



Hon. Laurie Scott
Minister of Infrastructure
5th Floor
777 Bay St.
Toronto, ON M7A 2J3

October 22, 2020

Dear Minister Scott,

RE: One-year extension of deadlines in O. Reg. 588/17: Asset Management Planning for Municipal Infrastructure under the Infrastructure for Jobs and Prosperity Act, 2015

I am writing on behalf of the Municipal Finance Officers' Association of Ontario, and the municipalities it serves, to request a one-year extension of all upcoming deadlines in O. Reg. 588/17: Asset Management Planning for Municipal Infrastructure under the Infrastructure for Jobs and Prosperity Act, 2015 (O. Reg. 588/17).

The Municipal Finance Officers' Association of Ontario (MFOA) is the professional association of municipal finance officers with more than 2,300 individual members. We represent individuals who are responsible for handling the financial affairs of municipalities and who are key advisors to councils. MFOA is a strong advocate for best practices that encourage long-term fiscal sustainability, including long term financial planning and asset management planning.

In recent years, MFOA and the Province have worked together to support municipalities on their asset management (AM) journeys. Our collaboration has resulted in a range of useful resources, including tip sheets, a strategic AM planning policy development toolkit, a guide on creating AM communities of practice, an AM framework, a self assessment tool, training, and the provision of professional one-on-one AM consulting, among other supports. MFOA, like the Province, believes in the fundamental importance of AM planning.

But we have also heard our members. As noted in your statement to the Standing Committee on Finance and Economic Affairs on July 30, 2020, municipalities were "among the hardest hit" by the economic shutdown necessitated by the COVID-19 pandemic. This hit has and continues to be both financial and operational in nature. Since March, municipalities have declared states of emergency, redeployed resources, contained costs (including hiring freezes), and rightly prioritized the immediate needs of stakeholders. Given these pressures, municipalities have not had the capacity to work on meeting the 2021 deadline in O. Reg. 588/17 and as we are in a second wave and a return to a modified stage 2 in some parts of the Province with no end in sight and the possibility of extended restrictions elsewhere, it is unlikely that current capacity challenges will be resolved in the short-term.

We are also concerned that revenue losses in some municipalities will result in re-evaluations of capital plans, including AM plans. AM planning completed during a period of high revenue uncertainty is unlikely to be very reliable. Plans done after a revenue re-evaluation post COVID provides confidence that AM plans have taken into account the COVID impacts and that they are more up to date and robust.

Similar to the Public Sector Accounting Board's one-year deferral of the effective date of upcoming standards, MFOA recommends a one-year extension of all upcoming deadlines in O. Reg. 588/17. In the short-term, an extension will help municipalities focus on pandemic management. In the long-term, extending timelines will ensure municipalities can produce meaningful work that embodies the spirit of AM that reflects new post COVID realities.

Throughout the pandemic, we have seen how much can be achieved when municipalities and the provincial government work together to achieve a common goal. Should you wish to follow up on this letter, please contact MFOA Executive Director, Donna Herridge (donna@mfoa.on.ca).

Sincerely,

A handwritten signature in dark ink, appearing to read "Trevor Pinn". The signature is fluid and cursive, with a large initial 'T' and 'P'.

Trevor Pinn, CPA, CA
President

cc. Hon. Steve Clark, Minister of Municipal Affairs and Housing