



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

Report Number: CM-03-24

Wards Affected: All

Date to Committee: March 4, 2024

Date to Council: March 19, 2024

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### **Recommendation:**

Receive and file city manager's office report CM-03-24 providing an update on the regional CAO's service review process; and

Direct the City Manager to report to City Council at their meeting of March 19, 2024, with a further update on regional services review process including prioritization recommendations.

### **PURPOSE:**

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

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

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### **Background and Discussion:**

Council was provided with an update on Regional Review through the City Manager's report [CM-01-24](#) on the January 8, 2024 Committee of the Whole agenda. The resulting recommendations include:

- 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; and

- Direct the City Manager to report back by Q1 2024 with a process, timing, and tax room implications for recommended non-exclusive services to be devolved to the city.

On January 11, 2024, [Mayor Meed-Ward, Councilor Paul Sharman, and Councilor Rory Nisan](#) each delegated to the Standing Committee on Heritage, Infrastructure & Cultural Policy. Their comments were in response to the Committee's study on regional governance as overseen by the Ministry of Municipal Affairs and Housing. The committee has scheduled hearings throughout the Province in response to Minister Calandra's request.

### **Strategy/process/risk**

The following information addresses the above noted recommendations yet in an alternate order.

#### *1. Update on Peel Region Transition Board*

##### *Letter to Peel Region Transition Board*

On January 26, 2024, the Minister of Municipal Affairs and Housing issued a letter to the Chair of the Peel Region Transition Board providing clarity for the recalibrated scope of the Board's mandate.

The Transition Board is responsible for providing recommendations on the transfer of services currently provided by the Region of Peel to the City of Mississauga, the City of Brampton and the Town of Caledon including:

- Land use planning – working to ensure local municipalities are equipped with the necessary resources and personnel to undertake the transfer of planning authorities, as approved through the *More Homes Built Faster Act, 2023*.
- Water and wastewater (including stormwater) – working to ensure any options and recommendations brought forward continue to maintain public ownership and control, including options and recommendations involving the creation of a municipal service corporation or services board.
- Regional roads
- Waste management

For all the services included in the revised scope of the Transition Board, any options and recommendations made must ensure service continuity for residents without disruption and address all aspects important to the successful service

transfer, including labour relations, corresponding back office supports, and detailed financial analysis on any local impacts. In addition, the Transition Board's options and recommendations should continue to prioritize the preservation of frontline workers.

The Minister's direction is anticipating delivery of proposed recommendations from the Peel Region Transition Board by Spring 2024.

#### Implications for Regional CAOs Service Review

From an overall perspective, the DETAILED ANALYSIS phase of the proposed process (refer section #3 below) incorporates the Minister's direction to the Transition Board regarding service continuity and considering elements such as, labour relations, back office supports and detailed financial analysis.

Two of the scoped areas identified in the Minister's letter, specifically land use planning and regional roads, are included in the services under review through the work with the Regional CAOs. (refer Confidential Appendix A).

With respect to land use planning, Halton Area CAOs endorsed the Transition Plan related to Planning Services in May 2023. Transition is to be completed no later than 6 months following Proclamation of Bill 23. In anticipation of a proclamation sometime in 2024, the Area Planning Directors are working on a Memorandum of Understanding exploring the assumption of all statutory functions to be transferred ahead of Proclamation.

With respect to regional roads, the services involved in and related to regional roads are included in the list in Confidential Appendix A.

With respect to the 2 remaining areas:

- water and wastewater (including stormwater) – water and wastewater are Provincially mandated to be provided by the upper-tier (*Municipal Act, 2001, Safe Drinking Water Act, 2002*). Stormwater management is a non-exclusive service and is currently the responsibility of the local municipality.
- waste management – Region of Halton has had responsibility for providing waste collection services throughout the Region including management of the land fill facilities since 1995. Transfer of jurisdiction over municipal solid waste management services from Burlington to Halton Region was completed in 2008. This service is not on the list of services to be considered in the service review.

## 2. *Status of the Regional CAOs' Service Review Process*

The Regional CAOs have initiated discussions and have a small working group who are preparing a final draft of terms of reference to guide the review process. The working group is expected to have the final draft for consideration of the Regional CAOs at their February 27 meeting. In addition, the working group has initiated some preliminary information gathering to facilitate further discussions. This information, in addition to other factors, is necessary to support further detailed discussions regarding the services (refer to DETAILED ANALYSIS below).

The Regional CAOs will meet on February 27 to confirm the services recommended for consideration and prioritization in a pilot program. The City Manager will subsequently report directly to the March 19 Council meeting to provide an update on the CAO's discussion and prioritization recommendations. Confidential Appendix A provides a list of regional services being considered in the service review.

## 3. *Process, Timing and Tax Room Implications for Recommended Non-Exclusive Services to be Devolved to the City*

The Regional CAO service review decisions and outcomes are guided by the terms of reference. The review of services is not new to any of the parties; however, having a consistent and agreed upon approach is an important element of the service review. The following is a proposed process to be utilized by the Regional CAOs in the review of services. As collaboration continues with the Region and the City of Burlington, the Towns of Oakville, Milton and Halton Hills, this process requires consultation and confirmation among all parties.

### A. IDENTIFICATION

Section 11 of the Municipal Act, 2001 sets out the spheres of jurisdiction between upper-tier and lower-tier municipalities. Services are described as "exclusive" and "non-exclusive". For non-exclusive services, the upper-tier and lower-tiers may each pass by-laws/regulate/provide service. For exclusive services, only the identified tier may pass by-laws/regulate/provide services. There are legislative provisions for the transfer of powers between spheres.

### B. DETAILED ANALYSIS

For each service(s), detailed analysis of the financial considerations (e.g., costs of services, tax room, grants, etc.), operational considerations (e.g., service

levels, infrastructure/asset use, staffing, etc.), and community engagement considerations (e.g., perceptions, impacts, etc.) is required.

▪ Financial Considerations

Streamlining services between the region and municipalities requires:

- a full accounting of the net costs (budget) associated with the service provision (i.e., operating and capital) including any known funding shortfall(s) to meet existing service levels,
- the associated tax revenue supporting the provision of this service by the Region,
- the associated reserves and reserve fund balances for the service and/or infrastructure, and
- a full accounting of any long-standing grants for the service, the status of the grant and eligibility for the grant under a new service provider.

▪ Operational Considerations

Streamlining services between the region and municipalities requires:

- clear definition of the service level provided,
- the skill, knowledge and experience of staff involved in the service delivery,
- the hours of staff time required in the provision of the service,
- clear understanding of ancillary services impacted/associated with the service,
- a full accounting of the infrastructure and/or assets utilized and/or consumed in the provision of the service and expected to be transferred along with the service,
- asset condition for those assets to be transferred along with the service, and
- full disclosure of current and future infrastructure planning related to the assets, including commitments, timelines, and impact on service delivery/interruption of service.

▪ Community Considerations

Streamlining services between the region and municipalities requires:

- clarity of residents' and City's expectations regarding services to be devolved and any elements of those services to remain with the Region,
- understanding of how devolution of service impacts resident taxpayers,

- clarity of resident's understanding regarding who provides these services, and
- common expectations of communication and education necessary to provide residents clarity.

### C. REQUEST FOR TRANSFER OF POWER

As reported in CM-01-24, the transfer of powers between tiers is permissible as set out in legislation including the use of "triple majority" provisions. The use of these provisions is dependent on the level of agreement between the affected parties. Should the situation occur where the triple majority provisions are required, the following is preliminary guidance and is subject to further input and confirmation of the parties involved.

The requesting municipality(ies) would draft a by-law with their request for their own Council to consider and meet all the triple majority requirements:

- i. Advocate to the other municipalities seeking at least 2 of the 3 to pass resolutions supporting the requesting municipality(ies)'s draft by-law.

This is the first triple majority requirement. (a) at least half of all the lower-tier municipalities forming part of the upper-tier municipality for municipal purposes, excluding the lower-tier municipality which passed the by-law, have passed resolutions giving their consent to the by-law.
- ii. The number of eligible electors in the requesting municipality(ies) and the 2 other supporting municipalities must form the majority of electors within the region.

This is the second triple majority requirement. (b) the total number of electors in the lower-tier municipalities which have passed resolutions under clause (a) and in the lower-tier municipality which passed the by-law form a majority of all the electors in the upper-tier municipality.
- iii. The majority of Regional Council must vote in favour of a resolution to support the requesting municipality(ies)'s draft by-law.

This is the third triple majority requirement. (c) the council of the upper-tier municipality has passed a resolution giving its consent to the assumption of the power and a majority of all the votes on the council were cast in favour of the resolution.

Should triple majority requirements be met, the requesting municipality(ies) would enact the by-law to and IMPLEMENTATION would commence.

#### D. IMPLEMENTATION

Based on the output from DETAILED ANALYSIS, cross-functional workplace teams comprised of City and Region staff would develop the work plan including timing and resources required, to work through plan(s) to transfer service(s) and related components (e.g., funding, assets, resources, etc.) from the Region to the requesting municipality(ies). Timing for implementation would be determined based on the complexity of the service(s) and the capacity of staff resources both at the Region and in the municipalities.

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### **Financial Matters:**

There is no financial impact as a result of this report. As indicated, financial information and matters would be identified and discussed during the detailed analysis phase.

### **Other Resource Impacts**

There are minimal resource impacts as result of this report. As indicated, staff resources will be required to complete the detailed analysis and implementation phases.

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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:**

The Strategy & Risk Team were consulted and commented on the process and the actions and Burlington Leadership Team provided their recommendations for services to be considered. As the services review process evolves, Community Engagement and Relations team members including communications will be actively involved in the process and status reporting to Council and community.

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## Conclusion:

Burlington Council is supportive of the City Manager's continued work with Regional CAOs to pursue opportunities to streamline and optimize services. A further update to Council will be provided by the City Manager directly to the March 19, 2024, Council meeting on the prioritization of services. Regular updates on this work will be provided to Council as the work progresses.

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Respectfully submitted,

Tim Commisso

City Manager

905-335-7600 ext. 7608

Sheila Jones

Executive Director, Strategy, Risk & Accountability

ext. 7872

## Appendices:

- A. Confidential CM-03-24 Appendix A: List of Services to be Included in Detailed Analysis for Regional Service Review

## Notifications:

Jane MacCaskill, CAO Region of Halton

[jane.maccaskill@halton.ca](mailto:jane.maccaskill@halton.ca)

Jane Clohecy, CAO Town of Oakville

[jane.clohecy@oakville.ca](mailto:jane.clohecy@oakville.ca)

Andrew Siltala, CAO Town of Milton

[andrew.siltala@milton.ca](mailto:andrew.siltala@milton.ca)

Chris Mills, CAO Town of Halton Hills

[chrism@haltonhills.ca](mailto:chrism@haltonhills.ca)

## 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.