



**SUBJECT: Regional review update**  
**TO: Committee of the Whole**  
**FROM: City Manager's Office**

Report Number: CM-01-24

Wards Affected: All

Date to Committee: January 8, 2024

Date to Council: January 16, 2024

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### **Recommendation:**

Receive and file City Manager's office report CM-01-24 providing an update on the Provincial Government's approach to regional review and the regional CAOs approach to service review; and

Direct the City Manager to report back on a regular basis to Committee of the Whole on the status of the regional CAOs' service review process; and

Direct the City Manager to report back in Q1 2024 as required with an update on Provincial legislation associated with the regional review process, specifically associated but not limited to, the recalibration of the Peel Region transition board to focus on options to enhance the self-determination of local governments to support building more homes faster and improve local service delivery.

### **PURPOSE:**

#### **Vision to Focus Alignment:**

- Deliver customer centric services with a focus on efficiency and technology transformation.

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### **Background and Discussion:**

In late 2018, the Provincial Government appointed Ken Seiling and Michael Fenn as special advisors to assist with the regional government review. The special advisors

received over 8,500 written submissions and attended nine in-person sessions hearing from almost 100 individuals and organizations through the consultation process from March 13 to May 21, 2019. While the report was completed in the latter part of 2019, it was never made public, remaining as confidential advice to Provincial cabinet.

In November 2022, the provincial government indicated 6 regions: Halton, York, Durham, Waterloo, Niagara, and Simcoe County would be subject to a regional review process. It was anticipated facilitators would be appointed to conduct the reviews; yet the timing of this announcement was unknown.

In May 2023, Council endorsed a motion concerning [City of Burlington Expectations Regarding Provincial Review of Regional Governments](#). This motion demonstrated Burlington City Council is fully committed and prepared to actively participate in the upcoming assessment of Halton Region upper and lower-tier responsibilities based on achieving and/or contributing to the outlined first principles and key strategic outcomes. In addition, this motion stated the Mayor would communicate these first principles and key strategic outcomes, along with an attached [letter](#) outlining the City's approach to growth of the City of Burlington to the Minister of Municipal Affairs and Housing. As of August 22, 2023, it was anticipated the Province would announce the facilitators by September 11, 2023.

On September 11, 2023, Council received a report from the City Manager on [preparing for the regional review process \(CM-14-23\)](#) with the following recommendations approved by Council:

- Direct the City Manager following the announcement of the regional facilitator for Halton on September 11, 2023 to report back to the Corporate Services, Strategy, Risk and Accountability Committee at their meeting of October 4, 2023 with a full update on the provincial regional review process and a recommended strategy for the City of Burlington including key actions, milestone dates and community engagement plan, in keeping with the framework outlined in city manager's office report CM-14-23; and
- Direct the City Manager to report back to council in conjunction with the 2024 budget process on proposed organizational design options and recommendations to address both a) future city service delivery impacts related to the regional review process and b) Council's strategic priority of accelerating new housing development application and permit approvals to enable achievement Burlington Housing Pledge (minimum 29,000 units by 2031).

On September 13, 2023, the newly appointed Minister of Municipal Affairs and Housing announced his request of the Chair of the Legislature's Standing Committee on Heritage, Infrastructure and Cultural Policy to take on the work of regional review.

In his request, the Minister acknowledged the “need to provide stability, transparency, and continuity for local governments as they work to meet their housing targets – even as we ensure that existing structures are not standing in the way of getting homes built.”<sup>1</sup> This request asks “the committee consider commencing a study to review and evaluate local governance structures and service delivery in these areas to ensure that they are providing effective and accountable government, particularly when it comes to getting more homes built.”<sup>2</sup> This approach ensures the work can “occur in a manner that is public, open and accountable, with opportunities for participation from members of all parties, local governments and the public, including in the affected communities.”<sup>3</sup>

The Minister's request focused on four questions:

- “Is two-tier government in these regions supporting or hindering the construction of new homes and the provision of effective local governance more generally?”
- Are there responsibilities and services that could be combined, amended or moved from one level of local government to another, or combined among existing local governments to support the construction of new homes and the provision of effective local government more generally?
- Is the municipal governance structure within each of these regions supporting the construction of new homes and the provision of effective local governance more generally?
- Could any changes to regional governance enhance local services and/or provide better value to taxpayers?”<sup>4</sup>

On November 6, 2023, the standing committee began its public hearings holding its first session in Barrie and scheduling additional hearings in 2024 in Durham, Halton,

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<sup>1</sup> Letter from the Honourable Paul Calandra, Minister of Municipal Affairs and Housing to Laurie Scott, Chair of the Legislature's Standing Committee on Heritage, Infrastructure and Cultural Policy dated September 13, 2023.

<sup>2</sup> Ibid.

<sup>3</sup> Ibid.

<sup>4</sup> Ibid.

Niagara, County of Simcoe, Waterloo, and York. At the writing of this report, the Mayor has registered to make an oral presentation in Burlington on Thursday, January 11, 2024.

## **Strategy/process/risk**

### ***CM-14-23 Recommendation Disposition***

The two recommendations contained in CM-14-23 require disposition to ensure completion and closure.

With respect to the first recommendation requiring a report back to the Corporate Services, Strategy, Risk and Accountability Committee at their meeting of October 4, 2023, with a full update on the provincial regional review process and a recommended strategy for the City of Burlington including key actions, milestone dates and community engagement plan, this recommendation is considered closed. Given the change in Minister Municipal Affairs and Housing, the expected announcement of facilitators did not occur on September 11. The subsequent actions of the new Minister of Municipal Affairs and Housing to refer the matter of regional review to the standing committee did not provide any material changes to advise Council on October 4<sup>th</sup>. While the process for Regional Review from the Province's perspective is still unknown, the City Manager continues to work with their counterparts at Halton Region, and the Towns of Oakville, Milton, and Halton Hills. Refer to Regional CAOs' Service Review section below for details.

With respect to the second recommendation, approval of the 2024 budget saw, among other initiatives to address the impacts of growth, the inclusion of:

- \$172,000 to support resourcing to implement and administer the Housing Strategy (Key Investment 2024-028 <sup>5</sup>) and associated actions. This position represents fulfillment of Action no. 3 of the Burlington Housing Strategy. By coordinating relevant stakeholders, including internal departments, external agencies, investors, and residents, and seeking and leveraging financial and

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<sup>5</sup> [2024 Financial Needs and Multi-Year Forecast.pdf \(burlington.ca\)](#) page 41.

other opportunities this role will support the city in meeting housing needs of Burlington residents as identified through the Housing Needs and Opportunities Report and through future studies.

- \$130,000 to solidify the resources needed to support the Targeted Realignment - Burlington's Official Plan (Key Investment 2024-033 <sup>6</sup>). The work to define area specific planning for the City's primary growth areas such the Major Transit Station Areas around the three GO Stations is very complex and requires significant project management to complete. The support for resources in this area ensure this work will be completed within established parameters.
- \$2.2 million in one-time funding to support continued streamlining of permit and application processes (Key Investment 2024-036 <sup>7</sup>). Building on the successes of enhancements completed in 2023, further enhancements to permit application and inspection processes are needed to achieve greater efficiency, transparency, and user satisfaction with the vital goal of meeting the City's housing pledge. This work will include the digitization and end-to-end integration of development planning and building permit application workflows and the automation of repetitive/low-value tasks in planning and permit applications and inspection processes.
- \$100,000 in one-time funding to support the Planning Development Services Organizational Design (Key Investment 2024-037 <sup>8</sup>). The organizational design is a result of Bill 23, effectively removing planning authority from regional governments, devolving matters such as natural and cultural heritage, among other areas, to local governments. The full effect of further adjustments because of the regional review process are unknown; yet the City is proactively preparing for the possibility of additional service currently under partial or complete authority, such as transportation planning and engineering, to also be devolved to local municipalities.

With these investments included in the 2024 approved budget, this recommendation is closed.

### ***Regional CAOs' Service Review***

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<sup>6</sup> [2024 Financial Needs and Multi-Year Forecast.pdf \(burlington.ca\)](#), page 45.

<sup>7</sup> Ibid. page 101.

<sup>8</sup> Ibid. page 112.

On December 13, 2023, the Minister of Municipal Affairs and Housing announced the Province will introduce legislation in the new year that, if passed, would recalibrate the mandate of the Peel Region Transition Board to focus on making local government in Peel Region more efficient and responsive to the needs of taxpayers, including by improving regional services like policing, paramedics, and public health, instead of dissolution. As of writing, there is no indication of the impact of this change on the mandate of the standing committee vis a vis regional review.

Notwithstanding the Province's actions involving the public hearings to the Standing Committee on Heritage, Infrastructure and Cultural Policy, Regional CAOs all support and see the benefit of pursuing opportunities to streamline and optimize services to eliminate unnecessary duplication at the regional and local levels. Through the collaboration and cooperation of the Regional CAOs, a working group has been formed to support efforts to streamline, optimize and determine the "home of best fit" for services provided by the Region of Halton and the local Halton municipalities of Burlington, Halton Hills, Milton, and Oakville.

Regional CAOs have provided direction to the working group to develop a mandate and approach by Q1 2024 including the identification of a pilot service through which the home of best fit assessment can be honed and refined. The working group is currently finalizing its mandate including guiding principles, how services to be assessed will be identified and outlining the approach to assessing the services. Services, such as, economic development, road operations and maintenance, traffic control, etc. have been positioned as opportunities for early consideration. What is not included in the scope of this work are:

- regular and specialized transit where Regional Council has approved and will be receiving the Region-wide Transit Operationalization Study; and
- regional land use planning and conservation authority services as identified under Bill 23 as these have been approved by Regional Council to be devolved to the City of Burlington upon proclamation of Bill 23.

Regular update reports on this work will be provided to Council.

### ***Summary of Transfer of Powers Between Tiers***

The Regional CAOs Service Review is intended to identify "home of best fit" for specific services. On October 18, 2023, Regional Council asked for information to be provided outlining the spheres of jurisdiction (as described in the Municipal Act, 2001) and the process for the transfer of spheres between upper and lower tier municipalities. This information was provided to Regional Council on November 22, 2023 - [Memo - Spheres of Jurisdiction and Transfers between Upper and Lower Tiers](#). In summary, the transfer

of powers between tiers is permissible; yet for any such transfer of powers, there are “triple majority” provisions set out in the legislation.

### ***Municipal Reporting Highlights***

The following are highlights of reports to respective councils concerning regional review and governance.

#### *City of Burlington*

- CSSRA-02-23 – May 3, 2023 – Motion Memorandum: [City of Burlington Expectations Regarding Provincial Review of Regional Governments](#)
- CM-14-23 – September 11, 2023 - [Preparing for the Regional Review Process](#)
- CM-01-24 – January 8, 2024 – Regional Review Update

#### *Town of Halton Hills*

- 23-10-10 - October 10, 2023 – [Support for Halton Region](#).

#### *Town of Oakville*

- November 20, 2023 - [Governance Review Update](#) and [Appendix A - Town of Oakville Single Tier Governance Options Final Report](#)

### **Options Considered**

1. Do nothing.
  - The two-tier system of regional government has been in place for many years. As environments, regulations, processes, and technology change over the years, it is prudent to periodically review. The Regional CAOs see value in proceeding with service optimization. This option is not recommended.
2. Await the results of the work of the Standing Committee on Heritage, Infrastructure and Cultural Policy.
  - As it is unclear as to the timing of any outcome/report of the Standing Committee, the Regional CAOs see value in proceeding with service optimization. This option is not recommended.
3. Proceed as planned with the Regional CAOs’ Service Review process.

### **Recommended Option**

- Continue work with region and other municipal partners with ongoing reporting of progress to Committee of the Whole and integration of any future provincial direction(s) or guidance related to introduction of new legislation applicable to the

recalibration of the Peel transition board or otherwise provided by the Minister of Municipal Affairs and Housing.

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### **Financial Matters:**

As the scope of work for the Regional CAOs' service review has not been finalized, it is not known as to the funding needed to conduct assessments and reviews. It is anticipated the costs associated with any assessment will be identified and discussion among the five parties will be necessary to determine contributions.

### **Total Financial Impact**

Not known at this time.

### **Source of Funding**

Not known at this time.

### **Other Resource Impacts**

As specific services are identified, staff involved in the delivery of those services will be engaged in discussions. The amount of time required for these discussions is unknown at this time.

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### **Climate Implications:**

Efforts to streamline, optimize and determine the "home of best fit" for services provided by both the Region and its municipalities will work to include a climate lens to ensure the benefits of greening and reducing carbon footprints are considered.

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### **Engagement Matters:**

At this point, Regional CAOs and their leads in strategy have been involved in the discussions. As assessment details are defined, the extent of engagement of other parties will be included.

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### **Conclusion:**

The Provincial Government's process for regional review has not been outlined for the regions originally identified in November 2022. While the Standing Committee on



Heritage, Infrastructure and Cultural Policy have begun to hear, and are expected to continue to hear from delegations, the impact of the pending legislation to revise the mandate of the Peel Transition Board on this committee's work is also not known. At the writing of this report, the Mayor is expected to make an oral presentation to the Standing Committee on January 11, 2024. Regional CAOs support and see the benefit of pursuing opportunities to streamline and optimize services and have directed staff to form a working group to initiate this work. Regular updates on this work will be provided to Council as the work progresses.

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Respectfully submitted,

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### **Report Approval:**

All reports are reviewed and/or approved by Department Director, the Chief Financial Officer, and the Executive Director of Legal Services & Corporation Counsel.