
For information

REPORT TITLE: Bill 112 – Update September 2023

FROM: Gary Kent, CPA, CGA, ICD.D, Chief Administrative Officer

OBJECTIVE

To update Regional Council on the onboarding of the Transition Board and associated Bill 112 impacts.

REPORT HIGHLIGHTS

- On May 18, 2023, the Province introduced Bill 112, an Act to dissolve the Regional Municipality of Peel and make Brampton, Caledon, and Mississauga single tier municipalities, effective January 1, 2025.
 - On June 8, 2023, royal assent was received, making the Bill law.
 - On July 5, 2023, Ontario Regulation 187/23: Transition Board was released, which includes the appointment of a 5-member Transition Board and their prescribed duties.
 - The Transition Board's term of appointment has been extended to June 1, 2025.
 - The Terms of Reference and the workplan have not been made public yet.
 - To gain a deeper understanding of Peel's anchor role in the community and the critical services delivered by approximately 6500 Peel employees, a comprehensive onboarding was provided by Peel's senior leadership team in August.
 - The dissolution of Peel Region is a huge undertaking in such a short time:
 - One in ten people in Ontario live in Peel.
 - Peel Regional Police is the 2nd largest in Ontario and 3rd largest in Canada.
 - Peel Paramedics is the 2nd largest in Ontario.
 - Peel Water is the 2nd largest in Ontario and the 4th largest in Canada.
 - Peel utility rates remain 30 per cent lower than other GTA municipalities.
 - Peel Housing is the 3rd largest community housing provider in Ontario.
 - Peel Public Health is the 2nd largest in Ontario and one of the largest in Canada.
 - Peel Region roads carry 21 per cent of all goods movement GDP in Ontario.
 - Services are delivered through a heavily integrated shared model of service delivery allowing for economies of scale and value for taxpayer dollars.
 - The request for early and obvious employment decisions on pension, job security and severance were emphasized by Peel's Executive Leadership Team.
 - Peel's Executive Leadership Team also reiterated that all recommendations of the Transition Board should be made public, including the financial impact assessment and the long-term economic sustainability of Brampton, Caledon, and Mississauga.
 - As the Bill is aimed at governance changes not a business problem or performance issue, thoughtful and informed decision making based on facts, data, consultation, and value for money for the property taxpayer was reinforced.
 - There are no studies available that suggest there will be less permanent staff or overall savings through dissolution.
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DISCUSSION

1. Background

On May 18, 2023, the Province introduced Bill 112, an Act to dissolve the Regional Municipality of Peel and make Brampton, Caledon and Mississauga single tier municipalities, effective January 1, 2025.

On June 8, 2023, royal assent was received making the Bill law.

On July 5, 2023, Ontario Regulation 187/23: Transition Board was released which includes the appointment of a 5-member Transition Board and their prescribed duties to facilitate Peel's dissolution. The board is compensated based on allowance for each day they are engaged on the transition.

The Transition Board's term of appointment is extended to June 1, 2025, with a workplan due August 31, 2023 for approval by the Minister of Municipal Affairs and Housing (Minister). The final report is due to the Minister by July 2024. The Minister and Cabinet will make final decisions after Ministry staff review and comment.

As part of the Regulation, the Board's prescribed duties include:

"...4. Develop and submit a workplan for approval to the Minister by August 31, 2023, that includes,

- i. a plan on how the board will meet the deadlines, if any, directed by the Minister with respect to recommendations under paragraph 1 of subsection 3 (5) of the Act,
- ii. a communications plan outlining the proposed approach to communicating with the Ministry, including timelines,
- iii. a consultation plan outlining the proposed approach to consulting with the affected municipalities and municipal stakeholders, including timelines,
- iv. a description of the documents, records or other information anticipated to be requested and examined under clause 3 (7) (b) of the Act or of the things the affected municipalities will be required to do under clause 3 (8) (a) of the Act,
- v. a description of the documents, records, or other information the board anticipates requesting from any Ministries of the Government of Ontario,
- vi. a hiring and resource plan that includes expected costs for, and descriptions of, anticipated staff to be hired and expert services and any additional supports the board anticipates that it will require to perform its functions, including supplies and facilities,
- vii. a description of how the board will fulfil its duties under paragraphs 2 and 3 of subsection 3 (5) of the Act,
- viii. a description of how the board will determine when to exercise its powers under subsections 6 (1) and (2) of the Act and the process the board will use when exercising those powers, and
- ix. a budget, including the total expected costs identified in subparagraph vi, any other anticipated expenses of board members or of the board and remuneration of board members."

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The Transition Board members are in place and hired an Executive Director in early August. We believe the Executive Director is hiring a small staff and expect any additional resources to be included in the budget presented to the Minister by August 31, 2023.

We also believe the Ministry of Municipal Affairs and Housing is actively working to finalize the Terms of Reference for the Transition Board. The workplan as called for by the regulations has not yet been shared with Peel Leadership. The Transition Board has agreed to provide a walkthrough of the workplan, upon approval, with the four CAOs of Peel, Brampton, Caledon and Mississauga. Our hope is that all the aspects of the workplan, as outlined in the regulation, are shared to allow for the effective allocation of resources.

In July, the Province also announced that Ernst & Young LLP has been retained to conduct the Municipal Financial Audit to assess the financial impacts of Bill 23 - *More Homes Built Faster Act, 2022*, as part of the ongoing work to build 1.5 million homes by 2031.

Ernst & Young LLP will examine the finances of Peel, Mississauga, Caledon, Brampton, the City of Toronto, and Newmarket. The first phase of audits is expected to conclude at the end of 2023 and findings could be used to inform the work related to the restructuring and dissolution of Peel Region. A separate report on the municipal audit will come to the Regional Council meeting of September 28, 2023.

The timing of the workload generated by the audit and the needs of the Transition Board is unfortunate; the 2024 Budget is being developed, there are increasing service demands, and staff retention challenges has brought about service level pressures.

Staff will need to be available to the Transition Board while at the same time, maintaining the business operations of essential services and managing the increasing complexity of community needs. The broader social and economic environment has heightened the need for critical services provided by Peel including increasing homelessness, income security, food insecurity and housing affordability. The intense work related to dissolution and ongoing critical service delivery will continue for staff throughout the transition period.

Our gratitude goes to all staff who have remained professional and dedicated to the community through this uncertain time.

2. Transition Board Onboarding

To assist the Transition Board in making thoughtful and informed decisions regarding the dissolution of Peel, a comprehensive Onboarding Plan was developed (Appendix I) [peelregion.ca/transition/ media/onboarding-plan.pdf](https://peelregion.ca/transition/media/onboarding-plan.pdf)

As of the end of August, the Transition Board has met with the Regional Chair, CAO, local Mayors and City Managers, labour groups, Peel Police, Metamorphosis Network and Peel's senior leadership team.

In addition to the detailed Budget Book for 2023, which is packed with Peel specific information, several focused key documents were developed within a very short timeframe by the Commissioners and Directors and shared with the Transition Board in

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advance of their scheduled onboarding sessions on August 11, 14, 15 and 28, 2023. The information provided the Transition Board a general understanding of the organization, the people and the systems that are managed. This includes the following:

- **Introducing Peel Region – a First Conversation (Appendix II)**

[peelregion.ca/transition/ media/introducing-peel-first-conversation.pdf](https://peelregion.ca/transition/media/introducing-peel-first-conversation.pdf)

This orientation document sets out to tell Peel's story over the past 5 decades, its history, services, people, finances, assets, strategies, and key contracts in a holistic but concise and transparent manner. Also included are the critical pressures and risks facing the Peel community and how services are delivered in an integrated fashion through systems planning and execution to meet the evolving needs.

The document is prefaced by a welcome letter from the CAO, highlighting:

- The shocking and sudden disruption to a leading 49-year anchor community institution.
- The mature and integrated service delivery models achieving social impact.
- The need to develop financially prudent recommendations that enhance Peel's quality of life.
- The need to achieve business continuity.
- Staff's commitment to work with the Transition Board to minimize impacts.

- **Voice of Employees – Questions and Concerns Regarding Bill 112 (Appendix III)**

[peelregion.ca/transition/ media/voice-of-peel-employees-questions-concerns.pdf](https://peelregion.ca/transition/media/voice-of-peel-employees-questions-concerns.pdf)

The announcement of the dissolution of Peel has had a significant impact on approximately 6500 employees (full-time, part-time, contract and temporary staff) and their families as well as the more than 3200 Peel Regional Police employees.

The Voice of Employees provides the Transition Board with an overview of concerns and anxieties felt by staff. It also captures leadership actions to support employees and all uncensored, honest, and emotional questions asked anonymously by Peel's valued employees (as of August 1, 2023), as they struggle to understand the impact of the dissolution announcement.

These questions came at a time when employees were in shock and disbelief and feeling emotional and vulnerable. Every question has been given to the Transition Board, on an anonymous basis, to inform their workplan and to seek answers. It is important for transparency that Council sees them too.

New questions will continue to be shared.

- **Communications to Community Partners, Vendors and Volunteers Regarding Continuity of Peel Services (Appendix IV)**

[peelregion.ca/transition/ media/communications-community-partners-vendors-volunteers.pdf](https://peelregion.ca/transition/media/communications-community-partners-vendors-volunteers.pdf)

Communication from Peel's CAO with community partners, vendors, and volunteers regarding the continuity of services and valuing their commitment during this time.

- **Communications to Employees and Council Related to Peel's Transition (Appendix V)**

[peelregion.ca/transition/ media/communications-to-employees-council.pdf](https://peelregion.ca/transition/media/communications-to-employees-council.pdf)

Communication to employees and Council from Peel's CAO keeping them abreast of knowns and unknowns and the work underway with the Ministry and the Transition Board.

- **2015 – 2035 Strategic Plan and Performance Reporting (Appendix VI)**

[peelregion.ca/transition/ media/2015-2035-strategic-plan-performance.pdf](https://peelregion.ca/transition/media/2015-2035-strategic-plan-performance.pdf)

Performance reporting on Peel's 2015-2035 Strategic, Term of Council Priorities and the 2018 Annual Report demonstrating progress on Peel's vision of *Community for Life* and the impact on Peel residents, businesses, and community.

Formal onboarding presentations were also provided including an organizational overview, workforce and labour relations, Peel community overview, legal obligations and risks, and investments and debt portfolio **(Appendix VII)**

[peelregion.ca/transition/ media/organizational-overview-orientation-transition-board.pdf](https://peelregion.ca/transition/media/organizational-overview-orientation-transition-board.pdf).

Departmental and service presentations were also provided to the Transition Board

(Appendix VIII) [peelregion.ca/transition/ media/transition-board-onboarding-](https://peelregion.ca/transition/media/transition-board-onboarding-departmental-overview.pdf)

[departmental-overview.pdf](https://peelregion.ca/transition/media/transition-board-onboarding-departmental-overview.pdf) demonstrating deep systems integration, ecosystem dependencies, extensive partnerships with Peel's non-profit sector and the collective impact of efforts. These are all critical matters that need to be addressed in a thoughtful and informed fashion to ensure future service delivery continues to be progressive and sustainable for the next 50 years.

3. Magnitude, Scale, Integration and Complexity of Peel Services

The onboarding sessions allowed the Transition Board to gain a deeper understanding of the magnitude, scale, integration, and complexity of services delivered by Peel.

Peel is a huge undertaking, and its dissolution must be done in a thoughtful manner, not rushed.

Some notable facts about Peel shared with the Transition Board include:

- One in ten Ontario residents live in Peel.
- Peel's population is 1.5M making it the second-largest municipality in the Greater Toronto Area and larger than six of Canada's provinces.
- Peel is financially secure and stable, maintaining a AAA credit rating for 27 consecutive years. In 2022, Peel was one of only 14 Canadian municipalities to receive a AAA credit rating from S&P Global Ratings and 1 of 8 municipalities to receive a AAA credit rating from Moody's Investors Services.
- \$1.8B worth in goods travel to, from and through Peel every day and 36 per cent of truck trips in Ontario start or end on Peel Region roads.
- Peel's goods movement industry contributed \$49B worth of gross domestic product (GDP) to regional, provincial and national economies. Peel Region roads carry 21 per cent of all goods movement GDP in Ontario.

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- Peel has the 2nd largest water and wastewater system in Ontario and the 4th largest in Canada with an infrastructure replacement value of \$26B.
- Peel's utility rates remain 30 per cent lower than other GTA municipalities.
- Peel Regional Police is the second largest municipal police service in Ontario and the third largest municipal police service in Canada.
- Peel Paramedics is the 2nd largest paramedic system in Ontario and respond to over 140,000 calls in a typical year and have the best cardiac arrest save within North America at 72 per cent.
- Peel is the third largest community housing provider in Ontario.
- Peel Public Health is the 2nd largest in Ontario and one of the largest in Canada.
- Peel has 2nd largest waste management program in Ontario and the 4th largest in Canada.
- Peel includes over 200,000 businesses ranging from independent owners to international corporate headquarters.
- 8.6 per cent of Peel's population (and 9.5 per cent of children) live in poverty with approximately 25,000 residents receiving Ontario Works (accounting for 1.7 per cent of Peel's population) and depend on Peel delivering uninterrupted services.
- As service manager and primary funder of Peel's affordable housing system, Peel flows federal, provincial, and regional funding to 51 community housing providers including Peel Housing Corporation which is the largest community housing provider in Peel and the third largest community housing provider in Ontario.
- 120 newcomers arrive in Peel every day; growth in newcomers to Peel every year represents the size of mid-size municipality.
- 69 per cent of individuals in Peel identify with a racialized group, the highest percentage of racialized individuals in the GTA. Peel's community is not the same as Toronto and is distinct from the rest of Ontario and GTHA.
- Peel's Long-Term Care was first to receive Butterfly Model of Care accreditation in Ontario.
- Peel is home to Canada's busiest airport, Pearson International Airport
- Peel's Anti-Human Sex Trafficking Strategy is the first of its kind in Ontario.
- Peel provides over \$10.3M annually in funding to over 150 community agencies in the non-profit sector.
- Peel co-owns with Brampton, Caledon & Mississauga, the public sector network, a state-of-the-art fibre network with over 800 kilometers of fibre.
- Peel is the only local municipality in Canada to receive the Platinum Award from Excellence Canada for organizational wide systems of management, public service delivery and commitment to continuous improvement.
- The National Institute of Government Procurement recognized Peel's Procurement team with the Outstanding Agency Accreditation Achievement Award; Peel is only one of two Canadian government agencies with this accredited distinction.
- Peel's childcare fee subsidy program has not had a waitlist in 10 years.
- Citizen satisfaction rate of Peel services were 80 per cent in 2022, rising to 84 per cent so far in 2023.
- These large, complex and integrated services are supported by professional, knowledgeable, high-quality staff, providing efficient shared services allowing for economies of scale.

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Additional key data and facts reflecting Peel services were shared with the Transition Board (Appendix IX) [peelregion.ca/transition/ media/peel-at-a-glance-departments.pdf](https://peelregion.ca/transition/media/peel-at-a-glance-departments.pdf) . The next stage of the onboarding will include additional presentations on Information and Technology and Finance scheduled for September 12, 2023. Site visits have also been offered.

Discussions during the onboarding sessions focused on the integration of services, systems dependencies, community needs, fragility of some populations and systems and the high caliber of Peel employees who continue to deliver services with the highest level of professionalism through this period of uncertainty and change.

The Transition Board expressed appreciation for the materials shared and indicated they were impressed with the quality and professionalism of Peel staff, the achievements of Peel and the integrated systems in place. The accelerated onboarding of the Transition Board has provided the opportunity to identify areas they may want to dig deeper into as well as completing site visits in the coming weeks. There is broad consensus that the problem that is trying to be solved is one of governance and not performance.

There are no studies that suggest taxpayers' dollars will be saved overall or staffing levels reduced through dissolution.

4. Requests for Early Employee Related Decisions and for Recommendations to be Made Public

Throughout the onboarding, Peel's Executive Leadership Team reinforced the request for early and obvious employee related decisions. The Transition Board are very aware and supportive of the ask and understand the need to address urgent employee related decisions, specifically job security, severance, and pension as per the companion closed session report on today's agenda. They are actively engaged in discussions with the Province on these matters.

Thoughtful and informed decision making was also reinforced so too was the ask for all recommendations of the Transition Board to be shared publicly, including the financial impact assessment and the long-term economic sustainability of Brampton, Caledon, and Mississauga.

This would be a decision of the Province not the Transition Board.

5. What We are Left Wondering

Through the orientation in August, Peel's Executive Leadership Team had some follow-up questions and comments for the Transition Board. They are listed in Appendix X [peelregion.ca/transition/ media/questions-to-the-transition-board.pdf](https://peelregion.ca/transition/media/questions-to-the-transition-board.pdf) with some common themes summarized below:

- The finalization and sharing of the Terms of Reference and workplan.
- How the community and staff will be consulted and the submission process.
- How relationships and 2-way communications will be managed with Regional Council and with all four municipalities.

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- How the 2025 budget will be calculated.
- Logistics related to regular meetings with staff.
- Decision monitoring process for all four municipalities.

RISK CONSIDERATIONS

As the work with the Transition Board intensifies, staff anxiety may increase resulting in further retention challenges thus impacting service delivery. Regular updates on Transition activities are being provided to staff and the public to mitigate concerns and ensure transparency of the process. A website [Peel's transition \(peelregion.ca\)](https://peelregion.ca/peels-transition) has been created with the most up to date information for all stakeholders.

The volume of anticipated data to be shared with the Transition Board for their comprehensive review and analysis will require rigorous management and controls to ensure the integrity of Peel's records and consistency for future transition requirements. Peel has established a data sharing protocol which has been activated similar to the Freedom of Information process where all requests will go through Clerks with an expected 5-day turnaround where possible. Requests by local municipalities will go to the Transition Board and then through Clerks.

This will ensure all municipalities receive the same information at the same time. It is also a mechanism to track what information and reports are transferred when, including closed session reports that the Transition Board has already requested to review. The Transition Board has the ability to share closed session reports or documents deemed confidential, solely with the Crown.

FINANCIAL IMPLICATIONS

The Ministry will regularly send invoices for the work of the Transition Board to Peel for processing. As of this date, no invoices have been received. Additional costs have also started to be incurred by staff and will continue to be monitored, assessed, and reported to Council in a timely fashion.

Once the Transition Board's workplan is approved by the Minister, it will be reviewed with Peel and the local municipal CAOs for a clear understanding of the impacts, which will be shared with Council at a future date. This may result in recommendations for additional resources to ensure continuation of service delivery and to support Transition Board requirements.

BILL 112 IMPLICATIONS

Effective and ongoing support to the Transition Board, as demonstrated through the onboarding, will ensure that the Transition Board is provided with factual, transparent and timely information. This will be critical as the Transition Board develops recommendations that are in accordance with the legislation, decisions are made in the public interest having regard for the municipal restructuring, ensuring value for money, high quality efficient services and that other municipalities are not unreasonably impacted.

The Transition Board has to monitor all four municipalities and they were thankful for the practice Peel has adopted by including a paragraph in Corporate Reports. One they may ask other municipalities to adopt.

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Many internal projects have been paused or stopped as a result of the Bill, however it is important that hiring practices continue to attract the best talent to the organization for business continuity purposes. A closed session report on labour relations has been included on the same agenda for a deeper discussion including the impacts on workforce, still tired from the COVID response and in mental health recovery.

Regional Council has approved every request recommended to them regarding how to assist staff's physical and psychological well-being.

Staff are working with the Ministry on regulations to ease investor concerns and also tackle some of the issues raised by employees.

CONCLUSION

Staff remain committed to working with the Transition Board, the Ministry, colleagues in the local municipalities and the auditors to bring forward thoughtful, informed recommendations regarding Peel's dissolution while ensuring the continuity of critical services and minimizing the impacts to Peel employees, residents, businesses, and community.

APPENDICES

- Appendix I: Onboarding Plan for the Transition Board
 - Appendix II: Orientation Package – Introducing Peel Region – a first conversation
 - Appendix III: Voice of Peel Employees – Questions and Concerns regarding Bill 112
 - Appendix IV: Communications to Community Partners, Vendors and Volunteers Regarding Continuity of Peel Services
 - Appendix V: Communications to Employees & Council Related to Peel's Transition
 - Appendix VI: 2015 – 2035 Strategic Plan and Performance Reporting
 - Appendix VII: Aug 11 – Organizational Overview – Orientation for the Transition Board
 - Appendix VIII: Aug 14, 15, 28 – Departmental Presentations
 - Appendix IX: Peel at a Glance by Department
 - Appendix X: Questions to the Transition Board for Follow-up
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