



REPORT

To: ONE Joint Investment Board
From: Donna Herridge, Co-President/Co-CEO, ONE Investment
Date: April 27, 2021
Re: Municipal Finance Training Opportunities
Report: 21-031

1. RECOMMENDATIONS

It is recommended that the Board:

1. Receive the report entitled Municipal Finance Training Opportunities for information.

2. SUMMARY

- ONE JIB has previously identified a training opportunity on the topic of municipal finance.
- The Municipal Finance Officers' Association of Ontario (MFOA), a partner in ONE Investment, has capacity, resources and training opportunities available.
- ONE Investment is developing a two-step, flexible training approach that will establish a common base knowledge in municipal finance, while permitting flexibility for individual ONE JIB members to explore the topic further.
- ONE Investment will partner with participating municipalities to deliver in-meeting training on core topics such as municipal asset management, capital budgeting and forecasting, and reserves and reserve funds.
- ONE JIB members will be granted access to flexible on-demand training options delivered by MFOA, which cover the full foundation of municipal finance issues in Ontario.

3. BACKGROUND

The municipal sector in Ontario is diverse, which results in varied financial challenges and strategies

Ontario has 444 municipalities that range in size from 2 to almost 3 million people and deliver a wide range of services. Municipalities are “creatures of the province” that are subject to significant provincial legislative requirements, in addition to applicable federal legislation. The services delivered by a municipality, some of which are legislated, can vary significantly depending on that municipality’s structure (upper, lower or single tier) as well as its size, density, and capacity to generate revenue. There are many factors that differentiate municipalities and these differences impact the strategies each ultimately employs to manage their finances, including investments.

As part of the ONE JIB evaluation process, Board members identified a training opportunity related to municipal finance

Municipal finance has some unique aspects including property taxation, growth-related funding such as development charges (DCs) or Community Benefit Charges (CBC), municipal asset management, capital planning, reserves, reserve funds, etc. These topics are not typically part of accounting and/or finance professional training and, as a result, some ONE JIB members without a municipal finance background noted an opportunity for additional training.

MFOA specializes in training and capacity building in municipal finance

MFOA, one of the partners in ONE Investment, was established to provide a unified authoritative voice on municipal finance issues, including building sector capacity through the development of resources and training. MFOA has developed online and in person training programs on various municipal finance issues that would be relevant to ONE JIB members.

4. ANALYSIS

ONE Investment will provide focused training on select municipal finance issues in future ONE JIB meetings as well as independent learning opportunities

As the background of each ONE JIB member varies, ONE Investment is going to develop a flexible two-step training approach. Training will be developed on topics that are most relevant to municipal investments to ensure a common base of understanding and offered at future ONE JIB meetings on a periodic basis. Additionally, Board members will be given access to existing opportunities for independent learning on municipal finance issues through MFOA. This will allow each ONE JIB member to establish a tailored learning plan to develop a personal comfort level on the subject area.

Training will be provided on asset management, capital budgeting & forecasting, and reserve & reserve funds

ONE Investment will develop training on topics that are closely linked with municipal cash flow forecasting and investments. ONE Investment staff will provide an overview on each topic, which will be followed by a presentation from a municipality. After a brief overview of their municipality, the founding or participating municipality will provide a description of the practical application of the subject matter in its context. Topics to be covered include asset management, capital budgeting and forecasting, and reserves and reserve funds.

After consulting with Participating Municipalities, MFOA will provide the ONE JIB with details regarding meeting dates, topics and municipalities.

ONE JIB members will be provided access to two versions of MFOA’s Municipal Finance 101 course

This foundational course is offered via an eLearning course as well as a series of recorded virtual webinars. The topics covered under each course, outlined below, are very similar.

Municipal Finance 101 Course Topics	
eLearning Topics	Recorded Virtual Webinar
Module 01 Municipal & Legislative Overview	Municipal and Legislative Overview: Roles and Responsibilities
Module 02 Municipal Debt	Municipal Debt 101
Module 03 Assessment & Property Tax	Understanding Assessment and Taxation
Module 04 Budget Overview	Budget Overview
Module 05 Financial Reporting	Financial Reporting
Module 06 Long-Term Financial Planning	Long-term Financial Planning 101
Module 07 Operating and Capital Budget	Operating and Capital Budget Detail
Module 08 User Fees	User Fees & Water/Wastewater Rates
Module 09 Asset Management	Asset Management: a) legislative summary b) sector profile c) finance function
Module 10 Reserves & Reserve Funds	(Covered in Budget Overview)
Optional Modules:	
Module 11 Water & Wastewater	(Covered in User Fees)
Module 12 Internal Controls	Internal Controls
Module 13 Performance Measurement	
Module 14 Development Charges	Development Charges

The eLearning module is comprised of 10 mandatory modules with four optional topics. Each module is a set course with exercises and tests to reinforce concepts and key takeaways. Each module must be successfully completed before moving to the next topic with an estimated total time commitment for all modules of approximately 15 hours.

The virtual Municipal Finance 101 course was recorded earlier this Spring over four half days. This course was presented live via webinar and includes live questions and answers from approximately 60 participants. One key advantage is that ONE JIB members can select topics of interest and only listen to those sessions they feel they require. All sessions total approximately 10.5 hours.

5. CONCLUSION

ONE JIB Board members are tasked with the control and management of investments for municipalities that have opted into the Prudent Investor regime. Obtaining a better understanding of municipal finance will enable Board members to make better informed investment decisions.

Drafted by: Donna Herridge - Co-President/CEO

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