

IN THE MATTER OF A FACILITATION

BETWEEN:

Her Worship

Mayor Hazel McCallion

Janice Baker, Acting City Manager
City of Mississauga

Her Worship

Mayor Marolyn Morrison

Pat Moyle, Chief Administrative Officer
Town of Caledon

Her Worship

Mayor Susan Fennell

Lorne McCool, City Manager
City of Brampton

Chair Emil Kolb

Roger Maloney, Chief Administrative Officer
Regional Municipality of Peel

Pursuant to Terms of Reference as set out by the Honourable John Gerretsen,
Minister of Municipal Affairs and Housing in a letter with attachment dated
October 7, 2004.

Conducted by The Honourable George W. Adams, Q.C.

Held in Toronto on November 4 and 5, 2004 and December 2 and 3, 2004.

Report

I am pleased to report that the parties participated in intensive problem-solving talks over the course of four days. There was a thorough airing of concerns which revealed both significant differences and common interests. While at the outset of these talks, the differences appeared to be overwhelming the common interests, the good faith discussion which followed allows me to report that a substantial consensus may be forged around the ideas set out below. Of course, Minister Gerretsen may wish to confirm this assessment with the mayors following their discussion with the councillors of each area municipality.

Representation

This has been a difficult issue. Mississauga says it has a need for two more municipal wards to better balance area councillor representation and work load. As well, it understandably wishes to continue the tradition that its elected officials in each ward represent the tax payers of Mississauga at both the area and regional levels of municipal government. In support of this request, Mississauga points to a history of what it believes is one of under representation at the regional level given its population. Brampton, however, also makes a case of greater representation, particularly in light of its explosive growth since 2000 and expresses the concern that more councilors are needed now to manage these issues. Mississauga has some empathy for Brampton's concerns given its own experience, but objects to "full build-out" representation for Brampton in 2006. This principled objection suggests two (2) additional regional representatives for both Mississauga and Brampton in 2006 and then three (3) more representatives for Brampton in 2009. Indeed, one could argue Brampton should wait to 2012 for its three (3) additional representatives. But a strong case can be made for 2009 due to Brampton's staggering growth since 2000 and in recognition that Mississauga is actually anticipating its full build-out size by requesting twelve (12) representatives now.

Brampton, however, points to the tremendous distraction of being required to revise boundaries in 2006 to accommodate two additional ward representatives and then having to do that all over again in 2009 for the next three additional regional councilors. If Brampton is required to wait to 2009 for any additional representatives, its current councillors will be without help when most in need. In short, a formula approach to implementing representation which matches growth in population to representation with some precision is said to be not practical. Nevertheless, I also understand Mississauga's objection to the appointment of five (5) additional regional Brampton representatives in 2006 without any qualification.

Therefore, a solution to this dilemma is to add in 2006 two (2) additional representatives for Mississauga and five (5) additional representatives for Brampton subject to an agreement

between the three municipalities to commit to a weighted vote at the region until 2009 which accords additional weight to the votes of the councillors from Mississauga and Caledon to outweigh or compensate for three (3) of Brampton's additional five (5) representatives. In other words, the weighted vote would create the same effect as if Brampton had eight (8) regional representatives not eleven (11).

Finally, it is not very practical to respond to concerns of underrepresentation by reducing the number of Caledon's regional representatives. It is true that Caledon has been overrepresented at the region based on its relative population, but this has been so since 1973. Thus, it is very difficult, after all these years, to reduce Caledon's representation at the regional level. Caledon is also likely to experience significant growth in the coming years given recent provincial announcements concerning development in the Golden Horseshoe. However, it would be entirely appropriate for Caledon to commit that, by 2009, it will have reduced its own area council to five (5) representatives so that each remaining councillor will represent taxpayers at both the area and regional levels just like Mississauga and (now) Brampton. The result of all these changes would be to reduce the total number of elected representatives in the region from the thirty-six (36) existing in 2000 to twenty-eight (28) by 2009.

Recommendation

- (i) In time for the 2006 elections, Mississauga's regional representatives be increased from ten (10) to twelve (12).**
- (ii) In time for the 2006 election, Brampton's regional representatives be increased from six (6) to eleven (11). However, Mississauga, Brampton and Caledon shall agree to a weighted vote at the Peel Regional council for the period 2006 to 2009 to accord additional weight to the votes of Mississauga and Caledon representatives to counteract the appointment of five (5) Brampton regional representatives in 2006 instead of two (2).**
- (iii) Caledon will retain its five (5) regional representatives but will commit to reduce its area council by 2009 to five representatives to create equivalent political relationships between all three area municipalities and the regional council.**

2. Roads and Planning

Mississauga, given its greater maturity as a large urban center, will increasingly experience cost pressures in order to renew and maintain its infrastructure. The pressure will be magnified by a declining rate of residential growth as the physical limits of further development

are reached. There is also an interest on the part of all area municipalities in making services more cost effective, more accessible and more efficient through the migrating of services to the area municipality where this is possible and fair in all the circumstances.

Two areas which stood out in our discussions were roads and planning. Recognizing that I am writing the report as a package, meaning that any sustainable consensus requires the implementation of the entire package of recommendations, I believe a consensus exists for real change in these two areas in the near term provided it is preceded by study and provided Caledon's unique vulnerability to drastic change in respect of regional roads is accommodated.

Recommendation

- (i) The three mayors will cause and manage reviews of (1) planning, construction, operation and maintenance of existing regional roads and (2) development approvals and land use planning processes.**
- (ii) The reviews will be aimed at real change and guided by an acceptance of the following principles:**
 - (a) greater administrative streamlining (savings) and other efficiencies are possible and desirable;**
 - (b) more area municipal operational control is possible and desirable;**
 - (c) service levels should be maintained or improved; and**
 - (d) such change can be tailored to the municipalities in an equitable manner in order to accommodate, for example, the unique situation of Caledon and will be phased in.**
- (iii) These reviews will commence within ninety days; be completed by June 2005; and be considered during September 2005 for approval in October 2005. This timing is to insure implementation by the 2006 budget.**

3. Other Service Funding Concerns

During the talks, many other services administered and funded at the Regional level were discussed. Mississauga's concern over the fairness of exclusively funding such services by weighted assessment was the central issue of the discussion. It was pointed out that many other approaches were possible to better balance the benefit received with the cost of service. But it was also understood that more than just cost savings were at issue when considering the right funding model for various social services. The discussion also highlighted the cost pressures and

internal conflict generated by the downloading of responsibilities by the Province or by the need to accommodate, for example, the influx of immigration and the related pressures associated with being near Canada's largest airport.

All of the participants saw a need for a Standing Review Committee to regularly deal with these concerns - a process which would help prevent the buildup of conflict between the area municipalities. This standing review process, however, must be managed by senior officials committed to meeting deadlines and achieving tangible results. In other words, in creating such a committee, the area municipalities would again be committed to real change. Indeed, several areas were identified as topics for immediate review and report and, I believe, there is a shared willingness to bring these discussions along in tandem with the above review process for roads and planning in order to facilitate balanced economic outcomes from an overall viewpoint. A Standing Review Committee would also be sensitive to the possibility of referring particular issues to other more appropriate forums and, in that event, be willing to advocate such issues in those forums.

Recommendation

- (i) A Standing Review Committee should be established at the Regional level to review concerns over the cost, funding and/or the quality of particular regional services. This committee will be established within ninety days.**
- (ii) The Standing Review Committee will have assigned to it senior officials committed to problem-solving and real change, not simply debate.**
- (iii) The Standing Review Committee will be immediately tasked to review police services, ambulance services, the administration of the Region, conservation authorities and refugee related issues. The Committee will set a schedule parallel to that adopted by the reviews of roads and planning.**

4. Needed Support from the Province

The problems giving rise to this facilitation were, to a significant degree, driven by financial pressures. The Province, over the years, has contributed to these financial pressures and it is hoped that on receiving this positive report the Province might also consider ways to provide some financial relief.

Several years ago, for example, the previous government decided to pool the costs of social services on a GTA-wide basis. It is believed there is no evidence that the demand for the social services is confined to the GTA yet these costs are pooled only from this one part of Ontario.

The Peel share of pooling is approximately \$60 million annually and this amount will increase when the economy slows and there is a greater demand for welfare and public housing, as well as mortgage costs increasing as a result of rising interest rates. There are also concerns over the accountability for the money raised in Peel and spent to deliver programs in other GTA communities. In short, Peel worries that is little incentive for these municipalities to be efficient, as other municipalities under the current pooling formula generally pick up their increased spending. Peel asserts that the property tax base should not be used to fund income redistribution programs such as social services and public housing. While municipalities may be suited to deliver the programs on behalf of the Province, they are not equipped to deal with significant program costs which fluctuate with economic conditions. The relatively stable municipal property tax is not the appropriate revenue source for program costs which fluctuate with the provincial and national economy. Strikingly, Ontario continues as the only province to require municipalities to contribute towards social assistance.

However, it is acknowledged that the complete uploading of these costs to the Province would have a negative impact on the Provincial treasury. Thus, Peel submits that a phased approach involving the gradual elimination of pooling or a permanent reduction in the amount of pooling would provide significant relief to the property taxpayer in Peel and help avoid the kind of internal differences which have provoked this process.

An elimination or reduction in pooling costs would benefit all taxpayers in each of the three municipalities. The equivalent tax room created could be made available to meet pressing needs throughout Peel and its area municipal partners. This would also provide a signal to other municipalities that the Province is listening to their concerns by moving in a direction where the property tax is not the primary source of funding for social programs.

Post Script

The challenge facing Mississauga, Brampton and Caledon is their relationship called the Region of Peel in which they must respect each other's differences and work together on common problems and needs. This is the challenge facing all confederal bodies. Being elected to a regional council by area taxpayers residing in a particular area municipality, however, encourages a mindset that only those taxpayers are being represented at the regional level. The legal truth is otherwise. Regional councilors, whether or not they also wear an area (local) hat, represent all taxpayers in that region. This reality is muted in Peel because it was structured so

that no one area municipality has a majority of regional councillors. This is also why Mississauga's claim for two more regional representatives was seen as vexing - Mississauga would then have a majority at the regional level. Mississauga magnified the control issue by complaining of a historic underrepresentation given that a majority of taxpayers in Peel reside and have resided within Mississauga's boundaries. Of course, even that reality is a product of the Peel regional structure which amalgamated Streetsville and other urban concentrations into Mississauga.

The approach taken in this report is to recommend a continuation of a structure that denies any one area municipality a majority at the region. But I observe that an alternative approach according one municipality a majority, would not avoid the legal duty a regional councillor owes all tax payers in Peel nor would it evade the fact that a significant minority of councillors could block the conduct of business by frustrating the quorum requirements of the regional assembly. In other words, the area municipalities within any regional structure must have empathy for each other and work together whether or not one local body has a majority of votes at the regional level. The discussion over these four days of talks, albeit heated and even gut wrenching at times, exhibited a remarkable capacity by the mayors to work together. The amazing achievements of Peel, and Mississauga for example, over the last thirty years also confirm the viability of the existing model provided it is kept current. Brampton and Caledon understand Mississauga's concerns that arise from it being Ontario's third largest city and its well deserved reputation for fiscal prudence. Indeed, Brampton is on its way to becoming the next Mississauga and will benefit from Mississauga's experience and advice. Caledon, while an environmental gem, is also likely to soon experience its own growing pains. All three municipalities understand that the *status quo* is not an option and, on this occasion, Mississauga needs financial relief.

As a result of the discussions, there is a better appreciation that the Region of Peel is not a fourth party but simply the collective persona of the three area municipalities. Confederations often look like they have split personalities when their constituent members complain of the conduct of the whole. But Peel is Mississauga, Brampton and Caledon. It is designed to lubricate discussions and cooperation between them. However, like any dynamic institution, Peel Region must continually evolve and change to meet the new circumstances facing its area municipalities. This is the importance of Mississauga's current concerns. They represent a compelling need for change and all parties understand that. Indeed, the content of this report, highlighting the opportunity of substantial consensus, reflects this acceptance and the willingness of all three area municipalities to adapt Peel to today's needs.

Finally, Mississauga, Brampton and Caledon are not endlessly robust nor is their Peel relationship. These important municipalities need support from the Province. There are limits to

their capacities to help other urban centers. While this is not to deny the needs of others, the problems giving rise to this facilitation show how fragile regional structures can be.

On behalf of the parties, I wish to thank the Province and, in particular, Minister Gerretsen for providing this facilitation process to the parties. I also thank the participants for their good faith efforts in using it.

Dated at Toronto this 10th day of December, 2004.

Hon. George W. Adams, Q.C.