what skills do they boast; what education do they have; what professional background did they come from; what has most benefited their career path? With changes such as strong mayor powers, these are important questions because the profession isn't impacted alone – it's the people, and I wanted to understand more about those who were navigating the same sector challenges together.

I found out that the Ontario Municipal Administrators Association (OMAA) was also interested in a survey of their membership, and with input from the Western Local Government Program and a review of recent survey-based literature, I had a very strong methodology from which I could survey the current education, career and demographic profiles of Ontario municipal CAOs and equivalent senior administrators.

My 27-question survey was adapted broadly from an American study and covered topics of educational traits, career trajectory, demographic indicators, municipal traits and questions of political alignment and social responsibility. The Canadian Municipal Barometer will also use the survey as a tester for further administrator-focused research.

This article focuses on select findings that AMCTO and its membership can use to support up-and-coming

municipal professionals who aspire to the CAO role.

CAO as the Career Capstone

The average age of respondent CAOs was 52, so there is no appreciable change in the average age of the profession relative to the literature. An interesting finding is approximately 80 per cent of CAOs are in their first or second CAO role, with the majority being in their first (60 per cent). When you consider this alongside age data, it becomes clear that Ontario municipal professionals use the CAO position as their career capstone, potentially seeking to boost their pensions into retirement, instead of progressing to the CAO position earlier in their career. This is in stark contrast to much of the recent American data, where “career CAOs” are more common and often cover four to six or more municipalities as CAO during their careers. This is rare in Ontario. There is a geographical component to this. American urban centres tend to be more fragmented, with more, smaller municipalities nearby than in Ontario. It is easier for an American CAO to move around a geographical area than in Ontario and leads to more CAOs having served more municipalities. It is more important in Ontario for a CAO to have job security as movement is less possible without fully uprooting one's life.

Unfortunately, the average tenure for a current CAO continues to be comparatively brief. Prevailing literature in Canada suggests the CAO may only last for three to five years in one role. This study found the average is 4.46 years, which is consistent and generally aligns with the Ontario municipal election cycle. The median, however, is only three years. This means that most CAO positions will turn over within a council term and only a small percentage of current CAOs are long tenured. The impacts to one's career can be considerable. Stability in the role is limited, which necessitates CAOs negotiating significant termination packages if, for instance, a council experiences widespread change and the new council wants a different person to serve as CAO. There should also be consideration for the council and the municipality. The CAO is ultimately the function responsible for operations and corporate knowledge. Turnover in this role can lead to loss of institutional knowledge and efficiency in service delivery.

Knowledge Loss

Sixty-five per cent of respondent CAOs stated they are within 10 years of retirement. Thirty-nine per cent, or approximately two in five CAOs, are within five years of retirement. The sector should be planning for upcoming and ongoing

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turnover now to ensure that widespread knowledge loss is not a reality for a sector already dealing with legislative changes. Internal change at the municipal level only magnifies challenges councils face, particularly if finding a CAO replacement proves difficult.

The Benefits of Mentorship

This leads me to a crucial study finding that AMCTO and other professional organizations should leverage – mentorship is the key to unlocking opportunities. I specifically asked CAOs what has benefited them the most in their careers. The number one response was mentorship/opportunities, followed by skills, and followed further by education and experience.

A municipal professional may have the education and experience. They may have developed skills over many years and in progressively responsible roles, but unless they are given an opportunity to step up and use those skills, there's a risk of stagnation and plateauing. There's a risk that an aspiring CAO chooses to forgo a career path that may be starving for high-potential talent in the coming years.

Organizations like AMCTO, OMAA and Western's Local Government Program have mentorship programs for their membership. These will only pay dividends moving forward but thought should be given to how these can be streamlined or focused on developing and mentoring CAOs. AMCTO has recently developed career development packages, but are there cross-organizational collaboration opportunities for this as well? Based on this study's results, CAOs are equally as likely to come out of planning as they are from clerk and finance departments.

Navigating the Municipal Environment

More crucially, how do we as a sector develop CAO skills like leadership and political acuity? The literature is clear on this. Leadership traits and political acuity are paramount to a CAO's success. Results from this survey strongly suggest that CAOs believe generalist municipal knowledge and leadership traits are integral to successfully transitioning into the role. Having these skills and being able to understand and navigate politically charged dynamics in a changeable municipal environment may provide CAOs with the tools needed to establish themselves as long-tenured with sought-after career stability. These, however, are non-technical skills and not easily learned in an educational setting. A technically strong CAO with absent leadership and political skills may very well struggle, whereas a CAO who can interpret and navigate this environment may succeed despite not being well-versed in a technical field. How can we bolster these skills sector-wide?

Gender (In)Equality

The North American literature has been clear that the CAO profession is generally composed of middle-aged white men. However, a study by Kate Graham and Jesse Helmer in 2023 focused on Alberta CAOs and resulted in a narrower gender divide. For this study, more women responded than men (68

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Opportunities exist in the CAO profession, and mentorship is the way to not only get to the table but move to the head of it and succeed.

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versus 61, with two preferring not to identify). This is interesting. This dataset may be suggestive of a gender-related shift to, or at least towards, equality, but we cannot tell from one study alone. More studies are required to determine if this is an outlier or a part of a trend for the CAO profession.

Final Thoughts

If you are to take away one key piece of information, it should be that, despite its challenges, opportunities exist in the CAO profession, and mentorship is the way to not only get to the table but move to the head of it and succeed.

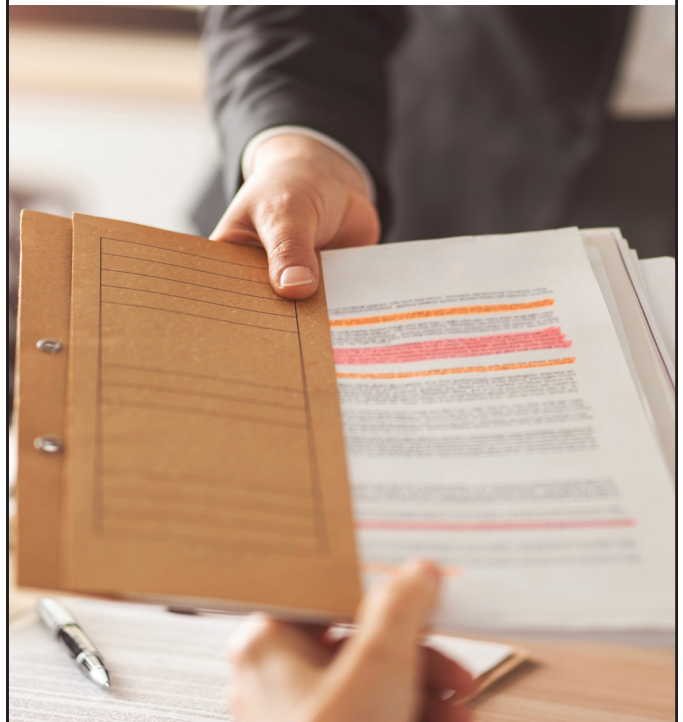
I encourage you to take part in AMCTO's mentorship program and other formal offerings, and to reach out informally to those in your professional network for opportunities to learn and grow in ways you may not have previously considered. My entire paper, "To Know Where You're Going, You Must Know Where You Are: A Study of CAO Education and Career Trajectories in Ontario, Canada," is available on Western's MPA paper repository. I encourage you to read it or to reach out to me for a copy if you're interested in seeing the fulsome package.

As Ontario CAOs retire, opportunities for aspiring municipal professionals will become more commonplace. The data are clear on this. Understanding what is coming in the next five or 10 years will allow you to seek out growth opportunities more readily and position yourself for success. For a professional organization, understanding ongoing and impending impacts to the CAO profession will allow for a strategic focus on areas of talent attraction, development and professional collaboration, to ensure that the next generation of CAOs is well-situated to lead an evolving sector from an undeniable position of strength.

Thomas Thayer is the CAO of the Municipality of Bayham. He has participated in the AMCTO Mentorship Program and volunteers as part of the Association's Policy and Government Relations Committee. He serves as the chair of AMCTO's Municipal Act Working Group. ■■

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LEADERSHIP'S NORTH STAR

Ethics and Integrity in Action

By Ingrid Bergmann

In the public service, we talk often about political acumen – the ability to read the room, navigate relationships with elected officials, balance competing demands and move initiatives forward in complex environments. Too often, though, political acumen is reduced to tactics: whom to talk to, when to bring an issue forward, how to frame a message so it resonates. What sometimes gets overlooked is the foundation beneath those skills. Without ethics and integrity, political acumen is hollow.

At Inside Public Sector Leadership (IPSL), we define ethics as the

principles that guide our decisions – the north star that keeps us oriented toward the public interest. Integrity is the practice of living those principles consistently, even when it is inconvenient, uncomfortable or costly. Together, they form the backbone of trust. And without trust, no amount of tactical skill can create true political acumen.

The municipal environment tests these values constantly. Pressures



Ingrid Bergmann
Co-Founder,
Inside Public Sector
Leadership

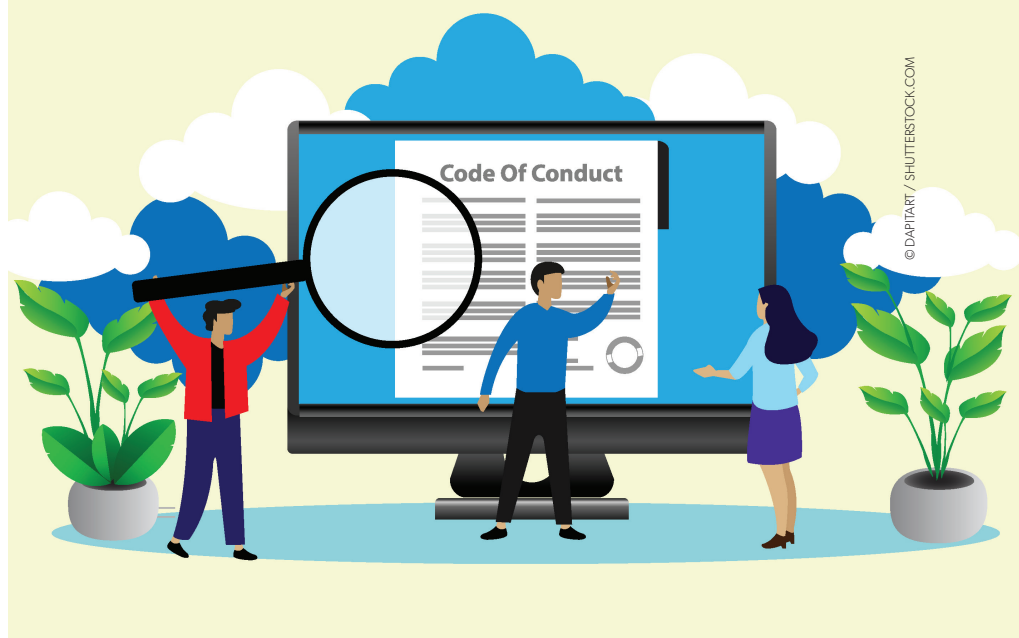
mount: a councillor pushes for a decision before the data are clear; community groups demand immediate action; budgets tighten and trade-offs become unavoidable. It is in these moments, precisely when stress is highest, that ethics and integrity are most at risk. And yet it is also in these moments that they matter most.

In my IPSL blog, *Defining What Ethics and Integrity Mean to You in a Changing Public Sector*, I outlined

some of the traps that can pull leaders off course. One is rationalization – the quiet voice that says, “This is just how things are done.” Another is isolation – the belief that you alone must carry the burden of the dilemma. A third is privileging expedience over principle – moving quickly because the pressure is intense, even when you know the foundation isn’t sound. Every chief administrative officer (CAO) has faced some version of these traps.

A fourth, just as insidious, is fatigue. When exhaustion sets in, it becomes easier to default to the path of least resistance. Decisions are rushed, corners are cut and the tone you set as a leader risks becoming reactive rather than grounded. The best way to avoid this trap is to keep yourself strong: to refuel, to step away from the heat when you can and to cultivate resilience. Otherwise, your reserves fray and the clarity you normally embody gives way to impatience or resignation. Maintaining your own health is not indulgence – it is a leadership discipline.

The antidote to these traps is both personal and collective. Personally, it means defining for yourself what ethics and integrity look like in your role. Where are your boundaries? What are your non-negotiables? Collectively, it means building what I call an ethical support network. No CAO should wrestle with ethical dilemmas in isolation. Trusted peers, mentors and even constructive contrarians help us test our thinking, broaden our perspective and hold us accountable. Integrity, in this sense, is not solitary heroism – it is interdependence.



This is not abstract. In practice, ethics and integrity show up in the daily fabric of municipal leadership:

- **In advice to council:** Integrity means telling the truth about risks and trade-offs, even when you know the advice may be unpopular.
- **In staff leadership:** It means modelling fairness, consistency and respect so that your team knows they can trust not only what you say, but how you act.
- **In community interactions:** It means being transparent about what the municipality can and cannot do, resisting the temptation to over-promise and ensuring that every resident feels their concerns are heard.
- **In decision-making under pressure:** It means slowing down long enough to ask, “What principles must guide this choice?” – even when the easier path is to rush ahead.

Gary Kent, CAO, Region of Peel, and IPSL program mentor, captures it well: “Your advice must not only be strategic, it must be trusted. And civility and integrity are what make that trust possible.” Political acumen without that trust is little more than maneuvering. Political acumen with ethics and integrity becomes leadership.

Bev Hendry, former CAO and IPSL program mentor, echoes the same truth from experience: “The respect you show, especially when times are tough, is the respect your organization learns to live by.” For her, integrity was not about grand gestures but about consistency. The small signals of fairness, the willingness to listen, the steadiness in difficult conversations – these built a culture where staff and council could engage without fear.

Meeta Gandhi, general manager, corporate services, for the Town of East Gwillimbury, and IPSL program mentor, adds: “Ethics is what makes trust possible. When leaders consistently align their decisions with ethical principles, they build a culture where staff feel accountable, councillors feel informed and residents feel respected.” Integrity, then, is living those principles every single day.

Just as importantly, integrity is about role modelling – demonstrating what principled leadership looks like under pressure and passing forward

Did You Know?

The AMCTO Code of Ethics and Values outlines key tenets for ethical conduct and behaviour for municipal managers and leaders.

In 2024, the Board approved a revised AMCTO Code of Ethics and Values, which includes guiding statements for all 12 ethical tenets. Learn more and read the full Code on AMCTO’s website.



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the lessons that were hard won in difficult moments. These lessons shape not only today's decisions but tomorrow's culture, setting patterns that future leaders will carry forward. At the same time, integrity creates the conditions for psychological safety. At its core, psychological safety means people can speak openly, raise concerns and share ideas without fear of embarrassment or retaliation. When leaders model fairness, consistency and respect, they invite others to do the same and the organization grows stronger as a result.

“

The respect you show, especially when times are tough, is the respect your organization learns to live by.

”

This is why ethics and integrity must be understood as a core competency of political acumen. It is not an add-on; it is what makes the skill of navigating politics legitimate. It is the reason that when CAOs speak, councils listen. It is why staff follow, even through turbulence. It is what sustains public trust.

Tools like AMCTO's Code of Ethics and Values provide tangible ways to

anchor these values in practice: setting expectations, creating protocols and guiding leaders through moments of tension. But leaders also need time and space to reflect, to strengthen their ethical muscles and to learn from those who have walked before them.

The IPSL programs are designed to create spaces where municipal leaders can explore political acumen and what ethics and integrity mean in their own roles while learning from the lived experience of mentors and people like Kent, Hendry and Gandhi.

Being a CAO is one of the most challenging roles in the public sector. The pressures are relentless and the decisions are rarely simple. But it is also one of the most important roles for shaping our communities' health. By grounding political acumen in ethics and integrity, and by staying strong

enough to embody those values consistently, CAOs can lead not just effectively, but honourably, sustaining the trust on which local government depends.

As I note in my blog, ethical leadership is a continuous learning process, requiring self-reflection and adaptability. One of the best ways to grow is to learn from others. Seek out mentors and colleagues who model ethical leadership and ask them how they navigate difficult situations.

If you want to strengthen not only your tactical skills but also the resilience, ethics and integrity that sustain them, the IPSL full course (available via the AMCTO Leadership Hub) can help you build those capacities in community with others who understand the demands of municipal leadership.

Ingrid Bergmann is the executive coach and co-founder of Inside Public Sector Leadership (IPSL), an online educational resource for experienced and emerging leaders to learn from conversations between current and former public sector leaders, academics and media experts about how to navigate the unwritten rules of Canadian public sector leadership. Learn more at <https://publicsectorleadership.ca/>. ■■



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THE YEAR NO ONE EXPECTED

CAOs Faced Unprecedented Challenges in 2025

By Linda Slobodian

Economic uncertainty and shifting political dynamics impacting municipalities led to 2025 being “the year no one expected,” as StrategyCorp’s annual survey of Ontario municipal chief administrative officers describes it.

The survey, “A Candid Look at the Issues on the Minds of Ontario’s CAOs,” highlights unprecedented challenges in 2025, arising from influences

“beyond traditional boundaries that nobody anticipated,” says Stacy Hushion, vice-president of StrategyCorp and survey project manager. “The role of a CAO is increasingly difficult in 2025. Now there are geopolitical tensions which have the potential to rock the stability of local communities and local economies.”

The survey illustrates a sector adjusting to “volatility” as existing

internal pressures, exacerbated by external challenges, created a “moment of sharp political, economic, and organizational recalibration.”

U.S. President Donald Trump’s return to the White House “triggered uncertainty” on security issues and “American leadership on free trade was suddenly replaced with the threat of global recession induced by ‘made-in-Washington’ tariffs,” the survey reports.

This means CAOs must maneuver a complex political landscape in addition to interacting with the Ontario provincial government.

Historically, any government outside of Ontario was seldom mentioned in StrategyCorp's annual surveys, a pulse check since 2016 on issues shaping provincial communities.

"Frankly, this year wasn't the case. That's a big shift from 2024. Never in our previous surveys have foreign political events so influenced what we heard and what local governments are experiencing," says Hushion.

"That's not to say the familiar evergreen challenges around managing growth, funding critical infrastructure projects, delivering on housing goals, managing affordability for residents, navigating complex social challenges like homelessness and substance use and mental health aren't important. Those remain front and centre."

StrategyCorp's 2024 survey reported these issues had CAOs "stretched to the max." Combined with new challenges, they now foster a "growing anxiety about the future."

The new survey states: "In 2025, municipal leaders are sounding the alarm louder than ever. Growing capital pressures, rising operating costs, and the ongoing downloading of responsibilities traditionally held by the province – including homelessness, mental health and addictions, and public safety – are putting municipal service delivery and fiscal stability at risk."

CAOs received 14 questions, some of them repeats from previous years to compare results. New questions underscored the prominence of recent issues like the impact of the Trump administration's shifts on social policies and "culture war" politics along with free trade and security. Meanwhile, Doug Ford's Conservative government called a February snap election. Prime Minister Mark Carney returned the Liberals to power in April, an "outcome



Stacy Hushion
Vice-President,
StrategyCorp

unthinkable" months before. Both Ford and Carney campaigned on protecting Canada from Trump.

The atmosphere of uncertainty is dominated by the impacts, the magnitude still unknown, of the unresolved tariff dispute and recession worries. Municipalities are currently "insulated from the direct

electoral consequences" of Trump's administration, but not from managing repercussions.

Economic disruption is the main concern in communities affected by tariffs on steel and automobiles. Where impacts are indirect, municipalities must navigate tariff-related cost hikes, supply chain disruption, potential local job losses and business paralysis.

"While municipalities have in many ways not been as directly impacted as other orders of government, they're at the front lines of addressing downstream impacts," says Hushion.

Municipalities grapple with the big three – growth, infrastructure and affordability – pushing systems to the edge. Simultaneously, they contend with fiscal restraints, public incivility, shifting expectations and uncertainty about how the October 2026 municipal elections are likely to affect them.

"There's some apprehension about what's ahead locally knowing that this election in Ontario is coming. This year, there's a current underneath all of our conversations about what may happen to their councils. Will there be significant turnover? How might that impact their old rules as CAOs, thanks to the expansion of strong mayor powers?" says Hushion.

"Some CAOs liken this to the experience of COVID and the unpredictability of that time period in that they want to not overestimate potential impacts but also be prepared to address what may come."

StrategyCorp's survey of 32 Ontario CAOs concludes: "While the context may differ across regions, one throughline was clear: municipal governments



are being asked to do more, for more people, with fewer resources and greater scrutiny than ever before."

CAOs noted the "pace and complexity of growth" present mounting pressure on infrastructure, services and community expectations. Said one: "We are seeing double-digit growth. Tied to that is the demand on our municipality and our lower tiers in terms of urban-based services as well as the demand on our infrastructure." Said another: "You're looking at prices almost doubling for everything that we had previously captured in our asset management plan. So that will present a big challenge for the community."

Province-wide concerns prevail regarding Ontario's strong mayor framework introduced three years ago, then strengthened last June to include a total of 216 communities. This year, there's "a deeper unease" about how this might be used in the future. One survey respondent said: "There is a real political backlash. There is a community feeling that it's undemocratic and there is pressure for those powers not to be used."

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For the third consecutive year, attracting and retaining personnel is challenging. One CAO said: “Staff burn-out is top of mind. Part of that is that we want to do more and more ... But our staff are starting to say, ‘I can’t take much more.’” Said another: “In the next five years, 45 per cent of our municipal workforce is leaving due to retirement. We do not have people in those numbers coming into the business ... Instead, we steal from each other.”

Another “crisis level” challenge is incivility permeating municipal politics.

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There are geopolitical tensions which have the potential to rock the stability of local communities and local economies.

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“I continue to be startled by the findings around the degradation of local political culture. I work with municipalities every day. I’m always hearing about instances of bad behaviour, sometimes harassment, even abuse,” says Hushion, noting this isn’t unique to the municipal sector.

Toxicity prevails through social media, email, phone calls and in increasingly disruptive public meetings. It spreads from council members to staff, residents to elected officials and staff, and among council members. This climate erodes trust in government and creates more stressful work environments for everyone serving in the public arena, the survey found.



One CAO said: “We are really struggling with how to tackle the unprofessionalism, the lack of civility, the misinformation and disinformation, taking things out of context, the outright lies.” Another CAO added: “I got death threats, legitimate ones. I’ve been punched, pushed. I couldn’t go anywhere in town with my family. This is coming from the public and you kind of get used to it. When council started doing it too, that’s when I gave up.”

Some municipalities are implementing security in city and town halls, going off social media forums, offering behaviour training to staff and council and rethinking public engagement to rebuild community trust while dealing with residents increasingly angry about issues over which they have no control.

The view of municipal/provincial relationships has shifted modestly from recent years when CAOs expressed “apathy, frustration or outright anger” toward the province. CAOs described a relationship with better communication and some increased funding support.

However, they feel “sidelined” pertaining to their influence on mutually agreed-upon goals and are dissatisfied with inconsistent consultation practices, the province’s unpredictable decision-making and the power imbalance.

The call for clarified municipal responsibilities has risen. “Local governments face continued pressure to expand their role or fill gaps in services beyond their jurisdiction, particularly in health, housing and human services. CAOs are clear that they want to be part of the solution, but they are increasingly wary of being left to own problems that are not truly theirs,” says the survey.

Hushion said a key positive 2025 takeaway is the “resilience and commitment” of municipal leaders: “CAOs want to serve in the best interest of the community. I find that incredibly inspiring. What carries them through is this spirit of public service. Public servants in Ontario’s municipalities are emblematic of what we hope public service is. They work hard every day to try to rise to the occasion to meet challenges as things are thrown their way, some unexpected, some expected.” ■■



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RETHINKING THE RULES

Reflecting on the *Municipal Act*

By Alana Del Greco, AMP, OCT, Dipl.M.A.

We are at a key moment for local government and local government administration: technology is changing rapidly, resident expectations are changing with increased demands for more and better services and society is transforming as well. Still, there are things that remain the same: the 19th century revenue tools and governance frameworks municipalities work within, while continuing to provide more programs and services.

With all this to balance, work through and adapt to, there is no better time to review the enabling legislation

that sets out how local governments operate. It is important that the *Municipal Act, 2001* (MA) remains relevant, effective and responsive to societal and sector needs as well as changes to the local government landscape and technological advancements.

What is the *Municipal Act*?

The act is the primary enabling legislation under which 443 municipalities in Ontario operate (the other enabling legislation is the *City of Toronto Act, 2006*, which applies only to the City of Toronto).

Municipal legislation underwent significant change in the late 1990s

which resulted in a new framework and act in 2001. To borrow from AMCTO's Municipal Administration Program (MAP), Unit 1 textbook, the act:

"...gave municipalities a streamlined and more flexible legislative framework ... much of the flexibility was based on the fact that it authorized municipalities to exercise 'natural person' powers within 10 general spheres of jurisdiction (later expanded to 11 by Bill 130, the Municipal Statute Law Amendment Act, 2006),"

“... recognized municipalities as ‘responsible and accountable governments with respect to matters within their jurisdiction.’ Subsection 3(1) of the act endorses the principle of ongoing consultation with municipalities in matters of mutual interest.”

AMCTO called for the *Municipal Act, 2001*, to be reviewed and updated if necessary, so that it remains responsive to current municipal governance, administrative and operational needs while continuing to be enabling. As one of the final major projects within our 2022–2026 AMCTO Issue Profile, it is important to us that we initiate some of our own work, with the support and input of our members, to help us achieve this goal even in the absence of a provincially directed review.

Much has changed in the decade since the last review, so it makes sense for us to take a closer look at the act proactively and make recommendations to the province to ensure it remains fit for purpose. Certainly, we want to keep the legislation as enabling as possible while clarifying prescriptive provisions where necessary and make additions to address opportunities.

Why Does it Need Review?

The legislation calls for a review every five years. According to Section 3 (2): “The Ministry of Municipal Affairs and Housing shall initiate a review of this Act before the end of 2007 and thereafter within five years of the end of the previous review.” The last public review of the legislation was in 2015, which resulted in Bill 68, *Modernizing Ontario’s Municipal Legislation Act, 2016*. At the time, AMCTO participated in the review² and made several recommendations.

Since 2020, there has been no formal public review; however, several amendments have been made to the legislation. For instance, the introduction of strong mayor powers through Bill 3, *Strong Mayors, Building Homes Act, 2022* added a new part to the act and to regulations, and more recently, changes to the accountability and

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We are interested in understanding how municipal staff work with the act and the impacts to governance and operational matters on the ground.

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transparency framework have been made through Bill 9, *Municipal Accountability Act, 2025*.

For AMCTO members and the broader Ontario municipal sector, it is critical that legislation and regulations remain responsive to the sector’s needs and are therefore reviewed holistically and updated regularly. In fact, we have called for other key municipal legislation to include mandatory five-year review periods, such as the *Municipal Freedom of Information and Protection of Privacy Act* (MFIPPA) and the *Municipal Elections Act* (MEA) to ensure that frameworks and processes when it comes to operationalizing are as streamlined and efficient as possible. The *Municipal Act* is no different.

Our Review Approach

In early 2025, we called for volunteers to be part of our *Municipal Act* Review Working Group. Being a part of AMCTO working groups is just one of the benefits of being a member. We have a fantastic group with good representation of municipal job functions and from across each of our AMCTO Zones now digging into the act. The working group will do an initial deep dive and provide recommendations for further review by our AMCTO Policy and Government Relations Committee before going to the AMCTO Board of Directors for ultimate approval.

We collaborated with volunteer working groups who did a line-by-line review of the MFIPPA and MEA to

inform our 2024 submissions; however, with the MA we are taking a different approach, given its complexities. For this legislative review, we are focusing on key themes and areas of importance where improvements should be made:

- **Good Government and Resilient Administration**
 - This includes looking at the role of municipal staff, specifically the chief administrative officer (CAO), examining strong mayor powers and the role of local boards.
- **Public Safety and Regulatory Responsibilities**
 - This includes a review of licensing, offences and penalties and enforcement powers.
- **Modern, Streamlined and Effective Government Services**
 - The primary focus for this section is on records.
- **Powers and Organizational Structures**
 - This examines powers exercised by council, council vacancies and ward boundaries.
- **Financial Management and Taxation**
 - This focuses on tax sales and accommodation tax as well as some recommendations from our 2015 MA submission.

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• Miscellaneous

- This section of the review looks at the intersection of provincial-municipal relations, public trust, digital government, conflict of interest, red tape and reporting (among other areas of member interest).

Of course, a big part of this work is continuing to look for opportunities to gain traction on our Association advocacy positions with respect to strong mayor powers,³ particularly as these affect municipal staff and leaders such as the CAO, as well as influencing change⁴ to the accountability framework. These were just two of the priority topics the working group identified with respect to the act.

As the working group considers its assessment and review of the act, our goal is to think broadly about the art of the possible with future-focused implementation, so to help inform our recommendations, we asked the group a series of questions to generate ideas and discussion:

- What are the key challenges facing municipal administrators?
- What are key challenges facing local decision-makers (political and administrative leaders)?
- What are the challenges faced by the public and local governments' role in it? Are there other recommendations or requests of the province we can make to address these, either within the act or outside of it?
- What are the challenges faced by civil society and local governments' role in it? How can local governments work with other service providers to better serve residents? Are

there other recommendations or asks of the province we can make to address these issues?

- What are challenges we are facing as a society and are there tools available to address these at the local level? Are there other recommendations or asks of the province we can make to support solutions outside of legislative or regulatory change?
- Are there particular jurisdictions you are aware of that Ontario could learn from and potentially adapt promising practices?

The working group has been meeting regularly to brainstorm on these questions and examine some of these overarching themes and relevant review sections. Their goal is to find long-term, solution-focused recommendations to improve the *Municipal Act*.

Next Steps

With the working group's final recommendations (and pending Board approval), our next *Municipal Act* submission to the province will lay out a modernized legislative framework that reflects current daily municipal operations, challenges and opportunities, while remaining flexible and adaptable to local government administrators' future needs. Our recommendations will be contextualized with real-life stories from our members about what is working and what is not.

As we continue to collaborate with the working group on this project, we are interested in understanding how municipal staff work with the act and the impacts to governance and operational matters on the ground. We want to know where improvements can be made as we strive to tackle today's sector challenges while taking advantage of



opportunities that tomorrow may bring. If you have ideas or feedback you'd like us to consider, please reach out to our policy and government relations team at advocacy@amcto.com. Your voice and expertise matter for helping us to build a better municipal-provincial relationship and better local governments.

Alana Del Greco is the manager of policy and government relations at AMCTO. 🏢

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HOPE IS NOT A CONTROL

Preventing Fraud in Municipal Operations

By David Ross, PhD, CFE, CICA, ICMA-CM

“**H**ope is a dangerous thing,” and “How often do you really look at a man’s shoes?”

Two separate lines from *The Shawshank Redemption*, but together they capture a truth about leadership and oversight. Many municipal organizations hope they’re protected from fraud because they have long-serving employees, clean audit opinions, written policies and fraud has never been discovered. Yet hope, much like trust, is not a control.

The uncomfortable reality is that fraud risk exists in every local government, regardless of its size, reputation or apparent stability. Across Canada, cases of internal misuse, procurement manipulation and financial misappropriation have shown that even trusted staff, good policies and perceived sound governance frameworks can leave critical gaps unaddressed.

Why It Happens and Why It Matters

According to “Occupational Fraud 2024: A Report to the Nations,” by the

Association of Certified Fraud Examiners (ACFE), external audits detect only about three per cent of known fraud cases.¹ Auditors test financial statements for accuracy and compliance, but their role is not to conduct comprehensive fraud risk assessments. That responsibility rests squarely with an organization’s leadership.

Municipalities, by design, operate on trust: trust in colleagues, trust in systems and trust in process. But trust can never substitute for verification. *The Municipal Act, 2001* requires

Ontario municipalities to maintain policies on procurement, financial management and delegation of authority. Municipalities meet those obligations on paper, but ask yourself if you are ensuring a systematic assessment of whether those controls actually work in practice, or whether there are vulnerabilities within your own standardized systems of which you may be completely unaware.

Fraud begins with intent, but opportunity allows it to be carried out. According to the fraud triangle, opportunity, incentive and rationalization exist and allow fraud to occur. While incentive (e.g., a gambling addiction, a spouse losing a job) and rationalization (e.g., “I’m going to pay it back” or “I deserve this”) are often beyond a manager’s control, opportunity is something that can be squarely addressed. When internal controls are inconsistent, when segregation of duties breaks down (especially when you don’t realize it) or when oversight becomes routine rather than analytical, opportunity quietly expands.

Three Real-World Lessons

1 – Procurement Conflict in a Major Municipality

In one large Canadian city, an internal investigation revealed that a municipal employee, while still employed, was awarding subcontract work through a private company he personally controlled. The arrangement violated conflict-of-interest rules and allowed public funds to flow to an insider firm without disclosure or oversight. The municipality responded by tightening procurement and ethics policies, but the case highlighted how easily trust and autonomy can be exploited when checks are inconsistent.

2 – Bribery and Kickbacks in a Municipal Program

In another case, a municipal employee responsible for rental agreements was charged with fraud and breach of trust after accepting kickbacks from a landlord in exchange for approving inflated



lease rates, some more than 60 per cent above market value. While the total losses were measured in tens of thousands, the reputational harm to the municipality’s housing program and public confidence was far greater.

3 – Large-Scale Public Program Fraud

At the federal-provincial level, an employee manipulated a funding management system to divert millions of dollars into fake accounts. The scheme exploited weak segregation of duties and a lack of monitoring, leading to more than \$11 million in losses before it came to light. The incident demonstrated how insider access and unchecked control over financial systems can undermine even well-designed processes.

When reviewing data from municipal embezzlement cases, it is common to see employees from nearly every job classification and age group represented. From law enforcement leaders, public works staff, library employees, finance and purchasing team members, to about any job title you can

think of, with the ages of the employees often in their 50s and 60s.

These incidents illustrate how financial harm, reputational damage and public distrust can arise even within respected and otherwise well-run organizations. They share a common thread: the underlying vulnerabilities existed long before anyone acted on them and the organization is entirely caught by surprise, especially when learning that the embezzlement had been ongoing for years or decades before being discovered.

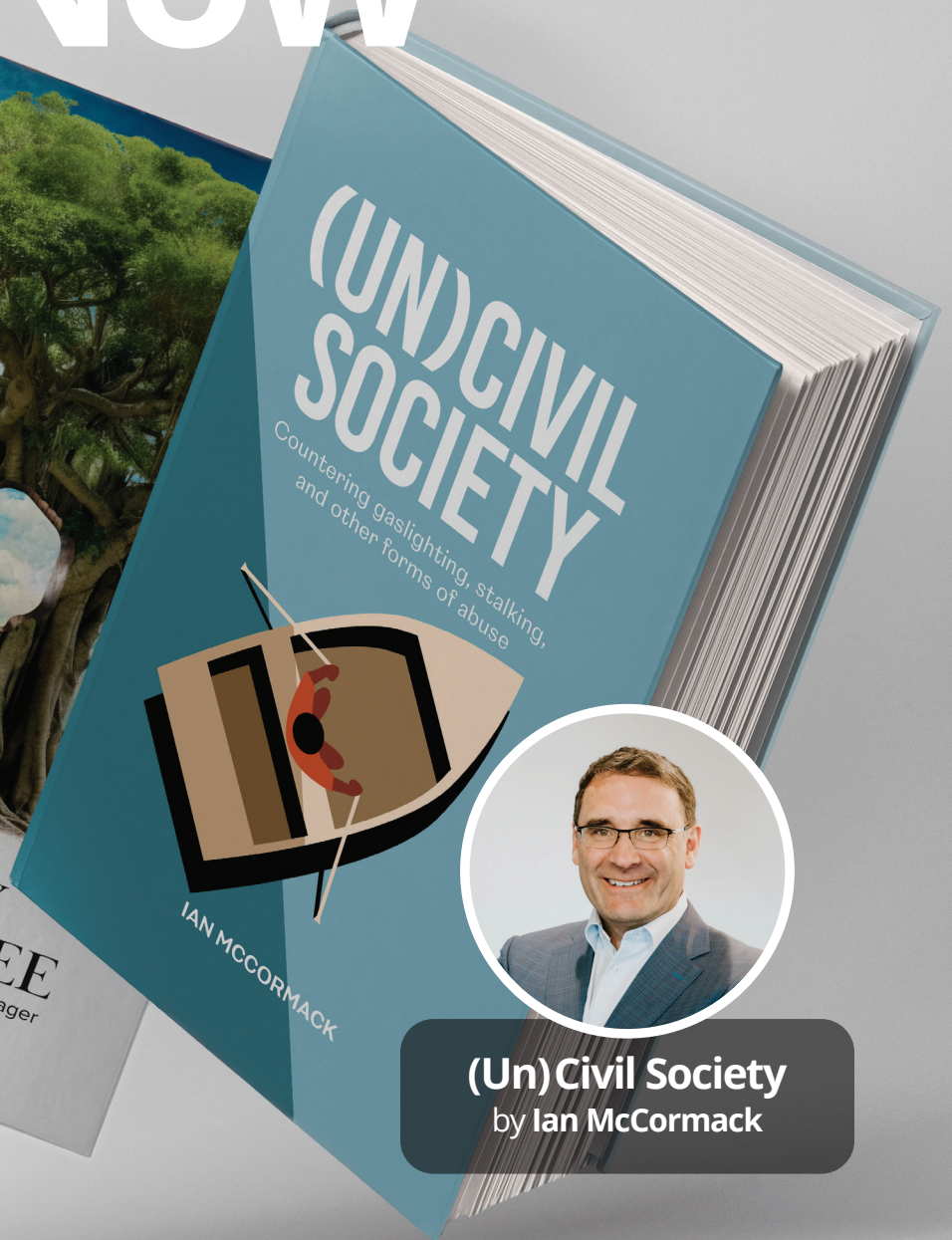
A clean external audit, detailed policies, a strong reputation and a long-serving, trusted team can all create a false sense of security. None of these factors meaningfully reduces exposure to fraud risk. External audits are not designed to detect or prevent fraud, good policies can sit idle if untested, and trust, while vital to leadership, cannot serve as a control.

Protecting a municipality from fraud requires a more deliberate approach: a proactive, organization-wide strategy to identify and close vulnerabilities before they are exploited.

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Here are eight questions every municipal leader should ask:

Have we ever conducted a fraud and embezzlement vulnerability review? Many municipalities have never tested their internal controls outside of an annual audit. A fraud risk vulnerability review examines how fraud could occur, not just whether policies exist.

Do we truly understand the extent of our fraud risk across all departments and functions? Fraud risk is not limited to finance, as there are risks throughout all departments, divisions, units and functions across an organization.

Are duties properly segregated for procurement, payment collection, accounts payable and approval functions? These are some of the most significant risk areas and knowing that your controls are solid in them is vital, including user software permissions, as vulnerabilities are often detected within permission settings.

Are inventory and asset management practices airtight? High-value or easily diverted items, such as fuel, IT hardware or materials, require tracking, periodic verification and reconciliation independent of those who order or use them.

What type of analytics do we routinely run on our fuel use and on our P-card or other purchases made throughout the month? Advanced analytics can quickly identify risky transactions and possible fraud deserving of additional inquiry, so if something nefarious is happening, it can be stopped quickly.

Are staff trained to recognize fraud indicators and reporting concerns? Many incidents begin with observations by honest employees who notice something unusual. Without training or a trusted reporting path, those observations often go unspoken.

Do our policies and internal controls align with provincial and federal funding requirements?



Compliance gaps, such as inconsistent record retention or unverified subrecipient monitoring, can expose municipalities to both financial and reputational risk.

Have we built a culture that balances trust with verification? A culture of accountability does not mean suspicion. It means every staff member understands that controls protect both the organization and their professional integrity.

These questions are not theoretical; they serve as a starting point for identifying your vulnerabilities.

The Path Forward

Building resilience against fraud does not require distrust; it requires discipline. Municipalities that adopt a prevention mindset use their internal controls as living systems, not

static documents. They test, update and measure them regularly. They treat the absence of known fraud not as proof of safety but as an opportunity to confirm that systems are working as intended.

When leaders treat fraud prevention as a core element of governance, rather than an accounting exercise, they strengthen not just fiscal integrity, but public confidence itself.

Remember: Hope is a dangerous thing. In municipal operations, hope or trust alone must never serve as a control.

David Ross, PhD, CFE, CICA, ICMA-CM, is a public sector management consultant and former municipal executive specializing in government internal control, fraud risk vulnerabilities and operational integrity. He can be reached at dross@65thnorth.com. ■■

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¹ Association of Certified Fraud Examiners. 2024. "Occupational Fraud 2024: A Report to the Nations." <https://www.acfe.com/-/media/files/acfe/pdfs/rtnn/2024/2024-report-to-the-nations.pdf>.



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