

Aldo DiCarlo Answers (Preliminary):

These questions are exceptional in determining the competence of candidates running for office. In trying to determine what perspective, if any, Dr. Brown-John had intended, I contacted him thru email. His response was vague, perhaps due to the lack of detail in my question. Obviously not looking for answers, I was more interested in whether the questions were intended to elicit a personal perspective or essay type answers. It seemed to me that anyone could fairly easily search the internet for the essay type answers, I chose to provide a personal perspective, my understanding if you will, of the issues. With that in mind, here are my answers.

[Dr. C. Lloyd Brown-John's Questions To The Candidates](#)

Posted on [September 18, 2014](#)

Amherstburg Candidates

Prospective Candidate Questions Re: Municipal Financial Management:

Prospective Questions:

1. **Question:** What is "Transparency" in municipal financial management terms?

Aldo DiCarlo Answer:

The Municipal Act, 2001, specifically covers Accountability and Transparency in Section 223.1. Section 224 of the Act describes them as part of the role of council. More specifically, Sections 224(d.1) and (e) address accountability and transparency as it relates to the municipality's finances. The Act requires that numerous policies be developed and implemented to direct and oversee all aspects of the municipality's financial transactions. The policies should be designed in such a way as to provide for clarity of operation and transparency of actions. In summation, the public should be able to easily see and understand how the municipality operates in its financial matters, and they should be able to review the details of the matters to ensure they are being done accordingly. Obviously it is not intended that every individual citizen acts as a supervisor of staff on a daily basis, but with proper policies and procedures, Council should be able to give regular reports that clearly review the status of the Town's business to date, and its expectations with respect to financial management. I could provide more detail as it relates to staff, but I don't think that was the intention of the question. Also, this issue may be covered in other parts of the Act as well, but I tried to focus on what I thought the question was most referring to.

2. **Question:** What is "Accountability"?

Aldo DiCarlo Answer:

See answer to question 1 for related information. As well, accountability is not simply holding candidates accountable at election time for what they did, or didn't, accomplish during their term of office. With the numerous required policies, as required by the Act, it becomes clear to the public what each individual or committee is responsible for. Quite simply, accountability is the expectation of required results, and whether or not those results were achieved. Some might say that accountability is the removal of those that have not provided the required results. It may be, but my position would be that effectively managing everything from policies to employees should provide the accountability needed to comply with the municipalities needs.

3. **Question:** What is a “Budget”?

Aldo DiCarlo Answer:

A municipal budget is a projection of future income and expenses over a year. For municipalities, a budget must always be balanced. Loans acquired for capital projects, required for the infrastructure of the municipality, can provide for a deficit budget, but only if there is a plan in place to accrue revenue to pay down the debt and interest over a specific period of time. Once the expenses are calculated, all income other than that of property tax is used to determine a difference. The difference then has to be made up in property taxes. The budget is a plan to control and monitor financial transactions. It should be used as a guide for administration in daily transactions and investments. A budget is essentially a benchmark for administration and council, whether being used for finances or policy planning.

4. **Question:** What is the Municipal Assessment “Mill Rate”? What is Amherstburg’s current residential Mill Rate? Supplemental Question: What is the Name of the Agency Responsible for municipal property assessments?

Aldo DiCarlo Answer:

Mill Rate: Each year a municipality must calculate the amount of revenue required to operate. All income (grants, licenses, permits, etc.) is deducted from the revenue required amount. The result is the amount required to be collected through property taxes. The amount to be collected is divided by the total value of all of the properties in the municipality and multiplied by 1000. This resulting number is the “Mill” rate (trivia: “mil” derived from Latin for 1000).

Mill Rate Calculation:
$$\left(\frac{\text{amount to be raised}}{\text{total taxable assessment}} \right) \times 1000 = \text{Mil Rate}$$

Property Tax Calculation:
$$\left(\frac{\text{Mil Rate} \times \text{Assessed Value}}{1000} \right) = \text{Property Tax Bill}$$

Amherstburg’s current residential Mill Rate:

Available here (x1000): <http://www.amherstburg.ca/Areas/Custom/ContentFiles/2014%20Tax%20Rates.pdf>

Name of the Agency Responsible for municipal property assessments:

Municipal Property Assessment Corporation, or MPAC, <http://www.mpac.ca/>

5. **Question:** What is Council’s role in respect to Infrastructure Municipal Debenture funding?

Aldo DiCarlo Answer:

Council must review and approve, through a by-law, any debentures initiated by a municipality. When reviewing and approving debentures, council must consider all of the guidelines outlined in my other answers, and the Municipal Act, 2001, as well as any other laws of the province. Short of providing all the details, here’s a link to the Act. Other information can be found by searching the issue on the internet.

http://www.e-laws.gov.on.ca/html/statutes/english/elaws_statutes_01m25_e.htm

Prospective Municipal Financial Management Questions for Deputy Mayor and Mayoralty Candidates:

1. **Question:** a). What is the Municipal Performance Measurement Programme (MPMP)?; b) Roughly, how many Service Areas must be reported upon by every municipality in Ontario?; c) By what date, each year, must a Municipality file its annual returns?; d) What are the measures against which all municipal Service Areas are to be assessed and reported annually? And, finally, to the best of your knowledge has Amherstburg diligently and regularly met those MPMP requirements?

Aldo DiCarlo Answer:

a:) The Municipal Performance Measurement Program is pretty much like it sounds. It's a performance measurement and reporting system used by municipalities to promote transparency and accountability. The MPMP also provides data to municipalities to help them optimize resources and make informed service decisions.

b:) For the 2013 reporting year, roughly 13 service areas must be reported by every municipality in Ontario. Generally, they are in the areas of drinking water, fire services, land use planning, libraries, local government, parks and recreation, police, roads, solid waste, storm water, transit, wastewater and building services.

c:) Municipalities are required to report MPMP results by May 31st following each reporting year. Municipalities must also publish results for local taxpayers by September 30th.

d:) The list of measures for 2013 can be found here: <http://www.mah.gov.on.ca/Page9601.aspx>

e:) To the best of my knowledge, Amherstburg has filed as per MPMP requirements. (from the documents I could find)

2. **Question:** What is the Role of the Mayor and Council in respect to Debenture Funding through Infrastructure Ontario (IO) of major infrastructure construction projects?

Aldo DiCarlo Answer:

Council must review and approve, through a by-law, any debentures initiated by a municipality. When reviewing and approving debentures, council must consider all of the guidelines outlined in my other answers, and the Municipal Act, 2001, as well as any other laws of the province. Short of providing all the details, here's a link to the Act. Other information can be found by searching the issue on the internet.

http://www.e-laws.gov.on.ca/html/statutes/english/elaws_statutes_01m25_e.htm

See also: <http://www.infrastructureontario.ca/home.aspx>

3. **Question:** If the Mayor (and Deputy Mayor), on the advice of the responsible municipal financial officer (Treasurer) determine that a Municipal Debt needs to be funded, what fiscal and financial tools would you select?

Aldo DiCarlo Answer:

The obvious answers to me are the MPMP, the Financial Information Return, the budget, by-laws, policies and available government funding. This seems to me a more appropriate question for the CAO? I have stated before that the Council should be an oversight body of the administration. The Mayor and Council need to have a broad understanding of the financial matters of the municipality in order to understand and hold the administration accountable to the financial planning of the Town. Ultimately, however, the initial investigation to the available tools and funding should rest with administration. If not, what are they paid for? There should also be a budget committee, which includes members of council, who will be tasked to know the current financial tools available, some of which I listed above.

4. **Question:** Budgets, are statements of Intent. In what form are annual expenditure budgets submitted to Amherstburg Council? Are they “Line-Item Budgets”? Or, “Object of Expenditure “ or, “Both”?

Aldo DiCarlo Answer:

From the annual budget reports available on the Town’s website, it seems to me a combination of both, year over year. The “line-item” breakdowns are not, however, at the level of detail that I am used to seeing in a Line-Item Budget.

5. **Question:** Are you familiar with the role and purpose of a municipal audit? What is a “Performance” Audit? And, (if needed), what is a Value for Money Audit?

Aldo DiCarlo Answer:

I would say the role and purpose of a municipal audit is to hold the council and administration accountable for the management of the municipality’s funds as it relates to “Value for Money”.

As I understand it, a performance audit would deal with the wider management of a municipality, examining the planning, performance and reporting of the municipality’s activities. These audits are generally done by professional standards and by an independent professional agent. In other words, the intent of a performance audit is to simply conclude whether or not the actual outcome of the activities met the planned requirements, in organization and financially. Performance audits are more generally used in private industry. Value for Money audits are generally used by not-for-profit organizations like municipalities. Value for money audits are designed to determine whether the funds used for activities were used as efficiently and effectively possible. In my view, “value for money” is similar to “best bang for your buck”. In using taxpayer money, did the council and administration use the least amount of money possible to achieve the required outcome?