

City of Mississauga Corporate Report



<p>Date: November 8, 2023</p> <p>To: Chair and Members of General Committee</p>	<p>Originator's files:</p>
<p>From: Shari Lichterman, CPA, CMA, City Manager and Chief Administrative Officer</p>	<p>Meeting date: November 15, 2023</p>

Subject

Region of Peel Dissolution Update

Recommendation

That the Corporate Report entitled "Region of Peel Dissolution Update" dated November 8, 2023 from the City Manager and Chief Administrative Officer be received for information.

Executive Summary

- With Bill 112, The Hazel McCallion Act receiving Royal Assent on June 2023, the Region of Peel will dissolve and Mississauga, Brampton and Caledon will become single-tier cities effective January 1, 2025.
- The province has appointed a five-member Transition Board to oversee the development of recommendations to facilitate the municipal restructuring required with Peel's dissolution.
- The Transition Board has established a facilitated process whereby the three impacted municipalities, with information from the Region of Peel, provide advice on how to inform the final decisions relating to services, governance, staffing, assets and finances.
- City of Mississauga staff – both those dedicated to the transition and the leadership team – are participating in this process and regular working group meetings on each service area.
- Single-tier status has been an important point of advocacy and request from the City of Mississauga for the past two decades. Mississauga and Brampton in particular have outgrown the regional governance model, with Caledon also projected to rapidly grow in the next decade, leaving all three municipalities in a strong position to control their own future in key city-building areas and services.
- There are many benefits and opportunities for Mississauga residents and businesses as a result of Peel dissolution; while the mandate is to continue to deliver all services

uninterrupted, becoming a single tier city will allow those services to be delivered more efficiently and for Mississauga to focus on resourcing its own priorities.

Background

On Thursday, May 18, 2023, the Honorable Steve Clark, the Minister of Municipal Affairs and Housing, introduced Bill 112, Hazel McCallion Act (Peel Dissolution). On June 9, 2023, Bill 112 received Royal Assent and formalized the dissolution of the Region of Peel to prepare Mississauga, Brampton, and Caledon to become single-tier municipalities by January 1, 2025.

Since passed, the Government of Ontario has announced a five-member Transition Board to facilitate the municipal restructuring. Recommendations from the Transition Board are due to the Minister in the Summer/Fall of 2024, and the Minister and Cabinet will make the final decision.

The members of the transition board are:

1. John Livey, Chair
2. Tracey Cook
3. Eric Jolliffe
4. Sean Morley
5. Peter Weltman

Transition Board Duties

The five members who have been appointed to the Transition Board bring a range of experience across the public and private sectors, including municipal government and administration, policing, business law and business management, infrastructure delivery, and the provincial and federal governments.

The Transition Board's role includes:

- Winding down the financial operations of the Region of Peel.
- Transferring assets of Region of Peel.
- Assigning liabilities, debt, and other financial obligations of the Region of Peel.
- Employment matters, including pension and benefit obligations.
- The allocation, governance, use, and control of services provided by the Region of Peel, including whether joint municipal service boards or other entities should be established, or other shared servicing arrangements would be advisable.
- The impact on any municipality that may be affected by the dissolution of the Region of Peel.
- The long-term economic sustainability of the City of Mississauga, the City of Brampton, and the Town of Caledon as single-tier municipalities, and
- Any other matters that the board considers advisable or that the Minister may direct.

Facilitation Process

The Transition Board seeks to put in place a process that will allow for the participation of the appropriate representatives at the Region of Peel and each of the three local municipalities. The Transition Board does not propose to dictate how the services involved are to be redistributed or managed. This is to be a facilitated process, overseen by a neutral third party, by which the three local municipalities, with the assistance of the Region of Peel staff, provide advice to inform the Transition Board's recommendations to the Minister on:

- The services to be transferred to each municipality or the identification of an alternative model of service delivery.
- The appropriate governance model for each service:
 - Absorbed into the administrative structure of each municipality,
 - Provided through an overarching board jointly managed by all three municipalities, or
 - Provided through a separate corporate structure to be controlled jointly.
- The people, assets, liabilities, technology, and other information necessary to deliver the services.
- The source of funding and the cost of services needed to deliver the service.

Present Status

The Transition Board has asked that the Region of Peel and each local municipality appoint a staff member as their respective Transition Manager, who will be responsible for organizing each municipality's participation in the dissolution process. The Transition Manager is to be the main point of contact with the Transition Board and will need the support of a team to assist in coordinating communication, conducting research, recording minutes, etc.

Lori Kelly has been appointed as the Director of Municipal Transition and Integration to serve as the key leader overseeing engagement between the provincial Transition Board and the City, organizing the internal work required by the Transition Board, and leading the human resources-related work to make this transition successful.

In order to ensure that the City of Mississauga has the knowledge and expertise in the critical service areas of Health and Human Services, Catherine Matheson has been hired as Interim Commissioner, Health and Human Services. She will advise and advocate on behalf of Mississauga during the discussions around transfer of services to Mississauga as a single-tier City, and ensure the appropriate organization structure and resources are in place for a seamless transition.

The Core Team will attend the critical milestone meetings to be held once a month in November, December, and January and will be responsible for decision-making and recommendations to Council. The Core Team will also attend weekly "Transition Teams" meetings with the Transition Board.

The Core Team consists of Shari Lichterman (CAO), Lori Kelly, Catherine Matheson, Andra Maxwell (City Solicitor) and Marisa Chiu (Director of Finance). This team works with the rest of the City's Leadership Team and Extended Leadership Team to support this process and transition.

The Transition Board has identified 12 key working groups and has asked that each municipality form Specialized Working Groups for each to help inform the reallocation of services highlighted within each working group. These Specialized Working Groups will involve a larger number of representatives from the Region of Peel and the three local municipalities and are required to meet on a bi-weekly basis. Members of the Specialized Working Groups will discuss their specific service areas and undertake a detailed analysis to support determinations on the assignment of services.

The working group meetings at this time include:

- Water and Wastewater
- Waste Management
- Land Use Planning
- Human Services
- Health
- Housing
- Transportation
- Regional Policing
- Paramedics
- Labour Relations
- Heritage, Arts and Culture
- Information Technology

A Finance working group will likely be added in the coming weeks as well. Working group meetings have begun and will continue weekly as final recommendations are developed; it is anticipated that there will be a first level of recommendations developed by January 2024, and final more detailed recommendations delivered to the Minister of Municipal Affairs and Housing by summer of 2024. This will allow for some time for the Ministry to review and implement the necessary legislation in the late summer of 2024; implementation would occur in the final months of 2024 in order to achieve dissolution by January 2025.

Comments

The City of Mississauga has advocated for single-tier status and independence from the Region of Peel for over two decades. The concept and models have been studied and discussed many times over the years, including as recently as 2019. Now, as the Transition Board has communicated clearly to the four municipalities: the outcome has already been determined.

The Region of Peel is dissolving on January 1, 2025 and the three cities of Mississauga, Brampton and Caledon are to become single-tier municipalities. The Transition Board and the process described in this report is in place to chart the path to this legislated outcome. As the City of Mississauga has contended for years, the rationale is strong for single-tier status. Mississauga and Brampton are projected to have populations of 1 million in the next decade and with the accelerated growth targets, and Caledon is slated to grow to well over 300,000.

There are over 170 single tier cities in Ontario, and most are much smaller in population than the 3 Peel municipalities. Mississauga and Brampton are each larger than the entire regional populations of Durham, Halton and Niagara; the cities have simply outgrown this governance model and can achieve economies of scale in delivering services without a regional structure.

The advantages of eliminating the regional layer of government include:

- Streamlined customer service to residents and businesses.
- Improved integration of services.
- Elimination of duplication – more efficient service delivery.
- Ability to focus on and fund Mississauga priorities.

Streamlining Customer Service to Residents and Businesses

Residents and businesses are often confused about who delivers which service. The City's 311 call centre transfers thousands of calls per year to the Region of Peel, relating to regional roads, waste management and health and human services. In some instances, such as development applications, approvals and comments are needed from both the Region and City, which creates more bureaucracy and 'red tape'. Ultimately, residents and business would have a single point of contact for municipal services.

Improved Integration of Services

Mississauga (and Brampton) have evolved from suburbs to large cities, bringing many of the typical challenges of urban centres. There is significant benefit for a City to integrate its services to residents so that a full spectrum of support can be provided. Integrating social services and support with the programs and services provided by Recreation and Library, for example, can ensure a resident in need receives all of the benefits for which they are eligible. Right now, that is more challenging with the City offering some services and the Region offering others. While we have improved coordination over the years, having a single organization and leadership oversight will vastly improve service integration and resource allocation.

More Efficient Service Delivery/Eliminating Duplication

It is a simple fact that eliminating a layer of government will lead to efficiencies overall. There is currently a significant amount of duplication or overlap between the Region of Peel and the local municipalities.

Examples include:

- Planning – Local policy planning, site plan approval and development applications require a review at the regional level. Both levels of government are required to prepare and approve Official Plans. The City must wait for the Region to update its planning documents before it can make the necessary updates to City plans, which creates even more delay.
- Regional Roads – Ownership of roads at the regional and local level is an unnecessary duplication. It complicates Mississauga ability to service roads within its municipal boundaries, and it delays planning approvals when access and servicing requests for development occur on both a Regional and local road. Under the current two-tier road structure, the City cannot implement modifications or road safety improvements at intersections with Regional Roads without approval from the Region. There have been a number of unsuccessful attempts to rationalize regional roads over the years at Regional Council including most recently in 2017, but Mississauga could never get support from the other lower tiers primarily because of the financial impact.
- Transportation – Transit is currently provided by both levels of government (i.e. MiWay and Transhelp). Transportation master plans are also duplicated at both levels, along with road safety campaigns and projects. This is a duplication of resources that taxpayers must pay for.
- Maintenance and Works - Contractors are required to receive local and regional permits for work that crosses both Mississauga and regional roads. Both City and Region have public works staff and facilities supporting maintenance of roads.
- Enforcement - Efforts are duplicated through the enforcement of similar by-laws by both levels of government.
- Revenue – Both levels of government make tax policy decisions. Billing and collections services are performed by the City and the Region in varying capacities.
- City taxpayers are funding the cost to operate and staff the administration of a separate layer of government at the Region, areas such as Corporate Services (Human Resources, Information Technology, Finance, Legislative Services, Legal, Realty, Procurement, Communications, Audit, Facilities & Property Management, Customer Service Call Centre etc.). These are service areas that already exist at the City and consolidating regional services to the City will create efficiencies while still provide the necessary support to front-line service areas.

Focus on Mississauga Priorities

As the cities have grown, the priorities of Mississauga, Brampton and Caledon have diverged in many areas. Single tier status allows each City to make decisions in the best interest of its own residents and businesses. Vital decisions are not left up to the votes of the two other municipalities. A single tier city council would be fully accountable for the decisions made on all matters, so accountability is clear. And funding and scarce resources can be focused on the most important priorities for each city.

Engagement and Consultation

The City has a website and communication campaign to share information with residents businesses about the transition and dissolution of the Region of Peel. The website can be found at www.Mississauga.ca/OurCityOurFuture . All news and previous reports are available at this portal. In addition, the Transition Board has launched a website (<https://www.ontario.ca/page/peel-region-transition-board>) where information will be shared and feedback can be submitted.

City staff will continue to provide public updates through Council reports and meetings, and at appropriate intervals, Town Halls will be scheduled to ensure residents and businesses stay informed and understand any changes that will impact them. Throughout this process, the mandate and goal is to continue to deliver all services unchanged and uninterrupted.

City staff are also meeting with stakeholders, including not for profit groups who rely on the regional programs for funding and support, to ensure that the transition is seamless and new relationships are developed. This is a real opportunity to for the City to work more closely with them and evaluate where support and access can be improved to better meet the needs of our community.

Financial Impact

There is no financial impact from this report. However, the dissolution of the Region of Peel will result in significant changes to the City's budget and sources of funding, as it takes on new service areas and shifts to a single tier municipality. It is expected that much of the property tax revenue that Mississauga currently collects and directs to the Region of Peel will form a new revenue source for the City, to fund the new services, along with the redirection of provincial funding for certain services. The City already has a robust administrative structure to support the addition of new service areas.

In other words, that the budget for the new services will transfer with the service. With efficiencies created (particularly those noted above in the Eliminating Duplication discussion), it is anticipated that Mississauga taxpayers will benefit from this new structure in the long term.

Conclusion

City of Mississauga staff are working closely with the provincially-appointed Peel Transition Board as Peel dissolution is set for January 1, 2025 and Mississauga, Brampton and Caledon becomes single-tier cities. The three local municipalities are engaged in working group meetings with the support of Region of Peel staff in order to inform the development of the recommendations for the Transition Board that it will bring to the Ministry of Municipal Affairs and Housing by summer of 2024.

There are many benefits and opportunities for Mississauga residents and businesses as a result of Peel dissolution; while the mandate is to continue to deliver all services uninterrupted, becoming a single tier city will allow those services to be delivered more efficiently and for Mississauga to focus on resourcing its own priorities. Ultimately, this model will benefit the City's taxpayers.



Shari Lichterman, CPA, CMA, City Manager and Chief Administrative Officer

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