

**For Information**

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REPORT TITLE: **Proposed Bill 240 - Peel Transition Implementation Act**

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

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**OBJECTIVE**

To update Regional Council on the proposed Bill 240, *Peel Transition Implementation Act, 2024* and numerous risks being managed to ensure staff well-being, retention of talent, and business continuity.

**REPORT HIGHLIGHTS**

- On December 12, 2024, Paul Calandra, the Minister of Municipal Affairs and Housing, introduced proposed legislation entitled *Bill 240, Peel Transition Implementation Act, 2024*.
- A posting is already on the Environmental Registry of Ontario for 45 days for public comment on the legislation. It will close at 11.59 pm on January 26<sup>th</sup>, 2025.
- If passed, this legislation would result in the transfer of some Public Works services effective July 1, 2026, or such other date as may be determined by the Minister, specifically:
  - Regional roads and associated stormwater infrastructure, including ownership and maintenance responsibilities, from the Region of Peel to Mississauga, Brampton, and Caledon;
  - Waste collection services, within the geographic area of the City of Mississauga, and two community recycling centres located in Mississauga from the Region of Peel to the City of Mississauga.
- The proposed legislation also confirms the dissolution of the Transition Board, effective December 31, 2024.
- Staff well-being, retention of talent and business continuity to the 1.5M Peel residents and over 200,000 businesses are of supreme importance, as we work through this transition.
- On December 18, 2024, a technical briefing was held with the Assistant Deputy Minister of Municipal Affairs and Housing and senior staff from all four municipalities, which confirmed that:
  - The proposed Bill 240 will not be capable of receiving Royal Assent until after March 3, 2025, when the House resumes.
  - Ontario's Provincial Land and Development Facilitator (PLDF) advisory agency will shape the process and engagement with Peel, Brampton, Caledon, and Mississauga, and will make recommendations to the Minister about the transfer of services.
  - Water/wastewater is out of scope for this work.

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- The Ministry of Municipal Affairs and Housing is considering filing a legal instrument called a "regulation" to allow Brampton to deliver roads services to Caledon starting July 1, 2026, at cost, contingent on the PLDF's advice and definition of 'at cost.'
  - It will be business as usual until the services are transferred effective July 1, 2026, or as determined by the Minister.
  - While the technical briefing level set the proposed legislation with all four municipalities, there are remaining questions that will need to be worked through the PLDF.
  - It is clear that the costs of PLDF will be met by the Province, but unclear who will bear the cost of the four municipalities, or what the estimated costs of implementation are.
  - Nobody at the Region of Peel has seen any financial or labour projections made by the Transition Board, which presumably have driven the legislation. Practically speaking, it would not just be informative to the taxpayers of Brampton, Caledon and Mississauga to understand the estimated impact of these changes to their future property tax rates, but also to those tasked with implementation to allow them to understand the assumptions made.
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## DISCUSSION

### 1. Background

On December 12, 2024, Paul Calandra, the Minister of Municipal Affairs and Housing introduced proposed legislation entitled Bill 240, *Peel Transition Implementation Act, 2024* (Appendix I).

If passed, this legislation would result in the transfer of the following Public Works services effective July 1, 2026, or on a date determined by the Minister:

- Regional roads and associated stormwater infrastructure, including ownership and maintenance responsibilities, from the Region of Peel to Mississauga, Brampton, and Caledon.
- Waste collection services, within the geographic boundaries of the City of Mississauga, and two community recycling centres located in Mississauga from the Region of Peel to the City of Mississauga.

These changes would be facilitated primarily by amendments to the *Municipal Act* and the *Ministry of Municipal Affairs and Housing Act*.

A posting is already on the [Environmental Registry of Ontario](#) for 45 days for public comment on the legislation. It will close at 11:59 pm on January 26<sup>th</sup>, 2025.

To support Peel and the local municipalities, Ontario's Provincial Land and Development Facilitator (PLDF) advisory agency will facilitate the process for service transfers. The PLDF came into effect on October 1, 2020. The proposed changes to the *Ministry of Municipal Affairs and Housing Act* allows the number of facilitators to be appointed by the Minister to increase from four to six.

The provincial announcement also confirmed the dissolution of the Transition Board, effective December 31, 2024.

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To facilitate the transfer of jurisdiction of Regional roads to the local municipalities, and waste collection services and community recycling centres (within the geographic boundaries of the City of Mississauga) to Mississauga, the proposed Bill 240 would give the Minister the authority to make certain regulations pertaining to the following:

- Transferring of rights, assets, liabilities, and obligations from Peel to any of Mississauga, Brampton and/or Caledon;
- Terminating, suspending, or amending all or part of an agreement to which any of Peel, Mississauga, Brampton, or Caledon are a party;
- Financial adjustments amongst the four municipal entities or their respective local boards, which could impact reserves and funding obligations;
- Taking action with respect to any operational matters, which may include employment matters, as well as the provision of work, goods, or services from one municipality to another, which could include the requirement for Service Level Agreements for the continued provision of services;
- Empowering the Minister with administrative authority over the following:
  - Requiring municipal councils and staff to cooperate with the Provincial Land and Development Facilitator in the performance of its duties;
  - Requiring production of records, including privileged or confidential material;
  - Establishing a process to monitor the actions of Peel, Mississauga, Brampton and/or Caledon until the day the transfer of jurisdiction takes place;
  - Establishing conditions required in future contracts that impact on the transfer of jurisdiction;
  - If non-compliance occurs, allowing the Minister to make an order requiring a municipality to do anything that is described in the regulation.

The proposed Bill 240 also adds immunity from liability provisions to the *Municipal Act*. The proposed legislation creates broad immunity for any act taken within scope of the transfer of jurisdiction from Peel to the local municipalities. This effectively prohibits causes of action arising, whether directly or indirectly, from the proposed Bill 240 or regulations thereto.

Additionally, the effective dates for transfer of service are set out as separate and distinct timelines within the proposed Bill 240. This could result in the jurisdictional transfer of Regional roads and waste collection to Mississauga, or components thereof, occurring at different times, should a date other than July 1, 2026, be prescribed for either service. The Minister can prescribe a date that is either earlier or later than July 1, 2026, so long as it is prescribed in advance of the July 1, 2026 date.

### 2. Technical Briefing with the Provincial Staff

On December 18, 2024, a technical briefing was held with the Assistant Deputy Minister of Municipal Affairs and Housing with senior staff from all four municipalities. The following was confirmed through the technical briefing (and which was shared with Regional Council by Peel's CAO via email on December 19, 2024):

- Confirmation that the proposed Bill 240 will not be capable of receiving Royal Assent until after March 3, 2025, when the House resumes.
- The PLDF will shape the process and engagement with Peel, Brampton, Caledon, and Mississauga, and will make recommendations to the Minister about the transfer of services.
- Water/wastewater is out of scope for this work.

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- It will be business as usual until the services are transferred effective July 1, 2026, or as determined by the Minister.
- The Ministry of Municipal Affairs and Housing is considering filing a legal instrument called a "regulation" to allow Brampton to deliver roads services to Caledon starting July 1, 2026, at cost, contingent on the PLDF's advice and definition of 'at cost'.
- PLDF will pay for its own costs.
- There is an overall commitment from the Province to business continuity and the effective implementation of the transfer of service.

While the technical briefing level set the proposed legislation with all four municipalities, there are remaining questions that will need to be worked through the PLDF:

### 1. **Governance**

- What will the governance structure entail?
- How will information be shared and communicated?

### 2. **Smooth Transfer and Respectful Treatment of Peel Employees**

- Will there be a guarantee of job security for all impacted Peel employees?
- How will employees be transferred to each local municipality?
- How will this be worked through the collective agreements for all municipalities?

### 3. **Financial Assessments**

- Will the valuation of assets and liabilities be done via staff or through external accounting firms?
- Will there be a new tax levy apportionment required for waste management?

### 4. **Borrowing**

- Infrastructure Ontario has expressed concerns with Peel's ability to participate in the \$1 Billion Loan Program for housing-enabling water/wastewater infrastructure, due to the continued uncertainty in Peel. If there is no change in position, will the Province lend to Peel to support this critical infrastructure?

### 5. **Capital Projects**

- How will business continuity be maintained for critical infrastructure projects?

### 6. **Transfer of Legal Ownership**

- Who will handle transactional matters, such as transfer of ownership?
- Will transfer orders be issued by the province?

### 7. **Cost of Implementation**

- Who will bear the cost of implementation for all four municipalities and what are the estimated costs?

As staff continue to digest the proposed legislation and field questions from various parties and stakeholders, there may be additional questions that arise, which we will work with the PLDF to seek clarity.

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### **RISK CONSIDERATIONS**

As with any organizational change, there are many risks and complexities that need to be managed such as:

- Supporting the psychological health and well-being of impacted staff
- Ensuring business continuity for the over 1.5 M Peel residents and the over 200,000 businesses in Peel
- Managing staff retention and attraction of new talent
- Managing relations with the unions
- Managing contracts with vendors ensuring the uninterrupted delivery of services
- Providing details to investors regarding borrowing
- Answering questions from multiple stakeholders including labour groups, businesses, and customers

To support staff, there has been ongoing transparent communication from Peel's CAO, Commissioners and Directors.

All staff questions are being answered and staff have met with their people leaders, Directors, and Commissioners. Support is also being provided through our Human Resources team and through our Employee & Family Assistance Program through Homewood Heath.

Several additional tactics are underway to support Peel staff and ensure business continuity:

#### **a) Staff Well Being**

The last number of years have been challenging for Peel employees; the level of uncertainty has created a lot of anxiety and stress.

We will continue to prioritize the psychological health and well-being of our people through an intentional, focused strategy, ensuring that the mental and physical health of our people are protected.

#### **b) Retention of Talent**

The retention of talent is critical. There is an elevated risk of losing key, highly experienced and professional staff.

We are doing everything possible, within our People Strategy and levers at our disposal to remain competitive and retain talent.

Retaining highly experienced, skilled, and trained professional staff is in the best interest of the public, for Peel, Brampton, Caledon, and Mississauga.

#### **c) Labour Relations**

Our relationship with the unions will continue to be critical as we navigate this next stage, ensuring the well-being and protection of Peel employees and business continuity of critical services.

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### **d) Managing Vendor Agreements & Legal Obligations**

Vendors are critical to the delivery of roads and waste management services. With the announcement of the proposed Bill 240, there are elevated risks to increased pricing, loss of economies of scale, and potential difficulties securing interim contracts.

Communication has been developed and distributed to our vendor community, advising of the proposed legislation, and providing assurances that Peel will continue to work with them to provide critical services to the community.

### **e) Impacts to the Region's Borrowing Program**

Bill 112, Bill 185, and the proposed Bill 240 are continuing to create uncertainties with respect to Peel's borrowing program and the ability to raise capital efficiently and cost effectively, as has been done historically.

Staff continue to conduct investor relations activities and work with stakeholders to understand potential impacts to Peel's borrowing program arising from the proposed Bill 240.

Staff will review over the coming weeks and months the borrowing requirements and issuance plans from all four municipalities, along with evaluating various financing alternatives.

Peel staff will manage these risks and complexities with professionalism and commitment to the Peel community, as they have demonstrated in the past through Bill 112 and previous disruptions. It is however important to note that Peel's overall risk tolerance may be impacted as we manage risks at all levels of the organization and avoid service disruptions.

## **FINANCIAL IMPLICATIONS**

The full financial impacts of this transition are unknown at this time.

It is clear that the costs of PLDF will be met by the Province but unclear who will bear the cost of the four municipalities, or what the estimated costs of implementation are.

Nobody at the Region of Peel has seen any financial or labour projections made by the Transition Board, which presumably have driven the legislation.

Practically speaking, it would not just be informative to the taxpayers of Brampton, Caledon and Mississauga to understand the estimated impact of these changes to their future property tax rates, but also to those tasked with implementation to allow them to understand the assumptions made.

Staff are committed to working with the PLDF, provincial staff and local municipalities to understand the breadth and scale of the financial impacts to taxpayers in all four municipalities.

Staff will continue to deliver services as approved through the budget, through previous approved Council reports and continue to review future investments and workplans.

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### **CONCLUSION**

Peel is committed to working with Ontario's Provincial Land and Development Facilitator, Ministry staff and our local municipal partners in ensuring staff well-being, business continuity and public interest as it relates to the proposed Bill 240.

### **APPENDICES**

Appendix I - Proposed Bill 240 - *Peel Transition Implementation Act, 2024*

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