

CHAIR:

N. IANNICCA

MEMBERS:

P. BROWN

G. CARLSON

B. CROMBIE

D. DAMERLA

S. DASKO

G. S. DHILLON

J. DOWNEY

C. FONSECA

P. FORTINI

A. GROVES

J. INNIS

J. KOVAC

M. MAHONEY

S. MCFADDEN

M. MEDEIROS

M. PALLESCHI

C. PARRISH

K. RAS

P. SAITO

R. SANTOS

I. SINCLAIR

R. STARR

A. THOMPSON

P. VICENTE



The Council of the
Regional Municipality of Peel

Date: Thursday, March 28, 2019

Time: Immediately following Public Meeting

Place: Council Chamber, 5th Floor
Regional Administrative Headquarters
10 Peel Centre Drive, Suite A
Brampton, Ontario

For inquiries about this agenda or to make arrangements for accessibility accommodations including alternate formats, please contact:

Christine Thomson at (905) 791-7800, ext. 4582 or at
christine.thomson@peelregion.ca.

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1. ROLL CALL

2. DECLARATIONS OF CONFLICTS OF INTEREST

3. APPROVAL OF MINUTES

3.1. February 28, 2019 Regional Council meeting

4. APPROVAL OF AGENDA

5. PUBLIC ANNOUNCEMENTS SPONSORED BY A MEMBER OF COUNCIL

6. CONSENT AGENDA

7. DELEGATIONS

7.1. **Dr. Sheldon Cheskes, Medical Director, Sunnybrook Centre for Pre-Hospital Medicine**, Providing Information on Automated External Defibrillator Drone Delivery and Crowd Sourcing (Related to 9.1)

7.2. **Randy Neilson, Pastor, Brampton Bramalea Christian Fellowship Residences Ltd.**, Providing Information Regarding the Brampton Bramalea Christian Fellowship Residences Ltd., Affordable Housing Project (Related to 11.1)

8. STAFF PRESENTATIONS

8.1. Density and Intensification Targets, How They Work (Oral)
Presentation by Steve Jacques, Chief Planner and Director of Regional Planning and Growth Management

8.2. The Changing Nature of Employment and Implications for Fiscal Health and Municipal Sustainability (Related to 15.2)
Presentation by Stephen VanOfwegen, Commissioner of Finance and Chief Financial Officer and Sunil Johal, Policy Director, Mowat Centre

9. ITEMS RELATED TO HEALTH

Chaired by Councillor J. Downey or Vice-Chair Councillor D. Damerla

9.1. Paramedic Services - New Initiatives in Community Health and Safety (Related to 7.1)

10. COMMUNICATIONS

- 10.1. **Christine Elliott, Deputy Premier and Minister of Health and Long Term Care,** Letter dated February 21, 2019, Regarding One-Time Capital Funding for the Community Infrastructure Renewal Fund (Receipt recommended)

11. ITEMS RELATED TO HUMAN SERVICES

Chaired by Councillor M. Medeiros or Vice-Chair Councillor G.S. Dhillon

- 11.1. Brampton Bramalea Christian Fellowship Residences Ltd., Affordable Housing Project (Related to 7.2)
- 11.2. Reaching Home: Canada's Homelessness Strategy Funding
- 11.3. Report of the Strategic Housing and Homelessness Committee (SHHC-1/2019) meeting held on February 21, 2019

12. COMMUNICATIONS

13. ITEMS RELATED TO PLANNING AND GROWTH MANAGEMENT

Chaired by Councillor M. Palleschi or Vice-Chair Councillor A. Thompson

14. COMMUNICATIONS

15. ITEMS RELATED TO ENTERPRISE PROGRAMS AND SERVICES

Chaired by Councillor C. Fonseca or Vice-Chair Councillor K. Ras

- 15.1. Procurement Activity Report - T3 September 1 to December 31, 2018 (For information)
- 15.2. A Brief History of Expenditure Increases and Related Drivers (For information) (Related to 8.2)
- 15.3. 2018 Statement of Remuneration and Expenses (For information)
- 15.4. Implementation of Vlocity Application for Human Services Peel Housing Corporation and Homelessness Project - Document 2015-238N
- 15.5. Report of the Region of Peel Accessibility Advisory Committee (AAC-1/2019) meeting held on February 21, 2019
- 15.6. Report of the Audit and Risk Committee (ARC-1/2019) meeting held on February 21, 2019

16. COMMUNICATIONS

- 16.1. **Monte McNaughton, Minister of Infrastructure**, Email dated March 14, 2019, Providing an Update about Important Actions being Taken Regarding Infrastructure Funding to Address Community Needs while Reducing the Administrative Burden on Local Governments (Receipt recommended)

17. ITEMS RELATED TO PUBLIC WORKS

Chaired by Councillor A. Groves or Vice-Chair Councillor P. Fortini

- 17.1. Amendments to the Region of Peel Traffic By-law 15-2013 to Extend the Community Safety Zone and Implement a Speed Limit Reduction on Regional Road 50 (Highway 50) in the Village of Palgrave, Town of Caledon, Ward 4 (Related to By-law 23-2019)
- 17.2. Amendments to the Region of Peel Traffic By-law 15-2013 to Implement Speed Limit Reductions on Regional Road 1 (Mississauga Road) and on Regional Roads 107/10 (Bovaird Drive), City of Brampton, Wards 1, 2, 5, 6, 7, 8, 9, and 10, and, Town of Caledon, Ward 2 (Related to By-law 24-2019)
- 17.3. Water Treatment and Quality 2018 Annual Summary Report and Water Programs Update (For information) (Related to 17.4)
- 17.4. Municipal Drinking Water Licensing Program - License Renewal and Update to the Financial Plan (Related to 17.3) **(Copies of the full detailed Financial Plan are available from the Office of the Regional Clerk)**

18. COMMUNICATIONS

- 18.1. **Mike Cowbrough, Chief Weed Inspector, Ministry of Agriculture, Food and Rural Affairs**, Letter dated March 1, 2019, Regarding Weed Control Act R.S.O. 1990 and Appointment of Weed Inspectors (Receipt recommended)
- 18.2. **Melissa Soline, Program Manager, Great Lakes and St. Lawrence Cities Initiative**, Email dated March 14, 2019, Providing a Copy of the Great Lakes and St. Lawrence Cities Initiative News Release titled "Trump Administration 2020 Budget Proposal Jeopardizes Clean Water, Mayors Concerned Over Cuts to Funding to Protect Drinking Water and the Great Lakes" (Receipt recommended)

19. OTHER BUSINESS

20. NOTICE OF MOTION/MOTION

- 20.1. **Motion from Councillor Dasko** Regarding Renaming of the Lakeview Water Treatment Plant

21. BY-LAWS

Three Readings

By-law 23-2019: A by-law to reduce the posted speed limit and designate the Community Safety Zone on Regional Road 50 (Highway 50); and to amend By-law Number 15-2013 being a by-law to regulate traffic on roads under the jurisdiction of The Regional Municipality of Peel. (Related to 17.1)

By-law 24-2019: A by-law to reduce the speed limits on Regional Road 1 (Mississauga Road) from 80 km/h to 70 km/h from 400 metres north of Regional Road 6 (Queen Street West) to 200 metres north of Regional Road 14 (Mayfield Road); and to reduce the speed limit on Regional Road 10/107 (Bovaird Drive) from 70 km/h to 60 km/h from Regional Road 7 (Airport Road) to 730 metres west of Heritage Road; and to amend By-law Number 15-2013 being a by-law to regulate traffic on roads under the jurisdiction of The Regional Municipality of Peel. (Related to 17.2)

22. IN CAMERA MATTERS

22.1. February 28, 2019 Regional Council Closed Session Report

22.2. Payment of Compensation Pursuant to the Expropriations Act, R.S.O. 1990, c. E26, Bolton Arterial Road Extension from Regional Road 9 (King Street) to Regional Road 50 (Highway 50) - Town of Caledon, Ward 4 (A proposed or pending acquisition or disposition of land by the municipality or local board)

23. BY-LAW TO CONFIRM THE PROCEEDINGS OF COUNCIL

24. ADJOURNMENT



**THE COUNCIL OF
THE REGIONAL MUNICIPALITY OF PEEL
February 28, 2019**

Regional Chair Iannicca called the meeting of Regional Council to order at 9:33 a.m. in the Council Chamber, Regional Administrative Headquarters, 10 Peel Centre Drive, Suite A, Brampton.

1. ROLL CALL

Members Present:

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|----------------------|---------------------|
| P. Brown* | M. Mahoney |
| G. Carlson | S. McFadden |
| D. Damerla* | M. Medeiros |
| S. Dasko | M. Palleschi |
| G.S. Dhillon♦ | C. Parrish |
| J. Downey | K. Ras |
| C. Fonseca | P. Saito |
| P. Fortini* | R. Santos |
| A. Groves | I. Sinclair |
| N. Iannicca | R. Starr |
| J. Innis | A. Thompson♦ |
| J. Kovac | P. Vicente |

Members Absent: **B. Crombie** **Due to other municipal business**

Also Present: D. Szwarc, Chief Administrative Officer; C. Matheson, Commissioner of Corporate Services; S. Nagel, Acting, Commissioner of Finance and Chief Financial Officer; S. Martin, Acting, Commissioner of Digital and Information Services; P. O'Connor, Regional Solicitor; S. Jacques, Chief Planner; J. Smith, Commissioner of Public Works; A. Baird, Acting, Commissioner of Human Services; N. Polsinelli, Commissioner of Health Services; Dr. J. Hopkins, Medical Officer of Health; K. Lockyer, Regional Clerk and Director of Legal Services; C. Thomson, Legislative Specialist; S. Valteau, Legislative Technical Coordinator; H. Gill, Legislative Technical Coordinator

2. DECLARATIONS OF CONFLICTS OF INTEREST

Prior to the consideration of Item 20.2 listed on the February 28, 2019 Regional Council agenda, Councillor Saito declared a conflict of interest as a family member is employed with the Region of Peel.

* See text for arrivals

♦ See text for departures

★ Denotes alternate member

3. APPROVAL OF MINUTES

3.1. February 14, 2019 Regional Council meeting

Moved by Councillor McFadden,
Seconded by Councillor Mahoney;

That the minutes of the February 14, 2019 Regional Council meeting be approved.

Carried 2019-182

4. APPROVAL OF AGENDA

Moved by Councillor Starr,
Seconded by Councillor Thompson;

That the agenda for the February 28, 2019 Regional Council meeting include a delegation from Glen Schnarr, Principal, Glen Schnarr and Associates Inc., regarding Growth Plan Amendment 1, to be dealt with under Delegations – Item 7.2;

And further, that the agenda for the February 28, 2019 Regional Council meeting include a communication from Glen Schnarr and Associates Inc., on behalf of Mayfield West Expansion Area (Alloa) Landowners, regarding Proposed Amendments to the Growth Plan, to be dealt with under Items Related to Planning and Growth Management – Item 12.3;

And further, that the agenda for the February 28, 2019 Regional Council meeting include a communication from Glen Schnarr and Associates Inc., on behalf of a group of landowners in the “Option 3” Bolton Residential Expansion Study Area, regarding Proposed Amendments to the Growth Plan, to be dealt with under Items Related to Planning and Growth Management – Item 12.4;

And further, that the agenda for the February 28, 2019 Regional Council meeting include an oral update regarding “Health System Transformation”, to be dealt with under Other Business – Item 19.2;

And further, that the agenda for the February 28, 2019 Regional Council meeting be approved, as amended.

Carried 2019-183

Related to Resolutions 2019-205, 2019-207, 2019-208 and 2019-221

Councillor Fortini arrived at 9:37 a.m.

5. PUBLIC ANNOUNCEMENTS SPONSORED BY A MEMBER OF COUNCIL

Regional Chair Iannicca noted that he had attended exhibits at the Peel Art Gallery, Museum and Archives, as well as a Region of Peel staff symposium, in recognition of Black History Month and he expressed his appreciation to staff who organized and participated in the events.

6. CONSENT AGENDA

Moved by Councillor Carlson,
Seconded by Councillor Dasko;

That the following matters listed on the February 28, 2019 Regional Council Agenda be approved under the Consent Agenda:

- 9.1. Invitation to Appear at the Standing Committee on Public Accounts to Discuss the Auditor General's Report of Ontario Works
- 11.2. Peel Agricultural Advisory Working Group 2018 Update and Revisions to the Peel Rural Water Quality Program
- 13.1. Pregnancy and Parental Leave for Members of Council
- 13.2. Legislative Requirements - Declaration of Conflict of Interest
- 13.3. Council Code of Conduct and Council-Staff Relations Policy
- 13.5. Watermain and Sanitary Sewer Replacements - Contract 2, Streetsville, City of Mississauga
- 14.1. Steve Clark, Minister of Municipal Affairs and Housing, Letter dated January 31, 2019, Regarding the Intent to Launch a Consultation on Long-standing Issues Surrounding Joint and Several Liability
- 15.2. Curbside Battery Collection Update
- 15.3. Report of the Waste Management Strategic Advisory Committee (WMSAC-1/2019) meeting held on February 7, 2019
- 16.1. Stephanie Smith, Legislative Coordinator, City of Mississauga, Email dated February 8, 2019, Providing a Copy of a City of Mississauga Resolution and Report titled "Taking Action on Vision Zero"
- 17.1. Update on Provincial Dispatch Reform
- 17.2. Peel Regional Paramedic Services - Council Update
- 18.1. Vic Fedeli, Minister of Finance, Letter dated January 25, 2019, Regarding Tools Available to Municipalities to Enforce Ontario's Cannabis Legalization Framework

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| In Favour | G. Carlson; S. Dasko; G.S. Dhillon; J. Downey; C. Fonseca; P. Fortini; A. Groves; J. Innis; J. Kovac; M. Mahoney; S. McFadden; M. Medeiros; M. Palleschi; C. Parrish; K. Ras; P. Saito; R. Santos; I. Sinclair; R. Starr; P. Vicente | Total 20 |
| Opposed | | |
| Abstain <i>(counted as a no vote)</i> | A. Thompson | 1 |
| Absent <i>(from meeting and/or vote)</i> | P. Brown; B. Crombie; D. Damerla | 3 |

Carried 2019-184

Councillor Damerla arrived at 9:40 a.m.

RESOLUTIONS AS A RESULT OF THE CONSENT AGENDA

- 9.1. **Invitation to Appear at the Standing Committee on Public Accounts to Discuss the Auditor General's Report of Ontario Works**

Received 2019-185

- 11.2. **Peel Agricultural Advisory Working Group 2018 Update and Revisions to the Peel Rural Water Quality Program**

Moved by Councillor Carlson,
Seconded by Councillor Dasko;

That the recommended revisions to the Peel Rural Water Quality Program Guidelines attached as Appendix II to the report of the Commissioner of Public Works titled "Peel Agricultural Advisory Working Group 2018 Update and Revisions to the Peel Rural Water Quality Program Guidelines" be approved.

Carried 2019-186

- 13.1. **Pregnancy and Parental Leave for Members of Council**

Moved by Councillor Carlson,
Seconded by Councillor Dasko;

That the amendments to Policy Number HR10-08, Remuneration of Council Members, as outlined in the report of the Commissioner of Corporate Services, titled "Pregnancy and Parental Leave for Members of Council", be approved;

And further, that the revisions to Procedure By-law 9-2018 be presented for enactment.

Carried 2019-187

13.2. **Legislative Requirements - Declaration of Conflict of Interest**

Moved by Councillor Carlson,
Seconded by Councillor Dasko;

That the Disclosure of Interest form attached as Appendix I to the report of the Commissioner of Corporate Services, titled "Legislative Requirements – Declaration of Conflict of Interest", be approved;

And further, that the revisions to Procedure By-law 9-2018 be presented for enactment.

Carried 2019-188

13.3 **Council Code of Conduct and Council-Staff Relations Policy**

Moved by Councillor Carlson,
Seconded by Councillor Dasko;

That the Regional Council Code of Conduct, Schedule A to Bylaw 1-2017, be amended to include local board members as well as Council members;

And further, that the Council-Staff Relations Policy, attached as Appendix I to the report of the Commissioner of Corporate Services, titled "Council Code of Conduct and Council-Staff Relations Policy", be approved as an interim measure to comply with a statutory requirement that such a policy be adopted by March 1, 2019;

And further, that the Council-Staff Relations Policy be referred with the Regional Council Code of Conduct to the Regional Council Policies and Procedures Committee for further review.

Carried 2019-189

13.5. **Watermain and Sanitary Sewer Replacements - Contract 2, Streetsville, City of Mississauga**

Moved by Councillor Carlson,
Seconded by Councillor Dasko;

That a contract for the completion of the works previously contracted with Con-Ker Construction Corporation pursuant to Document 2016-035T for Watermain and Sanitary Sewer Replacements – Contract 2, Streetsville, City of Mississauga, Projects 06-1335, 09-1390, 09-1392, and 11-2305 be awarded to Pacific Paving

Ltd., in the total amount of \$4,105,156.18, (excluding applicable taxes), in accordance with Procurement By-law 30-2018.

Carried 2019-190

- 14.1. **Steve Clark, Minister of Municipal Affairs and Housing**, Letter dated January 31, 2019, Regarding the Intent to Launch a Consultation on Long-standing Issues Surrounding Joint and Several Liability

Received 2019-191

- 15.2. **Curbside Battery Collection Update**

Received 2019-192

- 15.3. **Report of the Waste Management Strategic Advisory Committee (WMSAC-1/2019) meeting held on February 7, 2019**

Moved by Councillor Carlson,
Seconded by Councillor Dasko;

That the report of the Waste Management Strategic Advisory Committee (WMSAC-1/2019) meeting held on February 7, 2019, be adopted.

Carried 2019-193

1. ELECTION OF CHAIR AND VICE CHAIR

RECOMMENDATION WMSAC-1-2019:

That Councillor Starr be elected Chair of the Waste Management Strategic Advisory Committee, for a term ending November 14, 2020 or until a successor is appointed.

Approved 2019-194

RECOMMENDATION WMSAC-2-2019:

That Councillor Innis be elected Vice-Chair of the Waste Management Strategic Advisory Committee, for a term ending November 14, 2020 or until a successor is appointed.

Approved 2019-195

2. DECLARATIONS OF CONFLICT OF INTEREST - Nil

3. APPROVAL OF AGENDA

RECOMMENDATION WMSAC-3-2019:

That the agenda for the February 7, 2019 Waste Management Strategic Advisory Committee meeting, be approved.

Approved 2019-196

4. DELEGATIONS - Nil

5. REPORTS

5.1 Overview of Waste Management in the Region of Peel

Presentation by Norman Lee, Director, Waste Management

Received 2019-197

5.2 History of Energy from Waste in Peel (Oral)

Presentation by Norman Lee, Director, Waste Management

Received 2019-198

5.3 Anaerobic Digestion Facility Project Update

RECOMMENDATION WMSAC-4-2019:

That Peel's Anaerobic Digestion Facility be built at 125 Orenda Road in the City of Brampton;

And further, that staff issue the Request for Proposals for the Anaerobic Digestion Facility identifying 125 Orenda Road in the City of Brampton, as the location of the Anaerobic Digestion Facility;

And further, that the owners and occupants of properties near 7500 Danbro Crescent in the City of Mississauga be informed that the Anaerobic Digestion Facility will not be built at the subject location;

And further, that the risk assessment of 7500 Danbro Crescent in the City of Mississauga (Resolution 2018-703) not be completed.

Approved 2019-199

- 16.1. **Stephanie Smith, Legislative Coordinator, City of Mississauga**, Email dated February 8, 2019, Providing a Copy of a City of Mississauga Resolution and Report titled "Taking Action on Vision Zero"

Received 2019-200

17.1. **Update on Provincial Dispatch Reform**

Moved by Councillor Carlson,
Seconded by Councillor Dasko;

That the issue of provincial dispatch reform be referred to the Government Relations Committee for action, as it continues to be a Regional advocacy priority given the lack of provincial direction and progress with implementation;

And further, that staff be directed to explore alternative delivery models for dispatch in partnership with Halton Region and report back to Regional Council by the end of 2019;

And further, that a copy of the report of the Commissioner of Health Services titled, "Update on Provincial Dispatch Reform" be shared with the Minister of Health and Long- Term Care, Central West Local Health Integration Network, Mississauga Halton Local Health Integration Network, William Osler Health System, Trillium Health Partners, the Association of Municipalities of Ontario, Halton Region Paramedic Services, Halton Regional Chair and all Peel area MPPs for their information.

Carried 2019-201

17.2. **Peel Regional Paramedic Services - Council Update**

Received 2019-202

Related to Resolution 2019-222

- 18.1. **Vic Fedeli, Minister of Finance**, Letter dated January 25, 2019, Regarding Tools Available to Municipalities to Enforce Ontario's Cannabis Legalization Framework

Received 2019-203

Related to Resolution 2019-219

AGENDA ITEMS SUBJECT TO DISCUSSION AND DEBATE

7. DELEGATIONS

- 7.1. **Don Given, Land Use Planning Consultant, Brook Valley Homes Inc.,**
Regarding Intensification and Density Targets and the Mayfield West Settlement
Area Expansion

Received 2019-204

Related to Resolution 2019-206

Councillor Brown arrived at 9:53 a.m.

Don Given, Land Use Planning Consultant, on behalf of Brook Valley Homes Inc., Mayfield West, requested that the Region of Peel comments on Proposed Amendment 1 to the Growth Plan for the Greater Golden Horseshoe, 2017, be amended to:

- adjust the intensification target to be 45 to 50 per cent
- update the Built Boundary to 2018
- extend the planning horizon to 2051
- provide flexibility in future Land Supply calculations to plan for logical boundaries

Don Given highlighted the impacts of the revised targets on Caledon communities that are not yet complete, noting that 45 to 50 per cent intensification would allow for the completion of those communities and leave population for other places in the Region of Peel to grow. He stated that the built boundary should be updated logically to reflect what has already been built. By the time the 2017 Growth Plan is implemented through municipal comprehensive reviews in local municipal Official Plans, the planning horizon will have shrunk to 19 years. Increasing the planning horizon to 25 years allows for effective application of the Growth Plan policies.

Councillor Thompson noted that areas in the Town of Caledon that were built based on higher density targets have challenges related to snow storage, on-street parking and school accommodation.

In response to a question from Councillor Downey, Don Given advised that intensification would primarily be directed to the Cities of Brampton and Mississauga and would not be achievable for the Town of Caledon.

In response to a question from Councillor Groves, Don Given stated that 50 per cent intensification would reflect the ability to accommodate the demographics faced by the Region of Peel.

Councillor Saito suggested that development be considered in phases in order to provide the local School Boards with more commenting ability and to require developers to provide funding for schools in advance of the completion of the development.

- 7.2. **Glen Schnarr, Principal, Glen Schnarr and Associates Inc.**, Regarding Growth Plan Amendment 1

Received 2019-205

Related to Resolutions 2019-206, 2019-212, 2019-207 and 2019-208

Glen Schnarr, Principal, Glen Schnarr and Associates Inc., stated his support for a phased Regional Official Plan Amendment program and spoke of the benefits of maintaining intensification targets of 45 to 50 per cent.

In response to a question from Councillor Ras, Glen Schnarr stated that Durham Region adopted a 45 per cent intensification rate and that York Region is also considering a lower rate.

Items 11.1, 12.3 and 12.4 were dealt with.

- 11.1. **Comments on Proposed Amendment 1 to the Growth Plan for the Greater Golden Horseshoe, 2017**

Moved by Councillor Downey,
Seconded by Councillor McFadden;

That the comments on Proposed Amendment 1 to the Growth Plan for the Greater Golden Horseshoe, 2017 outlined in the report of the Commissioner of Public Works and Commissioner of Finance and Chief Financial Officer, titled "Comments on Proposed Amendment 1 to the Growth Plan for the Greater Golden Horseshoe, 2017", be endorsed as amended by the following, and recognizing that these targets would be minimums and Regional staff will be bringing forward specific recommended targets for the Region of Peel through the planning and Growth Management work program:

- 1) the staff recommendation on page 11.1-4 related to the annual intensification target within the built boundary be 50% to 2041; and,
- 2) the staff recommendation on page 11.1-4 related to the designated greenfield area density be 50 people and jobs per hectare to 2041.

And further, that the overall municipal growth allocations previously endorsed by Council in October 2017 continue to be utilized for necessary infrastructure and financial planning along with the detailed growth allocations that have been updated to reflect best available information;

And further, that a copy of the subject report be forwarded to the Government Relations Committee for advocacy regarding Peel's comments and concerns with the proposed Amendment 1 to the Growth Plan for the Greater Golden Horseshoe, 2017;

And further, that the Regional Chair write, on behalf of Regional Council, to the Minister of Municipal Affairs and Housing, the Premier of Ontario and local MPPs

requesting that policy language be added in the Provincial Growth Plan that allows for a staged approach to implementing a Municipal Comprehensive Review, because the related Provincial Growth Plan policies are not consistent with the Provincial Government's 'open for business' approach;

And further, that a copy of the subject report be forwarded to the City of Brampton, the Town of Caledon, the City of Mississauga and the Ministry of Municipal Affairs and Housing.

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| In Favour | P. Brown; G. Carlson; S. Dasko; G.S. Dhillon; J. Downey; C. Fonseca; P. Fortini; A. Groves; J. Innis; J. Kovac; M. Mahoney; S. McFadden; M. Medeiros; M. Palleschi; C. Parrish; K. Ras; P. Saito; R. Santos; I. Sinclair; R. Starr; A. Thompson; P. Vicente | Total 22 |
| Opposed | | |
| Abstain <i>(counted as a no vote)</i> | D. Damerla | 1 |
| Absent <i>(from meeting and/or vote)</i> | B. Crombie | 1 |

Carried 2019-206

Related to Resolutions 2019-209, 2019-212, 2019-207 and 2019-208

Councillor Downey placed a motion to amend the recommendations contained within the staff report listed as Item 11.1 on the February 28, 2018 Regional Council agenda related to the annual intensification target and the designated greenfield area density; to recognize that these targets would be minimums; and, that Regional staff would report to a future meeting with specific recommended targets.

In response to a question from Councillor Innis, Adrian Smith, Manager, Integrated Planning, stated that shifting the planning horizon could have negative implications for the Region of Peel.

Councillor Santos expressed concern that the Region of Peel's population forecasts which are based on Census data, does not include unreported people such as those who live in basement units and that such under-reporting could contribute to overcrowding in schools and, overcrowding of on-street parking.

Adrian Smith noted that the proposed motion at 50 people per jobs per hectare is a minimum target and could be exceeded.

Councillor Starr requested clarification as to why a planning horizon of 2046, is not being recommended by staff.

Stephanie Nagel, Acting Commissioner of Finance and Chief Financial Officer, noted that Region of Peel staff have been working to update the Development Charges (DC) By-law by the second quarter of 2020 and that work is based on 2041 population numbers. The 2041

numbers are also being used by local municipal staff as they work on their DC Background study which they will be presenting to their respective Councils this year.

David Szwarc, Chief Administrative Officer (CAO), stated that over the past number of years, staff has worked closely with the development community and local municipal staff to do comprehensive planning, including financing and engineering. Based on that work, staff will develop a plan that informs the DC Background Study. Changing the planning horizon numbers would nullify the work that has already been done. The CAO suggested that staff continue to work with 2041 numbers but encourage the province to, as quickly as possible, provide planning numbers to 2051 so that staff can start that work immediately after the current work is completed.

Councillor Innis requested that the Government Relations Committee advocate to the Province to provide planning numbers for a longer planning horizon.

Councillor Thompson departed at 11:14 a.m. due to other municipal business.

- 12.3. **Carl Brawley, Glen Schnarr and Associates Inc.**, Letter dated February 25, 2019 to the Ministry of Municipal Affairs on behalf of the Mayfield West Expansion Area (Alloa) Landowners, regarding Proposed Amendments to the Growth Plan

Received 2019-207

Related to Resolutions 2019-205, 2019-206, 2019-212 and 2019-208

- 12.4. **Karen Bennett, Senior Associate, Glen Schnarr and Associates Inc.**, Letter dated February 26, 2019 to the Ministry of Municipal Affairs on behalf of the landowners in the "Option 3" Bolton Residential Expansion Study Area, regarding Proposed Amendments to the Growth Plan

Received 2019-208

Related to Resolutions 2019-205, 2019-206, 2019-212 and 2019-207

8. **STAFF PRESENTATIONS**

- 8.1. **Update on Peel 2041 Regional Official Plan Review and Growth Management Strategy Work Plans**

Presentation by Steve Jacques, Chief Planner and Director, Regional Planning and Growth Management

Received 2019-209

Related to Resolution 2019-206 and 2019-212

Steve Jacques, Director of Regional Planning and Growth Management and Chief Planner, provided an update on two work plans: the Peel 2041 Official Plan Review and the Growth Management Strategy. He referenced some key provincial land use planning framework

changes that have taken place since the start of the Peel 2041 Official Plan Review and Growth Management Strategy work plans, noting that these changes presented challenges but that staff have continued to build in flexibility so that important local municipal plans and initiatives could move forward. The Region of Peel continues to urge the province to advance a Municipal Comprehensive Review through staged amendments; continue investing in infrastructure and service delivery; maintain and support planning tools that encourage the delivery of affordable housing; and, support Council's planning decisions based on sound and complete planning processes.

Steve Jacques provided an overview of the Growth Management Strategy and Regional Official Plan Review process and highlighted related reports that will be presented to Regional Council in 2019.

In response to a question from Councillor Sinclair, Mark Head, Manager, Integrated Planning, undertook to provide him with a copy of the bedrock resource mapping.

8.2. **Options for a Public Awareness Campaign on the Provincial Government's Consideration to Increase Water Utility Rates to Existing Payers so it can Eliminate Development Charges for New Houses**

Presentation by Lisa Duarte, Director, Marketing and Communications

Received 2019-210

Related to 2019-211

Moved by Councillor Innis,
Seconded by Councillor Parrish;

That the Regional Chair query the Minister of Municipal Affairs and Housing regarding his position on the recommendations contained in the C.D. Howe report titled "Hosing Home Buyers: Why Cities Should Not Pay for Water and Wastewater Infrastructure with Development Charges";

And further, that the Minister of Municipal Affairs and Housing be requested to respond, in writing, to the Regional Chair's query by March 14, 2019;

And further, that the implementation of a public awareness campaign which will be a strong, multi-dimensional approach be approved in principle;

And further, that in the event a response is not received from the Minister by March 14, 2019, or a response is received that indicates that the C.D. Howe report recommendations are being considered, the Regional Chair direct staff to implement the public awareness campaign;

And further, that the Regional Chair communicate with the other Regional Chairs and share the campaign material with them;

And further, that the Regional Chair discuss the impacts of the recommendations with the large water users in the Region of Peel;

And further, that a copy of this resolution and the Regional Chair's correspondence to the Minister of Municipal Affairs and Housing be sent to all Peel-area MPPs and the Association of Municipalities of Ontario.

| | | |
|--|--|--------------------|
| In Favour | G. Carlson; D. Damerla; S. Dasko; G.S. Dhillon; J. Downey; C. Fonseca; P. Fortini; A. Groves; J. Innis; J. Kovac; M. Mahoney; S. McFadden; M. Medeiros; M. Palleschi; C. Parrish; K. Ras; P. Saito; R. Santos; I. Sinclair; R. Starr; P. Vicente | Total 21 |
| Opposed | | |
| Abstain <i>(counted as a no vote)</i> | | |
| Absent <i>(from meeting and/or vote)</i> | P. Brown; B. Crombie; A. Thompson | 3 |

Carried 2019-211

Related to 2019-210

Lisa Duarte, Director, Marketing and Communications, presented options for a soft, moderate or strong approach to a public awareness campaign on the provincial government's consideration to increase water utility rates to existing rate payers so that it can eliminate development charges for new houses. The campaign will use a multi-dimensional approach by aligning traditional and digital channels to reach as many residents as possible, utilizing simple language, short compelling, action-oriented and factual messages and clear visuals to ensure understanding of the issue and a call to action.

Councillor Innis noted that the provincial government has not confirmed that it would be adopting the recommendations regarding development charges contained in the C.D. Howe report titled "Hosing Home Buyers: Why Cities Should Not Pay for Water and Wastewater Infrastructure with Development Charges". She suggested that the Regional Chair write to the Minister of Municipal Affairs and Housing requesting comment on the Ministry's position and to include a deadline for a response to be received. Council could authorize the Regional Chair to proceed with the public awareness campaign that uses a strong approach, if needed, based on the response received from the Minister.

Members discussed sharing the public awareness campaign material with other regional governments and expressed support for the Regional Chair to hold informal discussions with other Regional Chairs and provide them with the campaign materials should the Ministry indicate that it will be adopting the recommendations.

Councillor Saito requested that the campaign material be shared with the large water users in the Region of Peel.

Councillor Santos requested that Members of Regional Council be provided with information that could be included in their newsletters.

Councillor Sinclair requested that the Regional Chair raise the issue with the Mayors and Regional Chairs of Ontario (MARCO).

9. **ITEMS RELATED TO HUMAN SERVICES**

This item was dealt with under Consent Agenda.

10. **COMMUNICATIONS - Nil**

11. **ITEMS RELATED TO PLANNING AND GROWTH MANAGEMENT**

Chaired by Councillor M. Palleschi

11.1. **Comments on Proposed Amendment 1 to the Growth Plan for the Greater Golden Horseshoe, 2017**

This item was dealt with under Resolution 2019-206

12. **COMMUNICATIONS**

12.1. **Steve Clark, Minister of Municipal Affairs and Housing**, Email dated February 15, 2019, Regarding the Housing Supply Action Plan, the Proposed Changes to the Growth Plan for the Greater Golden Horseshoe and the Provincial Review of the Planning Act and Provincial Policy Statements

Received 2019-212

Related to Resolutions 2019-209 and 2019-206

12.2. **Todd Smith, Minister of Economic Development, Job Creation and Trade and Steve Clark, Minister of Municipal Affairs and Housing**, Letter dated February 20, 2019, Announcing the Province of Ontario's First Step in Supporting Ontario Automotive Industry – Driving Prosperity: the Future of Ontario's Automotive Sector and the Job Site Challenge

Received 2019-213

Related to 2019-214

Moved by Councillor Vicente,
Seconded by Councillor Downey;

That the Chief Administrative Officer (CAO) contact the CAOs of the three local municipalities to determine if there are any sites within the Region of Peel that could be proposed for the Job Site Challenge, as described in the letter from the Minister of Economic Development, Job Creation and Trade and the Minister of Municipal Affairs and Housing dated February 20, 2019;

And further, that the CAO report to a future meeting of Regional Council with the outcomes of the discussions with the local municipal CAOs.

| | | |
|--|--|--------------------|
| In Favour | G. Carlson; D. Damerla; S. Dasko; G.S. Dhillon; J. Downey; C. Fonseca; P. Fortini; A. Groves; J. Innis; J. Kovac; M. Mahoney; S. McFadden; M. Medeiros; M. Palleschi; C. Parrish; K. Ras; P. Saito; R. Santos; I. Sinclair; R. Starr; P. Vicente | Total 21 |
| Opposed | | |
| Abstain <i>(counted as a no vote)</i> | | |
| Absent <i>(from meeting and/or vote)</i> | P. Brown; B. Crombie; A. Thompson | 3 |

Carried 2019-214

Related to 2019-213

- 12.3. **Carl Brawley, Glen Schnarr and Associates Inc.**, Letter dated February 25, 2019 to the Ministry of Municipal Affairs on behalf of the Mayfield West Expansion Area (Alloa) Landowners, regarding Proposed Amendments to the Growth Plan

This item was dealt with under Resolution 2019-207

- 12.4. **Karen Bennett, Senior Associate, Glen Schnarr and Associates Inc.**, Letter dated February 26, 2019 to the Ministry of Municipal Affairs on behalf of the landowners in the “Option 3” Bolton Residential Expansion Study Area, regarding Proposed Amendments to the Growth Plan

This item was dealt with under Resolution 2019-208

13. ITEMS RELATED TO ENTERPRISE PROGRAMS AND SERVICES

Chaired by Councillor C. Fonseca

- 13.4. **Region of Peel Submission on Preserving and Protecting our Environment for Future Generations: A Made-In-Ontario Environment Plan (ERO# 013-4208)**

Moved by Councillor Santos,
Seconded by Councillor Starr;

That the comments outlined in the report of the Commissioner of Corporate Services, titled “Region of Peel Submission on Preserving and Protecting our Environment for Future Generations: A Made-in-Ontario Environment Plan (ERO #013-4208)”, and contained in Appendix I of the report, as amended, be endorsed;

And further, that a copy of the subject report, with the appended Environmental Registry of Ontario (ERO) submission, be forwarded to the City of Brampton, the City of Mississauga, the Town of Caledon, and the Ministry of the Environment, Conservation and Parks.

| | | |
|--|---|--------------------|
| In Favour | G. Carlson; D. Damerla; S. Dasko; J. Downey; C. Fonseca; P. Fortini; A. Groves; J. Innis; J. Kovac; M. Mahoney; S. McFadden; M. Medeiros; M. Palleschi; C. Parrish; K. Ras; P. Saito; R. Santos; I. Sinclair; R. Starr; A. Thompson; P. Vicente | Total 20 |
| Opposed | | |
| Abstain <i>(counted as a no vote)</i> | | |
| Absent <i>(from meeting and/or vote)</i> | P. Brown; B. Crombie; G.S. Dhillon; A. Thompson | 4 |

Carried 2019-215

Councillor Santos suggested that incentives should be made available to developers who incorporate smart growth and sustainable cities principles in their developments.

The Commissioner of Corporate Services undertook to include the suggestion of developer incentives in the Region’s letter to the Ministry of the Environment, Conservation and Parks.

Councillor Parrish requested that the Region of Peel’s comments include a greater emphasis on the issue of organic waste, particularly in the hospitality sector.

Councillor Innis requested that the comments regarding standards for recycled content in new plastic products and packaging be brought forward earlier in the submission and be highlighted in the letter to the Ministry.

Councillor Fonseca suggested that the comments regarding water and wastewater and watershed protection should be given higher priority in the submission.

14. COMMUNICATIONS

- 14.2. **Steve Clark, Minister of Municipal Affairs and Housing**, Letter dated February 8, 2019, Regarding the Legislative Requirements for Regional Municipalities to Undertake Regular Reviews of Regional Council Composition After the 2018 Municipal Election

Received 2019-216

Related to 2019-217

Moved by Councillor Saito,
Seconded by Councillor Ras;

That the Regional Chair write, on behalf of Regional Council, to the Minister of Municipal Affairs and Housing to ask when consultations with Regional Councils will take place, as contained in the Terms of Reference for the Provincial Regional Government Review.

| | | |
|--|--|--------------------|
| In Favour | P. Brown; G. Carlson; S. Dasko; J. Downey; C. Fonseca; P. Fortini; A. Groves; J. Innis; J. Kovac; M. Mahoney; S. McFadden; M. Medeiros; M. Palleschi; C. Parrish; K. Ras; P. Saito; R. Santos; I. Sinclair; R. Starr; P. Vicente | Total 20 |
| Opposed | | |
| Abstain <i>(counted as a no vote)</i> | | |
| Absent <i>(from meeting and/or vote)</i> | B. Crombie; D. Damerla; G.S. Dhillon; A. Thompson | 4 |

Received 2019-217

Related to 2019-216

15. ITEMS RELATED TO PUBLIC WORKS

Chaired by Councillor A. Groves

15.1. Lakeview Village Community - Sustainable Urban Development Tour in Sweden to Explore Best Practices

Moved by Councillor Dasko,
Seconded by Councillor McFadden;

That authorization be given for three Regional staff to participate in a sustainable urban development tour organized by the Lakeview Community Partners, Business Sweden, and the Consulate General of Sweden to evaluate proposed progressive approaches to community design and their impact on Regional services as it relates to the Lakeview Village Community.

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| In Favour | P. Brown; D. Damerla; S. Dasko; J. Downey; C. Fonseca; P. Fortini; A. Groves; J. Innis; J. Kovac; M. Mahoney; S. McFadden; M. Medeiros; M. Palleschi; C. Parrish; K. Ras; R. Santos; I. Sinclair; R. Starr; P. Vicente | Total 19 |
| Opposed | | |
| Abstain <i>(counted as a no vote)</i> | G. Carlson; P. Saito | 2 |
| Absent <i>(from meeting and/or vote)</i> | B. Crombie; G.S. Dhillon; A. Thompson | 3 |

Carried 2019-218

In response to a question from Councillor Santos, the Commissioner of Public Works stated that lessons learned from the Sustainable Urban Development Tour could be applied to other projects in the future.

In response to a question from Councillor Parrish, the Commissioner of Public Works confirmed that the estimated cost per person includes the return air trip, travel while on the tour, meals and hotel, however exact costs will not be known until actual bookings are made.

Councillor Dasko advised that he had spoken to the City of Mississauga's Integrity Commissioner about the trip and no concerns were raised. Councillor Dasko stated that upon his return from the trip, he would be presenting a full report to both Mississauga and Regional Councils.

Councillor Innis suggested that Mayor Crombie and Councillor Dasko speak to local politicians while on the trip to obtain their political perspectives on sustainable technologies.

16. COMMUNICATIONS

This item was dealt with under Consent Agenda.

17. ITEMS RELATED TO HEALTH

Chaired by Councillor J. Downey

17.3. Update: Post-Legalization of Recreational Cannabis

Moved by Councillor Santos,
Seconded by Councillor Saito;

That funding from the Province of Ontario to be utilized towards costs related to recreational cannabis, be accepted;

And further, that staff report back to Regional Council with an outline of resource consumption for the legalization of cannabis;

And further, that the report of the Commissioners of Health Services and Corporate Services and the Medical Officer of Health titled "Update: Post-Legalization of Recreational Cannabis" be referred to the Government Relations Committee for the development of a Regional advocacy approach.

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| In Favour | G. Carlson; D. Damerla; S. Dasko; J. Downey; C. Fonseca; P. Fortini; A. Groves; J. Kovac; M. Mahoney; S. McFadden; M. Medeiros; M. Palleschi; C. Parrish; K. Ras; P. Saito; R. Santos; I. Sinclair; R. Starr; P. Vicente | Total 19 |
| Opposed | | |
| Abstain <i>(counted as a no vote)</i> | | |
| Absent <i>(from meeting and/or vote)</i> | P. Brown; B. Crombie; G.S. Dhillon; J. Innis; A. Thompson | 5 |

Carried 2019-219

Related to Resolution 2019-203

In response to a question from Councillor Santos, the Medical Officer of Health advised that no additional information has been received from the provincial government regarding payments to municipalities related to the legalization of recreational cannabis.

18. COMMUNICATIONS

This item was dealt with under Consent Agenda.

Item 20.3 was dealt with.

20.3. **Motion from Councillor Parrish** Regarding the Role of the Regional Chair

Referred to the Regional Council Policies and Procedures Committee 2019-220

Regional Council recessed at 1:01 p.m.

Regional Council reconvened at 1:35 p.m.

| | | |
|-------------------------|---------------------|---------------------|
| Members Present: | P. Brown♦ | S. McFadden♦ |
| | D. Damerla | M. Medeiros♦ |
| | J. Downey♦ | M. Palleschi |
| | C. Fonseca | K. Ras♦ |
| | P. Fortini♦ | P. Saito♦ |
| | A. Groves♦ | R. Santos |
| | N. Iannicca | I. Sinclair |
| | J. Innis♦ | R. Starr |
| | J. Kovac | P. Vicente |
| | M. Mahoney ♦ | |

| | | |
|------------------------|---------------------|--|
| Members Absent: | B. Crombie | Due to other municipal business |
| | G. Carlson | |
| | S. Dasko | |
| | G.S. Dhillon | |
| | C. Parrish | |
| | A. Thompson | Due to other municipal business |

Also Present: D. Szwarc, Chief Administrative Officer; C. Matheson, Commissioner of Corporate Services; S. Nagel, Acting, Commissioner of Finance and Chief Financial Officer; S. Martin, Acting, Commissioner of Digital and Information Services; P. O'Connor, Regional Solicitor; S. Jacques, Chief Planner; J. Smith, Commissioner of Public Works; A. Baird, Acting, Commissioner of Human Services; N. Polsinelli, Commissioner of Health Services; Dr. J. Hopkins, Medical Officer of Health; K. Lockyer, Regional Clerk and Director of Legal Services; C. Thomson, Legislative Specialist; S. Valteau, Legislative Technical Coordinator; H. Gill, Legislative Technical Coordinator

19. OTHER BUSINESS

19.1. Responsibilities Under the Statutory Standard of Care – Safe Drinking Water Act, Training for Municipal Drinking Water System Owners and Decision Makers

Presentation by Brian Jobb, Manager, Walkerton Clean Water Centre Training Institute

This item was dealt with later in the meeting.

Additional Item 19.2.

19.2. Update on Health System Transformation (Oral)

Nancy Polsinelli, Commissioner of Health Services, stated that the Government of Ontario is moving forward on a significant transformation of how health care delivery is organized in the province. Only a broad outline of the plan and its enabling legislation is known at this time, but the changes will eventually impact the work of the Health Services department and interactions with other care providers within the health care system. One of the most relevant changes for municipal health service providers is that Local Health Integration Networks (LHINs) and several other agencies will be consolidated into a single agency called Ontario Health.

Local health care services will be organized into integrated care delivery groups called "Ontario Health Teams, who will be responsible for delivering coordinated care and supporting patients in navigating the system.

The Commissioner of Health Services outlined some of the impacts of the LHINs transformation is expected to have on Peel's health services and she stated that staff are working to review provincial documents and complete a more detailed analysis of the legislation to better understand the impacts to the Region.

Nancy Polsinelli stated that given the recent changes and limited information currently available, the March 7, 2019 meeting of the Health System Integration Committee (HSIC) will be postponed. Staff plan to report to Regional Council in April with a detailed report on provincial directions and implications to the Region of Peel.

In response to a question from Councillor Saito, the Regional Clerk advised that a meeting of the HSIC could be scheduled prior to the next scheduled meeting, if the Commissioner of Health Services advises that additional information is available.

20. NOTICE OF MOTION/MOTION

20.1. Motion from Councillor Sinclair Regarding Paramedic Services

Moved by Councillor Sinclair,
Seconded by Councillor Groves;

Whereas the current Paramedic Service Divisional Service Delivery Model has been based on a consultant's report and 10 Year Capital Plan in 2007;

And whereas, Paramedic Services 2019 Budget Project Number 19-7809 requests \$49,796,000 over the next 10 years for Ambulance Facilities Growth alone and \$116,131,000 in total for all Capital needs;

Therefore be it resolved, that the Chief Administrative Officer be directed to conduct an independent review of the Divisional Service Delivery Model implementation since 2007 to determine successes and areas where improvement and efficiencies may be found;

And further, that a 10 year Capital Plan be presented as part of the 2020 Budget based upon the findings of the independent review.

Nancy Polsinelli, Commissioner of Health Services, advised that the last phase of the Divisional Model began on January 14, 2019 with the opening of the Streetsville Reporting Station. The Model is now operationalized throughout the Region of Peel. The Divisional Model means that all paramedics start their shifts at one of four reporting stations where they have access to their supervisor and a fully stocked vehicle before the start of their shift. The divisional model is different from the deployment model which speaks to how ambulances move throughout the Region and is run in collaboration with the dispatch centre.

The Commissioner stated that dedicated staff continue to monitor the system day by day, minute by minute. Data is being collected to inform of the process and progress and preliminary assessment suggests that the model is working well. Staff have begun an internal review of the divisional model which includes the advancement of a comprehensive measurement and reporting framework to determine whether key objectives are being achieved and planning has begun for the next 10-year capital plan.

Staff will be reporting to Regional Council on the progress in performance, including response time satisfaction and engagement, and efficiency, on a regular basis with the next report planned for late Spring to allow appropriate time to gather and analyse reliable data and information.

Councillor Innis stated that it would be premature to direct staff to conduct an independent review of the Divisional Delivery Model as the Model was only fully implemented in January. Councillor Innis moved deferral of Councillor Sinclair's motion until staff report back to Regional Council in late Spring.

Councillor Ras stated that the Region of Peel has been working towards implementing the divisional service delivery model for several years and making the required investments, and that while there are some questions related to its implementation in the Town of Caledon, the Region has been taking a region-wide approach. She agreed that it would be premature to retain a consultant without having sufficient data to proceed with an independent review.

Moved by Councillor Innis
Seconded by Councillor Ras;

That the motion from Councillor Sinclair regarding the Divisional Delivery Model, listed on the February 28, 2019 Regional Council agenda be deferred until staff reports back on the model's progress, in late Spring 2019.

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| In Favour | D. Damerla; J. Downey; C. Fonseca; P. Fortini; A. Groves; J. Innis; J. Kovac; M. Mahoney; S. McFadden; M. Medeiros; M. Palleschi; K. Ras; P. Saito; R. Santos; I. Sinclair; R. Starr; P. Vicente | Total 17 |
| Opposed | | |
| Abstain <i>(counted as a no vote)</i> | | |
| Absent <i>(from meeting and/or vote)</i> | P. Brown; G. Carlson; B. Crombie; S. Dasko; G.S. Dhillon; C. Parrish; A. Thompson | 7 |

Carried 2019-222

Related to Resolution 2019-202

Councillor Brown departed at 1:56 p.m.

Councillor Downey departed at 2:04 p.m.

20.2. **Motion from Councillor Medeiros** Regarding a Proposed Labour Relations Committee

Moved by Councillor Medeiros,
Seconded by Councillor Santos;

That the Regional Clerk report back to a future meeting of Regional Council with regard to the establishment of a Labour Relations Committee including proposed mandate and Terms of Reference, for the consideration of Regional Council.

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| In Favour | D. Damerla; C. Fonseca; P. Fortini; A. Groves; J. Innis; J. Kovac; M. Mahoney; S. McFadden; M. Medeiros; M. Palleschi; K. Ras; R. Santos; I. Sinclair; R. Starr; P. Vicente | Total 15 |
| Opposed | | |
| Abstain <i>(counted as a no vote)</i> | | |
| Absent <i>(from meeting and/or vote)</i> | P. Brown; G. Carlson; B. Crombie; S. Dasko; G.S. Dhillon; J. Downey; C. Parrish; P. Saito; A. Thompson; | 9 |

Carried 2019-223

Councillor Innis requested that the future report to Regional Council include information on how a Labour Relations Committee could impact the Lobbyist Registry.

20.3. **Motion from Councillor Parrish** Regarding the Role of the Regional Chair

This item was dealt with under Resolution 2019-220

21. **BY-LAWS** - Nil

22. **IN CAMERA MATTERS**

At 2:08 p.m., in accordance with section 239(2) of the *Municipal Act, 2001*, as amended, the following motion was placed:

Moved by Councillor Palleschi,
Seconded by Councillor Fortini;

That Council proceed "In Camera" to consider the February 14, 2019 Closed Session report and a Council reports relating to the following:

- Appointment of Non-Elected Members to the Peel Agricultural Advisory Working Group (Personal matters about an identifiable individual, including municipal or local board employees)
- Proposed Property Acquisition - West Trunk Sanitary Sewer Diversion on Dundas Street West from Regional Road 1 (Erin Mills Parkway) to Mississauga Road - City of Mississauga, Ward 8 (A proposed or pending acquisition or disposition of land by the municipality or local board)
- Proposed Surplus Declaration and Disposal of Region Owned Properties - City of Mississauga, Ward 9 (A proposed or pending acquisition or disposition of land by the municipality or local board)
- Personal Matters about an Identifiable Individual, including Municipal or Local Board Employees (Oral)

Carried 2019-224

Moved by Councillor Ras,
Seconded by Councillor Fortini;

That Council proceed out of "In Camera".

Carried 2019-225

Council moved out of closed session at 2:31 p.m.

Moved by Councillor Mahoney,
Seconded by Councillor Ras;

That the February 14, 2019 Regional Council Closed Session report be received;

And further, that the recommendations contained within the confidential reports relating to items 22.2 to 22.4 inclusive, listed on the February 28, 2019 Regional Council agenda, be approved and become public upon adoption;

And further, that the direction given “in camera” to the Director of Human Resources relating to item 22.5 listed on the February 28, 2019 Regional Council agenda, be approved, and voted upon in accordance with Section 239(6)(b) of the *Municipal Act, 2001*, as amended.

| | | |
|--|---|--------------------|
| In Favour | C. Fonseca; P. Fortini; J. Innis; J. Kovac; M. Mahoney; S. McFadden; M. Palleschi; K. Ras; P. Saito; R. Santos; I. Sinclair; R. Starr; P. Vicente | Total 13 |
| Opposed | D. Damerla; A. Groves; M. Medeiros | 3 |
| Abstain <i>(counted as a no vote)</i> | | |
| Absent <i>(from meeting and/or vote)</i> | P. Brown; G. Carlson; B. Crombie; S. Dasko; G.S. Dhillon; J. Downey; C. Parrish; A. Thompson | 8 |

Carried 2019-226

22.1. **February 14, 2019 Regional Council Closed Session Report**

Received 2019-227

22.2. **Appointment of Non-Elected Members to the Peel Agricultural Advisory Working Group (Personal matters about an identifiable individual, including municipal or local board employees)**

Moved by Councillor Mahoney,
Seconded by Councillor Ras;

That the non-elected member appointments to the Peel Agricultural Advisory Working Group for a term ending November 14, 2022, or until their successors are appointed by Regional Council, be as follows:

- Peel Federation of Agriculture
 - Kristen Carberry
 - Tom Dolson

- Peel Soil and Crop Improvement Association
 - Gary Mountain
 - Ed Russell
- Peel Agricultural Society or other special agricultural interest group
 - Caledon Countryside Alliance - Karen Hutchinson
- Peel youth organization
 - Ecosource – Merissa Nudelman
- Citizens-at-large
 - Manjari Mehta
 - Paul Risebrough
 - Brian Wannamaker

Carried 2019-228

22.3. **Proposed Property Acquisition West Trunk Sanitary Sewer Diversion on Dundas Street West from Regional Road 1 (Erin Mills Parkway) to Mississauga Road - City of Mississauga, Ward 8 (A proposed or pending acquisition or disposition of land by the municipality or local board)**

Moved by Councillor Mahoney,
Seconded by Councillor Ras;

That The Regional Municipality of Peel, as Purchaser, enter into an Offer to Sell Agreement with the Peel District School Board, as Vendor, on legal terms satisfactory to the Regional Solicitor for the purchase of a permanent easement interest in the lands described as follows:

- A permanent easement interest in the lands described as Part of Lot 1, Range 1 North of Dundas Street, City of Mississauga (formerly Township of Toronto), Regional Municipality of Peel, designated as Parts 1, 2 and 3 on Reference Plan 43R-38629.

And further, that the Office of the Regional Solicitor be authorized to complete the transactions, including the execution of all documents, Affidavits, Statutory Declarations and Undertakings required or appropriate for that purpose;

And further, that the funds be financed from Capital Project 08-2205.

Carried 2019-229

22.4. **Proposed Surplus Declaration and Disposal of Region Owned Properties - City of Mississauga, Ward 9 (A proposed or pending acquisition or disposition of land by the municipality or local board)**

Moved by Councillor Mahoney,
Seconded by Councillor Ras;

That the fee simple interest in lands described as Blocks 10, 11, 12, and 13 on Registered Plan 43M-852, being all of PINs 14089-0199 (LT), 14089-0200 (LT), 14089-0201 (LT), and 14089-0147 (LT), in the City of Mississauga, Regional Municipality of Peel, be declared surplus to the needs of The Regional Municipality of Peel;

And further, that the "In Camera" direction to the Commissioner of Corporate Services be approved and voted on in accordance with Section 239(6)(b) of the Municipal Act, 2001, S.O., 2001, c.25.

Carried 2019-230

22.5. **Oral Report from the Director of Human Resources regarding In Camera Direction Given at the February 14, 2019 Regional Council meeting**

Moved by Councillor Mahoney,
Seconded by Councillor Ras;

That direction given "In Camera" to the Director of Human Resources be approved, and voted upon in accordance with Section 239(6) (b) of the *Municipal Act, 2001*, as amended.

Carried 2019-231

Moved by Councillor Mahoney,
Seconded by Councillor McFadden;

That By-law 22-2019 to confirm the proceedings of Regional Council to this point in the meeting held on February 28, 2019, and to authorize the execution of documents in accordance with the Region of Peel by-laws relating thereto, be given the required number of readings, taken as read, signed by the Regional Chair and the Regional Clerk, and the corporate seal be affixed thereto.

Carried 2019-232

Councillor Mahoney departed at 2:33 p.m.
Councillor Medeiros departed at 2:33 p.m.
Councillor Saito departed at 2:33 p.m.

Quorum was lost at 2:34 p.m.

A quorum of voting members was not present, and in accordance with Section 4.5.7 of the Region of Peel Procedure By-law 9-2018, as amended, Regional Council continued to receive submissions.

Item 19.1 was dealt with.

19.1. Responsibilities Under the Statutory Standard of Care – Safe Drinking Water Act, Training for Municipal Drinking Water System Owners and Decision Makers

Presentation by Brian Jobb, Manager, Walkerton Clean Water Centre Training Institute

Councillor Innis departed at 3:13 p.m.

Councillor Groves departed at 3:49 p.m.

Councillor Damerla departed at 4:03 p.m.

Councillor Starr departed at 4:03 p.m.

Councillor Santos departed at 4:05 p.m.

23. BY-LAW TO CONFIRM THE PROCEEDINGS OF COUNCIL

Quorum was lost following Items Related to In Camera Matters therefore no Confirming By-law was enacted.

24. ADJOURNMENT

The meeting stood adjourned at 4:23 p.m.

Regional Clerk

Regional Chair

Request for Delegation

FOR OFFICE USE ONLY

| | |
|--|---|
| MEETING DATE YYYY/MM/DD 2019/03/28 | MEETING NAME Regional Council |
|--|---|

Attention: Regional Clerk
Regional Municipality of Peel
10 Peel Centre Drive, Suite A
Brampton, ON L6T 4B9
Phone: 905-791-7800 ext. 4582
E-mail: council@peelregion.ca

DATE SUBMITTED YYYY/MM/DD
2019/03/01

NAME OF INDIVIDUAL(S)
Dr. Sheldon Cheskes

POSITION(S)/TITLE(S)
Medical Director

NAME OF ORGANIZATION(S)
Sunnybrook Centre for Pre-Hospital Medicine

| | | |
|--|---|-----------------------|
| E-MAIL sheldon.cheskes@sunnybrook.ca | TELEPHONE NUMBER (416) 667-2200 | EXTENSION 0 |
|--|---|-----------------------|

REASON(S) FOR DELEGATION REQUEST (SUBJECT MATTER TO BE DISCUSSED)
Dr. Cheskes would like to provide information on AED Drone Delivery and Crowd Sourcing at the March 28, 2019 Council meeting to accompany the report going forward from Paramedic Services at this time.

A formal presentation will accompany my delegation Yes No

Presentation format: PowerPoint File (.ppt) Adobe File-or Equivalent (.pdf)
 Picture File (.jpg) Video File (.avi,.mpg) Other

Additional printed information/materials will be distributed with my delegation : Yes No Attached

Note:
Delegates are requested to provide an electronic copy of all background material / presentations to the Clerk's Division at **least seven (7) business days prior** to the meeting date so that it can be included with the agenda package. **In accordance with Procedure By-law 9-2018 delegates appearing before Regional Council or Committee are requested to limit their remarks to 5 minutes and 10 minutes respectively (approximately 5/10 slides).**
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Please complete and return this form via email to council@peelregion.ca

Peel Regional Council Medical Program Update

Improving Outcomes from OHCA: The Community Responder/AED Drone Program

Sheldon Cheskes, MD CCFP(EM) FCFP

Medical Director, Sunnybrook Centre for Prehospital Medicine

Associate Professor, Division of Emergency Medicine, University of Toronto

Scientist, Li Ka Shing Knowledge Institute, St. Michael's Hospital

Co-Principal Investigator, CanROC, Canadian Resuscitation Outcomes Consortium



Disclosure

- Financial Disclosure: Zoll Medical Honorarium for Speaking on CPR Quality, Physio-Control sponsorship on CPR Quality
- AstraZeneca: Brilinta Advisory Board
- Unlabeled/Unapproved Uses Disclosure: None
- Conflicts of Interest: None

Background

- Despite improvements in CPR quality, drug administration and airway management, cardiac arrest survival in most communities remains abysmal



- Bystander CPR and early use of automated external defibrillators (AED) have consistently been shown to significantly improve outcomes
- Have we been effective with our current AED strategy?

By Rama - Own work, CC BY-SA 2.0 fr,
<https://commons.wikimedia.org/w/index.php?curid=3632271>

Background

- Our current strategy focuses on placing AEDs where arrests are most likely to occur
- Survival from OHCA decrease by 7-10% per minute
- The decrease in survival is dampened by bystander CPR
- Bystander CPR improves survival 2-3 X
- Early use of an AED by a bystander may improve survival to 60-70%



7.1-6 Background-Challenges to Current AED Deployment

- The vast majority of cardiac arrests (85%) occur in private homes
- Only 2-3% of all cardiac arrests therefore have an AED applied



- Of those arrests that occur in public locations, only 15-20% have an AED applied despite the fact that an AED is within 100 meters of the majority of arrests
- How do we get more AEDs applied to patients who require them?

Community Responder^{7.1-7} and AED Drone Program

- Two-pronged approach to improving AED access in Peel Region
- Focus of both approaches is to have an AED available earlier than is possible in our current system
- Implement the concept of crowdsourcing via FirstAED to have trained volunteers with AEDs dispatched as part of our system response
- Explore drone technology to improve the access to AEDs in rural communities



AEDs in the Community: Our Current State

2014 Council Approved an Enhanced CPR & PAD Program

To Date:

- 194 Region of Peel owned AEDs in the community
- 1200+ AEDs registered in our database
- 780 of registered AEDs are publicly accessible
- Supported over 250 lay responders after acting to save a life



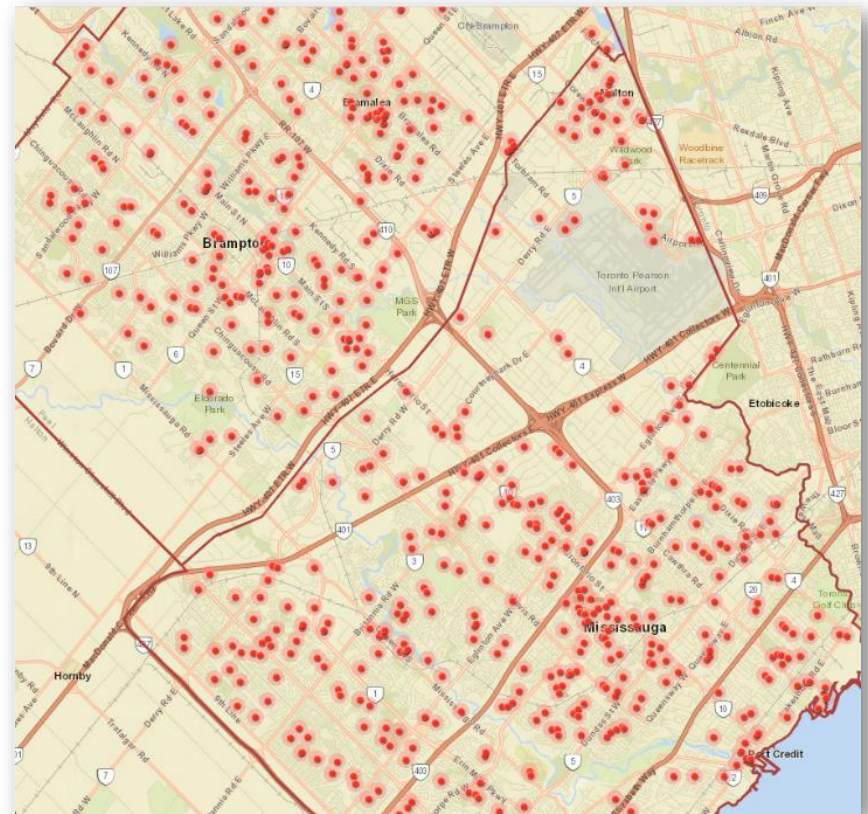
AEDs Use in the Community: Access and Use

7.1-9

Cardiac Arrests in Peel 2015-2017

Between 2015 and 2017

- 597 Cardiac arrests occurred within 250m of a fixed AED unit
- Only 60 of those AEDs were retrieved and used by a bystander
- Half of all people that received early defibrillation were discharged from Hospital



Challenges Impacting Bystander AED

- Having to leave someone to retrieve an AED
- Not being able to readily locate an AED
- Not being confident to use an AED
- Perception they need to be “AED” trained



AEDs Use in the Community

Community CPR/AED Responder Pilot Program

- All Volunteer Community CPR/AED Responders will go through the Health Services volunteer screening and application process.
- 125 Community responders equipped with an AED Response Kit
- 500 trained community CPR Responders equipped with a small kit containing CPR mask and personal protective equipment
- Working with community partners to recruit volunteer responders (St. John Ambulance, Brampton's CERV and municipal lifeguards)



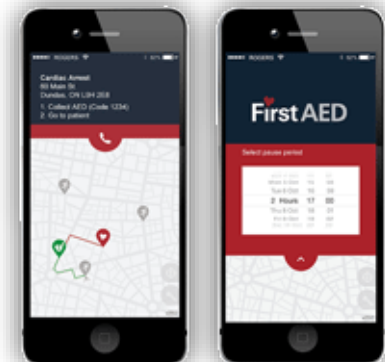
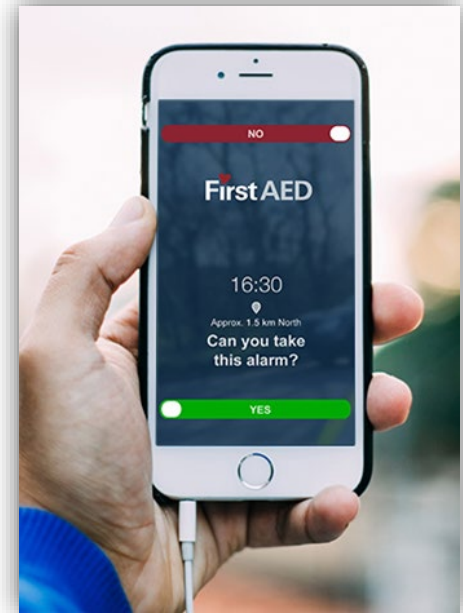
Crowd Sourcing - FirstAED

FirstAED is an intelligent and integrated system that alerts volunteer community CPR Responders to someone needing CPR/AED

The application will:

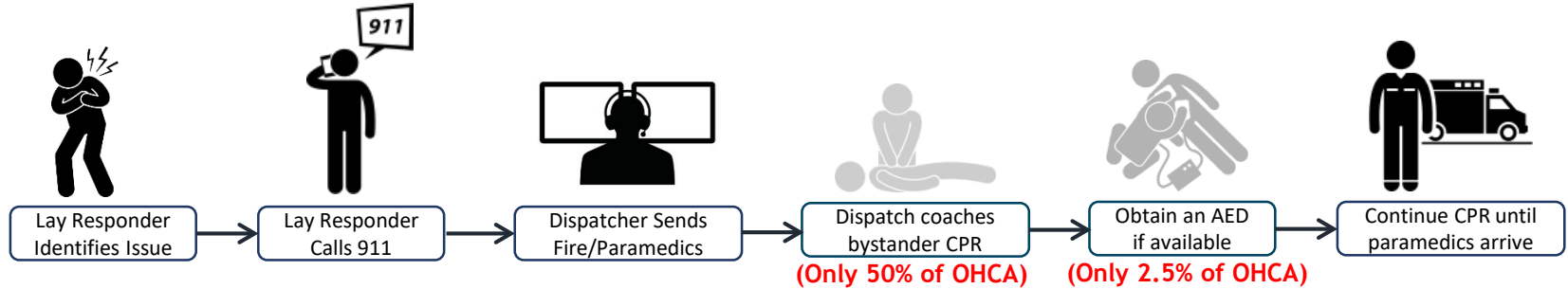
- Locate the position of the closest community CPR Responders and AED locations to the incident
- Provide instructions on the role they have been assigned
- Provide directions to the emergency location
- Provide information on accessing support after an incident

Website: <https://firstaedcanada.ca/>

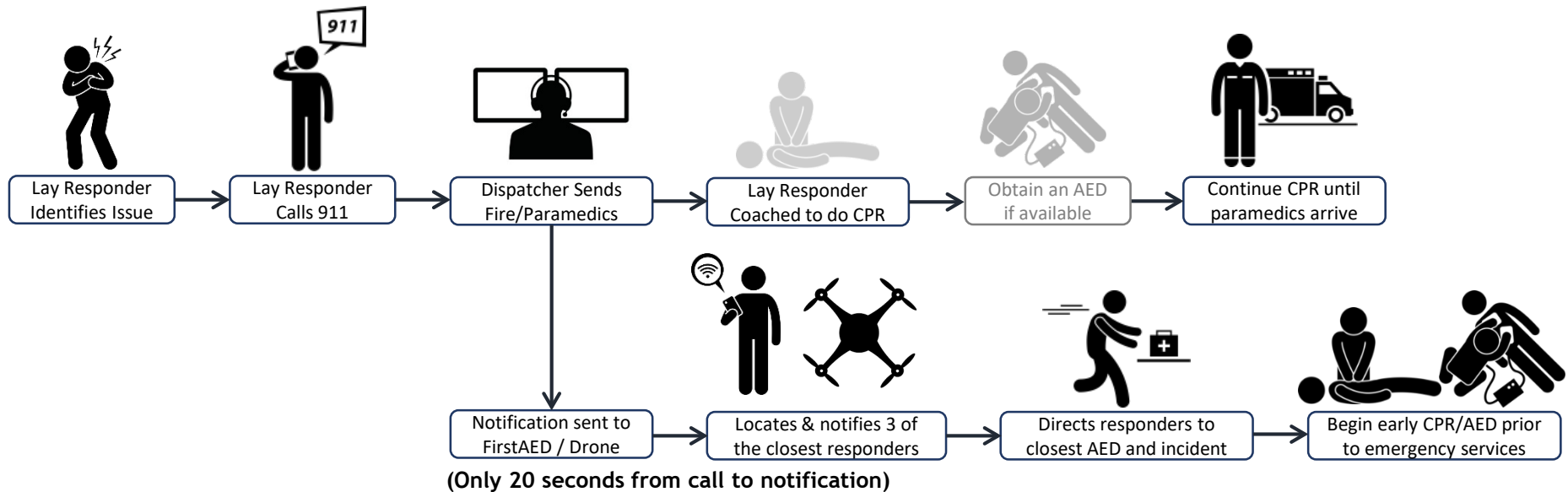


CR Notification Process

Current Dispatch Process:



Dispatch Process With Community Responders:



Rural Cardiac Arrest: How Can We Improve the Odds of Survival?

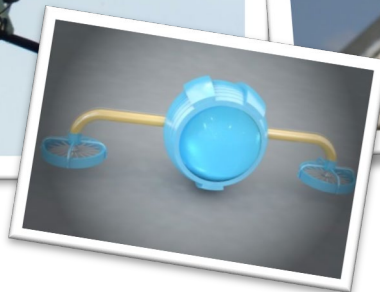
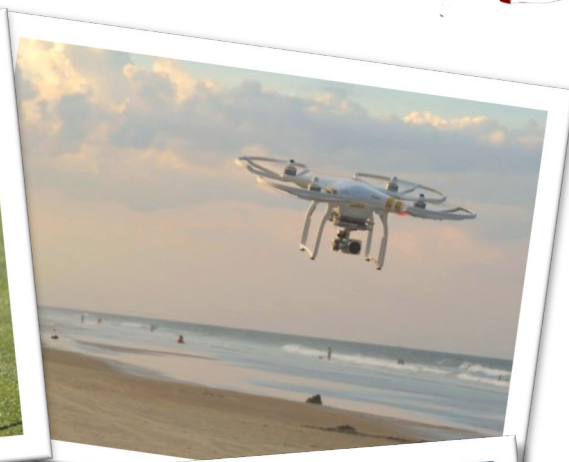
- Often long times for any prehospital provider to attend on scene
- Time from collapse to first shock often the critical component of survival from cardiac arrest
- Can we get an AED to providers earlier than EMS arrival or PAD particularly in rural communities?

Drone-delivered AEDs are coming!!

What are Drones??

- Otherwise known as unmanned air vehicles (UAV)
- Initially only tested in remote parts of the world for medical device/medication use (Haiti earthquake 2012, New Guinea)
- Early testing in remote areas due to FAA and TC restriction on air space
- Potential to carry drugs to scenes, blood to trauma victims, visualize areas not easily seen by rescuers

What Do They Look Like?



What Do They Look Like?



7.1-18 What are the Different Types of Drones?

| Parameter | Visual Line of Sight VLOS | Beyond Visual Line of Sight BVLOS |
|--------------------------------|--------------------------------------|--|
| Visualize | Must be within line of sight of user | UAV navigates autonomously, monitored remotely |
| Altitude | 50 – 300 feet | 300 - 600 feet |
| Weather Conditions | Must be able to see unaided | Restriction similar to commercial airlines |
| Cost | TBD | TBD |
| Payload | | 25 lbs and up |
| Air Speed | 50 km/hr | 120 km/hr |
| Range | 500 meters maximum | 15 - 30 km |
| Useful for AED transport | No | Yes |
| Navigation | Manual / Semi Autonomous | Full Autonomous |
| Advanced technologies required | None | “Sense and Avoid”, “Detect and Avoid” |

7.1-19 How are Drones Being Used Today?

| Commercial vs Medical | Use |
|-------------------------|--|
| Staples, Google, Amazon | Commercial Products |
| Medical | Medication to Rural Portions of State/Province |
| Medical | Contraceptives in Africa |
| Trauma | Blood to Trauma Victims in Field |
| Trauma | Locating Victims of Trauma in Remote Locations |
| Google | Google Glass to Trauma Victims |
| Medical | HIV Testing |
| Medical | AEDs to Victims of OHCA |

Drone-based Research

Circulation

ORIGINAL RESEARCH ARTICLE

Optimizing a Drone Network to Deliver Automated External Defibrillators

Justin J. Bouillier, Steven C. Brooks, Alyf Janmohamed, Adam Byers, Jason E. Buick, Cathy Zhan, Angela P. Schoellig, Sheldon Cheskes, Laurie J. Morrison, Timothy C. Y. Chan
and on behalf of the Rescu Epistry Investigators

DOI <https://doi.org/10.1161/CIRCULATIONAHA.116.026318>

Circulation. 2017;CIRCULATIONAHA.116.026318

Originally published March 2, 2017



Drone-based Research Ontario

- Created a model employing data from 53,702 OHCA from 8 Regions in Ontario between Jan 2006 and Dec 2014

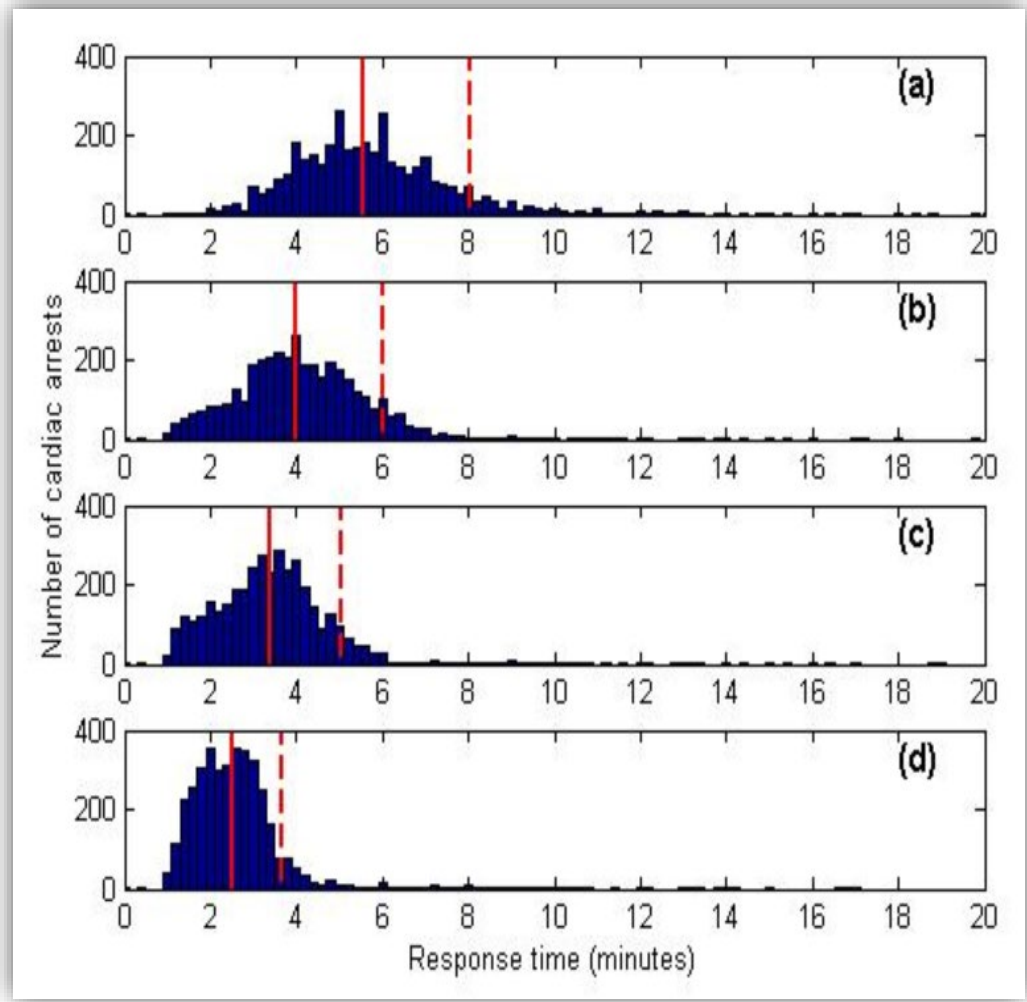
Primary Analysis

- Quantify drone network size to deliver AEDs 1, 2 or 3 minutes faster than historical median 911 times

Secondary Analysis

- Quantify the reduction in drone resources if total area was treated as a single coordinated Region

Drones vs EMS: Can We Get There Faster?



Drone Delivery in Ontario

Conclusion

- Regional **URBAN** improvement in 90 percentile AED arrival
6 minutes 43 seconds!!
- Regional **RURAL** improvement in 90 percentile AED arrival
10 minutes 34 seconds!!

7.1-24 Integrating into EMS - 911 to Drone Comes Home!!



7.1-25 Link of Call Location Data to Drone Delivery



Drone Dispatch Signal Activates Drone at EMS Base

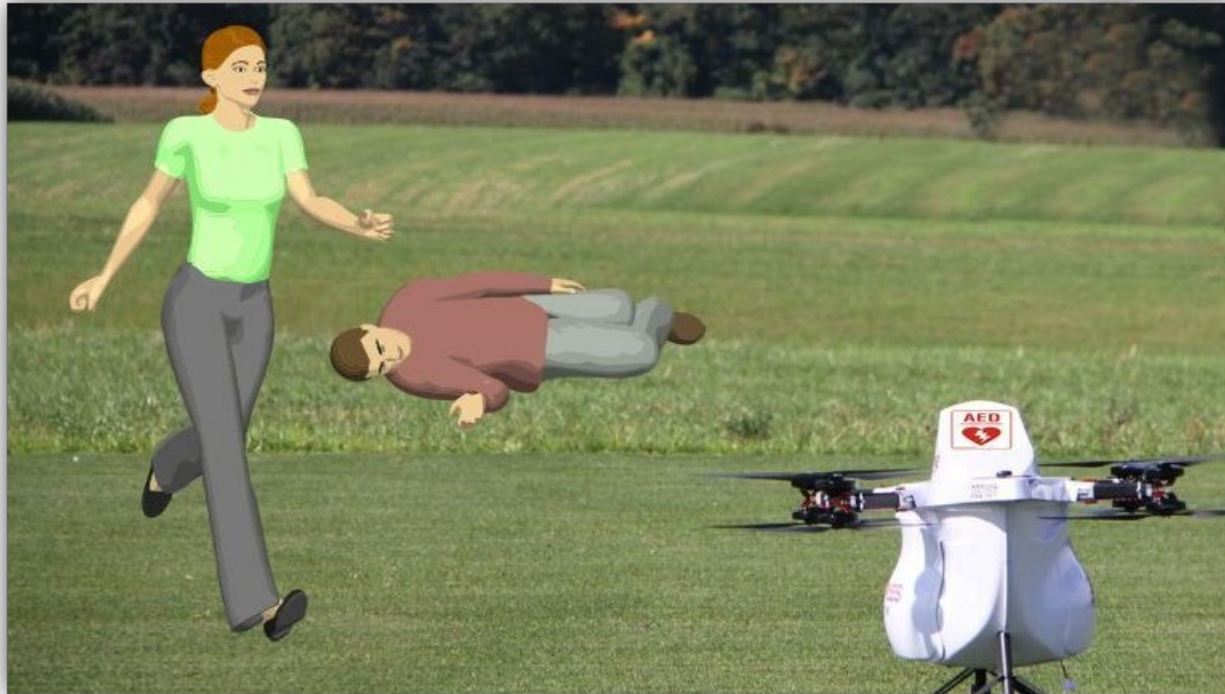


7.1-27

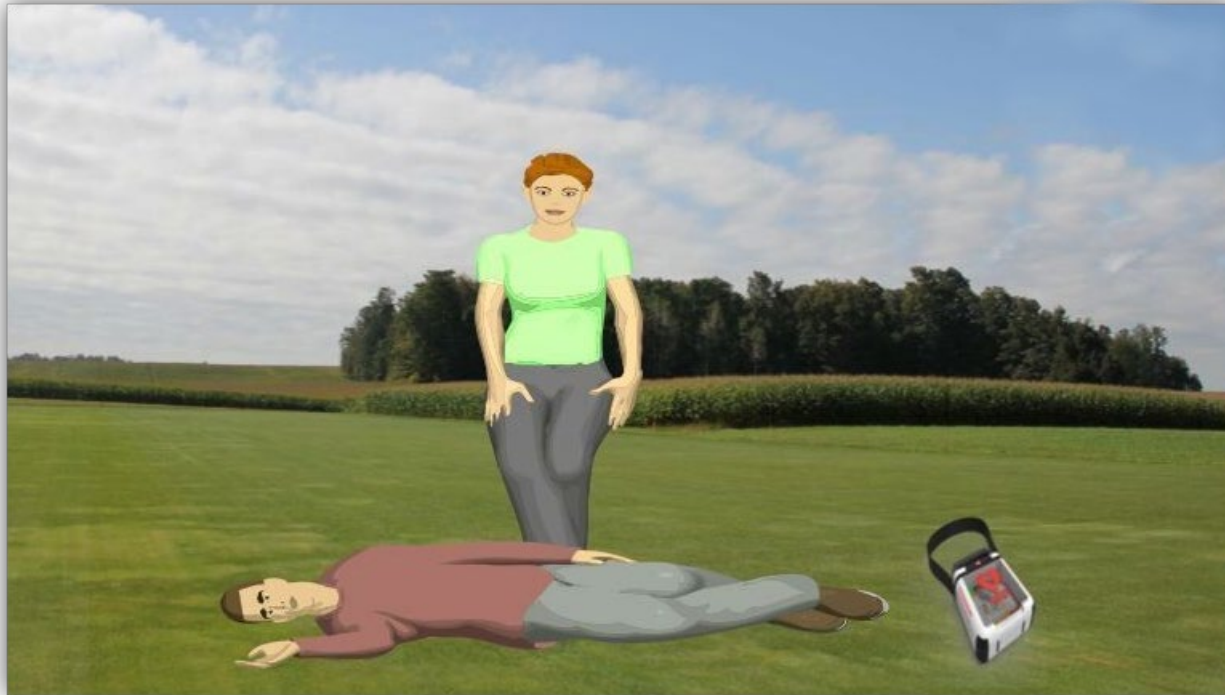
Drone Takes Off!!



Drone Lands!



AED Applied to Patient in OHCA



Patient Survives OHCA!!



Drones Can Get There Fast!!!

TU Delft - Ambulance Drone

7.1-32 Grant Funding for Our AED ON THE FLY PROGRAM

- Interest expressed by multiple grant funding agencies including CANet (Cardiac Arrhythmia Network of Canada)
- Zoll Medical
- Laerdal Foundation
- Stryker Corporation
- Angels Den - St. Michael's Hospital
- Expansion to Heart and Stroke Canada, CIHR



Community Responder/ AED Drone Program



- Our current system provides superb rates of survival from OHCA
- We can and will do better!!
- Innovation is the hallmark of Peel Regional Paramedic Service
- Community Responder/AED Drone Program is one of our most innovative programs to date
- Success will change the approach to cardiac arrest worldwide

Thank You!



Request for Delegation

Attention: Regional Clerk
Regional Municipality of Peel
10 Peel Centre Drive, Suite A
Brampton, ON L6T 4B9
Phone: 905-791-7800 ext. 4582
E-mail: council@peelregion.ca

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| | |
|-------------------------|--------------|
| MEETING DATE YYYY/MM/DD | MEETING NAME |
|-------------------------|--------------|

DATE SUBMITTED YYYY/MM/DD

2019/03/14

NAME OF INDIVIDUAL(S)

Randy Neilson

POSITION(S)/TITLE(S)

Pastor

NAME OF ORGANIZATION(S)

Brampton Bramalea Christian Fellowship Residences Ltd.

E-MAIL

rneilson@bcfchurch.net

TELEPHONE NUMBER

EXTENSION

[REDACTED]

REASON(S) FOR DELEGATION REQUEST (SUBJECT MATTER TO BE DISCUSSED)

Follow-up from a delegation request for the January 27 meeting when the agenda was full. There is a significant item, and report from staff, with reference to our affordable housing project. I would like to provide valuable background for Council.

A formal presentation will accompany my delegation Yes No

Presentation format: PowerPoint File (.ppt)

Adobe File or Equivalent (.pdf)

Picture File (.jpg)

Video File (.avi,.mpg)

Other

Additional printed information/materials will be distributed with my delegation : Yes No Attached

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BBCFR Affordable Housing Project

- Bramalea Christian Fellowship church with a desire to add value
- 2007 CMHC SEED funding was used for a feasibility study
- 2016-17 BCF was successful in Regional RFP to supply 84 units
- APRIL 2019 Construction start of 89 Affordable & 1 market unit
- Removing 45 smaller families from the CWL
- Providing less than market housing for another 44 families



7.2-3
CONCEPTUAL BLOCK PLAN
48-2



LEGEND

- LOW / MEDIUM DENSITY RESIDENTIAL
- MEDIUM DENSITY RESIDENTIAL
- MEDIUM / HIGH DENSITY RESIDENTIAL
- MIXED USE
- OPEN SPACE
- PARK
- SCHOOL
- 10m BUFFER
- STORMWATER MANAGEMENT
- VALLEYLAND / CHANNEL
- COMMERCIAL
- WORSHIP
- NEIGHBOURHOOD GATEWAYS
- 29.0m ROADS
- 24.0m ROADS
- 21.5m ROADS
- 18.5m ROADS
- 18.0m ROADS
- 16.5m ROADS
- VILLAGE CORE
- URBAN SQUARE
- SPECIAL POLICY AREA
- CULTURAL HERITAGE RESOURCE
- STATED RECREATIONAL TRAIL / CROSSING
- POTENTIAL RECREATIONAL TRAIL
- POTENTIAL ON ROAD 1.5m WIDE ASPHALT BIKE LANE
- CONCEPTUAL TRAIL CROSSING TO CATION AT SPINE ROAD OR COLLECTOR ROAD
- POTENTIAL FUTURE CONCEPTUAL PRIVATE / PUBLIC CONNECTION
- COMPENSATION AREAS = 1.481ha. (36.79 Ac.)

BBOFF, affordable housing

GROWING TO BETTER SERVE OUR COMMUNITY



7.2-5

Bramalea Christian Fellowship

Future housing

Affordable Apartment

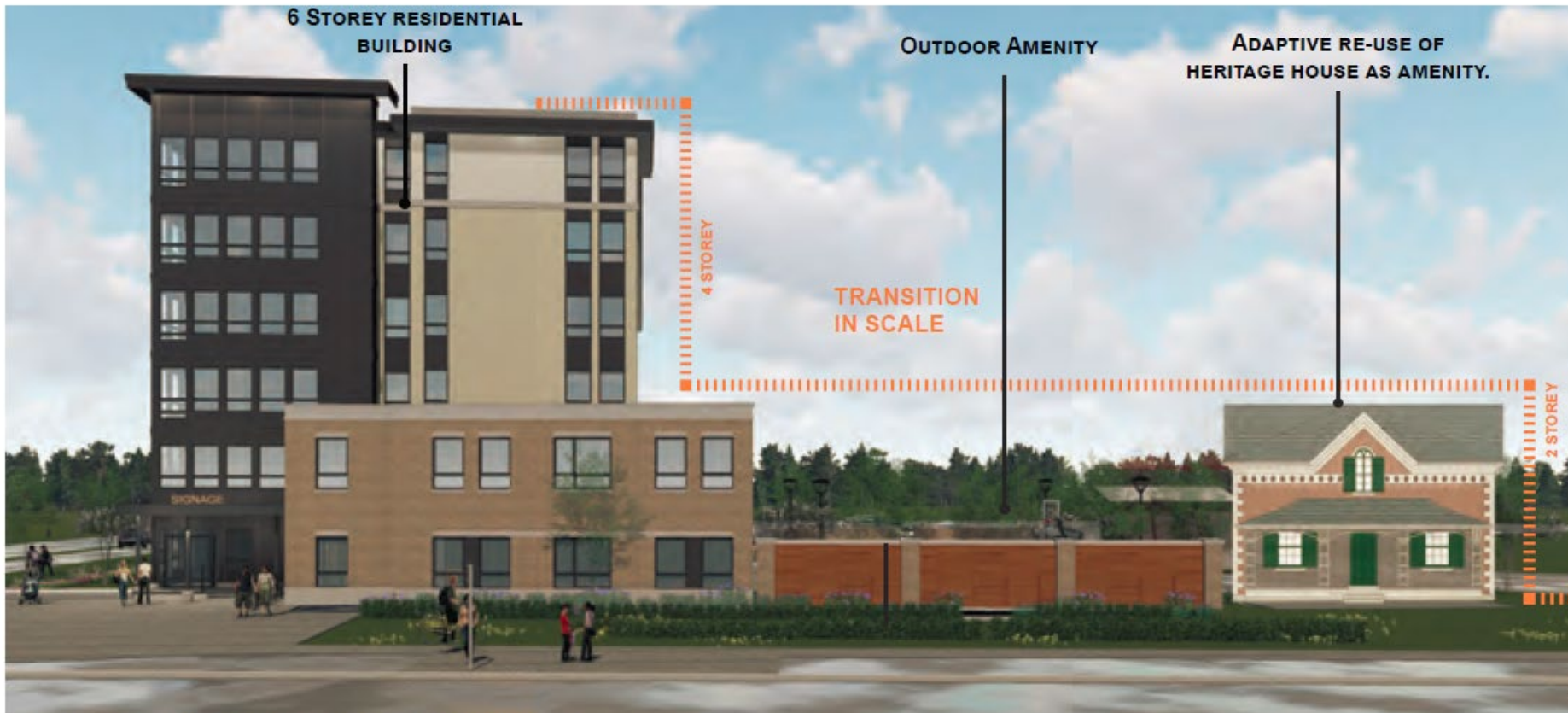
Future Housing

Google



ESTIMATED OCCUPANCY SUMMER OF 2020

7.1 : PERSPECTIVE VIEW - LOOKING EAST AT THE INTERSECTION OF BRAMALEA ROAD AND INSPIRE BOULEVARD



7.2 : WEST ELEVATION ALONG BRAMALEA ROAD



3.2 Elevation Drawings & Perspectives Views:



8.1 : PERSPECTIVE VIEW - LOOKING EAST AT THE ENTRANCE FROM BRAMALEA ROAD AND INSPIRE BOULEVARD



8.2 : PERSPECTIVE VIEW LOOKING WEST FROM SURFACE PARKING



8.3 : PERSPECTIVE VIEW FROM SOUTH



8.4 : PERSPECTIVE VIEW FROM NORTH EAST CORNER ALONG INSPIRE BOULEVARD

FIGURE 8: ELEVATIONS AND PERSPECTIVE VIEW

BBCFR Affordable Housing Project

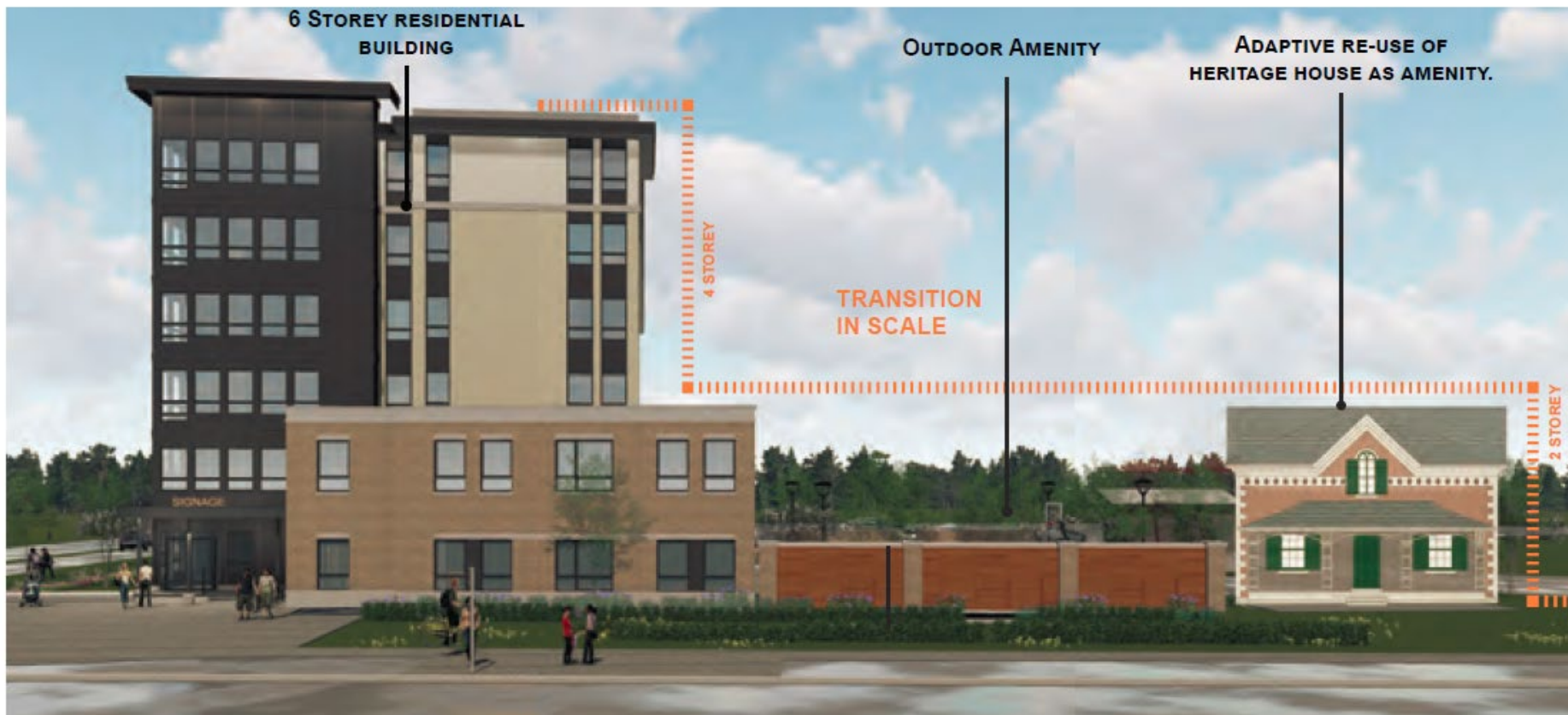
- Bramalea Christian Fellowship church with a desire to add value
- Insight from Brampton's development community
- Region of Peel support, encouragement and access to IAH funding
- City of Brampton cooperation and deferral of DC's
- CMHC debt financing with a 50 year amortization mortgage
- Area 48 landowners group waiving cost sharing obligations
- LIV Communities assisting throughout the project and ensuring a mixed use residential community





ESTIMATED OCCUPANCY SUMMER OF 2020

7.1 : PERSPECTIVE VIEW - LOOKING EAST AT THE INTERSECTION OF BRAMALEA ROAD AND INSPIRE BOULEVARD



7.2 : WEST ELEVATION ALONG BRAMALEA ROAD

- 45 families off CWL
- Smaller families, seniors & persons with disabilities
- Future housing for larger families
- Cohesive community



Density & Intensification Targets

...how they work

March 28, 2019

Steve Jacques

Director & Chief Planner

Regional Planning & Growth Management

Region of Peel



POPULATION & EMPLOYMENT

- Based on Provincial distribution to Regional municipalities
- **Population** = People/ Residents
- **Employment** = Jobs




OCTOBER 2017 COUNCIL ENDORSED ALLOCATIONS

2016-2041 Municipal Population and Employment

| | 2016 | | 2041 | |
|-------------|------------------|----------------|------------------|----------------|
| | Population | Employment | Population | Employment |
| Brampton | 614,000 | 203,000 | 890,000 | 325,000 |
| Caledon | 69,000 | 28,000 | 160,000 | 80,000 |
| Mississauga | 746,000 | 474,000 | 920,000 | 565,000 |
| Peel | 1,429,000 | 705,000 | 1,970,000 | 970,000 |

WHY MUST WE PLAN TO 2041?

- Province determines Regional population and employment allocation, and sets planning horizon
 - Provincial requirement for municipalities to plan for population and employment growth to 2041
 - Must ensure Peel remains a desirable place to live and work
 - To be completed through Municipal Comprehensive Review (MCR) by July 1, 2022
- 

WHAT IS INTENSIFICATION?

What?

New development that takes place in currently built-up areas (location based)

Why?

To make efficient use of land and infrastructure, reduce sprawl, support transit, healthy and age-friendly development

Where?

Done through re-use, re/development, infill, or conversion of land and/or buildings

Can be any housing type but focus on compact development rather than continuous expansion of land

How?

Measured as a portion of total housing unit growth in the existing areas (**Built-Up Area**)

WHAT IS DENSITY?

What?

Number of people and jobs occupying a given land area (impacts housing type and land area)

Why?

To manage the amount of land needed to accommodate people and jobs, and achieve compact urban areas

Where?

Informs the type of development on land in the **Built-up Area** and **Greenfield Area**

More people and jobs on a smaller parcel changes the type of housing

How?

Measured as the number of people and jobs covering a hectare of land (ppj/ha)

Growth Plan, 2017 removed employment from density calculation

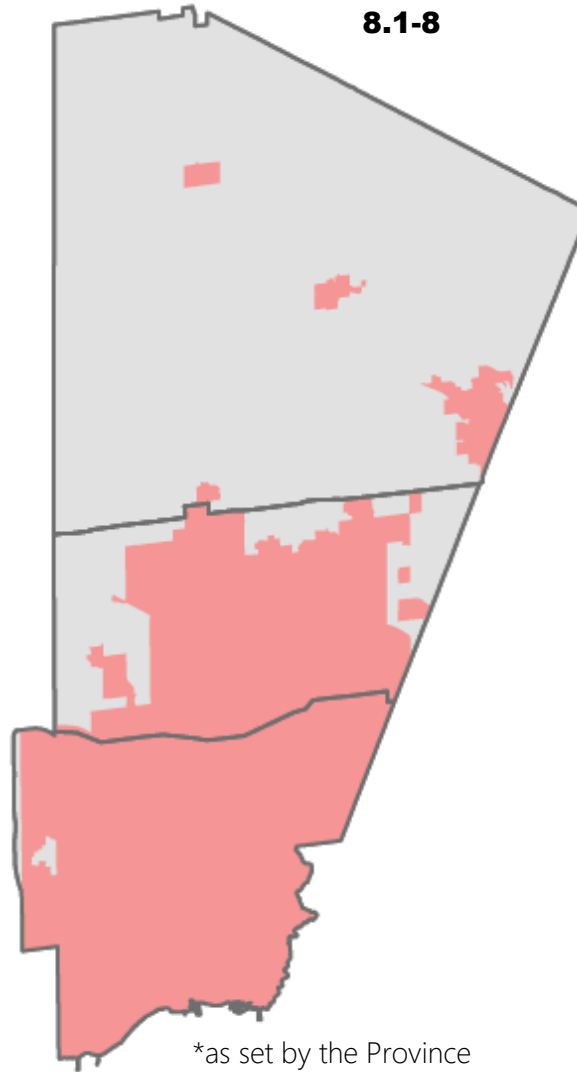
PEEL REGION

8.1-7



BUILT-UP AREA

- Established in 2006 as per Provincial Policy
- These are existing urban area lands where new growth will be directed
- Also contain undeveloped lands that will be developed through infill, new secondary plan areas, etc.

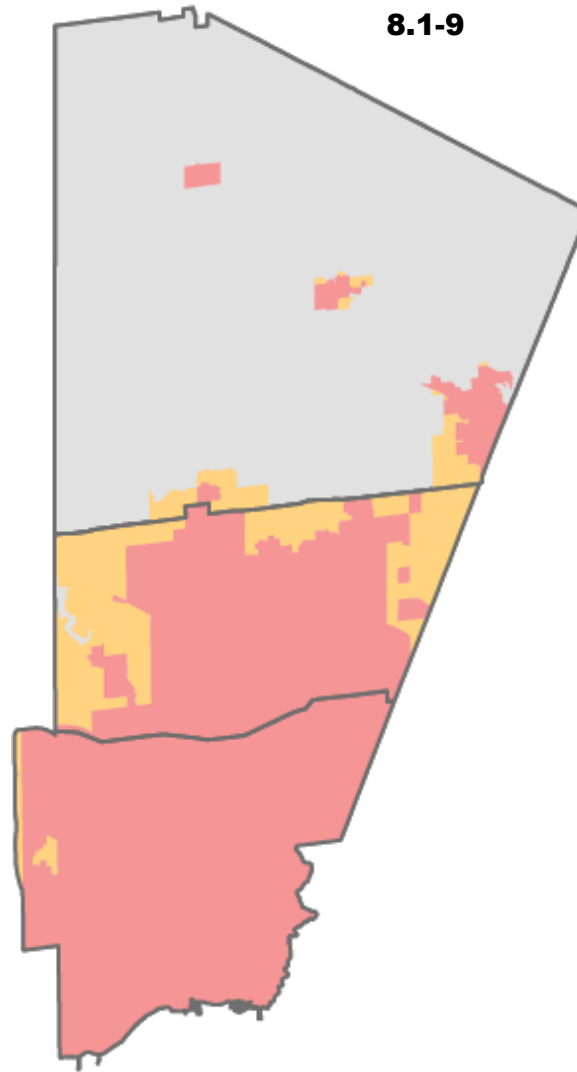


*as set by the Province



DESIGNATED GREENFIELD AREA

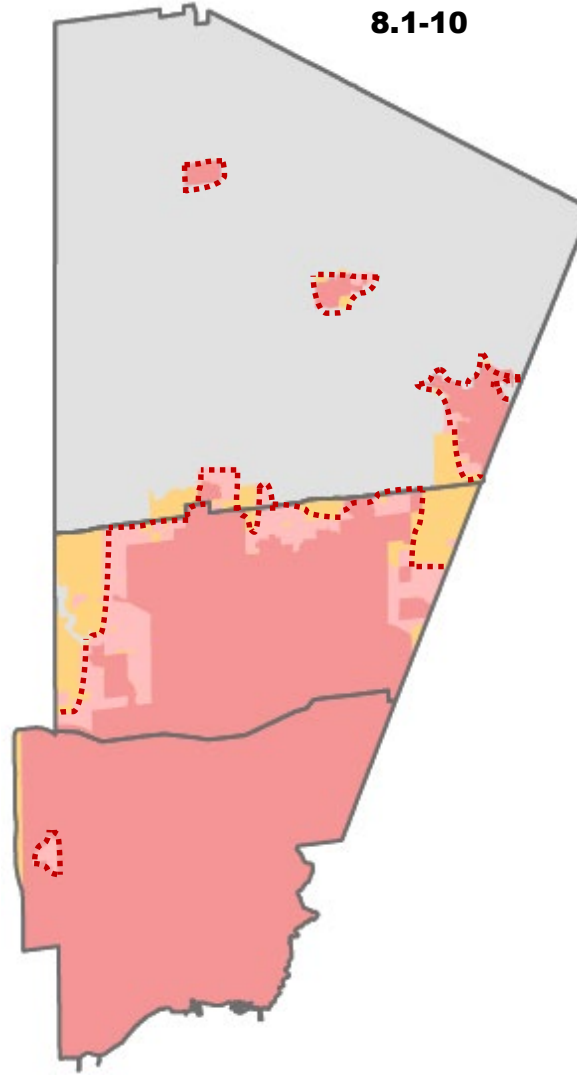
- New residential and employment areas assigned for future growth that are outside of Peel's **Built-Up Area**
- We need new **Designated Greenfield Areas** to accommodate growth to 2041



CONCEPTUAL

BUILT-UP AREA

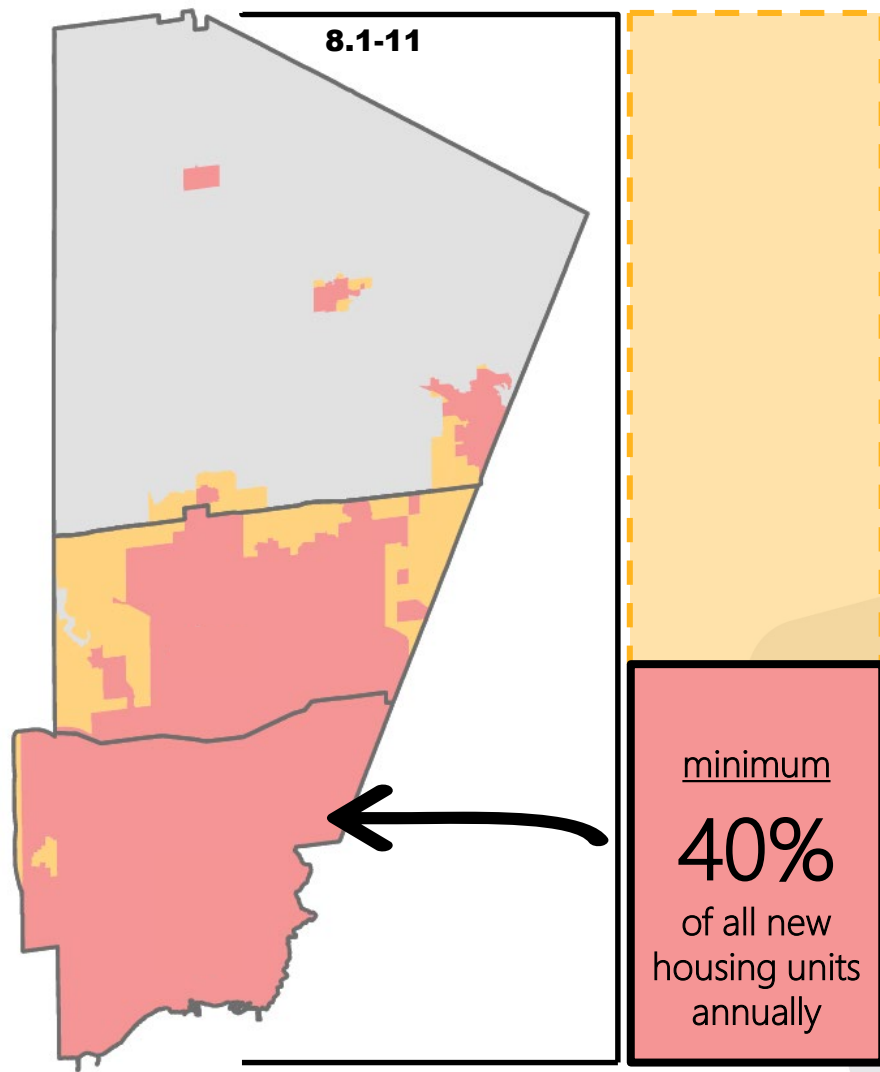
- Conceptual **Built-Up Area**, 2018
- Currently, intensification applies only to 2006 boundary



INTENSIFICATION TARGET

- Current existing Regional Official Plan minimum intensification target to 2026 is 40%

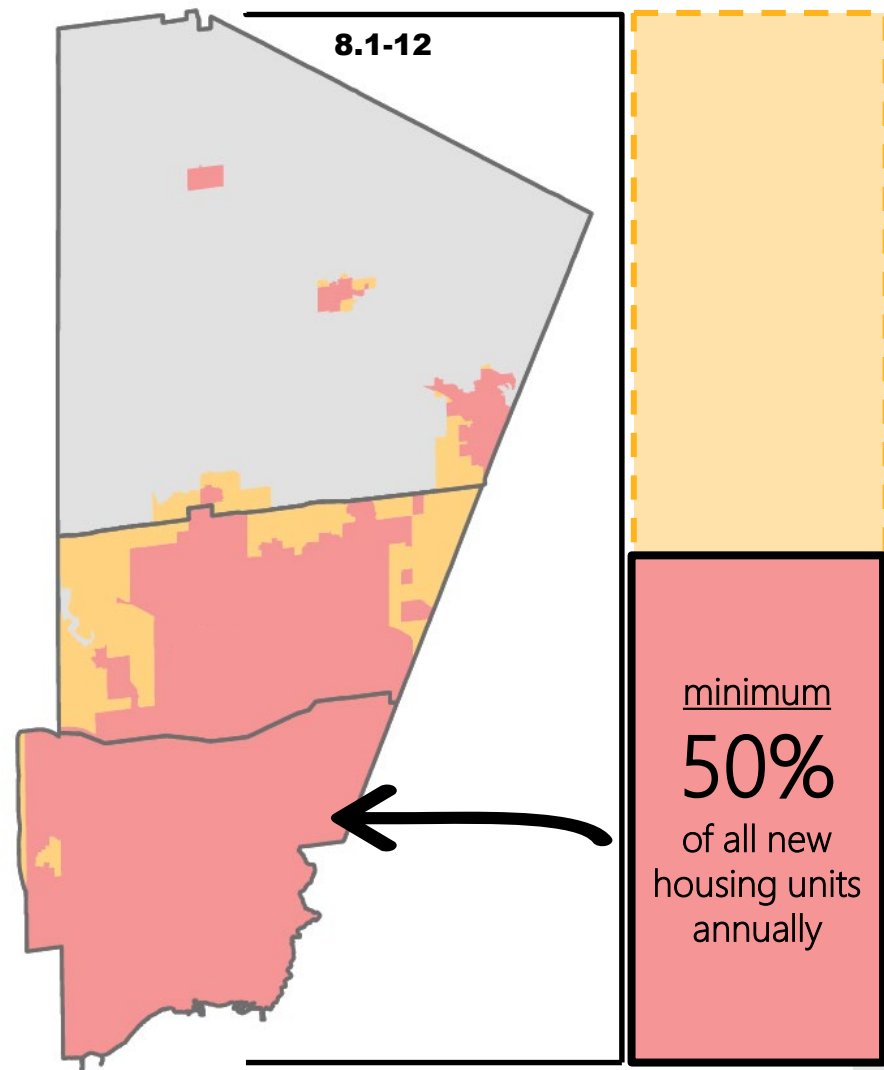
- Built-Up Area
- Designated Greenfield Area



INTENSIFICATION TARGET

- Current existing Regional Official Plan minimum intensification target to 2031 is 50%
- Same as current Provincial Growth Plan to 2031

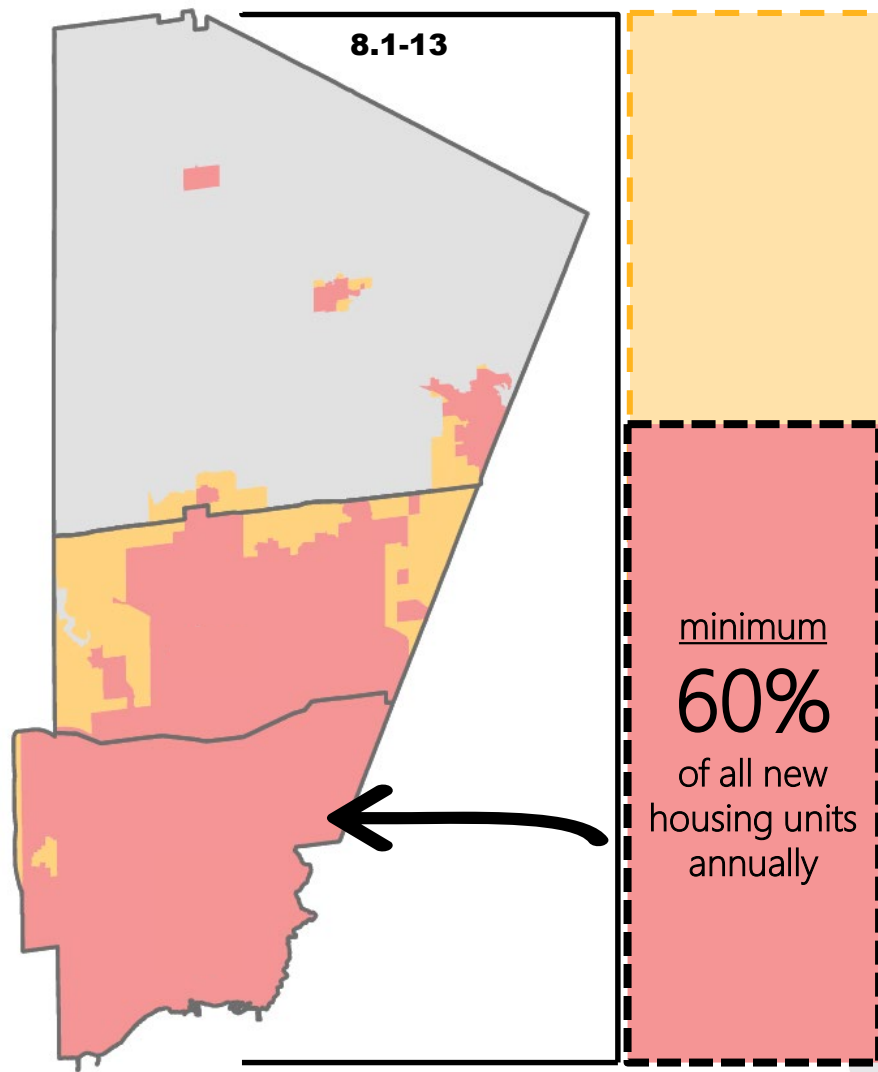
■ Built-Up Area
■ Designated Greenfield Area



INTENSIFICATION TARGET

- Current Provincial Growth Plan minimum intensification target between 2031 and 2041 is 60%
- This represents a phased intensification rate
 - 50% = 2018 - 2031
 - 60% = 2031 - 2041
- Council recommended a Provincial min 50% intensification rate to 2041 (February 28, 2019)

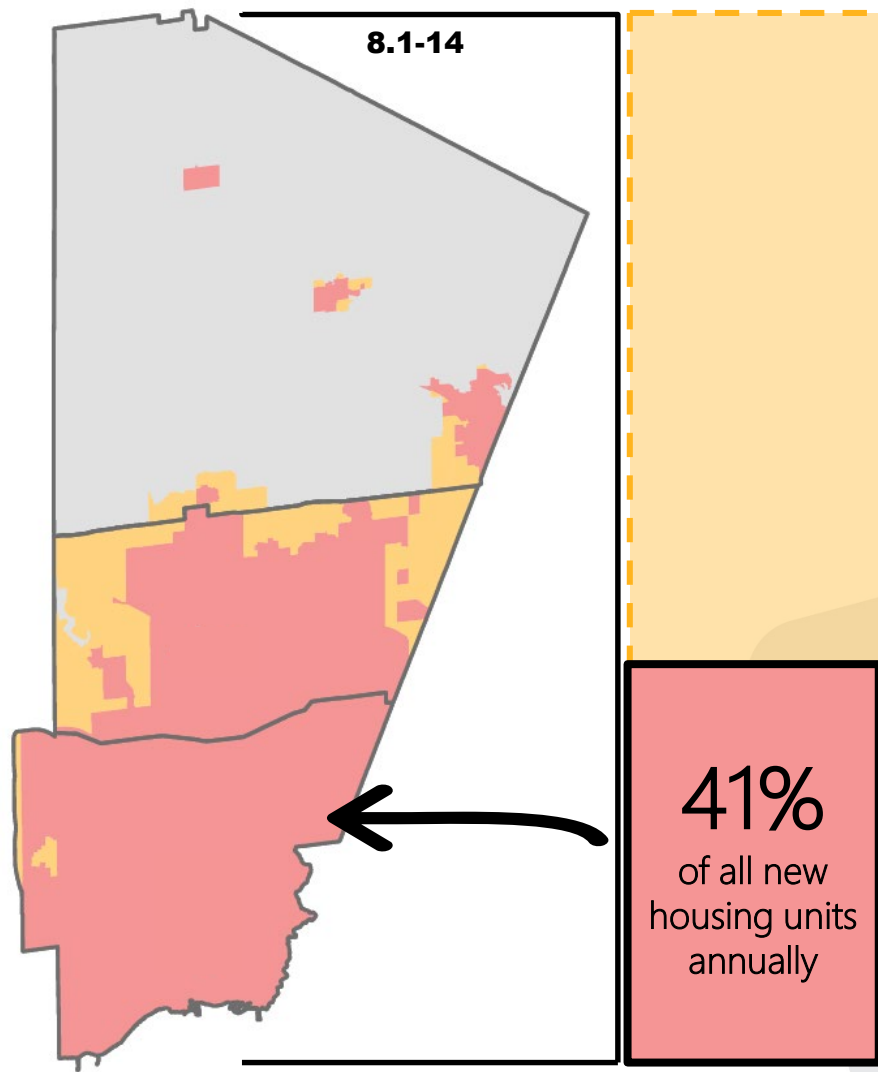
- Built-Up Area
- Designated Greenfield Area



INTENSIFICATION TARGET

- Last 12 years, Peel achieved a cumulative intensification rate of 41% (2006-2018)

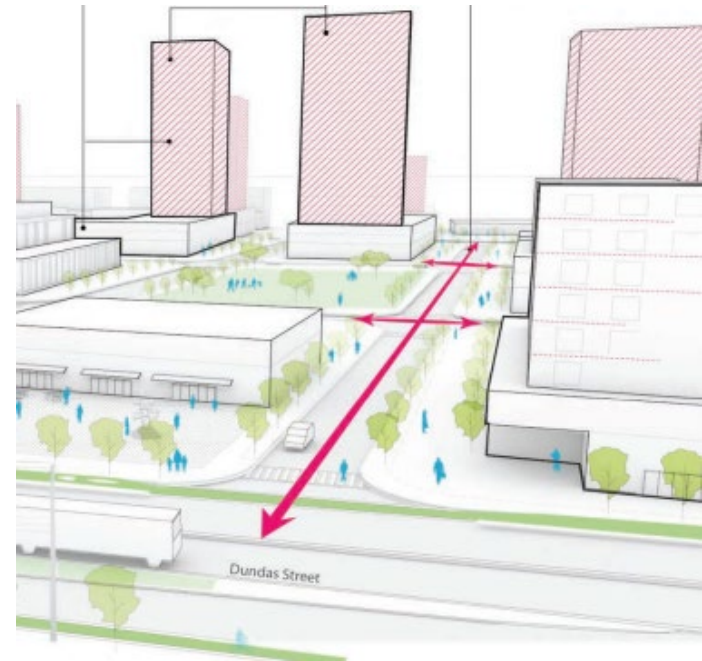
- Built-Up Area
- Designated Greenfield Area



MISSISSAUGA Planned Intensification



Inspiration Lakeview



Dundas Connects

BRAMPTON Planned Intensification



2040 Vision: Shoppers World



2040 Vision: Queen & Kennedy

CALEDON Planned Intensification



Artist Rendering
Source: Ryan Hryciuk

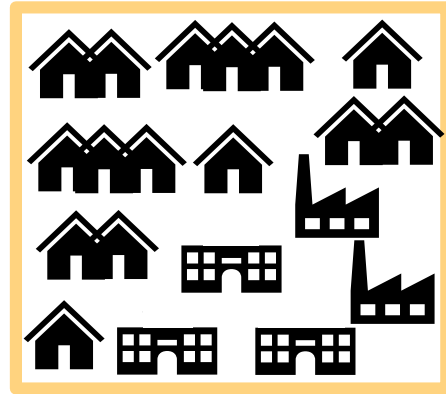


Ann St. Bolton

DESIGNATED GREENFIELD AREA DENSITY TARGET (PPJ/HA)

- Current existing Official Plan is a minimum of 50ppj/ha
- Includes low density employment lands
- Excludes environmental features

50 ppj/ha



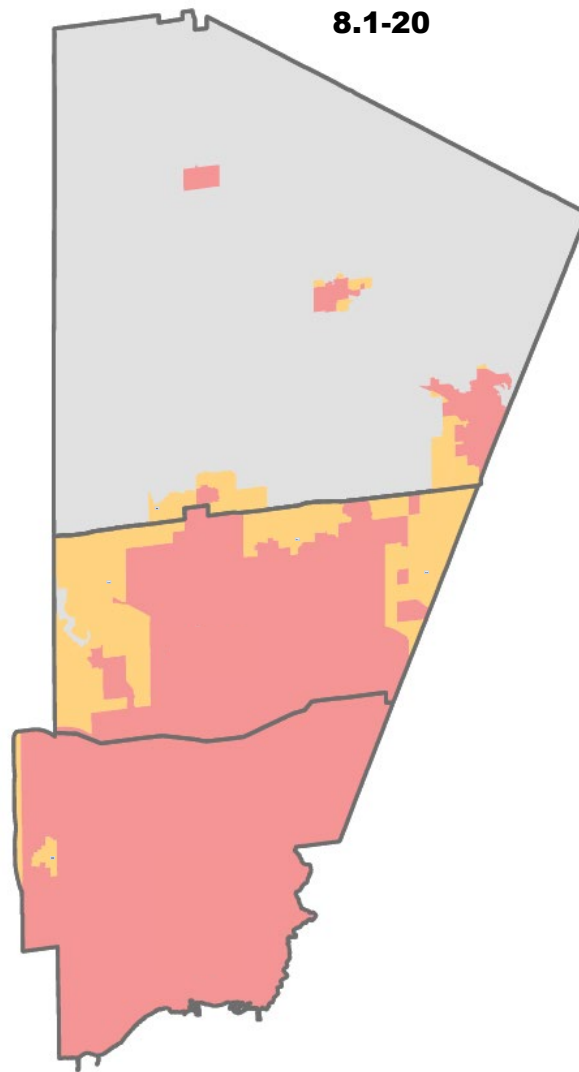
DESIGNATED GREENFIELD AREA DENSITY TARGET (PPJ/HA)

- Current Provincial Growth Plan minimum of 60 ppj/ha in existing greenfield area and minimum 80 ppj/ha in new areas
- Excludes low density employment lands and environmental features
- Proposed Growth Plan reduces this to a minimum of 60 ppj/ha in new areas

60-80* ppj/ha



DESIGNATED
GREENFIELD
AREA DENSITIES



CALEDON Greenfield Area Development

Mayfield West
43 ppj/ha (2016)



BRAMPTON Greenfield Area Development

Bram East
58 ppj/ha (2016)



BRAMPTON Greenfield Area Development

Springdale
65 ppj/ha (2016)



MISSISSAUGA Greenfield Area Development

Churchill Meadows
85 ppj/ha (2016)

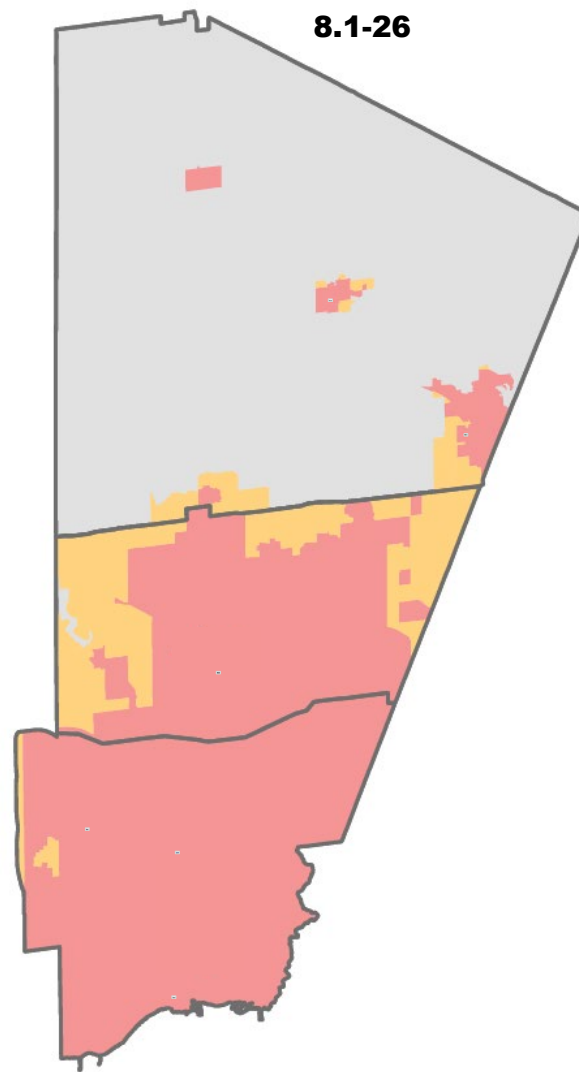


BRAMPTON Greenfield Area Development

Mount Pleasant
60 ppj/ha (2019)



BUILT UP AREA DENSITIES



CALEDON

Built-Up Area Development

Caledon East
18 ppj/ha (2016)



CALEDON

Built-Up Area Development

Bolton
43 ppj/ha (2016)



MISSISSAUGA Built-Up Area Development

Meadowvale
59 ppj/ha (2016)



BRAMPTON

Built-Up Area Development

Downtown Brampton

121 ppj/ha (2016)



MISSISSAUGA Built-Up Area Development

Port Credit CN
152 ppj/ha (2016)



MISSISSAUGA Built-Up Area Development

Mississauga City Centre
230 ppj/ha (2016)



SUMMARY

- Minimum density and intensification targets impact the type of housing development in Peel, and land required for development
- Peel is consistently achieving compact densities in communities across the municipality
- Targets are only one factor in planning for complete and healthy communities





Thank You

Steve Jacques, Director & Chief Planner
Regional Planning & Growth Management



DATE: March 18, 2019

REPORT TITLE: **THE CHANGING NATURE OF EMPLOYMENT AND IMPLICATIONS FOR FISCAL HEALTH AND MUNICIPAL SUSTAINABILITY**

FROM: Stephen VanOfwegen, Commissioner of Finance and Chief Financial Officer

RECOMMENDATION

That the findings and recommendations of the research report, *Rethinking Municipal Finance for the New Economy*, conducted by The Mowat Centre, be shared with the Association of Municipalities of Ontario (AMO) and the Federation of Canadian Municipalities (FCM);

And further, that the report of the Commissioner of Finance and Chief Financial Officer titled “The Changing Nature of Employment and Implications for Fiscal Health and Municipal Sustainability” be referred to the Government Relations Committee to inform the development of an advocacy strategy.

REPORT HIGHLIGHTS

- Municipalities have limited sources of revenue: property tax, development charges, federal/provincial funding and user fees, which are determined by the *Municipal Act*.
- The Region of Peel is changing in response to the rapidly changing macro environment that is significantly disrupting the business sector, the types of jobs being created and the labour market.
- International and local technological changes have transformed the non-residential sector such that employment utilization of land and building form are changing.
- Employment related Development Charge (DC) revenues are falling below revenue targets. The shortfall from 2002-2017 was approximately \$838 million, increasing the risk of stranded DC debt.
- Peel’s property tax revenue has also shifted from the non-residential sector to the residential sector. Non-residential tax revenues (as a share of total tax revenues) fell from 44 per cent in 2002 to 36.4 per cent in 2017.
- The Region partnered with The Mowat Centre to conduct a socio-economic research study to better understand the changes impacting municipalities, and risks to financial sustainability.
- The trends and challenges outlined in The Mowat Centre’s study are not unique to Peel, and are experienced by municipalities across Ontario and Canada, regardless of their municipal structure.
- The study’s two main findings indicate that, based on current changes, the proportion of residential income spent on property tax is likely to rise; and the fiscal health and sustainability of municipalities are at risk.

THE CHANGING NATURE OF EMPLOYMENT AND IMPLICATIONS FOR FISCAL HEALTH AND MUNICIPAL SUSTAINABILITY

DISCUSSION

1. BACKGROUND

A. Risk to Financial Sustainability

Municipalities are creatures of the province and in Ontario, they are governed by the *Municipal Act*. Municipal revenue generating sources are determined by the *Municipal Act*, and are limited to property tax, DCs, federal/provincial funding and user fees. These have remained relatively unchanged and provide limited flexibility to address the evolving needs of the municipal sector.

The Region of Peel is changing in response to a rapidly changing macro environment that is significantly disrupting the business sector, the types of jobs created and the labour market. Digitization and globalization have broadened work options. Technological changes, both internationally and locally, have transformed the non-residential sector such that employment utilization of land and building form are changing.

Employment-related DC revenues (which are based on provincial growth forecasts) are falling below planned revenues. Between 2002 and 2017, actual DC revenues were only 37.1 per cent of planned DC revenues, which translates to a DC revenue shortfall of approximately \$838 million. As a result, the Region is faced with an elevated risk of stranded DC debt.

These shifts have resulted in a general slowing in the growth of non-residential property tax revenues and an erosion of its share of total property tax revenues. The share of non-residential property tax revenues fell from 44 per cent in 2002 to 36.4 per cent in 2017. This represents a shift in the property tax revenue away from the non-residential sector towards the residential sector. If this shift continues, property tax unaffordability risks, as well as risks to the Region's financial sustainability will increase.

B. Engaging The Mowat Centre

Recognizing the significant and rising risks to the Region's financial sustainability, the Region of Peel partnered with The Mowat Centre to conduct a socio-economic research study of the transformative changes affecting municipalities and the impact on municipal fiscal sustainability.

The Mowat Centre is an independent public policy think-tank affiliated with the University of Toronto, specializing in assessing economic transformation in Ontario and Canada, and internationally. The Mowat Centre partnered with the Institute of Municipal Finance and Governance, which has expertise in municipal finance policy and revenue tools, to complete the research study. The objectives were to:

- Assess the changes in the non-residential sector and expectations for further changes;
- Evaluate the impact of these changes on property tax and development charge revenue generation; and,
- Provide policy options to support the long-term financial health of municipalities in the new economy.

THE CHANGING NATURE OF EMPLOYMENT AND IMPLICATIONS FOR FISCAL HEALTH AND MUNICIPAL SUSTAINABILITY

This socio-economic study will also inform the update of the Region's Long-Term Financial Planning Strategy which will be presented to Council in Spring 2019.

2. KEY FINDINGS OF THE SOCIO-ECONOMIC RESEARCH STUDY

The report *Rethinking Municipal Finance for the New Economy* is attached as Appendix I and includes findings in the following areas:

- Key trends and drivers in the economy
- Shifts in responsibilities and revenue
- Threats to revenue generation
- Rising cost pressures
- Increasing municipal expenditure

The report also articulates that the identified trends are not Peel-specific but apply to municipalities in Ontario and across Canada. Municipalities are facing increased responsibilities and rising cost pressures, while revenue tools have remained unchanged, resulting in financial risks regardless of the municipal structure.

An accompanying report, *Investment for a Community for Life – A Brief History* will address the increasing expenditures of the Region of Peel.

3. MODELLING FISCAL HEALTH

The Mowat Centre also developed a model to evaluate changes in the financial health of the Region of Peel. The model suggests that:

- If current trends persist, by 2040 there would likely be an increase of about 25 per cent in the proportion of household income spent on residential property tax, increasing it from its current level of 4 per cent to 5 per cent of household income.
- If current changes accelerate and demographic, financial and labour market trends deteriorate, the percentage of household income used to pay property tax in Peel Region would double (100 per cent increase) from 4 per cent currently, to 8.05 per cent by 2040.
- By diversifying their revenue sources to include a 1 per cent municipal income tax, municipalities would enhance revenues and reduce residential property tax. As a proportion of household income, property tax would likely fall by approximately 25 per cent from the current level of 4 per cent in Peel Region, to 3 per cent by 2040.

4. RECOMMENDATIONS FROM THE MOWAT CENTRE

Given the range of possibilities for the fiscal health of the Region in the future, The Mowat Centre recommends several policy options to reduce risks to financial sustainability. They have provided options for the short, medium and long term.

THE CHANGING NATURE OF EMPLOYMENT AND IMPLICATIONS FOR FISCAL HEALTH AND MUNICIPAL SUSTAINABILITY

In the short term, The Mowat Centre recommends that municipalities:

- Educate provincial and federal governments and key stakeholders on risks and advocate for a review of the current share of economic prosperity;
- Explore opportunities to raise more revenue from existing tools, including the introduction of a progressive property tax rate, an update of Payment-in-Lieu of Property Taxes (PILT) and exploring opportunities to adopt a more modern approach to the classification of non-residential space to reflect shifts in the nature of land usage and the usage of space; and
- Assess new revenue tools like those in the *City of Toronto Act*, tools that derive revenues from new and emerging sectors such as the digital economy, as well as road pricing, alcoholic beverage tax, entertainment and amusement tax, and tobacco tax.

In the medium-to-long-term, The Mowat Centre is recommending that municipalities:

- Explore general purpose revenue tools that are not currently available to Ontario municipalities, such as, municipal sales tax, municipal income tax and a development levy to capture land value gains;
- Review service delivery, leverage technology, and partner with municipalities and the private sector to achieve greater efficiencies and reduce expenditures; and
- Utilize strategic foresight to ensure that policies are forward-looking.

5. NEXT STEPS

Staff recommend that the findings of The Mowat Centre study be shared with the Association of Municipalities of Ontario (AMO) and the Federation of Canadian Municipalities (FCM) to raise awareness of the increasing risks to financial sustainability that municipalities are facing, and to seek their assistance to educate the provincial and federal governments. Staff also recommend referring this report to the Government Relations Committee for consideration and to inform the development of an advocacy strategy on this matter.

CONCLUSION

The research report *Rethinking Municipal Finance for the New Economy*, by The Mowat Centre demonstrates that the fiscal health and sustainability of municipalities are at risk. Redefining municipal sources of revenue to keep pace with the changing nature of employment and land use, along with partnership and education, are recommended to mitigate further negative financial consequences.



Stephen VanOfwegen, Commissioner of Finance and Chief Financial Officer

**THE CHANGING NATURE OF EMPLOYMENT AND IMPLICATIONS FOR FISCAL HEALTH
AND MUNICIPAL SUSTAINABILITY**

Approved for Submission:



D. Swarc, Chief Administrative Officer

APPENDICES

Appendix I – Rethinking Municipal Finance for the New Economy

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Authored By: Judith McWhinney, Regional Economist

Rethinking Municipal Finance for the New Economy

BY SUNIL JOHAL, KIRAN ALWANI,
JORDANN THIRGOOD & PETER SPIRO

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Mowat Centre

ONTARIO'S VOICE ON PUBLIC POLICY

The Mowat Centre is an independent public policy think tank located at the Munk School of Global Affairs and Public Policy at the University of Toronto. The Mowat Centre is Ontario's non-partisan, evidence-based voice on public policy. It undertakes collaborative applied policy research, proposes innovative research-driven recommendations, and engages in public dialogue on Canada's most important national issues.

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Municipalities
continue to receive
the smallest share
of the economic
pie – for every
household tax
dollar paid in
Ontario, they collect
only 9 cents.

EXECUTIVE SUMMARY

Governments across the world are grappling with a changing employment landscape where artificial intelligence and automation threaten jobs across sectors, digitization facilitates outsourcing and shrinks the tax base, traditional office spaces and stores become obsolete, societal inequality grows at alarming levels, and workers increasingly engage in precarious ‘gig economy’ jobs.

While these trends are putting pressure on government revenues globally, municipalities in Canada face an additional set of challenges as they operate in a unique context. Constitutionally, municipalities in Canada are “creatures of the province.” In other words, provinces have exclusive authority over them. In Ontario, municipalities are governed by the Municipal Act, which enumerates every power that they have. Adapting to emerging realities is a challenge, as every power not explicitly granted through legislation, including the ability to levy new taxes, requires provincial approval.

Revenue sources for Canadian municipalities are limited. Apart from provincial and federal transfers, primary sources of revenue include residential and non-residential property taxes, development charges and user fees. Over the years, municipal expenditure responsibilities have also increased, while revenue growth has not kept pace. Municipalities continue to receive the smallest share of the economic pie – for every household tax dollar paid in Ontario, they collect only 9 cents.

Like the rest of Ontario and Canada, Peel Region’s economy is in transition – there has been a shift from goods production to goods movement, and many manufacturing plants have been replaced by warehouses and distribution centres. E-commerce has reduced demand for retail spaces. The service sector continues to expand, with a particular emphasis on knowledge-based jobs. Workplaces are shrinking, and the average square footage per employee has declined significantly. At the same time, mobile work options such as telecommuting and hot-desking are becoming increasingly popular.

These trends are likely to further strain municipal revenues, as municipal revenue tools are inordinately reliant on land-based approaches to value that are becoming less relevant in the digital era. In Peel, the share of revenue from industrial property is on a downward trend, in large part due to the decline of the manufacturing sector. Growth in employment land consumption has also slowed. Furthermore, provincial growth forecasts have not been reflective of the actual pace of development, which has led to a shortfall in expected development charge revenue. Reliance on the residential property-tax base has been increasing, as non-residential property-tax revenue as a proportion of total tax-revenues declines. If these trends continue, property taxes will become increasingly unaffordable for residents in the years ahead.

APPENDIX I

8.2-11

THE CHANGING NATURE OF EMPLOYMENT AND IMPLICATIONS FOR FISCAL HEALTH AND MUNICIPAL SUSTAINABILITY

Amidst the ongoing digital revolution and changing employment landscape, how can municipalities adapt? This study suggests that municipalities must modernize their approaches to revenue generation and governance to meet spending obligations. Less reliance on land-based tax bases is not only important to reflect the new world of work, but also because changing demographics (such as an aging population, increasing demand for social services, and challenges posed by climate change) will require municipalities to shoulder even more responsibilities going forward.

The fiscal challenges facing the Region of Peel and other municipalities won't be addressed through any single measure. Given the host of service pressures and tax base issues posed by demographic, technological and employment shifts, municipalities must consider a range of approaches and tactics to solidify their footing. To deal with the ongoing and emerging changes, the following hierarchy of approaches should guide Peel's thinking on the revenue side of the ledger:

- » Advocate for and explore a **realignment of existing revenues, with both the federal and provincial governments** and engage in a meaningful dialogue with the public around how Canada's taxes and responsibilities are allocated amongst levels of government.
- » Explore opportunities to **raise more revenues from existing tools**, including a comprehensive definitional review of various property types to ensure that misclassification isn't leading to tax leakage, as well as explore progressive property taxes or hiking property taxes at rates higher than historical patterns. This should also include a review of planning and forecasting assumptions to ensure that revenue projections are realistic and reflect exogenous trends.

- » Then look to **new revenue tools specific to particular uses and users**.
- » Finally, **explore general purpose revenue tools** (e.g., sales tax, share of income taxes).

Municipalities should also look to review their service-delivery frameworks and wring further efficiencies from existing expenditures. Furthermore, they should explore ways to realize benefits from the digital economy as well as utilize strategic foresight techniques to ensure that policies are robust and forward-looking. Finally, municipalities must recognize the value of collaboration with neighbouring municipalities to develop economic development approaches that promote shared prosperity. Taken together, these approaches will help place municipalities on surer footing in the years ahead.

1 INTRODUCTION

Canada's economy and labour market are experiencing transformative shifts. Like many advanced economies around the world, the population is aging while overall economic and labour market growth is anticipated to slow down. Income inequality is at high levels and wages for many workers continue to stagnate amidst rising costs of living. The nature of employment itself is also fundamentally changing, as fewer people are engaged in full-time, permanent employment and many are increasingly working in part-time, temporary or "gig" jobs. The sectors in which people work are also changing: industrial sectors continue to shrink, while service sectors grow and the knowledge economy gains greater momentum.

It is anticipated that technological change will further accelerate these ongoing trends and pose new challenges. In recent years, digitization has helped facilitate a more global marketplace for goods and services. While this provides more choices for consumers, it also means that firms are more mobile and better able to jurisdiction-shop for favourable taxation and regulatory frameworks. Technology has also enabled more mobile labour, providing flexibility for workers, but also increased digital outsourcing by firms to lower-cost jurisdictions. Workspaces are transforming as well, with decreased need for traditional office spaces and an increased trend towards teleworking. Furthermore, automation and adoption of artificial intelligence in the workplace threatens to disrupt multiple industries, potentially leading to widespread job displacement and entirely new skills demands for the new economy.

This changing nature of work has real impacts on the fiscal health of all levels of government. For municipal governments reliant on property taxes, changes in patterns of commercial and industrial land consumption have placed pressures on their

ability to generate revenues and meet spending obligations to provide core public services. Insufficient job growth and the shrinking physical space required for employment may erode the non-residential property-tax base and create a shortfall in anticipated development-charges revenue. Growing service demands as a result of deteriorating job quality and an aging population may squeeze governments' ability to manage expenditures. Greater urbanization may begin to upend regional planning priorities and the expectations of local residents.

Our federal structure and intergovernmental relationships mean that local and regional municipalities in Canada face a unique set of opportunities and challenges. In Ontario, municipal governments are heavily reliant on three fiscal tools – property taxes, development charges and user fees – in addition to federal and provincial transfers. Yet, despite limited resources and taxation authority, local governments are increasingly at the forefront of tackling a number of complex policy and service-delivery issues.

Municipalities are, to a far greater extent than provinces and the federal government, equipped with an outdated set of revenue tools inordinately reliant on land that do not adequately capture the economic value generated in today's economy, and that will become further antiquated as the digital revolution continues to reshape work patterns. As the economy and labour market evolve, how can municipal governments modernize their approaches to revenue generation and governance to reflect the new world of work?

This study begins with an overview of the context of municipal governance and taxation in Ontario, the primary revenue sources available to municipal governments, as well as the key characteristics of the Regional Municipality of Peel. A number of key macro-level economic and social trends and drivers are explored, with consideration of how these trends are reflected in Peel and other municipalities. In addition, the implications of these trends and resulting potential threats to the revenue base are analyzed using a scenario-testing exercise. Finally, a comprehensive set of policy options in response to these trends is presented and implementation challenges and key success factors to overcome them are discussed along with top-line short and medium-term recommendations.

This report is the result of extensive research, stakeholder consultation and economic modelling. This includes a literature review and jurisdictional scan, as well as key informant interviews with 29 internal and external stakeholders from the public and private sectors and academia. An econometric forecasting model for Peel was also developed to better understand the impacts of the changing nature of work on the fiscal health of the Region. While this report aims to inform the strategic planning of the Region of Peel, the findings are relevant to many municipalities across Ontario and Canada which face similar challenges.



Municipal
revenue tools
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2 SETTING THE STAGE

Peel Region – Facts and Figures

Governance and Finance

The Regional Municipality of Peel is an upper-tier (regional) municipal government, with the lower-tier (local) governments comprising the City of Mississauga, City of Brampton and Town of Caledon. The responsibilities of the upper and lower tiers are described in Figure 1.

FIGURE 1

Responsibilities



| Infrastructure | Peel | Member Munis* | Services | Peel | Member Munis* |
|-----------------------------|------|---------------|------------------------|------|---------------|
| Water | ✓ | | Police | ✓ | |
| Wastewater (Sewer) | ✓ | | Paramedics | ✓ | |
| Storm Water | | ✓ | Fire | | ✓ |
| Roads (Arterial) | ✓ | | Transit | | ✓ |
| Roads (Local) | | ✓ | Public Health | ✓ | |
| Waste Collection & Disposal | ✓ | | Long-Term Care | ✓ | |
| Parks & Recreation | | ✓ | Social Assistance | ✓ | |
| | | | Social Housing | ✓ | |
| | | | Children's Services | ✓ | |
| | | | <u>Debt Issuance</u> | ✓ | |
| | | | Libraries | | ✓ |
| | | | Licensing | | ✓ |
| | | | Economic Development | | ✓ |
| | | | Planning & Development | ✓ | ✓ |
| | | | Parking | | ✓ |

* Member Municipalities include the Cities of Mississauga and Brampton, and the Town of Caledon

Source: Region of Peel

FIGURE 2

Region of Peel budget overview

| 2018 Regional Budget Overview - \$3.1B Operating Budget - \$2.4B & Capital Budget – \$0.7B 10-Year Capital Plan - \$7.2B | | | |
|---|-----------|--|-------------|
|  Property Tax Supported | |  Utility Rate Supported | |
| Operating Budget | \$1,868M | Operating Budget | \$505M |
| Capital Budget | \$260M | Capital Budget | \$463M |
| 10-Year Capital Plan | \$3,196M | 10-Year Capital Plan | \$3,971M |
| *Property Tax Increase | 1% | Average Utility Rate Increase | 6.5% |
| <small>(includes 1.0% for Infrastructure)</small> | | <small>(includes 5.0% for Infrastructure)</small> | |
| **Impact : | | Impact: | |
| Average home value at \$484,000 | \$47 | Average household (290m ³) | \$41 |
| Average Small Business at \$567,000 | \$85 | Average Small Business (695m ³) | \$99 |
| Commercial at \$1,701,200 | \$255 | | |
| Industrial at \$1,683,500 | \$283 | | |
| Region’s Portion of Annual Average Residential Municipal Tax Bill | \$1,889 | Annual Average Residential Water Bill | \$659 |

* Assumed weighted average municipal portion of tax bill is approximately 41 per cent
 ** Weighted average of 3 local municipalities.

Source: Region of Peel “2018 Budget Document.” <https://www.peelregion.ca/budget/2018/2018-budget.pdf>.

According to the Region’s 2018 budget, the operating expenditures of the Region are \$2.4 billion and capital expenditures are \$0.7 billion. Property-tax revenue makes up around 44 per cent (\$1.04 billion) of the 2018 operating expenditure budget. Development-charges revenue covers 33 per cent (\$239 million) of the 2018 capital budget and 40 per cent of the \$2.7 billion ten-year capital plan.¹

1 Region of Peel “2018 Budget Document.” <https://www.peelregion.ca/budget/2018/2018-budget.pdf>.

Demography

The Region of Peel has a total population of 1,481,400 spread across Mississauga (754,200), Brampton (654,100) and Caledon (73,100), occupying a total of 430,180 private dwellings. The Region saw an estimated 18,700 new residents added between Q3 2017 and Q3 2018, and it is projected that the population will reach about 2 million by 2041.²

For many years, population growth in Peel was about 1.5 to 2 percentage points per year higher than the provincial average. According to the 2016 census, this growth has slowed sharply in the latest five-year period, when Peel's growth averaged only 0.2 percentage points higher than the provincial average.³

The Region's population is considerably younger than the province overall, with the median age at 38.1, compared to 41.3 years for the province.⁴ However, the population of seniors (65+) is expected to more than double, and increase by 134 per cent by 2041.⁵

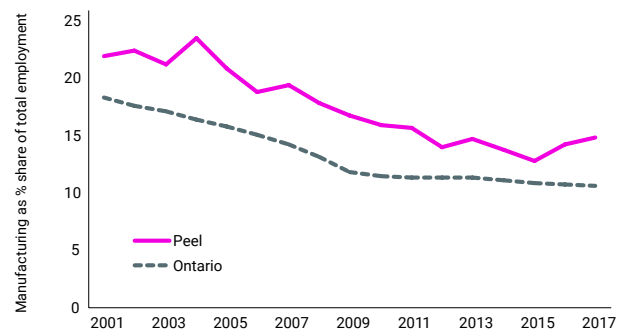
Peel has a large immigrant community: 706,835 people (51.5 per cent of population); 94,105 of which are recent immigrants (13.3 per cent of population).⁶

Economy and Labour Market

While manufacturing across Ontario and in Peel has been on the decline, Peel has consistently relied more on manufacturing employment than Ontario as a whole.

FIGURE 3

Peel relies more on manufacturing employment than Ontario as a whole



Source: Created by Mowat based on Region of Peel data and Statistics Canada Table 14-10-0202-01.

A total of 172,999 businesses were established in June 2018.⁷ The largest employers in Peel include the Royal Bank of Canada, Suncor Energy, Rogers Communications and Hewlett-Packard.⁸

Peel Region's employment as a share of Ontario's total has held steady (around 12 per cent).⁹ In 2017, the Region had a labour force of 873,000 people and an unemployment rate of 6.9 per cent.¹⁰

2 Data from Peel Data Centre.

3 Mowat calculation based on Statistics Canada census data.

4 Peel Data Centre "General Facts (2016 Census)." <https://www.peelregion.ca/planning/pdc/data/quickfacts.htm>.

5 Region of Peel (2017) "Peel's Economic Overview Presentation." <https://www.peelregion.ca/budget/2018/Peel-Economic-Overview.pdf>.

6 Peel Data Centre "General Facts (2016 Census)." <https://www.peelregion.ca/planning/pdc/data/quickfacts.htm>.

7 Data from the Region of Peel.

8 Region of Peel (2018) "Investor Presentation (Spring 2018)." pp. 12. http://www.peelregion.ca/finance/_media/investor-presentation-2018-spring.pdf.

9 Mowat calculation based on Region of Peel data.

10 Region of Peel (2018) "Investor Presentation (Spring 2018)." pp. 7. http://www.peelregion.ca/finance/_media/investor-presentation-2018-spring.pdf.

THE CHANGING NATURE OF EMPLOYMENT AND IMPLICATIONS FOR FISCAL HEALTH AND MUNICIPAL SUSTAINABILITY

Non-standard work¹¹ led Peel's employment growth from 2007-2017, with above-average growth in self-employment, temporary and part-time positions, and below-average growth in full-time and permanent positions. Growth in part-time employment was 48.3 per cent (compared to 17.1 per cent for full-time) and temporary employment was 33.5 per cent (compared to 19.8 per cent for permanent employment). Growth in self-employment was 46.7 per cent.¹²

Median private household after-tax income is \$75,667, although much higher in Caledon (\$96,009) than Brampton (\$77,156) and Mississauga (\$72,657). Prevalence of low-income (based on LIM-AT) is around 12.8 per cent of the population, and similarly much higher in Mississauga (14.7 per cent) and Brampton (11.3 per cent) than in Caledon (5.7 per cent).¹³

Overview of Peel's Fiscal Health

Peel's Pillars of Sustainability

The Region of Peel's 2013 Long Term Financial Planning Strategy outlines three pillars of sustainability that provide a holistic perspective on the Region's financial condition. These pillars include:

» **Financial Sustainability:**

This can be defined as the "ability to provide and maintain planned service and infrastructure levels without resorting to unplanned increases in rates or disruptive cuts to services."¹⁴

» **Financial Vulnerability:**

This indicates the level to which the Region is dependent on external sources of funding that it cannot control, such as the changing nature of employment and its impact on the non-residential property-tax base, as well as dependence on federal and provincial transfers which aren't within the Region's control. Such vulnerability can affect the Region's ability to fulfill its commitments and maintain an adequate level of services.¹⁵

» **Financial Flexibility:**

This shows the Region's "ability to change either debt levels or taxes to meet financial obligations."¹⁶

Based on these pillars, the Region developed nine financial principles. These include: respect the tax and utility ratepayer, ensure the capital plan is sustainable, maintain assets, deliver value for money, users pay where appropriate, work with area municipalities to support the economic viability of the community, make prudent investments, mitigate significant fluctuations in tax and utility rates, and borrow only for substantial long-term assets at affordable levels.¹⁷ Peel's 2018 Financial Scorecard indicates that the Region is on track with the majority of its targets, and has maintained its AAA credit rating. At the same time, the Region has maintained a satisfactory level of services with 75 per cent of the residents saying that the programs and services offered by the Region provide good value for taxpayer money. The scorecard recommended collaborating with local municipalities to address the changing nature of employment in order to maintain adequate non-residential tax revenues.¹⁸

11 Non-standard work includes temporary jobs, part-time jobs, sub-contracting, multiple job-holding and self-employment.

12 Data from the Region of Peel.

13 Peel Data Centre "General Facts (2016 Census)." <https://www.peelregion.ca/planning/pdc/data/quickfacts.htm>.

14 Region of Peel (2013) "Long Term Financial Planning Strategy." <https://www.peelregion.ca/finance/PDFs/Long-Term-Financial-Planning-Strategy.pdf>.

15 Ibid.

16 Ibid.

17 Ibid.

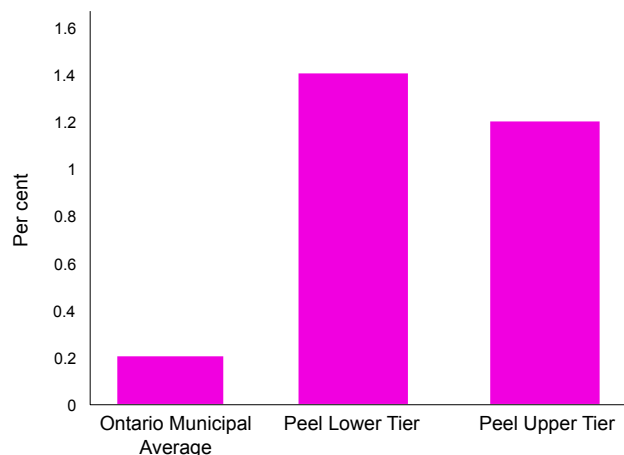
18 Region of Peel (2018) "2018 Financial Condition Scorecard." <https://www.peelregion.ca/finance/pdfs/2018/2018-financial-scorecard.pdf>.

Historical Growth of Peel’s Upper and Lower Tier Expenditure and Revenue

Both levels of municipal government in Peel have had fairly rapid spending growth, as compared to the average of all Ontario municipalities. Over the historical period for which consistent data is available, the Peel upper tier’s total current expenditures increased from about \$1.2 billion to about \$1.7 billion.¹⁹ When inflation and population growth are factored out, this represents an annual growth rate of about 1.2 per cent in real per capita spending over the period.

FIGURE 4

Growth in real per-capita spending, annual average, 2010-2017



Source: Created by Mowat based on data obtained from the Ministry of Municipal Affairs and Housing’s “Financial Information Return” website.

19 Data obtained from the Ministry of Municipal Affairs and Housing’s “Financial Information Return” website: <https://efis.fma.csc.gov.on.ca/fir/Welcome.htm>. The spending figures are obtained from Table 40 of each municipality’s Return; the amounts for transfers received are deducted, as these are items that do not have to be covered by current own-source revenue. The quote figures refer to spending in 2009 and 2017, respectively. With 2009 as the base year, the percentage growth can be calculated for the period from 2010 to 2017, inclusive.

The lower-tier municipalities (the combined total of Mississauga, Brampton and Caledon), increased their spending over this period at a slightly faster rate. It increased from about \$1.1 billion to about \$1.6 billion. This increase by the lower-tier governments represents an annual growth rate of about 1.4 per cent in real per capita spending.

Both of these growth rates considerably exceeded the provincial average for all municipalities, which was only 0.2 per cent (note that the province-wide average may not be representative due to significant differences in the expenditure growth rate of municipalities; for example, the City of Toronto had an average annual real per capita spending change of -0.6 per cent over the period). The growth of spending in Peel was considerably more than the growth in real personal disposable income. This implies that the cost of municipal government, in the form of taxes and user fees, is occupying a growing share of the household budget. In Ontario as a whole, property tax has increased by about 23 per cent more than the overall Consumer Price Index between 2002 and 2017. In the Region of Peel, real per capita property-tax revenue increased nearly 2 per cent per year from 2001 to 2017.²⁰

It is challenging to restrain the growth of costs. Municipal services are labour intensive and tend to have relatively little productivity growth. In fact, the inflation rate for municipal services is higher than the general inflation rate. It could be argued that, if real per capita spending grows only at a zero rate, using the general inflation rate, in reality the quantity or quality of services is being cut.

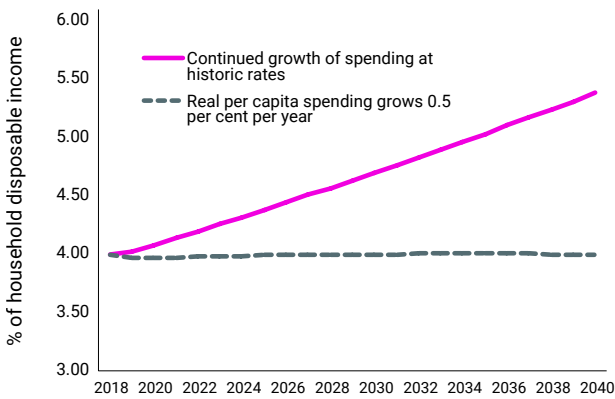
20 Mowat calculation based on Statistics Canada and Peel Region data; Statistics Canada (2018) “Consumer Price Index, annual average, not seasonally adjusted.” <https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1810000501>.

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Whatever the reasons may have been for the rapid growth in spending, the past rate of growth is likely to be unsustainable. Continued real per capita growth in spending at such a rapid rate would create a substantial upward trend in property tax as a percentage of household income in the long term, as depicted in Figure 5. In order to maintain property tax at a constant share of household income, real per capita spending would need to be reduced to a growth rate of 0.5 per cent per year.

FIGURE 5

Residential property tax % of income, alternative scenarios of spending



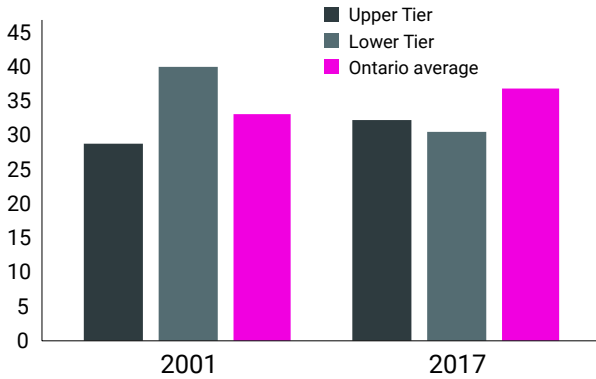
Source: Created by Mowat based on Region of Peel data.

Composition and Sources of Revenue

The composition of revenue in Peel has also changed somewhat, as seen in Figure 6. In 2001, the lower-tier municipalities obtained about 40 per cent of their revenue from user fees, license fees etc., rather than from property tax. By 2017, they were getting about 70 per cent of their revenue from property tax. By contrast, the upper-tier government increased its reliance on fee revenue between 2001 and 2017. Peel’s reliance on user and license fees as a percentage of revenues is now slightly below the provincial average. To the extent that there is room for increasing reliance on those fees, it may be desirable to do so.

FIGURE 6

Per cent share of current revenue from user fees, license fees, etc.



Source: Created by Mowat based on Region of Peel data.

As a result of the reduced reliance of the lower-tier governments on fees relative to 2001, the share of the municipal property-tax revenue in Peel going to the lower-tier municipalities increased substantially. In 2001, the lower-tier municipalities combined were receiving less than \$300 million of property-tax revenue, compared to almost \$500 million for the upper tier. By 2018, the property-tax revenue received by each level was almost equal, at about \$1 billion.

Context of Municipal Governance and Taxation

The following section provides a broad overview of municipal governance and revenue sources in Canada and Ontario, as the Region of Peel faces a similar set of challenges to other municipalities in the country due to high-level macroeconomic trends as well as identical legislative barriers.

Municipal governments in Canada operate in a rather different context than municipalities elsewhere in the world. As a result of our federal structure and intergovernmental relationships, local and regional municipalities in Canada face a unique set of opportunities and challenges that impact their current fiscal health. Discussions around municipal governance cannot be had without addressing the fact that decision-making powers for local governments were not enshrined in the Canadian Constitution. Section 92 of the *Constitution Act, 1867* outlines the division of powers for the federal and provincial governments, granting provincial legislatures exclusive responsibility over laws relating to municipal institutions. Thus, local governments are legally subordinate to their provincial counterparts, which have a “largely unfettered” scope of control over municipal affairs.²¹ This means that any authority – including taxation authority – must be explicitly provided to local governments through provincial legislation.

In Ontario, the *Municipal Act, 2001* sets out the responsibilities of local governments in the province. The Act outlines broad authority for lower and upper-tier municipalities to pass by-laws in relation to specific spheres of jurisdiction, such as transportation systems, waste management,

public utilities, economic development services and business licensing. The Act also outlines in detail the authority and limits to municipal taxation, primarily in relation to property taxes – the only major taxation tool available to municipal governments in Ontario.²² Finally, the Act sets out the requirement that municipalities, unlike federal and provincial governments, must balance their annual budgets (i.e. they cannot run deficits).²³ From a fiscal health perspective, all of this means that autonomy in decision-making and revenue generation is significantly constrained.

All municipal governments in Ontario operate under the *Municipal Act* with the exception of the City of Toronto, which in recognition of its size and unique demands, has its own municipal statute. The *City of Toronto Act, 2006* similarly outlines the responsibilities of Toronto’s municipal government, with additional powers and unique revenue tools that have not, to date, been granted to other municipalities in the province.

Over the years, there has also been a shift in responsibilities, and municipal governments have witnessed significant downloading of responsibilities from the federal and provincial governments (discussed in greater detail in the following section). While local governments in Canada have been increasingly burdened with new responsibilities, the revenue tools available to them have not changed to reflect this.²⁴

21 Erin Tolley and William R. Young (2001) “Municipalities, the constitution, and the Canadian federal system.” Government of Canada. <http://publications.gc.ca/Collection-R/LoPBdP/BP/bp276-e.htm#Legislative>.

22 *Municipal Act, 2001*, S.O. 2001, c. 25. <https://www.ontario.ca/laws/statute/01m25#BK348>.

23 Bruce Ratford “Legislated Budget Requirements – The Balancing Act.” PSAB/Asset Management Newsletter No. 49, AMCTO and MFOA. http://www.mfoa.on.ca/MFOA/webdocs/PSAB_Newsletter_No_49.pdf.

24 Robert Duffy, Gaetan Royer and Charley Beresford (2014) “Who’s picking up the tab? Federal and provincial downloading onto local governments.” Columbia Institute, Centre for Civic Governance. <http://www.civicgovernance.ca/wordpress/wp-content/uploads/2014/09/Whos-Picking-Up-the-Tab-FULL-REPORT.pdf>.

It can be argued that the way we approach local governance is generally outdated. While we still use the Constitution's initial division of powers, municipalities must now deal with complex emerging issues – some of which were inconceivable 150 years ago. Consider the municipal responses to issues such as having to regulate fast-moving technology and platform service delivery (e.g. Uber), as well as climate change mitigation and adaptation measures that require significant capital investments to address extreme weather events. Today, however, municipalities remain “creatures of the province” and have limited authority and resources to respond to the growing pressures and emerging challenges they face.

Shift in Responsibilities and Revenues

During the 1990s, revenue pressures increased on municipalities due to increased responsibilities as a result of downloading. At the federal level, the 1995 budget ended the Canada Assistance Plan and Established Programs Financing, and replaced them with the Canada Health and Social Transfer. This meant significant cuts to provincial transfers in the areas of social assistance, post-secondary education and healthcare funding. This further translated into cuts for municipalities. While the federal government introduced a series of programs targeting urban issues, these were not sufficient to offset the impacts of downloading.²⁵ This downloading resulted in increased municipal reliance on property taxes for revenue generation. Further, due to inadequate means of raising revenues, many municipalities became forced to rely on urban growth as a way of increasing their property-tax base.²⁶

25 Carlo Fanelli (2014) “Under Pressure: How Public Policy is Constraining Ontario Municipalities.” Canadian Centre for Policy Alternatives, Ontario. pp. 12-15. <https://www.policyalternatives.ca/sites/default/files/uploads/publications/Ontario%20Office/2014/10/Under%20PressureFINAL.pdf>.

26 Ibid.

FIGURE 7

The effects of Local Services Realignment (LSR), 1998

| Responsibility | Pre-LSR | | LSR | |
|---|------------|-----------|------------|-----------|
| | Provincial | Municipal | Provincial | Municipal |
| Social Assistance (Ontario Works or OW) | 80% | 20% | 80% | 20% |
| <i>Social Assistance Administration</i> | 50 | 50 | 50 | 50 |
| Ontario Disability Support Program (ODSP) | 100 | 0 | 80 | 20 |
| Child Care Services | 100 | 0 | 80 | 20 |
| <i>ODSP & Child Care Administration</i> | 100 | 0 | 50 | 50 |
| Ontario Drug Benefit (ODB) | 100 | 0 | 80 | 20 |
| Public Health* | 75 | 25 | 50 | 50 |
| Land Ambulance** | 100 | 0 | 0 | 100 |
| Social Housing | 100 | 0 | 0 | 100 |
| Municipal Transit Costs*** | 33 | 67 | 0 | 100 |
| Property Assessment | 100 | 0 | 0 | 100 |
| Sewer & Water | 10 | 90 | 0 | 100 |
| Policing | 10 | 90 | 0 | 100 |
| Farm Tax & Conservation Lands Tax Rebates | 100 | 0 | 0 | 100 |
| Children's Aid Societies | 80 | 20 | 100 | 0 |

*Public health costs were returned to the pre- LSR 75- 25% shares in 2007.

** The land ambulance funding share was shifted to 50-50% in 1999.

***GO Transit was completely devolved to municipalities, only to be re-assumed by the Province in 2002.

Source: André Côté and Michael Fenn (2014) 'Provincial-Municipal Relations in Ontario: Approaching an Inflection Point.' Institute on Municipal Finance and Governance. pp. 10. https://munkschool.utoronto.ca/imfg/uploads/275/1560_imfg_no_17_online_full_colour.pdf.

At the provincial level, during the late 1990s and early 2000s, the Ontario government introduced three major reforms – realigning responsibilities between the provincial and local levels, halving the number of municipal governments through restructuring and amalgamations, and comprehensively reforming the property-tax system. In January 1998, the Local Services Realignment (LSR) – often referred to as downloading – took effect that required municipalities to take responsibility for funding

several essential social services.²⁷ The change in responsibilities prior to and after the LSR are described in Figure 7.²⁸

For every household tax dollar paid in Ontario, municipalities collect only 9 cents, while 44

27 André Côté and Michael Fenn (2014) "Provincial-Municipal Relations in Ontario: Approaching an Inflection Point." Institute on Municipal Finance and Governance. pp. 9-10. https://munkschool.utoronto.ca/imfg/uploads/275/1560_imfg_no_17_online_full_colour.pdf.

28 Note that funding responsibilities have further shifted over the years. For example, Ontario Works benefits costs were phased out between 2010 and 2018, and fully uploaded to the province last year.

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cents go to the province and 47 cents go to the federal government.²⁹ Despite receiving the lowest share of the economic pie, municipalities across Canada face a number of significant expenditure responsibilities. Ontario municipalities in particular are responsible for a broad suite of services (see Figure 8).

The Institute on Municipal Finance and Governance conducted an assessment of trends in the levels of expenditures and revenues for all three orders of government from 1988 to 2004 to understand whether there is a fiscal imbalance.

The research found that while the revenue tools available to municipalities remained the same, expenditures rose steadily during this period. In particular, expenditure on social services increased significantly in Ontario after the LSR in 1998. The largest proportionate increase in the expenditure was on housing.³⁰

In the period from 1988 to 2004, property taxes and user fees increased in relative importance as revenue sources for Canadian municipalities, while intergovernmental transfers – particularly from the provincial government – decreased significantly.

FIGURE 8

Municipal expenditure responsibilities across Canada, 2005

| Responsibility* / Province & Territory | NL | PEI | NS | NB | QC | ON | MB | SK | AB | BC |
|--|----|-----|----|----|----|----|----|----|----|----|
| General Government Services | X | X | X | X | X | X | X | X | X | X |
| Courts of Law | | | | | X | | | | | |
| Policing (incl. bylaw enforcement) | | X | X | X | X | X | X | X | X | X |
| Fire Fighting | X | X | X | X | X | X | X | X | X | X |
| Regulatory Measures | | | | | | X | | | X | |
| Roads & Streets | X | X | X | X | X | X | X | X | X | X |
| Public Transit | | | X | | X | X | X | X | X | X |
| Hospital Care | | | | | | | | | | X |
| Preventative Care | | | | | | X | | | | |
| Other Health Services | | | | | | X | X | | X | |
| Social Assistance | | | | | | X | | | X | |
| Other Social Services | | | X | | X | X | | | X | |
| Agriculture | | | | | | | | X | X | |
| Tourism / Promotion & Trade / Industry | | | | X | X | X | | | | X |
| Water Purification & Supply | X | X | X | X | X | X | X | X | X | X |
| Sewage Collection & Disposal | X | X | X | X | X | X | X | X | X | X |
| Garbage / Waste Collection & Disposal | X | X | X | X | X | X | X | X | X | X |
| Recreation & Culture | X | X | X | X | X | X | X | X | X | X |
| Housing | | | | | X | X | | | X | |
| Regional Planning & Development | X | X | X | X | X | X | X | X | X | X |

* An X denotes per capita expenditures larger than \$10

Source: Statistics Canada, compiled for Slack, Kitchen, McMillan and Vaillancourt 2007.

Source: Association of Municipalities of Ontario (2015) "What's Next Ontario? Imagining a prosperous future for our communities: A fiscal overview." pp. 42. <https://www.amo.on.ca/AMO-PDFs/Whats-Next-Ontario/Whats-Next-Ontario-Fiscal-Overview-Accessible-2015.aspx>.

29 Association of Municipalities of Ontario (2015) "What's Next Ontario? Imagining a prosperous future for our communities: A fiscal overview." pp. 25. <https://www.amo.on.ca/AMO-PDFs/Whats-Next-Ontario/Whats-Next-Ontario-Fiscal-Overview-Accessible-2015.aspx>.

30 Harry M. Kitchen and Enid Slack (2006) "Trends in Public Finance in Canada." pp. 2-14. https://munkschool.utoronto.ca/imfq/uploads/102/trends_in_public_finance_in_canada__june_1.pdf.

APPENDIX I **8.2-25**
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While revenues grew at an annual rate of 0.7 per cent, expenditures grew at an average rate of 0.9 per cent.³¹ Further, while federal revenues have been increasing, federal expenditures in constant dollars per capita have been declining. For the provincial government, while expenditures were increasing, they were increasing at a slower rate than revenues. Only for the municipal governments were expenditures increasing at a faster rate than revenues.³²

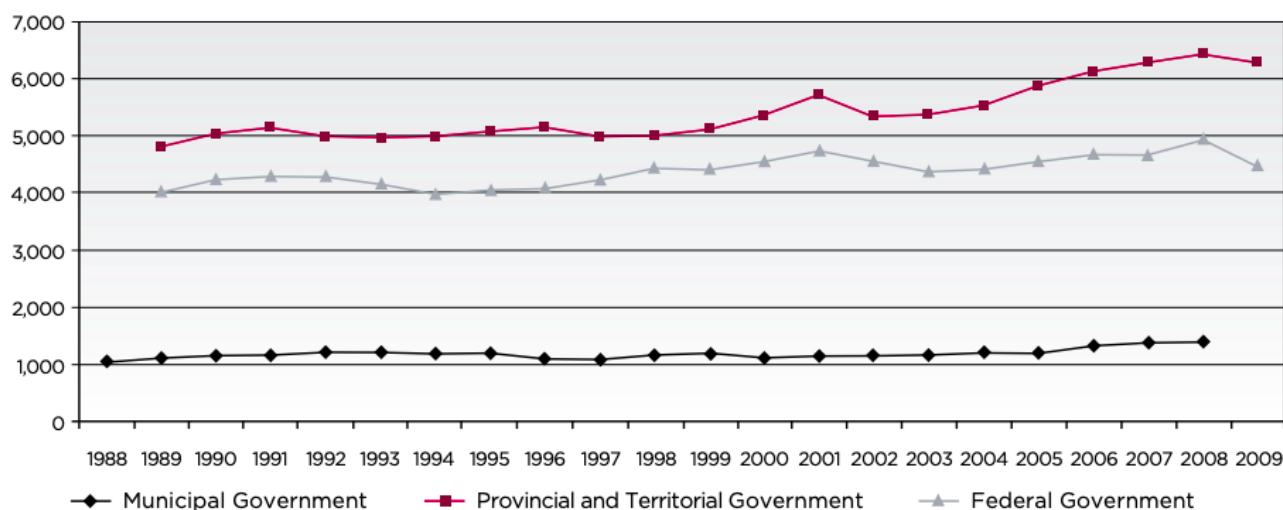
The Federation of Canadian Municipalities conducted a study comparing revenues for all three orders of government from 1989 to 2009 which found similar results.³³ Provincial/territorial governments in Canada raised the most revenues on a per capita basis. The share of

federal and provincial/territorial revenues was also considerably higher than municipalities. During the twenty-year comparison period, the average annual increase (in per capita constant dollar terms) in federal revenues was 0.8 per cent while it was 1.9 per cent for provincial revenues. Municipal revenues grew at a rate of 1.5 per cent (see Figure 9).

The Federation of Canadian Municipalities (FCM) also looked at revenues for each order of government as a proportion of consolidated revenues for all governments. This has stayed pretty much the same over the years with provincial/territorial governments accounting for the largest proportion, while municipal governments account for the smallest proportion (See Figure 10). These facts point towards the

FIGURE 9

Federal, provincial and municipal government revenues per-capita, 1989-2009, constant (1988) dollars



Source: Federation of Canadian Municipalities (2012) "The State of Canada's Cities and Communities 2012." Chapter 1. pp. 11. <https://suma.org/img/uploads/documents/FCM%202012%20State%20of%20Cities%20and%20Communities.pdf>.

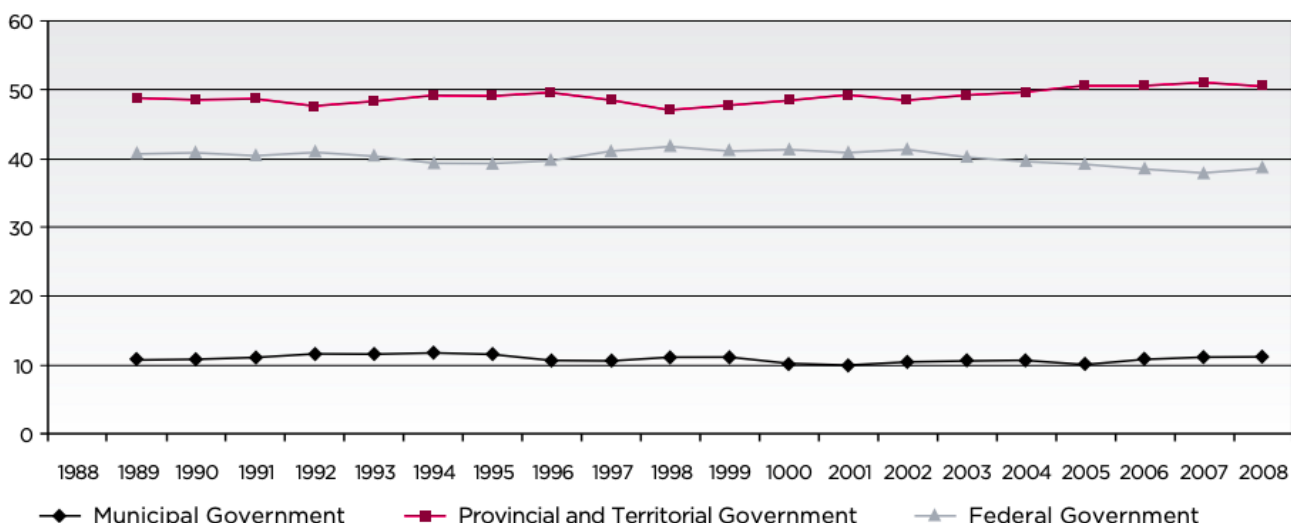
31 Ibid.

32 Ibid.

33 See: Federation of Canadian Municipalities (2012) "The State of Canada's Cities and Communities 2012." Chapter 1. <https://suma.org/img/uploads/documents/FCM%202012%20State%20of%20Cities%20and%20Communities.pdf>.

FIGURE 10

Total government revenue as percentage of consolidated revenue, 1988-2008



Source: Federation of Canadian Municipalities (2012) "The State of Canada's Cities and Communities 2012," Chapter 1, pp. 12. <https://suma.org/img/uploads/documents/FCM%202012%20State%20of%20Cities%20and%20Communities.pdf>.

increasing fiscal burden on municipalities – while their expenditure responsibilities have increased substantially, they continue to receive the smallest share of overall government revenues, which has stayed constant over the years. Further, revenue growth has not kept pace with expenditure growth for municipalities.

Primary Municipal Revenue Sources

Local and regional municipal governments in Ontario have a limited set of tools to use for revenue generation. A large portion of operating and capital expenditures are financed from three primary sources: residential and non-residential property taxes, development charges, and user fees. In addition to these sources, municipalities derive revenue from licensing and permits, although these consist of considerably smaller sums. A much larger portion of funds comes from intergovernmental transfers from the federal

and provincial governments, which make up on average over 20 per cent of municipal revenues in Ontario.³⁴ The bulk of these transfers come from the provincial government – some of which are unconditional, although most are conditional. This means that funds are earmarked to be spent on specific programs or services such as public health, social services and transportation. Conditional transfers, while an important revenue source, can have negative implications for a municipality's fiscal management and accountability.³⁵

Property taxes, development charges and user fees are the focus of analysis in this report. Each have their benefits and drawbacks in the municipal context, which are described below.

34 André Côté and Michael Fenn (2014) "Provincial-Municipal Relations in Ontario: Approaching an Inflection Point." Institute on Municipal Finance and Governance. https://munkschool.utoronto.ca/imfg/uploads/275/1560_imfg_no_17_online_full_colour.pdf.
 35 Ibid.

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Property Taxes

Property taxes remain the primary revenue source for municipalities in Ontario and across Canada: on average, property taxes (including payments in lieu of property taxes) account for 45 per cent of municipal revenues across Canada and 46 per cent in Ontario.³⁶ The property tax in Ontario has two components – a municipal portion and a provincial education portion. Both municipal and education property taxes are based on the assessed value of a property as determined by the Municipal Property Assessment Corporation (MPAC), and this value is updated every four years. Property-tax rates are applied to this value, and are set autonomously by municipal governments within provincial constraints – for those operating within a two-tiered structure, both the local and regional governments set their own rate and neither can influence the other's rate-setting. Property owners pay this combined amount, in addition to the provincial education tax, to their local municipality.³⁷ Tenants pay property taxes indirectly to their landlord through rent.

There are multiple classes and subclasses of property with various rates. For the purposes of this report, it is important to make a distinction between residential and non-residential property-tax classes. While residential property-tax rates are applied to homeowners, non-residential property-tax rates are applied to businesses, which can further be broken down into commercial (including office) and industrial properties. While the rates vary depending on the property class, the taxes are flat – meaning that the same rate is applied to all properties that fall within that

class. Generally speaking, when revenues decline from one portion of the tax base, the burden is shifted elsewhere in the tax base (e.g. from non-residential to residential). Alternatively, municipal governments would need to make cuts in spending to balance their budgets in spite of the lower revenue.

Most municipalities in Ontario rely heavily on the property-tax base for funding public services – particularly from the residential base. In the Region of Peel, for example, the reliance on residential tax base has been growing over time and currently sits at around 63.6 per cent of the total property-tax revenue. This is picking up the slack from declines in non-residential revenues: the share of revenue from industrial property is on a downward trend (falling from around 9 per cent in 2000 to 5 per cent in 2018), in large part due to the decline of manufacturing. The share from commercial and office buildings has remained relatively stable over this time period, at around 20 per cent (see Figures 11, 12 and 13).³⁸

As a revenue tool, the property tax has its proponents and critics. From an economic efficiency standpoint, the property tax is a good tax – particularly for local governments. Relative to other taxes on income and sales for example, property is inelastic, which means there is a relatively small impact on economic behaviour compared to other taxes.³⁹ Property is also immovable: since property cannot be hidden and the base cannot shift location as a result of the tax, it is difficult to evade property taxes.⁴⁰ This results in a relatively stable base and consistent source of revenue for municipalities.

36 Calculations from Enid Slack based on 2016 data.

37 The education tax is applied to properties across Ontario as a means to help fund the elementary and secondary education system. These rates are determined by Ontario's Minister of Finance under the Education Act and apply to multiple property classes. See: <https://www.fin.gov.on.ca/en/tax/pt/index.html>.

38 Mowat calculation based on Region of Peel data.

39 Enid Slack and Richard M. Bird (2015) "How to Reform the Property Tax: Lessons from around the World." Institute on Municipal Finance and Governance. https://munkschool.utoronto.ca/imfg/uploads/325/1710_imfg_no.21_online_sept17.pdf.

40 Ibid.

FIGURE 11

The share of revenue from industrial property is on a downward trend

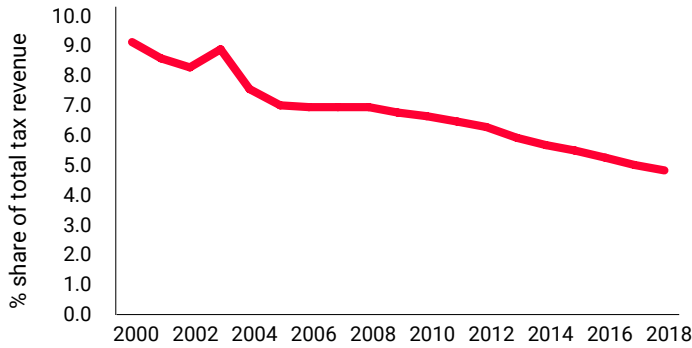


FIGURE 12

Peel is increasingly reliant on residential property tax

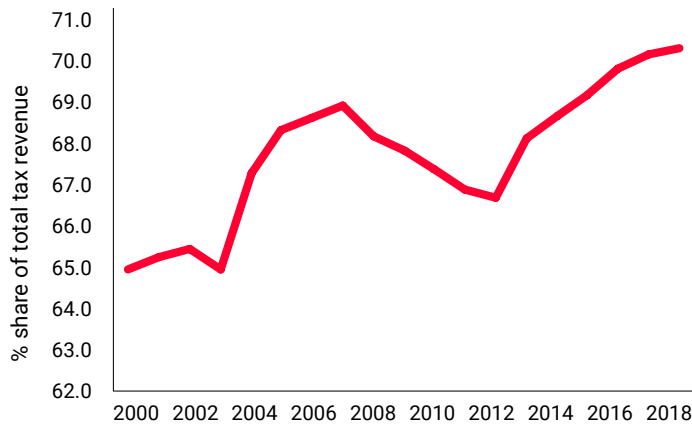
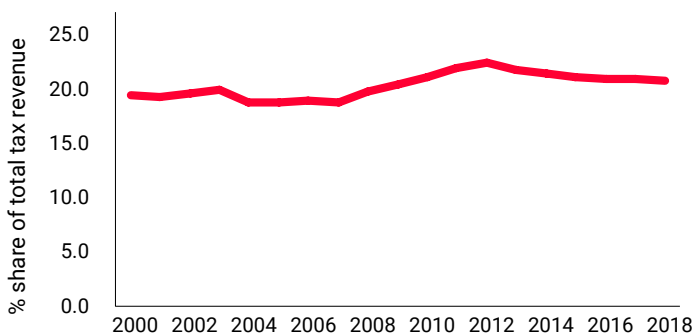


FIGURE 13

Commercial and office buildings have remained fairly steady at around 20%



However, the property tax is often criticized for being regressive as lower-income households are disproportionately burdened. This has become a particular challenge for seniors living on a fixed income but residing in homes which have had property values soar over time (i.e., asset-rich but income-poor households), and must pay significantly higher property taxes as a result despite limited income.⁴¹ For this reason and others, it is politically unpopular, and most provincial-level governments offer tax deferrals or some other programs to address regressivity at the low end of the income spectrum, especially for seniors. Furthermore, it is highly visible, and it is difficult to reform or increase rates.⁴² In fact, some municipal governments in Ontario do not raise property taxes sufficiently to keep pace with the rate of inflation (most notably Toronto in the last few years) – resulting in a loss of revenue in real terms.

41 Michael Bradfield (2013) "Policy Points: An alternative to property taxes." Canadian Centre for Policy Alternatives, Nova Scotia. <https://www.policyalternatives.ca/publications/commentary/policy-points-alternative-property-taxes>.

42 Enid Slack (2011) "The Property Tax – in Theory and Practice." Institute on Municipal Finance and Governance. https://munkschool.utoronto.ca/imfg/uploads/173/enidslack_imfg_no_2_online.pdf.

Source: Created by Mowat based on Region of Peel data.

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Development Charges

Development charges are one-time fees that municipal governments can levy for infrastructure in new developments or redevelopment in their jurisdictions. These charges are collected from developers at the time that a building permit is issued, and are designed to help recover growth-related capital costs required to service new developments.

Ontario's *Development Charges Act* outlines the process whereby municipal governments can impose development charges, and on which eligible development they can be levied – namely “hard services” such as water, wastewater and roads; and “soft services” such as social housing and police services. Local and regional governments can introduce the levies through municipal by-laws and set their own rates after completing a mandatory background study that provides details on the growth projections as well as capital expenditure forecasts used to inform their decisions. Municipalities must revisit their development charges with a new background study every five years.

Development charges are typically applied to both residential and non-residential developments, although these are calculated somewhat differently. Peel currently derives the majority of its \$247.5 million development-charges revenue from residential development – making up 80 per cent of the total with the remaining 20 per cent coming from non-residential development. This make-up was more or less consistent between 2002 and 2017.

Municipalities may decide to grant exemptions or deferrals for development charges in some instances for strategic reasons. Exemptions are common for places of worship for example, as well as non-residential developments that could attract investment and drive economic

development (e.g. office space) and developments that drive social objectives (e.g. affordable housing). Exemptions may also be provided as a result of successful appeals made on a case-by-case basis.

While exemptions may be of strategic importance or are otherwise unavoidable, they can result in significant sums of lost revenue for municipal governments. Furthermore, when some properties are exempt from development charges, it means that they are not paying their portion of the infrastructure necessitated by the development. This invariably means that someone else is paying for it – and therefore the rationale behind these exemptions must be thoroughly considered.

The most significant criticism of the development-charges concept is that while they are designed to pay for growth in theory, this is rarely the case in practice. Many municipalities in Ontario – particularly in Southern Ontario – have indeed benefitted from development-charges revenues during population and housing booms, even though the charges levied did not result in full cost recovery of capital investments. This is due in part to the fact that growth has not necessarily kept pace with forecasts used to make decisions for infrastructure investments – particularly provincial projections used through the *Places to Grow Act*.

When local and regional governments begin making investments in infrastructure that are not met with anticipated growth, municipalities are left with unexpected costs. Like many other municipalities, this has been the case in Peel for both residential and non-residential projections. While non-residential development makes up a smaller proportion of total revenues, its shortfall from planned revenues is more substantial (see Figures 14 and 15).

FIGURE 14

Residential DC revenues, planned vs. actual, Peel Region, 2002-2017

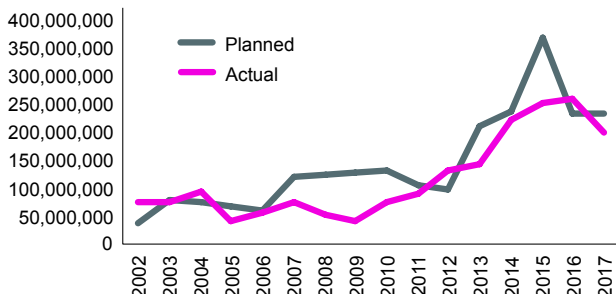
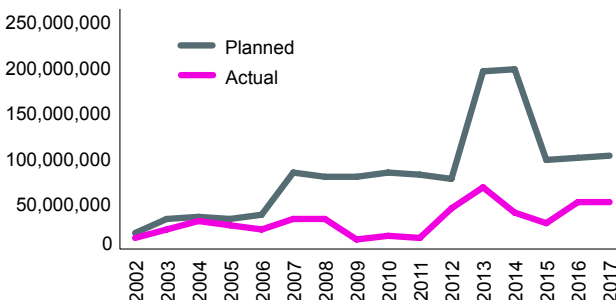


FIGURE 15

Non-residential DC revenues, planned vs. actual, Peel Region, 2002-2017



Source: Created by Mowat based on Region of Peel data

A striking example of how this might happen is the previously proposed GTA West Corridor – a highway from Vaughan to Milton that was projected to generate significant growth and investment throughout Peel Region. The assumption of its completion was included in growth forecasts – and its cancellation in 2018 has left many scrambling to understand its implications on the ability for Peel and other regions to meet their growth projections. There are other inherent problems with development-charges revenue forecasts, including that rates are set based on historical data of service levels, which tend not to capture more recent changes.

Furthermore, not all infrastructure is eligible for development charges, and some types of infrastructure must have a 10 per cent discount rate applied.

Other concerns around the sustainability of development charges as a revenue source centre on its emphasis on constant growth and development – particularly greenfield development. The current model places high value on greenfield developments (i.e. those that lack constraints imposed by prior work), which inevitably slows down as a city urbanizes and reaches capacity (e.g. Mississauga). Brownfield developments (i.e. land previously used or built upon; structures needing to be demolished or renovated) generally result in less revenue.

Furthermore, from a planning perspective, development charges can often provide perverse incentives to develop. Since it's a significant revenue generator in some instances, there might be an inclination for municipalities to build and approve developments – even if they are not ultimately in the public interest. This misalignment of incentives could, for example, be a contributor to unnecessary sprawl at the expense of more walkable, livable communities.

User Fees

The other key revenue tool currently available to municipal governments is user fees. Province-wide, municipalities on average derive slightly more than one-third of their revenues from fees. Fees are different from taxes in that they are effectively charges applied to individuals for the use of a particular public service, whereas taxes are pooled and collectively spent in a broader manner. This distinction makes user fees easier to implement for local and regional municipalities from a constitutional standpoint as they do not require approval from the province, although they still face some restrictions.

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The *Municipal Act* lays out the nature of fees that may be charged by a municipality, i.e. “for services or activities provided or done by or on behalf of it.”⁴³ There is sometimes a grey area in determining whether something is a fee (which the municipality has the power to levy) or an impermissible tax. This has been extensively dealt with by jurisprudence. The Supreme Court of Canada has established the principle that for something to qualify as a fee, “a nexus must exist between the quantum charged and the cost of the service provided in order for a levy to be considered constitutionally valid.”⁴⁴

This principle may be generously interpreted. The Ontario Court of Appeal upheld as valid a municipal fee charged on outdoor advertising signs, where the revenue was applied to the sign enforcement unit rather than going into general revenue.⁴⁵ Even if the basis of the calculation is questionable, a fee will be valid as long as a “reasonable attempt” was made to relate it to the cost of service.⁴⁶ On the other hand, a complete failure to show a nexus between the cost of service and the fee would invalidate it. This was the case for a municipal permit fee on the importation of fill material, that was found to be a tax and thus outside the power of the municipality.⁴⁷

While not necessarily bolstering the general revenue base directly, user fees can alleviate pressure and reliance on the property-tax base by deriving revenue from users to fund specific public services rather than using property-tax revenues to fund those services. However, there are limits to what can feasibly be transformed into a pay-per-use service in the public realm without raising significant fairness and accessibility concerns.

User fees are widely lauded by observers for a number of reasons. When tied to a specific, visible and high-quality public service, there is greater public acceptance of user fees than other taxes or charges. Furthermore, user fees can drive change in behaviour and consumption patterns of residents and thus have potential to be used for a greater purpose beyond revenue generation. For example, charging fees for water usage can result in more optimal and sustainable consumption levels and reduce the risks of underfunded infrastructure. Similarly, road pricing schemes can be used to disincentivize vehicle use, thereby reducing traffic congestion, promoting public transit usage and lowering greenhouse gas emissions.

In order for user fees to positively influence consumption behaviour, however, getting the price right is key. Rather than charging user fees to generate revenues in excess of its cost, fees should be set to equal the marginal cost of providing goods and services. For the most economically efficient usage of service, price per unit of output should equal the cost of the last unit consumed.⁴⁸

43 S. 391(1). See: <https://www.ontario.ca/laws/statute/01m25>.

44 *Eurig Estate (Re)*, [1998] 2 SCR 565 at para. 21. For a general survey, see: Kelly I.E. Farish and Lindsay M. Tedds (2013) “User Fee Design by Canadian Municipalities: Considerations Arising from the Case Law.” *Canadian Tax Journal* (2014) 62:3, 635-70.

45 *Urban Outdoor Trans Ad v. Scarborough (City)*, 2001 CanLII 24140 (ON CA).

46 *Nylene Canada Inc. v. Corporation of the Town of Arnprior*, 2017 ONSC 795, at para. 49. In this case, the charge was intended to be for wastewater, but it was not based on the measurement of wastewater but on the original amount of clean water supplied.

47 *Angus v. Corporation of the Municipality of Port Hope*, 2016 ONSC 3931.

48 Harry Kitchen and Enid Slack (2016) “New Tax Sources for Canada’s Largest Cities: What Are the Options?” Institute on Municipal Finance and Governance. https://tspace.library.utoronto.ca/bitstream/1807/82858/1/imfg_perspectives_no15_newtaxsources_kitchen_slack_2016.pdf.



Local and regional municipal governments in Ontario have a limited set of tools to use for revenue generation.

3 TRENDS AND DRIVERS OF THE NEW ECONOMY

Ongoing economic trends and emerging issues resulting from technological innovation are reshaping the way we work, play and do business, and will continue to do so over the coming years. The Region of Peel and the surrounding GTHA are, in many ways, a microcosm of these larger, macro-level shifts – and thus act as an interesting case study for the future of fiscal health of municipal governments. The following section discusses key trends and drivers of the new economy, and contextualizes how the Peel Region and GTHA fit into the broader picture.

Demographic Changes

Like most developed nations, Canada is expecting continued population growth over the coming decades, although at a slower pace than has been experienced in the past. This trend is visible in the Peel Region as well. Currently, Peel’s total population is 1.48 million and it is forecasted to grow to around 1,970,100 by 2041 – with growth significantly higher between 2016 and 2031 than the following ten years (see Figure 16).

The Region’s population is considerably younger than the provincial average with the median age at 38.1 and generally more children and fewer seniors than elsewhere in Ontario. However, Peel is still expected to see significant aging of its population: the senior population (65+) is expected to increase by 134 per cent by 2041.⁴⁹ Population aging has important implications on service demands (e.g. increasing pressures on the public healthcare system) as well as an overall shrinking of the labour force as baby boomers come to retirement age.

FIGURE 16

Population projections

| | 2016 | 2021 | 2031 | 2036 | 2041 | 2016-2031 Growth | 2031-2041 Growth | 2016-2041 Growth |
|-------------|-----------|-----------|-----------|-----------|-----------|------------------|------------------|------------------|
| Peel | 1,428,400 | 1,540,400 | 1,770,050 | 1,870,000 | 1,970,100 | 341,650 | 200,050 | 541,700 |
| Brampton | 613,680 | 683,700 | 811,970 | 853,940 | 890,000 | 198,290 | 78,030 | 276,320 |
| Caledon | 68,820 | 78,970 | 116,010 | 136,850 | 160,080 | 47,190 | 44,070 | 91,260 |
| Mississauga | 745,900 | 777,730 | 842,070 | 879,210 | 920,020 | 96,170 | 77,950 | 174,120 |

Source: Region of Peel.

49 Region of Peel (2017) "Peel's Economic Overview Presentation." <https://www.peelregion.ca/budget/2018/Peel-Economic-Overview.pdf>.

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In Ontario, annual labour force growth is forecasted to drop from 1.4 per cent between 1981-2015 to 0.8 per cent between 2021 and 2040. Similarly, while real GDP grew at about 2.6 per cent between 1986 and 2015, growth is expected to slow to around 2.1 per cent between 2016 and 2040.⁵⁰ Peel's current position of having a relatively young population could be beneficial in offsetting these impacts with new labour market entrants, although this would need to be sustained over time.

Peel Region also has a very large immigrant community, representing around 51.5 per cent of the regional population, of whom 13.3 per cent are recent immigrants.⁵¹ This could be expected to continue as immigration is forecasted to be a key driver of population growth across Ontario. In fact, as fertility rates decline and the population ages, only 13 per cent of Ontario's overall population growth is expected to come from natural increase (i.e. births minus deaths). Rather, net migration – particularly from immigration – will be an important factor in sustaining population growth.⁵²

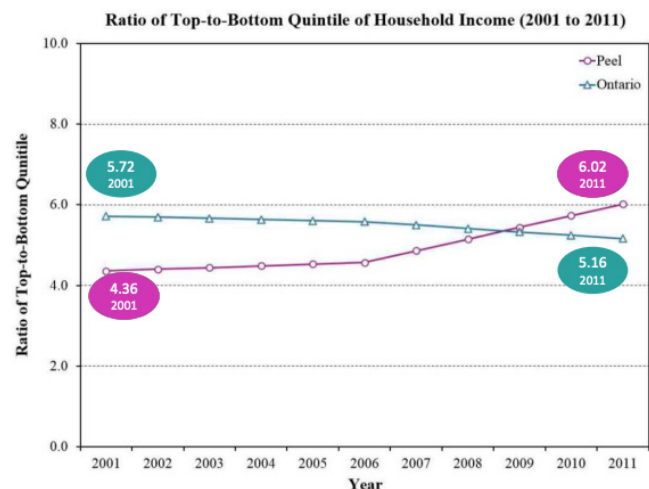
Inequality and Wage Stagnation

While economic growth and wage growth have historically occurred in tandem, this is no longer the case. Although GDP and labour productivity have grown substantially in recent years, this has not translated into higher wages or a higher standard of living. In Ontario, for example, provincial GDP per capita increased by 57 per cent between 1976 and 2015, whereas real median

adjusted after-tax income only increased by about half that rate, and similarly there have been small increases in measures of wellbeing such as the Canadian Index of Wellbeing.⁵³ The divergence between economic growth and wages also presents itself in the decline in labour income as a portion of GDP. Indeed, as the wage share of GDP continues to decline, the share of GDP comprised of corporate profits continues to rise.⁵⁴

FIGURE 17

Increasing income disparity in Peel



Source: Region of Peel (2017) "Peel's Economic Overview Presentation." <https://www.peelregion.ca/budget/2018/Peel-Economic-Overview.pdf>.

50 Ontario Ministry of Finance (2017) "Chapter II: Economic Trends and Projections." In Ontario's Long-Term Report on the Economy. <https://www.fin.gov.on.ca/en/economy/ltr/2017/ch2.html>.

51 Region of Peel (2017) "2016 Census Bulletin: Immigration and Ethnic Diversity." <https://www.peelregion.ca/planning-maps/CensusBulletins/2016-immigration-ethnic-diversity.pdf>.

52 Ontario Ministry of Finance (2017) "Chapter I: Demographic Trends and Projections." In Ontario's Long-Term Report on the Economy. <https://www.fin.gov.on.ca/en/economy/ltr/2017/ch1.html>.

53 Ontario Ministry of Finance (2017) "Chapter III: Employment Trends." In Ontario's Long-Term Report on the Economy. <https://www.fin.gov.on.ca/en/economy/ltr/2017/ch3.html>.

54 Sunil Johal and Jordann Thirgood (2016) "Working Without a Net: Rethinking Canada's social policy in the new age of work." Mowat Centre. https://mowatcentre.ca/wp-content/uploads/publications/132_working_without_a_net.pdf.

In Peel, 175,980 residents or 12.8 per cent of the population live in poverty. This number is higher for racialized communities (16 per cent) and children between the ages of 0 and 17 (18 per cent).⁵⁵ The growing disparity between the rich and the poor has been well-documented in countries around the world. Income inequality – the extent to which income is distributed unequally amongst participants in an economy – has been growing and is known to be a driver of social and economic challenges. Income inequality has been notably visible across Canada and Ontario, including in the Peel Region.

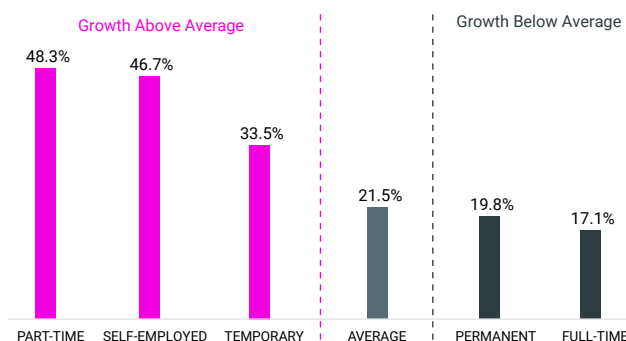
Non-Standard and Precarious Work

The standard employment relationship is on the decline in most OECD countries. While it was once common to work in a full-time, permanent position with employer-provided benefits, today these roles are becoming increasingly rare. At the same time, there has been significant growth in “non-standard” employment, which broadly includes temporary or part-time jobs, as well as sub-contracting and self-employment. Non-standard work has accounted for 60 per cent of the employment growth in advanced economies since the mid-1990s.⁵⁶ Non-standard work has driven Peel’s employment growth over the past decade as well (see Figure 18).

While it is rather easy to measure changes in standard and non-standard work, the term “precarious work” is more difficult to define and measure. Generally speaking, precarious work is characterized by instability, lack of protections and benefits, and low wages. Precarious job positions

FIGURE 18

Percentage change in employment in Peel’s labour market by job permanency, 2007-2017



| Changes | 2007-2017 |
|------------------------------|-----------|
| Average Hourly Earnings | 21.3% |
| Median Hourly Earnings | 17.6% |
| Inflation Rate (Toronto CMA) | 21.0% |

Source: Region of Peel.

tend not to be unionized or offer employer-provided benefits, and can entail other elements of volatility, such as unpredictable scheduling and inconsistent income. While there is a correlation between non-standard and precarious work, it is important to note that there is a distinction. For instance, non-standard employment can still be quite highly paid and secure (e.g. a self-employed consultant) and standard employment can still be precarious (e.g. full-time contractor with low pay and no benefits).⁵⁷ Further, while non-standard jobs may not necessarily be precarious, the growth of non-standard jobs has put more workers in precarious circumstances.⁵⁸

55 Region of Peel “2018-2028 Peel Poverty Reduction Strategy: Community Action.” pp. 9. http://www.povertyinpeel.ca/_include/Peel-Poverty-Reduction-Strategy-2018-2028.pdf.

56 OECD (2015) “In It Together: Why Less Inequality Benefits All.” <http://www.oecd.org/social/in-it-together-why-less-inequality-benefits-all-9789264235120-en.htm>.

57 Ontario Ministry of Labour (2017) “Chapter 4: Vulnerable workers in precarious jobs.” In *The Changing Workplaces Review – Final Report*. <https://www.ontario.ca/document/changing-workplaces-review-final-report/chapter-4-vulnerable-workers-precarious-jobs>.

58 Ibid.

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Based on the definition outlined by a recent Government of Ontario external study, a substantial proportion (about 30 to 32 per cent in 2014) of workers in the province fall into the category of “vulnerable workers in precarious jobs.” The government’s Changing Workplaces Review, quantified this group by looking at those who were:

- » working full-time for low wages, with minimal or no benefits, (such as no pension plan); or
- » working for low wages without any or minimal benefits such as without a pension plan; and who:
- » work part-time involuntarily because they want more hours (about 30 per cent of all part-timers according to Statistics Canada);
- » work part-time voluntarily, in the sense that they do not want, or cannot avail themselves of, more hours;
- » work for temporary help agencies or on a temporary basis directly for employers;
- » work on term or contract;
- » are seasonal workers or casual workers;
- » are solo self-employed with no employees;
- » are multiple jobs holders where the primary job pays less than the median hourly rate.

While it is not clear exactly how many Peel residents fall within this definition of vulnerable workers in precarious positions, there has been interesting research focused on precarity in the broader GTHA that can further aid in understanding the dynamics in the Region. It found that over 37 per cent of GTHA workers are engaged in some form of precarious employment – despite economic improvement following the

recession.⁵⁹ Amongst those who fall within this definition of precarity, 90 per cent do not have access to employer benefits and 80 per cent do not have access to an employer-provided pension. Furthermore, 85 per cent reported that their income varied from week to week. They are also three times more likely to pay out-of-pocket for training-related expenses.⁶⁰ In addition to financial difficulties, such instability also has real impacts on the mental health and wellbeing of workers, around 40 per cent of whom report that work-related anxiety interferes with their personal and family life.

These trends have multiple ripple effects throughout the economy. Lower incomes generally result in less purchasing power for individuals and families, which can hamper economic growth. Furthermore, income volatility can make long-term financial planning exceptionally difficult and impact personal life decisions. For instance, about one in five workers aged 25-35 in the GTHA report having delayed childbearing due to their employment situation. In the context of an aging population and a shrinking labour force, these factors are worth noting.

Over 37 per cent of GTHA workers are engaged in some form of precarious employment – despite economic improvement following the recession.

59 Wayne Lewchuk et al. (2018) “Getting Left Behind: Who gained and who didn’t in an improving labour market.” Poverty and Employment Precarity in Southern Ontario (PEPSO) research group. https://pepso.ca/documents/pepso-qlb-final-lores_2018-06-18_r4-for-website.pdf.

60 Ibid.

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Growth of the Knowledge Economy

Peel Region's economy is in transition. This is reflective of what is happening elsewhere in Ontario, across Canada and many other industrialized countries. The shift from manufacturing to a service-based economy has been well-documented, however this trend has been more gradual in Canada compared to other countries. As a result of automation, globalization, exchange rate fluctuations and low productivity, the proportion of Canada's labour market employed in manufacturing has declined substantially.⁶¹ These losses were particularly hard-hitting in Ontario, as the industry was once the bedrock of the provincial economy – accounting for as much as 24 per cent of the jobs in the province in 1980. This proportion has been on a continuous decline, falling to 18 per cent in 2001 and just over 10 per cent in 2017.⁶² Manufacturing jobs as a proportion of total jobs in Peel also fell from 22 per cent in 2001 to 15 per cent in 2017.⁶³

Job losses in goods-producing sectors such as manufacturing have largely been offset by gains in the service sector, which accounts for about 79 per cent of total jobs in Peel Region. Perhaps most notably, this includes jobs in trade, transportation and warehousing, which currently account for around 28 per cent of regional employment. Since 2001, the Region has gained 53,200 jobs in the trade sector and 36,500 jobs in transportation and warehousing.⁶⁴ This is reflective of a wider

shift from goods production to goods movement, whereby manufacturing plants have largely been replaced by warehouses and distribution centres, impacting the industrial portion of the regional tax base.

Also worth noting within the expansion of the service sector is the broader trend of the emerging "knowledge economy," which places greater emphasis on the value derived from information and intellectual capital. This is evident in job growth across sectors such as finance, insurance and real estate which have grown by 40 per cent in Peel since 2001, as well as professional, scientific and technical services which have grown by 28 per cent. There has also been a boom in population-related employment such as education services as well as healthcare and social assistance, which have grown by 48 per cent and 52 per cent respectively.⁶⁵ Most of these knowledge-based jobs are associated with non-residential non-industrial properties such as offices and institutional spaces.

Technological Change

Inextricably linked to the knowledge economy is technological change. Technological innovation has already begun to reshape the way we live, work and do business. And while many new technologies have the potential to unlock economic gains and productivity improvements, there is also considerable concern around their implications for the labour market and individual workers. In particular, the advent of artificial intelligence and machine learning means that automation of tasks has the potential to replace a significant proportion of the workforce. For example, according to one estimate, approximately 42 per cent of Canada's existing jobs could be automated over the next 10-20

61 Ronald Hirshhorn (2011) "Impacts of Structural Changes in the Canadian Economy," Industry Canada. https://www.ic.gc.ca/eic/site/eas-aes.nsf/eng/h_ra02276.html; Matthias Oschinski, Katherine Chan with Liza Kobrinsky (2014) "Ontario Made: Rethinking Manufacturing in the 21st Century." Mowat Centre. <https://mowatcentre.ca/ontario-made-full/>.

62 Mowat calculation based on Statistics Canada data, CANSIM Table: 14-10-0023-01 (formerly CANSIM 282-0008)

63 Mowat calculation based on Region of Peel data

64 Ibid.

65 Ibid.

FIGURE 19

Probability of automation by industry and proportion of workforce

| Industry | Probability of Automation | Proportion of Workforce | | |
|---|---------------------------|-------------------------|---------|--------|
| | | Peel | Ontario | Canada |
| Trade | 48% | 18.19% | 14.64% | 14.85% |
| Manufacturing | 61% | 14.78% | 10.49% | 9.11% |
| Transportation and Warehousing | 61% | 9.69% | 4.62% | 4.95% |
| Healthcare and Social Assistance | 37% | 9.38% | 11.63% | 12.32% |
| Finance, Insurance, Real Estate and Leasing | 42% | 8.95% | 7.54% | 6.09% |
| Professional, Scientific and Technical Services | 35% | 8.49% | 8.51% | 7.58% |
| Construction | 51% | 5.53% | 7.15% | 7.77% |
| Educational Services | 30% | 5.16% | 6.80% | 6.77% |
| Management, Administrative and Other Support | 42% | 5.00% | 4.47% | 4.13% |
| Accommodation and Food Services | 69% | 4.98% | 6.33% | 6.53% |
| Other Services | 45% | 3.69% | 3.77% | 4.13% |
| Information, Culture and Recreation | 40% | 2.78% | 4.35% | 4.24% |
| Public Administration | 41% | 2.61% | 4.96% | 4.98% |
| Utilities | 44% | 0.42% | 0.64% | 0.69% |
| Agriculture | 52% | 0.32% | 0.94% | 1.49% |
| Forestry, Fishing, Mining, Oil and Gas | 52% | 0.00% | 0.50% | 1.82% |

Source: Creig Lamb and Matthew Lo (2017) "Automation Across the Nation: Understanding the potential impacts of technological trends across Canada." Brookfield Institute. <https://brookfieldinstitute.ca/report/automation-across-the-nation>; Statistics Canada Table: 14-10-0023-01 (formerly CANSIM 282-0008); Peel Region data.

years.⁶⁶ Applying a widely used methodology, Figure 19 examines the probability of automation by industry, and the comparative proportion of the workforce employed in those industries across Peel, Ontario and Canada. Generally speaking, the impacts of automation will be felt similarly in all Canadian regions.

There are, however, important particular areas to highlight. For example, the three most prominent industries in the Region are trade, manufacturing, and transportation and warehousing – all of which have a rather high estimated probability of being impacted by automation. Furthermore, the Region is more reliant on these sectors for employment

compared to the provincial or national workforce. The Region’s reliance on manufacturing is particularly noteworthy, as it comprises almost 15 per cent of the workforce compared to less than 11 per cent of Ontario’s and only 9 per cent of Canada’s workforce.

The manufacturing industry has already seen significant job losses in the past two decades, and more jobs in the industry may become automated in the near future. Similarly, while the Region has experienced promising growth in “logistics” or goods-movement jobs given its strategic location, those working in warehousing or transportation are likely to come under threat, particularly given the advancement of autonomous vehicle technology.

66 Frey and Osborne methodology – Brookfield Institute applied to Canadian labour market estimates.

Finally, it is important to note that Peel has a much smaller proportion of its workforce engaged in low-risk industries – notably healthcare and social assistance (37 per cent probability of automation) and educational services (30 per cent probability of automation). Jobs in these industries tend to be comprised of non-routine cognitive functions, and require an element of human interaction that has not yet been mastered by technology, and perhaps may never acquire the social license to become automated in the future (e.g. cultural expectations around care of children and the elderly might demand human labour in these fields).

Furthermore, there is some anticipation that jobs in health and social services sectors may grow – particularly as a result of an aging population. However, only 9 per cent of Peel’s workforce is employed in healthcare and social services (compared to 12 per cent in both Ontario and Canada), and only 5 per cent of the workforce is employed in educational services (compared to 7 per cent in Ontario and Canada).

It is important to note that there is much disagreement over the anticipated magnitude of disruptions caused by workplace automation in the years ahead. Other studies, which have used alternative methodologies based on tasks rather than occupations (as used above), suggest estimates as low as 9 per cent of Canada’s total existing jobs will be automated over the next 10-20 years.⁶⁷ Of course, it is impossible to predict with certainty what this number will actually be. In any case, sound policy interventions will be critical to ensuring that new technologies create shared benefits and prosperity, as well as making sure that supports are available to workers to effectively transition and cope with changing realities, through re-skilling initiatives or other supports.

67 Arntz et al. (OECD) estimate on the lower end using a task-based methodology.

Regional Variation: Where does Canada Stand?

While some jurisdictions might anticipate large regional differences in the number of jobs susceptible to automation, Canada does not – according to new research from the OECD’s Centre for Entrepreneurship, SMEs, Regions and Cities. This uneven distribution is caused by regional concentration of jobs that are at high risk. Subnational estimates calculated by the OECD show that while countries like Spain have roughly a 12 percentage point difference between the region with the largest proportion of jobs at risk to automation and the region with the smallest proportion, Canada has amongst the smallest disparities (see Figure 20 for the difference between Ontario and Newfoundland and Labrador).

Economic development initiatives typically aim to generate jobs – but if these new jobs are at risk to automation, the problem of displaced workers and associated challenges is simply being deferred. The OECD has devised a typology that captures how regions are experiencing job loss:

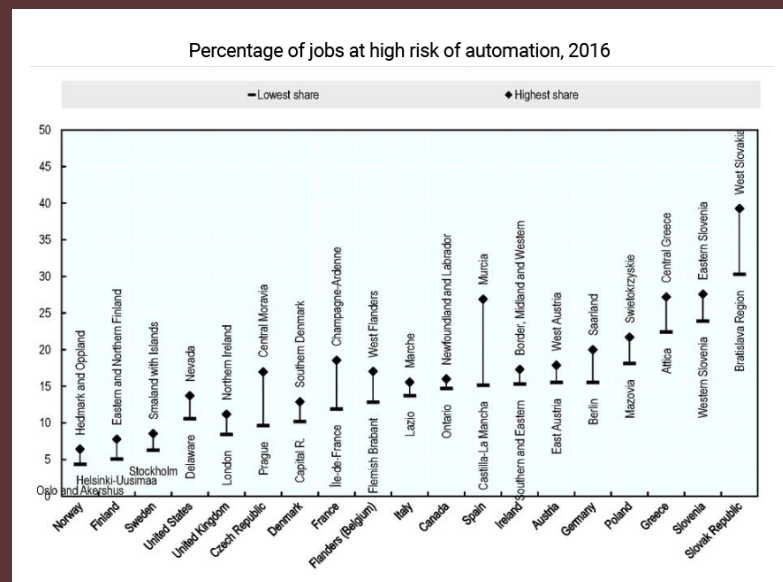
- » Creating jobs predominantly in less risky occupations – improve job situation in the short term and reduce long-term risks of unemployment from automation
- » Creating jobs predominantly in more risky occupations – improve short-term job situation but at the expense of moving towards riskier job profile in the future
- » Losing jobs predominantly in more risky occupations – typical profile of regions in process of structural change; jobs are being lost but risk of further job losses in future is reduced
- » Losing jobs predominantly in less risky occupations – facing the greatest challenge by suffering current job losses and increasing risk of further losses down the road

Most regions have created jobs in less risky occupations – a good position to be in. In Canada, a majority (60 per cent) of regions land within this category, while about 10 per cent seem to be creating riskier jobs. 30 per cent of the regions are experiencing the typical loss of risky jobs during the structural change process.

This 2018 OECD report concludes that regions and cities can and should be at the forefront of local responses to these trends. Given potential regional variation, national labour market policies should be flexibly designed to enable innovation from the bottom up. Building a “skills ecosystem” at the local level can also enable economic diversification in skills-related activities.

FIGURE 20

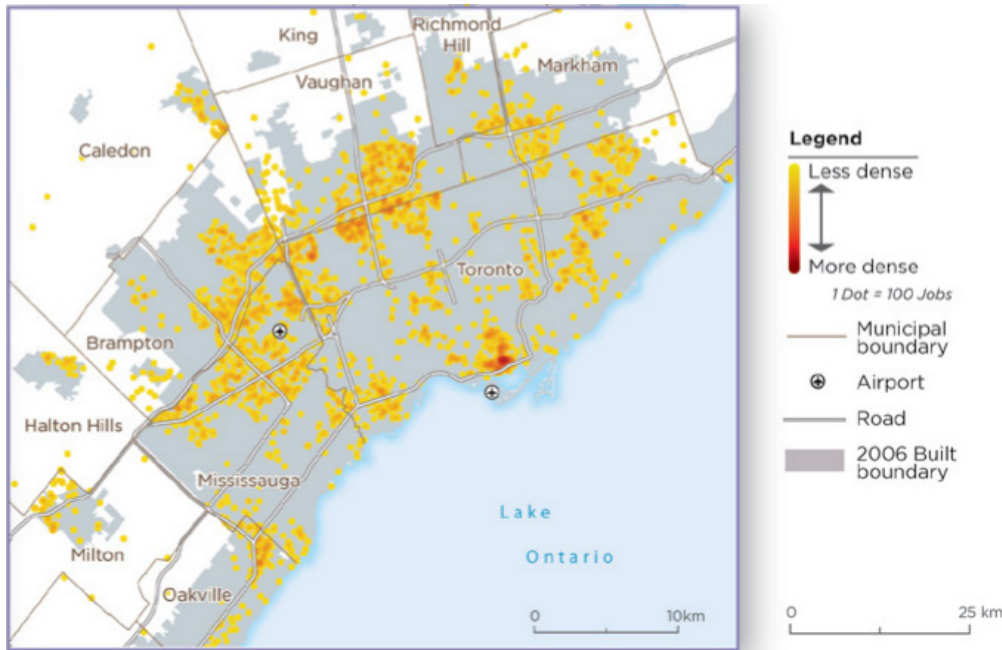
Some countries have wide disparities in terms of risk of automation across regions



Source: OECD (2018) “Job Creation and Local Economic Development 2018: Preparing for the Future of Work.” pp. 45, https://read.oecd-ilibrary.org/employment/job-creation-and-local-economic-development-2018_9789264305342-en#page47.

FIGURE 21

Employment in industries with the highest vulnerability to automation, 2016



Source: Pamela Blais and The Neptis Foundation (2018) "Planning the Next GGH." pp. 118. http://www.neptis.org/sites/default/files/planning_the_next_ggh/neptis_planningthenextggh_report_dec4_2018.pdf.

A recent report from the Neptis Foundation analyzed the geography of disruption for the Greater Golden Horseshoe (GGH) area. The report finds that⁶⁸, 23.3 per cent of the jobs in Brampton and 28.9 per cent of the jobs in Caledon fall under the 'most vulnerable' category with a high risk of automation. These numbers are considerably higher than the overall average for the GGH area (18.7 per cent). Mississauga is closer to the average, with 17 per cent of the city's jobs at high risk of automation.⁶⁹

The study also highlights the unprecedented hyper-concentration of economic development and jobs in downtown Toronto, accompanied by a slowdown in job growth in other regions – a reversal of the trend of suburbanization of employment from the 1980s to early 2000s. These trends are mainly driven by the rapid growth of knowledge-intensive activities which benefit from the co-location of related firms. Downtown Toronto's proximity to transit, urban neighbourhoods with a highly-skilled workforce, and amenities make it attractive to knowledge-intensive firms. However, it is important to note that the Airport and Meadowvale Suburban Knowledge-Intensive District (SKID) was the only SKID that saw employment growth during the 2006-2016 period – indicating the benefits of Peel's strategic location.⁷⁰

68 Neptis calculation based on research undertaken for the C.D. Howe Institute by Matthias Oschinski and Rosalie Wyonch.

69 Pamela Blais and The Neptis Foundation (2018) "Planning the Next GGH." pp. 117-129. http://www.neptis.org/sites/default/files/planning_the_next_ggh/neptis_planningthenextggh_report_dec4_2018.pdf.

70 Ibid.

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Digitization and Globalization

Technological change has helped facilitate a more global marketplace for goods and services. Regardless of where a corporation is headquartered, it can sell goods and provide services to consumers from all corners of the globe. While this is a positive development for consumers – having greater access and more options – it can have dangerous implications for governments’ revenue generation. For one, this means firms can derive significant profits from multiple jurisdictions without contributing much economic value to those jurisdictions. For example, if a tech company is headquartered in the US and Peel residents use a service it provides, the transaction may avoid sales tax and the profits that the company earns as a result, and the company may also avoid paying corporate taxes. While this directly impacts federal and provincial coffers, municipal governments could indirectly feel pinched through reduced transfers as senior levels of government struggle to recoup lost revenues. Moreover, digital, international firms do not create local jobs or other positive spillover effects that come with a local firm operating in the Region.

Technology has enabled a more mobile and global labour force. Employees are now better able to work from outside a traditional office space, which can take many forms.

Another implication of this increased mobility is that if a jurisdiction imposes additional taxes, firms can rather easily locate elsewhere or cease to operate business within that jurisdiction to maximize profits. This problem has been exacerbated over the years due to the commercial consolidation of a handful of powerful tech firms. Features of the digital economy such as network effects⁷¹, low marginal costs and increased data analytics capacity have contributed to the ability of a few “superstar” companies to rise to the top and dominate the market.⁷² The scale and influence of these companies perpetuates their ability to evade and avoid taxation.

Flexibility and the Gig Economy

Technology has enabled a more mobile and global labour force. Employees are now better able to work from outside a traditional office space, which can take many forms. Some workers may be engaged in a traditional occupation but have the flexibility to work from home some or all of the time (i.e. “teleworking”). Others can use technology to better facilitate self-employment or freelance work. There has also been an increase in shared co-working spaces, as employees often only need a laptop and internet connection to do their work. Freelancing and self-employment have always existed as rather small components of the overall workforce, but have grown considerably in many advanced nations – in Peel Region, self-employment was the fastest growing subset of the workforce between 2006 and 2016 at 46.5 per cent. This trend is estimated to accelerate: for instance, recent research in the US has estimated that over half of the American labour force could

⁷¹ Network effects are the positive impacts induced by increased numbers of people or participants that improve the value of a good or service.

⁷² Sunil Johal et al. (2018) “Robots, Revenues & Responses Ontario and the Future of Work.” Mowat Centre. <https://mowatcentre.ca/robots-revenues-responses/>.

be comprised of freelancers by 2027.⁷³ Indeed, shared offices and co-working spaces such as the Centre for Social Innovation or WeWork have emerged in response to growing entrepreneurship in today's economy that provide a viable and cheaper alternative to traditional office spaces.

The flexibility and greater connectivity enabled by technology have also given rise to the use of labour platforms and what is often referred to as the "gig economy." Traditional jobs are increasingly being unbundled into individual tasks that can be outsourced to the global marketplace. These include global platforms such as ride-hailing companies like Uber and Lyft, as well as web-based platforms such as Mechanical Turk, Upwork and Freelancer that utilize this business model to digitally outsource micro-tasks to be completed on a piece-work basis for very low wages. Given that these platforms are a rather new phenomenon, there is little data available to understand how many people in Peel Region or elsewhere are engaged in this type of work. However, as these business models grow and expand into new industries, they could threaten to suppress wages in developed countries like Canada where the cost of labour is relatively higher than where these tasks are outsourced to.

73 Elaine Pofeldt (2017) "Are We Ready For A Workforce That is 50% Freelance?" Forbes, October 17, 2017. <https://www.forbes.com/sites/elainepofeldt/2017/10/17/are-we-ready-for-a-workforce-that-is-50-freelance/#262035023f82>.



As the knowledge economy grows and technology continues to advance, the physical space required for workers may continue to shrink.

4 IMPLICATIONS FOR FISCAL HEALTH

Ongoing and emerging trends continue to reshape the way we envision work, and this has important implications for revenue generation and the fiscal health of municipal governments in Ontario. The following section explores macro-level key threats facing municipal governments across Canada, including Peel, as a result of economic and labour market transformations.

Insufficient Local Job Growth

One of the most significant threats to the municipal revenue base is insufficient local job growth – which impacts both non-residential property tax and development charges revenues. In the event that local jobs do not materialize, this can result in the erosion of the non-residential base and therefore increase pressure on the residential tax base.⁷⁴ Consider that rates are effectively calculated backwards: since municipalities cannot run deficits and property taxes are the dominant revenue source for operating expenditures, governments first determine how much revenue is required from the base and calculate the necessary rates to meet that goal.⁷⁵ This means that in order to meet spending obligations, municipalities must work with the base they have, increasing rates for some property classes to make up for revenue losses in others. In the event that non-residential

contributions decline, this might mean increasing rates for residential properties, which further shifts the burden onto residents. Alternatively, a government may need to make cuts to balance the budget.

Weakened job growth in the Region may also negatively impact development-charges revenues. If employers do not establish commercial or office spaces in the Region as projected, this leads to a shortfall in expected development-charges revenues. As discussed, projections used for policy, planning and growth management at the provincial level have not come to fruition. As a result, municipal governments have been left with unexpected costs due to significant investments in infrastructure based on these calculations. While this has already been a challenge for governments to date, there is a possibility that these shortfalls will increase if non-residential development continues to shrink.

74 Cushman & Wakefield (2017) "Employment Strategy Discussion Paper." Prepared for the Region of Peel.

75 This is different from other levels of government with other revenue sources such as sales and income taxes. See: Edward Keenan (2015) "Why property tax revenues don't rise with inflation" Toronto Star, March 6, 2015. <https://www.thestar.com/news/gta/2015/03/06/why-property-tax-revenues-dont-rise-with-inflation-keenan.html>.

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As the nature of work changes, elements of the new economy threaten to further exacerbate these challenges. For instance, the growth of the knowledge economy has shifted employment away from goods-producing sectors such as manufacturing, towards various service sectors such as finance and professional services that tend to operate in an office environment, which result in lower revenues (industrial property-tax rates in Peel are about 15 per cent higher than commercial property-tax rates). Further, as Toronto establishes itself as a hub for this new knowledge economy, there is a risk that Peel will lose some of its existing revenue from non-residential taxpayers as they move to the downtown Toronto core. Furthermore, other emerging office nodes in Vaughan Metropolitan Centre, Downtown Markham and Midtown Oakville, are likely to increase competitive pressure for Peel to attract tenants to its office market.⁷⁶ It has been observed that many knowledge workers enjoy an urban environment with the amenities that a city such as Toronto can offer, which may create a competitive disadvantage for Peel in this sector.

Indeed, Peel has experienced a consistently weak office market since the recession, resulting in high vacancy rates: 14 per cent in Mississauga and Brampton, relative to the GTA suburban average of 11.7 per cent and GTA overall rate of 7.9 per cent. This in turn places downward pressures on rents, which over time can hamper development interest in the area.⁷⁷ Furthermore, if automation of tasks and AI adoption in the workplace results in widespread disruption and job losses in traditional industries, they could result in overall insufficient job growth not currently captured in projections.

76 Cushman & Wakefield (2017) "Employment Strategy Discussion Paper." Prepared for the Region of Peel.

77 Ibid.

Transforming Work and Workplaces

The way in which municipal governments collect revenues, particularly for non-residential property taxes and development charges, is based on a set of assumptions around the physical space required for employment. However, as the nature of work changes and thus the physical space required for work transforms, these assumptions will be challenged. Below are a few such trends that threaten to erode the existing tax base.

SHIFT FROM GOODS PRODUCTION TO GOODS MOVEMENT

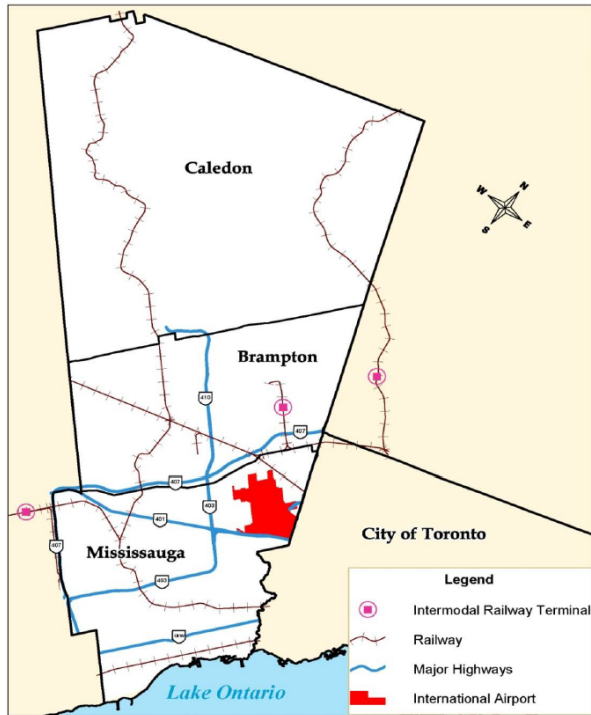
The shift from goods production to goods movement is already underway. Largely as a result of technology and globalization, Ontario's manufacturing sector has declined, while warehousing has continued to grow. Goods are produced elsewhere – i.e. in jurisdictions with lower labour costs, such as China and areas of Southeast Asia – but are shipped back to be stored locally and distributed. Given its critical location, Peel has certainly benefitted from this shift: approximately \$1.8 billion worth of commodities travel to, from and through Peel every day.⁷⁸ The Region is considered a key freight hub for national distribution, home to Canada's largest international airport, mainline tracks and facilities for two national railways and seven 400-series highways crossing through the Region.⁷⁹

78 Region of Peel (2017) "Peel Region Goods Movement Strategic Plan 2017-2021." <https://www.peelregion.ca/pw/transportation/goodsmovement/pdf/goods-movement-strategic-plan-2017-2021.pdf>.

79 Ibid.

FIGURE 22

Peel Region strategic transportation advantages



Source: Region of Peel

While this shift has provided economic opportunity in the Region, there are specific implications for revenue. While a warehouse might be the same size as a manufacturing facility or larger, its property class may change depending on its activities. For example, if a manufacturing facility is attached to a warehouse, it is still considered to be industrial. However, a warehouse on its own without goods production would be assessed as commercial, which is often charged a lower rate.

More importantly, the key distinction between a manufacturing facility and a warehouse is the number of employees working within it. Manufacturing, at least in the past, tended to be very labour intensive – sometimes with hundreds of employees at a given facility. A warehouse, on the other hand, might account for the same

amount of space but have significantly fewer people working in the building, thereby providing less jobs to the Region and its residents. Furthermore, manufacturing and warehousing facilities are highly susceptible to automation.

SHRINKING WORKSPACES

There is also an overall trend of shrinking workspaces. This is in part a natural outcome of the growing knowledge economy, as employment shifts away from goods production and into various service sectors. With the exception of goods-movement, service-related occupations tend to be located in commercial and office spaces that tend to be much smaller and generate less value per square foot than industrial spaces. For example, the average square footage per employee for an industrial space (e.g. manufacturing) is around 2000 square feet, whereas the average for office and retail spaces is around 400 square feet per employee – lower still for office space specifically.⁸⁰

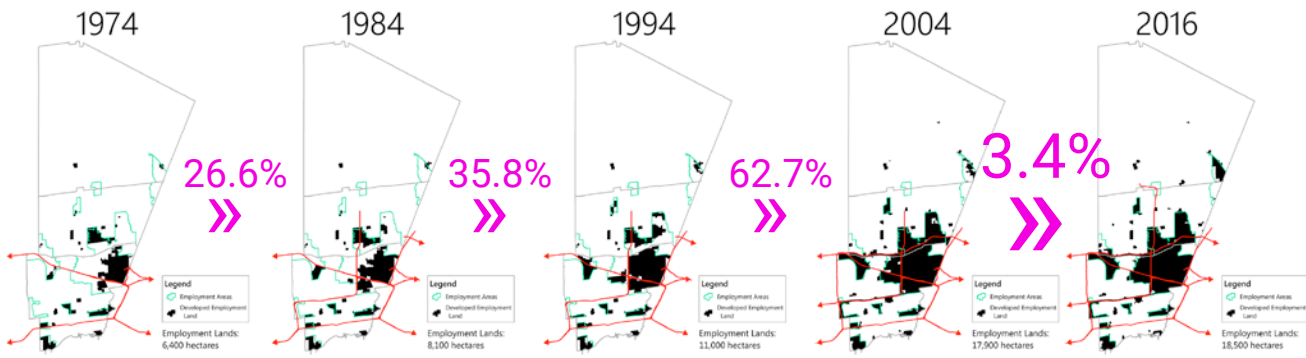
Furthermore, technology is having widespread impacts on the use of space – from reducing the space required for functions such as paper filing and storage, to better facilitating the option of “telecommuting” and shared desk space amongst coworkers.⁸¹ Indeed, many firms are incorporating “hot-desking” or “hotelling” into their offices – an approach which abandons assigned cubicles or offices and instead sees workers sit in a new place each day. These approaches are increasingly being adopted across many industries in both the public and private sectors. As the knowledge economy grows and technology continues to advance, the physical space required for workers may continue to shrink.

80 Cushman & Wakefield (2017) “Employment Strategy Discussion Paper.” Prepared for the Region of Peel.

81 Ibid.

FIGURE 23

Growth rate of employment land consumption in Peel



Source: Region of Peel.

The Region of Peel has experienced a decline in the growth rate of employment-land consumption over the years. Based on estimates, while employment land consumption increased from 6,400 hectares in 1974 to 8,100 hectares in 1984 to 11,000 hectares in 1994 and 17,900 hectares by 2004, this growth declined sharply between the 2004 to 2016 period. From 2004 to 2016, employment-land consumption increased from about 17,900 hectares to only 18,500 hectares or just 3.4 per cent.⁸²

While the value of assessment and tax revenue is not entirely determined by the size of the land area, but also by the size and value of the buildings on it, this reduced rate of growth has been concerning for the Region of Peel as it has traditionally relied on growth in employment land as the driver of growth in non-residential tax revenues. Non-residential property-tax rates are considerably higher than residential property-tax rates, and a declining non-residential base increases the burden on residential taxpayers. As of 2018, about 30 per cent of Peel’s property-tax revenue came from non-residential property, even

though non-residential only accounted for about 19 per cent of the market value of all property.⁸³ In addition to the declining rate of growth of employment land consumption, the Region has also seen a reduction in the proportion of its tax revenue that comes from non-residential sources.

FIGURE 24

The tax rate on non-residential property is about 35% higher than on residential



Source: Created by Mowat based on Region of Peel data.

83 Mowat calculation based on Region of Peel data. Nominal differences in tax rates are greater than shown. The chart shows effective tax rates, taking into account lower rates on vacant property.

82 Region of Peel data.

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MOBILE WORKERS

Technology has enabled workers to be more flexible in where they physically conduct their work. This can include both workers who are tied to a particular employer on a more permanent basis but work partially or entirely from home, as well as freelancers who conduct work on a project or client basis – either working from home and/or using co-working spaces on a membership or rental basis.

Freelancing and self-employment have always existed as rather small components of the overall workforce but have grown considerably in many advanced nations, and this trend is estimated to accelerate. Self-employment was the fastest growing subset of Peel Region's workforce between 2006 and 2016, although it is not clear whether this translates into a growing incidence of home-based employment or what is considered "no fixed place of work" (NFPOW). Home-based employment has certainly grown over time, although mostly alongside population growth as its proportion of overall employment has not shifted considerably. The same is true for those working in positions without a fixed place of work, although while NFPOW growth can capture freelancing and self-employment, it can also include occupations in sales or construction in which the location of work changes on a day-to-day basis.⁸⁴

While the impacts of mobile workers on the broader use of office space are not yet well-understood, this is an area that should be closely examined by municipal governments. If the incidence of home-based work or NFPOW continues on a large enough scale, this will reshape the way we currently envision the workplace in the knowledge economy. To the extent that workers become so mobile that

traditional office space is hardly necessary, this will exacerbate the stubborn vacancy rates that Peel Region is already experiencing. Over the long term, this could erode the commercial and office portion of non-residential property taxes.

ONLINE RETAIL

The retail sector is coming under significant pressure with the growth of online transactions. Online shopping has been growing over recent years as retailers increasingly provide options to make purchases online, and offer products that can be delivered directly to buyers' homes for little to no cost. The growth of e-commerce is reducing the size of retail spaces that do exist, and the convenience of these options is beginning to lower the demand for traditional "bricks and mortar" retail outlets altogether. Furthermore, this landscape is ever-changing as large firms like Amazon encroach on multiple industries, and threaten profitability for small and local businesses.

This growth in e-commerce will continue to have positive impacts on the goods-movement sector – an important component of Peel's economy – as new distribution models emerge and highway access gains importance. However, there will likely be a net loss in retail-related employment and reduction in properties used for commercial purposes. This may shrink the portion of property-tax revenue received from commercial properties, as well as reduce the demand for new commercial developments.

There are indications of this transition already occurring. Shopping malls offer an interesting example: consider that a shopping mall consists of multiple retail tenants that pay their share of the property taxes owed each year. When one of the stores closes, particularly a large department store (e.g. as was the case for Sears), the property tax owed remains the same as the initial assessment,

⁸⁴ Ibid.

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but the burden is shared across a smaller number of tenants. As a result, the landlord may appeal the property assessment, making the case that the property is worth less overall and generating less revenue to pay the current rate. If these appeals result in a lower assessed value and therefore lower taxes owed, municipalities lose out on revenue.

Urbanization and Redevelopment

Peel Region is an urbanizing environment, with the exception of Caledon, which remains quite rural. Mississauga has been built out significantly – perhaps to its limits of greenfield opportunities – and Brampton is well on its way.

While there are many benefits to these areas reaching “urban” status, this does change the way in which development is perceived and generates revenue. In general, non-residential development charges are applied per square metre, which means large-scale greenfield development generates significantly more revenues than smaller developments. When jurisdictions are in their earlier stages of growth, there is more opportunity for this type of development – although these opportunities dwindle as a city fully urbanizes and reaches its natural limit of available greenfield spaces.

Mississauga, for example, might be nearing this threshold. While there is still opportunity to derive development charges from brownfield initiatives, there is less revenue to receive through redevelopment. This is despite the fact that new commercial redevelopments often require more infrastructure due to the intensification of work spaces, i.e. since the square footage per employee has declined, employers are able to fit more employees in the same space. Consequently, current development charges fail to capture the true cost of infrastructure.

Redevelopment can also result in loss of property taxes – particularly when old industrial spaces are converted into commercial and residential spaces. For example, areas in Toronto such as the Distillery District have had many buildings converted into boutique shops and loft apartments. These conversions tend to lose out on potential revenues, as industrial buildings, on average, generate more than twice as much as revenue as residential.

While commercial redevelopment generates slightly more than residential spaces, the conversion from industrial still results in a loss. This is beginning to happen in areas of Mississauga with the renewal of the old city core. While this type of redevelopment is good for vibrancy and liveability, it reduces overall available revenues and results in more residents in that area that increase municipal expenditures that were not considered in the initial development.

Growing Service Demands

Challenges such as an aging population, growing income gap amongst residents and threats due to climate change, will continue to increase demands for municipal services. A brief discussion of key areas under the Region of Peel’s jurisdiction that may face pressure is outlined below.

SOCIAL ASSISTANCE

Over the past several years, expenses for basic needs have increased drastically while real wages have remained stagnant, and municipalities have been spending more on social services. This trend is likely to continue due to an aging population and the changing nature of work, as residents may increasingly find it harder to get by on existing incomes, and widespread job losses are very possible. The rise of global digital platforms and the gig economy, and predictions of increased automation and artificial intelligence taking over

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jobs, mean not only that there will be job losses, but also that many of the new jobs created will be lower in quality.

This means that social programs and services will face increased pressures as more people may rely on them. For example, higher incidence of poverty would presumably translate into more residents receiving social assistance (Ontario Works) and increased demand for affordable housing and subsidized childcare. Further, investments in skills upgrading programs will be required for workers to leverage the market for new jobs. To protect citizens and maintain an adequate standard of living, municipal governments could face spiralling cost pressures. In the absence of increased revenues, there is risk that there will be cuts to existing services that will further deteriorate the quality of life of citizens.

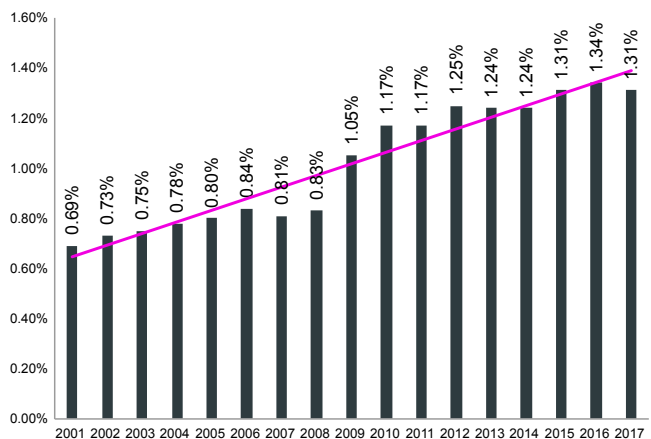
These trends also mean that there will be more pressure on the property-tax base. As the non-residential base in Peel is shrinking and there aren't enough new office developments, residential property owners will have to bear the burden unless the municipality successfully diversifies its revenue sources.

A recent report from the Peel-Halton Local Employment Planning Council attempted to estimate the total cost of unemployment and underemployment to governments. In Peel, their research calculated the annual costs per unemployed person to be \$21,504 for an individual with no income, \$26,909 for an individual receiving Employment Insurance, and \$29,531 for a person receiving social assistance.⁸⁵

Providing various payments, benefits and assistance programs to address joblessness tends to be the responsibility of local and regional municipal governments. In Ontario, Ontario Works (OW) is the primary program that provides financial assistance to low-income individuals – alongside Ontario Disability Support Program (ODSP). While these are provincial programs, primarily funded by the provincial government, municipalities do share a portion of the administration cost and are responsible for delivering services to residents. The Region of Peel has seen an increase in the average monthly caseloads and the average caseloads to population ratio has also increased over the years, as shown in Figure 25. In 2017, an average of 18,678 households in Peel were supported each month through the OW program.⁸⁶

FIGURE 25

Average monthly caseloads to population ratio



Source: Created by Mowat based on Region of Peel data.

85 Ben Earle (2018) "The Costs and Impacts of Unemployment and Underemployment in Peel and Halton." Peel Halton Workforce Development Group. <https://static1.squarespace.com/static/59d54ac1ccc5c5a938e27565/t/5bad48939140b7ab9f5707cf/1538082969141/The+Costs+of+Unemployment+and+Underemployment+-+LECP+FINAL%5B19018%5D.pdf>.

86 Data from the Region of Peel.

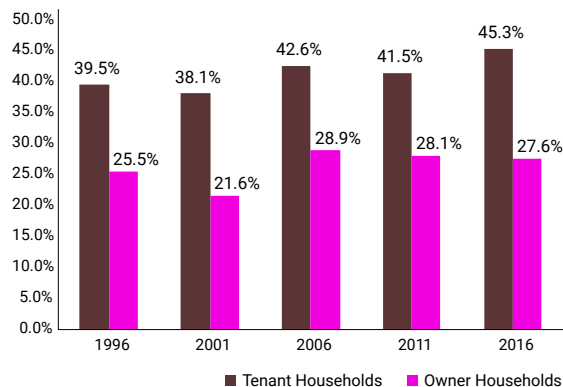
HOUSING

Peel’s regional government is responsible for providing housing and shelter services such as subsidies, shelter support and renovations for safety and accessibility. If the changing nature of work results in job losses, lower wages and increased incidence of poverty, the demand for such services may increase. This will be particularly true in the event that market housing and rental prices continue to rise rapidly in the GTHA, as housing affordability and affordable housing are closely interrelated.

In the Region of Peel, about 70 per cent of low-income households and 30 per cent of middle-income households live in housing that is unaffordable. The vacancy rate of just 1 per cent has driven up monthly rents. As a result, there were nearly 15,000 visits to regionally owned emergency homeless shelters in 2017.⁸⁷ In Peel, the proportion of residents spending more than 30 per cent of household income on shelter costs has grown for both tenants and homeowners (see Figure 26), although the increase has been much larger for renters.

FIGURE 26

Residents spending more than 30% of household income on shelter costs



Source: Created by Mowat based on Region of Peel data.

87 Region of Peel (2018) “Housing Support.” <https://www.peelregion.ca/strategicplan/community-for-life/housing-support.asp>.

TRANSIT

From 2017 to 2041, the Region of Peel is projected to see 19 per cent population growth and 21 per cent employment growth. This population growth will have an obvious impact on transportation demand in the Region – it is estimated that in 2041, Peel residents and employees will make 40 per cent more trips compared to 2011. Currently, Peel households make 63 per cent of their trips using single-occupant vehicles (SOV). If this trend continues, there will be 200,000 more cars on the road in 2041 – or a 45 per cent increase in SOV trips during the peak morning period. This means that it is vital to invest in long-term sustainable transportation, as well as walking and cycling infrastructure, to maintain quality of life, remain environmentally sustainable as well as improve economic competitiveness. By 2041, transit will have to carry more than double the number of passengers and about 11 per cent of the residents will have to walk or bike to work during peak periods. At the same time, it will be essential to fully embrace new approaches to working – such as teleworking – to reduce travel demand.⁸⁸

Additionally, transportation systems across the GTHA will have to become more connected to facilitate better mobility. Currently, one in five trips in Peel is either to or from Toronto.⁸⁹ While this number may decrease as local employment grows, connectivity is likely to be a key factor for businesses when deciding locations for new offices and to attract qualified workers from neighbouring municipalities. Therefore, transportation will have to be a focus area of investment to ensure the availability of livable, sustainable and connected communities.

88 IBI Group (2017) “Transportation Strategies to Support Employment Growth: Discussion Paper.” Prepared for the Region of Peel. pp. 5. <https://www.peelregion.ca/planning/officialplan/pdfs/transportation-strategies-appendix-II.pdf>.

89 Ibid.

AGING POPULATION

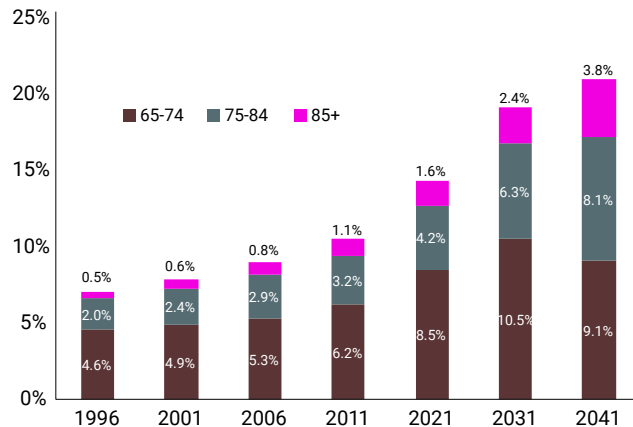
Another area where service demand is likely to increase considerably will be in meeting the needs of an aging population. The Region of Peel will see an increase in its senior population from 1 in 10 residents in 2011 to 1 in 4 residents by 2041.⁹⁰ Population aging has important implications on service demands (e.g. increasing pressures on the public healthcare system) as well as an overall shrinking of the labour force as baby boomers enter retirement. Twenty-four per cent of Canadians over the age of 65 live with three or more chronic conditions, accounting for 40 per cent of the healthcare utilization in this age group.

It is important to recognize that seniors (i.e. those over the age of 65) are not a homogenous group, and factors such as income level and presence of chronic conditions are key determinants of service demand. However, the proportion of 911 calls is higher amongst seniors over the age of 75. The proportion of seniors over the age of 75 will considerably increase – from 4.3 per cent in 2011 to 11.9 per cent in 2041. In the Region of Peel, the average age of residents in long-term care is 80, and the proportion of seniors in this age group is also projected to increase.⁹¹

In 2000, Ontario’s municipal governments spent \$846,388,193 on assistance for seniors, and this number increased to \$1,433,109,628 in 2008 or about 40 per cent more in 8 years after accounting for inflation.⁹² The Region of Peel currently funds programs such as the Low-Income Seniors Dental

FIGURE 27

Seniors by age sub-groups as a percentage of total population in Peel



Source: Region of Peel (2014) "Recommendations from the Aging Population Term of Council Priority Steering Committee." In Council Agenda. <http://www.peelregion.ca/council/agendas/2014/2014-05-29-apsc-agenda.pdf>.

Program for low-income seniors without dental insurance. Since 2008, the program has served thousands of seniors, but many seniors continue to be on the waitlist. While the Regional Council tightened the eligibility criteria to reduce waitlists and serve those who are most in need, about 18 new seniors continue to be added to the waitlist each week suggesting that the annual budget of \$1.3 million is insufficient.⁹³ With the growth in the population of seniors, as well as the rise in precarious work, it can be anticipated that demand for such services will continue to increase.

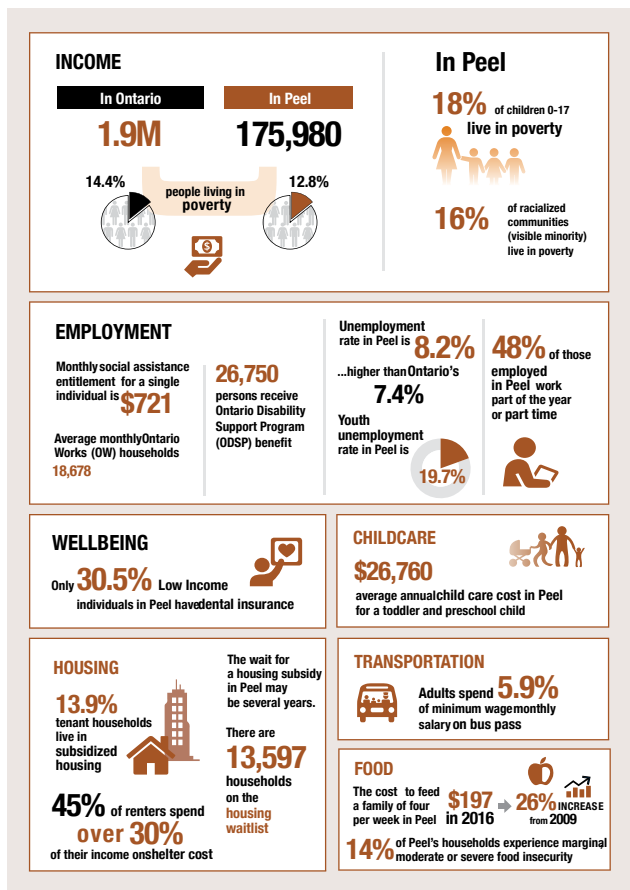
90 Region of Peel (2016) "Planning for an Aging Population – Peel 2041: Regional Official Plan Review." pp. 3. <https://www.peelregion.ca/planning/officialplan/pdfs/age-friendly-discussion-paper.pdf>.

91 Region of Peel (2014) "Recommendations from the Aging Population Term of Council Priority Steering Committee." In Council Agenda. <http://www.peelregion.ca/council/agendas/2014/2014-05-29-apsc-agenda.pdf>.

92 Association of Municipalities of Ontario (2011) "Coming of Age: The municipal role in caring for Ontario's seniors." pp. 17. https://www.amo.on.ca/AMO-PDFs/Reports/2011/2011_Coming_of_Age_the_Municipal_Role_in_Caring_fo.aspx.

93 Region of Peel (2014) "Recommendations from the Aging Population Term of Council Priority Steering Committee." In Council Agenda. <http://www.peelregion.ca/council/agendas/2014/2014-05-29-apsc-agenda.pdf>.

FIGURE 28



Source: Region of Peel "2018-2028 Peel Poverty Reduction Strategy: Community Action." pp. 9. http://www.povertyinpeel.ca/_include/Peel-Poverty-Reduction-Strategy-2018-2028.pdf.

With the growth in the population of seniors, as well as the rise in precarious work, it can be anticipated that demand for social services will continue to increase.

Climate Change and Intense Weather Events

The increased frequency of intense weather events, such as severe storms and heatwaves, and anticipated effects of climate change, are going to impact municipal finances as local governments will need to prepare for and respond to these changes. According to the Intergovernmental Panel on Climate Change's 2014 report, the average annual temperatures will increase significantly over the next two decades in North America. In particular, Northern and Eastern Canada are vulnerable. There will also be an increase in average annual precipitation, especially in winter, drier summers and higher number of days with extreme hot temperatures.⁹⁴ In 2018, more than 80 people died in Quebec due to extreme heat. According to a study, this trend is expected to get much worse – Canada could see five times more heat-related deaths from 2031 to 2080, compared to the 1984 to 2015 period.⁹⁵

Currently, flooding is the most expensive climate hazard faced by municipal governments as floods cause significant property damage, and these costs are only projected to increase further. In Canada, from 2003 to 2012, there were more than \$20 billion in losses that can be attributed to sewer backup and extreme rainfall in urban areas. The torrential rain experienced by Calgary in 2013 became Canada's most expensive natural disaster, resulting in economic losses of over \$6 billion. Toronto experienced record rainfall causing severe flooding in the same year, which severed

94 Daniel Henstra and Jason Thistlethwaite (2017) "Climate Change, Floods, and Municipal Risk Sharing in Canada." Institute on Municipal Finance and Governance. pp. 3. https://tspace.library.utoronto.ca/bitstream/1807/81204/1/imfgpaper30_henstra_thistlethwaite_Feb_23_2017.pdf.

95 Alexa Taylor (2018) "New research predicts heat waves in Canada could become more frequent – and five times more deadly." National Post, August 9, 2018. <https://nationalpost.com/news/canada/new-research-predicts-heat-waves-in-canada-could-become-more-frequent-and-five-times-more-deadly>.

power to about 300,000 residents and cost more than \$65 million to the municipal government.⁹⁶ It is projected that by 2020 the annual cost of such natural catastrophes will go up to \$5 billion, and over \$20 billion by 2050.⁹⁷

It is also important to note that payments under the federal government's Disaster Financial Assistance Arrangements (DFAA) increased significantly from an average of \$118 million annually from 1996-2011 to \$280 million annually from 2012-2015. This significantly surpassed the program's annual budget of \$100-million. It is projected that over the next five years, DFAA payments will reach more than \$650 million annually. To overcome this financial pressure, the Government of Canada modified its expense thresholds in 2015 – from \$2 per capita to \$6 per capita, reducing its future contributions. This means that municipalities will be forced to devote even more financial resources to disaster relief in the coming years.⁹⁸

The Federation of Canadian Municipalities (FCM) has estimated that the annual cost of extreme weather events in Canada would be \$5 billion by 2020.⁹⁹ This means that municipalities, including the Region of Peel, would have to make significant investments to build climate resilient communities by taking meaningful steps to reduce their carbon footprint as well as invest in climate change mitigation and adaptation.

96 Daniel Henstra and Jason Thistlethwaite (2017) "Climate Change, Floods, and Municipal Risk Sharing in Canada." Institute on Municipal Finance and Governance. pp. 4-5. https://tspace.library.utoronto.ca/bitstream/1807/81204/1/imfgpaper30_henstra_thistlethwaite_Feb_23_2017.pdf.

97 CUPE (2018) "Public infrastructure builds a sustainable, equitable future." <https://cupe.ca/public-infrastructure-builds-sustainable-equitable-future>.

98 Daniel Henstra and Jason Thistlethwaite (2017) "Climate Change, Floods, and Municipal Risk Sharing in Canada." Institute on Municipal Finance and Governance. pp. 5-6. https://tspace.library.utoronto.ca/bitstream/1807/81204/1/imfgpaper30_henstra_thistlethwaite_Feb_23_2017.pdf.

99 Federation of Canadian Municipalities (2017) "Seizing the Moment: Budget 2017 Recommendations from Canada's Local Order of Government." pp. 8. https://fcm.ca/Documents/issues/2017_FCM_Budget-SeizingTheMoment_EN.pdf.

Governments across the world are feeling challenged to effectively predict and plan for the future in the face of rapid changes to the economy, including the changing nature of work and its impact on people and places.

5 PLAUSIBLE SCENARIOS

Governments across the world are feeling challenged to effectively predict and plan for the future in the face of rapid changes to the economy, including the changing nature of work and its impact on people and places. Given this reality, it is vital for policymakers to take a future-oriented approach to the decision-making process and prepare for multiple possibilities in the face of uncertainty.

Strategic planning should not only include an analysis of historical trends and data, but also creative strategies that go beyond it. This section employs scenario planning to systematically anticipate various possibilities for the future and determine how policymakers can influence various outcomes. The three scenarios – business-as-usual, worst case and best case – presented below were developed based on the economic model¹⁰⁰ created for the Region of Peel that utilizes historical data for the Region. Additionally, qualitative insights from this study, based on a comprehensive literature review and stakeholder engagement, were also employed to envision these scenarios.

100 The Mowat Centre developed an economic model for the Region of Peel utilizing historical data from the region. Based on historical trends, the model allows the user to predict how various items, such as the affordability of property taxes for households, may vary based on key assumptions for different variables. While this model will serve as a useful tool to assist policymakers with their strategic planning activities, it must be noted that the actual outcomes cannot be predicted with certainty.

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Principles for Strategic Foresight

When policymakers are analyzing trends, developing future scenarios and preparing for new or uncertain challenges, they should keep some key strategic foresight principles at the core to help them increase the relevance and value of their planning activities.¹⁰¹ These principles include:

Agility

A key reality facing decision-makers is that the future cannot be predicted with complete certainty. While policymakers should use existing evidence and projections to support their planning, they must also acknowledge that they will be faced with unanticipated challenges.¹⁰² Hence, policies and programs should be created in a manner that utilizes existing evidence and projections, while being agile enough to adapt to emerging realities.

Multiplicity

Another important fact that should be kept in mind when planning for the long term is that there are multiple possibilities for the future. Therefore, policymakers should prepare for and think about multiple futures when designing policies and programs. Futurists have suggested planning for four different but interrelated types of futures. These include the possible, plausible, probable and preferable futures.¹⁰³

Proactivity

Current action or inaction are both going to influence the future.¹⁰⁴ Hence, it is vital to take proactive steps to work towards the desired future. One of the approaches to this is backcasting, i.e. creating a vision for the preferred future and working backwards to determine the pathway to achieving it.¹⁰⁵ This technique allows policymakers to focus on the future as a process rather than a destination, and create proactive policies in the present that are geared towards achieving desired outcomes. This also allows policymakers to acknowledge their agency in influencing the future in a positive direction.¹⁰⁶

Long-term Sustainability

Decisions should not just be geared towards short-term or medium-term goals. Rather, visionary policymaking involves thinking about the impact of policies on future generations and taking responsible actions in the present.¹⁰⁷ Thinking about the long-term future in addition to the short term and medium-term ensures that decision-makers keep environmental sustainability and intergenerational equity at the heart of policies.

Engagement and Inclusion

To avoid narrow visions of the future, it is essential for policymakers to engage with diverse stakeholders that represent a range of perspectives and interests. Inclusion and participation of diverse groups, particularly marginalized voices, is also essential to understand and address the various needs, aspirations and concerns for the future of different groups. Further, engagement is vital to increase buy-in for policies and programs.¹⁰⁸

Intergovernmental Collaboration

To create effective and feasible policies, it is vital that governments at all levels collaborate to achieve mutual goals that ensure the wellbeing of the people. Operating in silos will create the risk of developing plans that are not well-aligned and therefore inefficient. Working collaboratively is essential to ensuring that plans across the board are compatible, and in line with the overall targets for sustainability, shared prosperity and equity.

101 Adopted from research conducted by Mowat for the OECD. See: Sunil Johal, Jordann Thirgood and Kiran Alwani (2018) "Analysing megatrends to better shape the future of tourism." OECD. <https://mowatcentre.ca/analysing-megatrends-to-better-shape-the-future-of-tourism/>.

102 UNDP (2018) "Foresight Manual: Empowered Futures for the 2030 Agenda." pp. 8. http://www.undp.org/content/dam/undp/library/capacity-development/English/Singapore%20Centre/UNDP_ForesightManual_2018.pdf.

103 David N. Bengston (2018) "Principles for Thinking about the Future and Foresight Education." World Futures Review. 10(3): 193-202. <https://doi.org/10.1177/1946756718777252>.

104 Maree Conway (2014) "Foresight: an introduction." Thinking Futures. pp. 5. <http://choo.ischool.utoronto.ca/fis/courses/inf1005/foresight.intro.conway.pdf>.

105 Angela Wilkinson (2017) "Strategic Foresight Primer." European Political Strategy Centre. pp. 13. https://ec.europa.eu/epsc/sites/epsc/files/epsc_-_strategic_foresight_primer.pdf.

106 David N. Bengston (2018) "Principles for Thinking about the Future and Foresight Education." World Futures Review. 10(3): 193-202. <https://doi.org/10.1177/1946756718777252>.

107 Maree Conway (2014) "Foresight: an introduction." Thinking Futures. pp. 5. <http://choo.ischool.utoronto.ca/fis/courses/inf1005/foresight.intro.conway.pdf>.

108 UNDP (2018) "Foresight Manual: Empowered Futures for the 2030 Agenda." pp. 14-15. http://www.undp.org/content/dam/undp/library/capacity-development/English/Singapore%20Centre/UNDP_ForesightManual_2018.pdf.

Scenario 1: Status Quo or Business-As-Usual

| Policy variables | Assumptions |
|---|---|
| Population growth difference relative to Ontario | Historically, Peel's population growth was considerably higher than the provincial average – by 1.5 to 2 per cent. However, this has slowed to about 0.2 per cent higher than the Ontario average over the past few years. The business-as-usual scenario assumes that this trend will continue, i.e. Peel's population will grow at a slower pace (about 0.2 per cent higher than the province growth rate). |
| Real wage growth rate | This scenario assumes that real wage will continue to grow at the current level – by 0.45 per cent annually. |
| Employment as a percentage of total population | The historical trend for Peel has been flat, and this scenario assumes that there will be no change. |
| Upper tier annual per cent change in real per capita government expenditure (deflated by consumer expenditure deflator) | This scenario assumes that the real per capita spending for the upper tier will increase at current levels – 1.2 per cent per year, the actual average from 2009 to 2017. |
| Lower tier annual percentage change in real per capita government expenditure (deflated by consumer expenditure deflator) | This scenario assumes that the real per capita government expenditure for the lower tier will rise at the current levels. The actual average during the 2009 to 2017 period was 1.4 per cent per year. |
| Elasticity of non-residential tax revenue to employment | This reflects the per cent change in tax revenue from businesses as a ratio of the percentage increase in employment. Historically, this has been about 0.86, reflecting the shift in employment away from higher-value industrial uses. This scenario assumes that it will remain the same. |
| Upper tier annual percentage change in real per capita fee revenue | The historical growth rate of revenues from user and license fees for the upper tier has been 1.6 per cent per year. This scenario assumes that this growth rate will be maintained. |
| Lower tier annual percentage change in real per capita fee revenue | The historical growth rate of revenues from user and license fees for the lower tier has been 1.2 per cent per year. This scenario assumes that growth will stay at this level. |

Based on the assumptions made, we see that maintaining the status quo would lead to a modest increase in the burden on residential property taxpayers over the coming years (see Figure 29). The upper tier's residential property tax represents an average of 1.65 per cent of the total household income of residents as of 2018, and this would increase to about 2 per cent by 2040. Taking into account the lower tier as well, the total residential property tax paid by households, which currently makes up an average of 4 per cent of total household incomes, would rise to about 5 per cent by 2040.

A figure such as 5 per cent may not sound terribly high as an absolute number, but it might feel that way to overburdened households. It would mean that the share of the household budget taken by property tax rises by one-quarter. It must be remembered that we are talking about just one item, municipal property tax, taking a sizeable chunk of all the income that people need for all the very many things that they must buy to maintain their standard of living.

FIGURE 29

Property tax burden on households



This scenario analysis suggests that maintaining the status quo in terms of spending growth and revenue sources is likely to be unsustainable and politically unfeasible. If expenditures continue to grow substantially faster than the real income growth of households, Peel residents will feel increasingly burdened by property taxes. To reduce the pressure on ratepayers, Peel would have to decrease the rate of growth in spending. That would require some rebalancing, and could result in cuts to some public services. This might be prevented if the Region can find economic gains through new investments and well-paying jobs that increase incomes for workers. By contrast, if the current labour market trends continue, the Region can expect to see a rise in precarious work and income inequality. Moreover, the poverty rate in the Region would remain stubborn in the absence of suitable policy interventions.

In a business-as-usual scenario, Peel can expect to see mixed sectoral changes. While the manufacturing sector will continue to contract, goods movement and particularly warehousing and logistics will continue to gain importance as a strong economic driver in the Region’s economy.

Online retail will continue to negatively impact big-box stores, boutique shops and small businesses, and shrink their customer base to some degree. However, the growth in online retail would moderately benefit Peel’s logistics industry.

We have seen that office sizes have been shrinking, leading to a reduction in the average number of square feet per employee. This has impacted non-residential property-tax revenues for municipalities. In a business-as-usual scenario, this will continue to decline and then plateau at a significantly lower level than today. While more workers will have flexible work arrangements with their employers, it would not change the way MPAC assesses commercial properties or the way the Region taxes commercial space. Automation and digital outsourcing will increase at a moderate level, but this would not lead to large-scale unemployment or reduction in the non-residential tax base.

Based on projections, we know that the proportion of seniors (aged 65 and above) in Peel’s population, as in the rest of Canada, will continue to increase. Therefore, it can be anticipated that the demand for social and public health services would rise. While this scenario assumes that employment as a percentage of total population will remain constant, there are various possibilities for how the aging population will impact Peel’s workforce. On one hand, the higher number of seniors may lead to a shortage of workers in the Region. On the other hand, there may not be a shortfall due to technological advancements such as automation, or due to increased immigration. Another possibility could be an increase in the working age of the population as seniors may continue to work beyond the age of 65, particularly as they enjoy better health due to medical advancements.

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The impacts of climate change will continue to exacerbate in the face of the status quo – it is predicted that the frequency of extreme weather events will increase and cause significant damage to infrastructure. If strategies and initiatives to combat this remain small-scale and piecemeal from various levels of government, municipalities will face unanticipated high costs for disaster relief, including for infrastructure repairs and public health costs.

Scenario 2: Worst Case

| Policy variables | Assumptions |
|---|--|
| Population growth difference relative to Ontario | <p>This scenario assumes that the population growth in Peel will slow down. While historically Peel's population growth has been considerably higher than the provincial average (by 1.5 to 2 per cent), during the latest 5 year census period, it has become quite similar to Ontario – being just 0.2 per cent above the provincial average. Under this scenario, we assume that it will become equal to the provincial average.</p> <p>It is important to note here that population growth does not have a direct impact on fiscal health. Higher population growth can potentially lead to higher income and revenue growth, but it can also lead to a higher demand for services. Therefore, depending on other factors, it can either improve or worsen Peel's fiscal situation. In the worst case scenario, we assume that slower population growth will have a negative impact on Peel's fiscal health.</p> |
| Real wage growth rate | <p>The actual average for 2002 to 2017 was an annual increase by 0.45 per cent. This scenario assumes that due to the changing nature of work, such as the rise in precarious jobs, real wage will decline significantly. For the purpose of this scenario, we assume that it will decline by 0.45 per cent each year.</p> |
| Employment as a percentage of total population | <p>Currently, about 58 per cent of Peel's population is employed. Historically, this figure has remained flat for Peel. In this worst-case scenario, we assume that economic changes such as increased automation will lead to large-scale job losses. Further, demographic changes, such as an aging population, will significantly reduce the size of the employed population. Therefore, the percentage of the population employed will decrease by 0.2 per cent each year.</p> |
| Upper tier annual per cent change in real per capita government expenditure (deflated by consumer expenditure deflator) | <p>This worst-case scenario assumes that the real per capita spending for the upper tier will increase at a higher pace (20 per cent above current levels at 1.44 per cent) due to factors such as increased demand for health and social services. The actual average for 2009 to 2017 was 1.2 per cent per year.</p> |
| Lower tier annual percentage change in real per capita government expenditure (deflated by consumer expenditure deflator) | <p>This pessimistic scenario assumes that real per capita government expenditure will rise at a higher pace for the lower tier as well – 20 per cent above current levels at 1.68 per cent annually. The actual average during the 2009 to 2017 period was 1.4 per cent per year.</p> |
| Elasticity of non-residential tax revenue to employment | <p>This reflects the per cent change in tax revenue from businesses as a ratio of the percentage increase in employment. Historically, it has been slightly less than one (about 0.86), reflecting the shift in employment away from higher value industrial uses.</p> <p>The worst-case scenario assumes that the elasticity will decline further due to factors such as telecommuting. We assume this number to be half of the current elasticity (0.43), indicating a decline in commercial-tax revenues.</p> |
| Upper tier annual percentage change in real per capita fee revenue | <p>The historical growth rate of revenues from user and license fees for the upper tier has been 1.6 per cent per year. In the worst-case scenario, we assume that no new user fees are instituted and that the real per capita revenue growth rate stagnates to zero, thereby increasing reliance on property taxes.</p> |
| Lower tier annual percentage change in real per capita fee revenue | <p>The historical growth rate of revenues from user and license fees for the lower tier has been 1.2 per cent per year. In the worst-case scenario, we assume that no new user fees are instituted and that revenue growth rate stagnates to zero – ultimately increasing reliance on property taxes.</p> |

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Based on the assumptions made in this scenario, we see that the residential property-tax burden increases significantly (see Figure 30). The combination of lower employment and declining real wage growth rates reduces the capacity of households to pay taxes. At the same time, the municipal government is forced to ask for even more from households as commercial-tax revenues decrease, while expenditures continue to rise.

Since higher wage growth implies rising household incomes, a decline means that the property tax will become more unaffordable. While in 2018, the upper-tier residential property tax forms an average of 1.65 per cent of the total household income for residents, this increases to 3.5 per cent by 2040. Overall, while the total residential property tax paid by households currently makes up an average of 4 per cent of their total household incomes, this would more than double to 8.05 per cent in 2040.

The worst-case scenario indicates that if economic changes, such as labour market and digital disruption, occur at a rapid pace, the Region will struggle severely to maintain its fiscal health. Over the past several years, wage growth

for residents has not kept pace with expenditure growth, already resulting in a somewhat increased burden on taxpayers. If the overall employment growth decreases and wage growth declines even further, Peel residents will see their quality of life deteriorate. Property taxes paid as a portion of total household disposable incomes could increase dramatically – making them even more unaffordable.

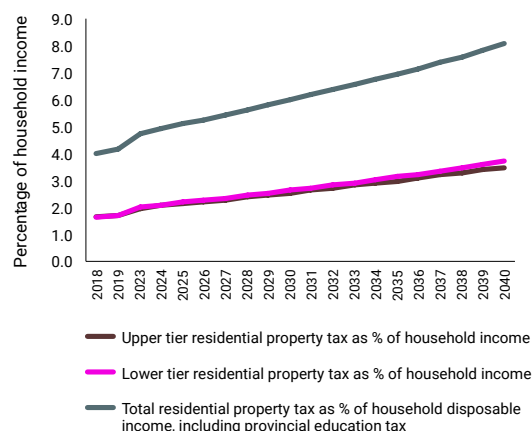
Peel, and other municipalities, will struggle to cope with the changing economy and digital transformation in this scenario. Automation will potentially take over human labour in both goods production (e.g. manufacturing) and goods movement (e.g. logistics) – two industries that Peel is largely reliant on. Workplaces will continue to shrink as efficiencies reduce the physical space required for jobs, particularly commercial office space.

The growth of the gig economy (flexible work and freelancing) would intensify the downward trend of office space demand in the Region. If work becomes so fissured that the use of digital labour platforms becomes widespread, certain tasks and job functions may be outsourced to low-cost countries altogether. All this will reduce the non-residential property-tax base.

In addition to dramatic increases in unemployment, many in the workforce will be underemployed or engaged in precarious work. This precarity is likely to increase residents’ reliance on social services, as well as negatively impact their mental and physical wellbeing. Many residents who experience job losses due to automation are likely to be faced with a labour market in which their skills profile is no longer relevant. In a pessimistic scenario, local job training initiatives will not be prepared for the new economy. One reason for this is that labour market policies and programs remain severely underfunded across Canada.

FIGURE 30

Property tax burden on households



In the worst-case scenario, there is little to no political will to take meaningful action to address climate change. Governments at all levels fail to act urgently to put in place adequate mitigation and adaptation measures. As a result, municipalities across Canada, including Peel, would be unable to cope with strains to infrastructure and increased demand for services created by frequent extreme weather events.

If work becomes so fissured that the use of digital labour platforms becomes widespread, certain tasks and job functions may be outsourced to low-cost countries altogether. All this will reduce the non-residential property-tax base.

One of the main drivers behind this worst-case scenario is likely to be that governments across different levels fail to work together to achieve mutual goals and support one another. Municipalities, due to their limited authority and restricted revenue sources, continue to struggle to maintain their fiscal health. This would either result in an increased property-tax burden on residents or cuts to essential public services. In this dystopian scenario, Peel fails to diversify its revenue sources, or increase revenues through new or improved user fees. Further, policymakers struggle to find ways to ensure that efficiency gains from technology result in shared prosperity. Therefore, societal inequality reaches new levels.

In this negative scenario, policymakers fail to take a long-term approach. Rather, they remain focused on reacting and responding to rapid changes in the economy. The Region fails to capitalize on opportunities to drive prosperity and does not make sufficient long-term investments in transit or critical infrastructure. This austerity further contributes to the lack of business investment and an inability to attract residents. At the same time, expenses for public health and social services soar.

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Scenario 3: Best Case

| Policy variables | Assumptions |
|---|---|
| Population growth difference relative to Ontario | Historically, Peel's population growth has been considerably higher than the provincial average, by 1.5 to 2 per cent. However, this has slowed to about 0.2 per cent higher than the Ontario average over the past few years. The best case scenario assumes that it will rise again to 1.5 per cent above the provincial average. It is important to note here that population growth does not have a direct impact on fiscal health. Higher population growth can potentially lead to higher income and revenue growth, but it can also lead to a higher demand for services. Therefore, depending on other factors, it can either improve or worsen Peel's fiscal situation. In the best case scenario, we assume that higher population growth will have a positive impact on Peel's fiscal health. |
| Real wage growth rate | This scenario assumes that real wage growth rate will double to 0.9 per cent, thereby increasing residents' standard of living and affordability of taxes. The actual average for 2002 to 2017 was an annual increase of 0.45 per cent. |
| Employment as a percentage of total population | Currently, about 58 per cent of Peel's population is employed. In the best case scenario, we assume that employment opportunities in Peel will increase, causing the percentage of population employed to increase by 0.2 per cent each year. Historically, this figure has remained flat for Peel. |
| Upper tier annual percentage change in real per capita government expenditure (deflated by consumer expenditure deflator) | Decline in expenditures can signify either increased efficiency or austerity and cuts to essential public services. Similarly, growth in expenditure can denote reduced efficiency, or it may mean more investments with long-term benefits and improved public services. This best case scenario therefore takes a neutral approach, assuming that the annual growth rate of real per capita government expenditure will stay at the current level (1.2 per cent per year) for the upper tier. |
| Lower tier annual percentage change in real per capita government expenditure (deflated by consumer expenditure deflator) | This best case scenario assumes that the real per capita government spending for the lower tier will rise at the current levels. The actual growth rate during the 2009 to 2017 period was 1.4 per cent per year. |
| Elasticity of non-residential tax revenue to employment | This reflects the per cent change in tax revenue from businesses as a ratio of the percentage increase in employment. Historically, it has been slightly less than one (about 0.86), reflecting the shift in employment away from higher value industrial uses. This best case scenario assumes that the elasticity will increase – i.e. as employment increases, tax revenues from businesses will increase – by a higher amount (0.9) than the current level (0.86). |
| Peel personal income tax, percentage rate on income | The best case scenario assumes that Peel will diversify its revenue sources, and reduce reliance on property tax as the primary revenue source. In this scenario, we assess the impact of a potential 1 per cent municipal income tax on household personal income. |
| Upper tier annual percentage change in real per capita fee revenue | The historical growth rate of revenues from user and license fees for the upper tier has been 1.6 per cent per year. In the best case scenario, we assume that this increases by 20 per cent to 1.92 per cent per year, thereby decreasing reliance on property taxes. |
| Lower tier annual percentage change in real per capita fee revenue | The historical growth rate of revenues from user and license fees for the lower tier has been 1.2 per cent per year. In the best case scenario, we assume that this increases by 20 per cent to 1.44 per cent per year, thereby decreasing reliance on property taxes. |

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Based on the assumptions made above, we see that the property tax as a proportion of total household income declines (see Figure 31). A key assumption made in the best case scenario is that the municipality will be able to successfully diversify its revenue sources – in this scenario, a 1 per cent municipal income-tax rate acts as a potentially rich source of revenue, replacing a large portion of the residential property tax that Peel collects. This scenario also optimistically assumes an increase in the real wage growth rate, implying that the affordability of taxes will increase for residents. Based on the assumptions made in this scenario, while the total residential property tax currently makes up an average of 4 per cent of total household incomes, it decreases significantly to less than 3 per cent in 2040.

The changing nature of work means that all municipalities will have to go through an adjustment period. In the best case scenario, Peel is able to thrive amidst the digital revolution and labour market disruption. While there is likely to be a transition period coupled with some precarity and job churn, the Region would be able to cope

with it by assisting its population to transition to and leverage the new economy through re-skilling and local job training initiatives. Further, in the best case scenario, the Region would be able to tap into the digital economy for revenue to maintain its fiscal health and the wellbeing of residents.

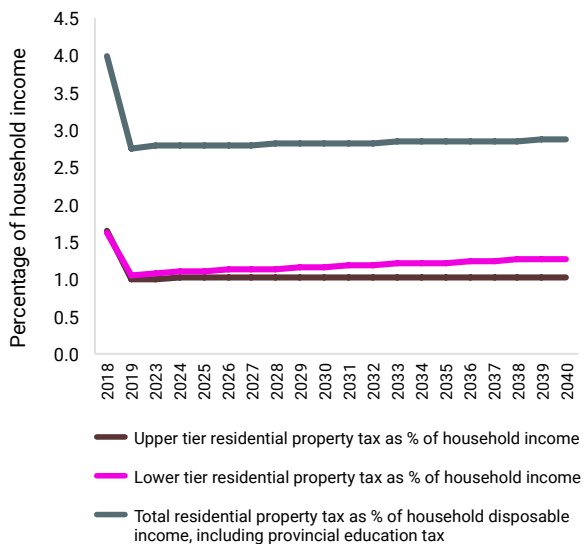
It is important to note that Peel cannot achieve these positive outcomes in isolation. It will largely be dependent on successful collaboration with and support from other levels of government. Such support can be through increased transfers from other levels of government for labour market and other social initiatives, uploading of some responsibilities that had been downloaded on municipalities over the years, or increased jurisdiction for municipal governments to diversify their revenue sources.

To avoid a race to the bottom, an optimistic scenario also means that Peel and other municipalities in the GTHA will work together to plan for economic development to promote shared prosperity. This is vital to curb jurisdiction shopping by businesses, as well as to create connected communities with access to world-class amenities such as reliable transit and entertainment facilities. Collaboration amongst GTHA municipalities is also key to ensuring that jobs in the new economy are not precarious. Such collaboration would also allow GTHA municipalities to attract new talent by enhancing the Region’s reputation as an attractive place to live and work.

In the best case scenario, policymakers also work successfully with the private sector to drive responsible corporate behaviour. This leads to the creation and implementation of decent work standards. Due to the creation of good jobs and lack of precarity in the workforce, residents enjoy good fiscal and mental health, leading to increased productivity and job satisfaction. Good incomes

FIGURE 31

Property tax burden on households



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also mean that the affordability of property taxes increases. Reduction in precarious work also leads to reduced burden on taxpayers, as reliance on social services, such as Ontario Works, decreases.

Even in the best case scenario, a potential area of increased spending for municipalities would still be on coping with the increasing number of intense weather events. Under the best case scenario, governments at all levels take proactive steps to address climate change. This political will to take meaningful climate action results in long-term investments to develop and implement adaptation and mitigation strategies. Municipalities in particular, including Peel, demonstrate resilience due to investments in livable cities and improved urban planning. Initiatives that would be taken in an optimistic scenario include zero-waste promotion, densification, investments in adequate transit and cycling infrastructure to reduce transportation emissions, expansion of renewable energy projects, building retrofits and other climate-smart initiatives.

While this scenario uses a 1 per cent municipal income tax as an example, there are various possibilities for revenue tools that may be implemented, many of which would require provincial approval. These include a municipal sales tax, new user fees, progressive property taxes, new tax classes or creative ways to benefit from the digital economy.¹⁰⁹ Revenue diversification would be critical to decrease Peel's reliance on property taxes, particularly in light of a reduced non-residential tax base that results from shrinking workplaces and increasing digital activity. In the best case scenario, while flexible work arrangements such as telecommuting become more common, they do not negatively impact revenues. At the same time, efficiency gains are made due to technological advancements and by cutting unnecessary red tape.

FIGURE 32

Comparative tax burden on households with and without Peel income tax

| | 2020 | 2025 | 2030 | 2035 | 2040 |
|---|-------|-------|-------|-------|-------|
| Best Case Scenario: Increase in personal income tax, \$ for average household (1 per cent municipal income tax) | 1,217 | 1,284 | 1,355 | 1,431 | 1,511 |
| Best Case Scenario: Residential property tax paid, \$ for average household (with income tax) | 2,771 | 2,962 | 3,159 | 3,363 | 3,577 |
| Business-As-Usual Scenario: Residential property tax paid, \$ for average household (without income tax) | 4,050 | 4,361 | 4,690 | 5,038 | 5,406 |
| Worst Case Scenario: Residential property tax paid, \$ for average household (without income tax) | 4,170 | 4,776 | 5,420 | 6,107 | 6,845 |

Note: the numbers in the chart are based on the assumptions described for each scenario.

109 See: Sunil Johal et al. (2018) "Robots, Revenues & Responses: Ontario and the Future of Work." Mowat Centre. <https://mowatcentre.ca/robots-revenues-responses/>.

Despite the
changing
circumstances
and increasing
responsibilities,
the revenue
sources available
to municipalities
have largely
remained
unchanged.

6 POLICY OPTIONS

Municipalities across Canada are dealing with increasing fiscal pressures as a result of the changing nature of work, rising income inequality, growing service demands, deteriorating infrastructure and shifting demographics. Despite these changing circumstances and increasing responsibilities, the revenue sources available to municipalities have largely remained unchanged. This largely limits the ability of municipalities to implement innovative projects and effectively deal with novel 21st century challenges, such as the changing nature of work.

The following section discusses a number of policy responses that municipalities can look into to meet their revenue needs today and maintain fiscal health in the future. These include working around the margins by making improvements to currently available tools, advocating for the introduction of new revenue tools, developing innovative approaches to municipal service delivery, as well as rethinking economic development and integrated planning.

Working at the Margins

Changes to the Property Tax

Municipalities in Ontario continue to rely heavily on the property tax – a tool that is considerably exposed to the changing nature of the economy and labour market. The changing nature of work has already posed challenges: for instance, the non-residential property-tax base has declined and will likely continue to shrink over the coming years – shifting the burden on homeowners through the residential tax base at a time when work quality and wages may be deteriorating.

As property taxes are fairly inelastic, at a minimum, they should be maintained at the level of inflation, if not increased. As discussed however, property taxes are incredibly unpopular politically and as such, rate increases – particularly above the rate of inflation – are difficult to implement. In the event that overall rate increases are not feasible, many have suggested other ways of modernizing the property tax to meet the changing needs of municipal governments. Modernizing property tax is also important as it is argued that low property taxes encourage people to hold residential real estate as an investment, as the low carrying cost makes it more attractive compared to other types of investments.¹¹⁰

110 Alex Hemingway (2018) "Policy Note: Low property taxes help fuel housing crisis." Canadian Centre for Policy Alternatives, BC. <http://www.policynote.ca/housing-crisis-fuel/>.

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It is important to note that the gap between home prices and incomes has increased significantly over the past four decades. While home prices have more than doubled after adjusting for inflation, real incomes for young Canadians have declined. A 25 to 34 year old worker in Canada with median full-time earnings now has to work for 13 years to save for a 20 per cent down payment for an average home. This is eight more years compared to the 1976 to 1980 period. This gap is even higher in Ontario, where 16 years of work is required.¹¹¹ These facts point towards the need to reform income and housing policies, as well as property taxes, to reap gains from increased housing wealth.

Some ideas to reform property taxes include:

» **Progressive Property Tax:**

A progressive property tax would be one in which the tax rate increases as the value of the property goes up – much like the way in which income is taxed in Canada. Currently, property taxes are flat – meaning that while rates differ depending on the property-tax class (e.g. residential vs. commercial), the same rate applies to all properties within that class.

Progressive property tax is a promising proposal to increase municipal revenues and obtain benefits from the increased housing wealth created by soaring property values over the past several years. However, a key challenge with reforming property tax is that it is a highly visible tax, and is therefore quite unpopular. This makes reforming property taxes politically challenging in general.¹¹²

To ensure that a progressive property tax does not disadvantage those who are house rich but income poor, such as seniors on fixed incomes, it has been suggested that they should be deferrable by low-income earners until the sale of the home. Certain deferral programs are already in place in some Canadian jurisdictions. Such a system would capture additional property value generated over the years without creating burden for low-income homeowners. A deferrable tax would also address the intergenerational golden rule, i.e. help pay for increased public expenditures in the midst of demographic changes, such as an aging population, without burdening the younger generation that earns lower incomes compared to historical levels, and faces higher housing costs.¹¹³

In Canada, the 2018 British Columbia Budget has proposed a progressive property-tax rate. This has been regarded as a positive development because real estate wealth cannot be hidden, and as a result property taxes provide a stable revenue base, and progressive rates would lead to increased revenues. To overcome the issue of increased tax burden on low-income homeowners, seniors in BC can defer the payment of the tax until the home is sold, while still realizing massive capital gains on their properties.¹¹⁴

111 Paul Kershaw (2018) "A Tax Shift that Benefits the Vast Majority: the case for more annual (deferrable) taxation of housing wealth to rebalance the mix of revenue generation tools used by Canadian government." Generation Squeeze Lab. pp. 6. https://www.citynews1130.com/wp-content/blogs.dir/sites/9/2018/05/16/Tax_Shift_2018-05-15_website.pdf.

112 Institute on Municipal Finance and Governance (2017) "Investigating Residential Property Tax and Inflation." <https://munkschool.utoronto.ca/imfg/research/data-visualizations/property-tax/>.

113 Paul Kershaw (2018) "A Tax Shift that Benefits the Vast Majority: the case for more annual (deferrable) taxation of housing wealth to rebalance the mix of revenue generation tools used by Canadian government." Generation Squeeze Lab. pp. 8-9. https://www.citynews1130.com/wp-content/blogs.dir/sites/9/2018/05/16/Tax_Shift_2018-05-15_website.pdf.

114 Marc Lee (2018) "Policy Note: Everything you wanted to know about the housing taxes and expenditures in BC Budget 2018." Canadian Centre for Policy Alternatives, BC. <https://www.policynote.ca/everything-you-wanted-to-know-about-the-housing-taxes-and-expenditures-in-bc-budget-2018/>.

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Opponents of progressive property taxes argue that progressive property taxes can create negative competition between municipalities if some municipalities choose to implement a progressive property tax while others do not. High-income people may choose to move across jurisdictions unless progressive taxes are applied on a broader geographic scale. Therefore, collaboration with other GTHA municipalities would be key to avoid such competition.

» **New Tax Classes:**

Observed trends in relation to the changing nature of work, such as increase in telework and home offices, have caused a rise in commercial activity in non-commercial places. These developments may exacerbate the problems facing the already-shrinking non-residential property-tax base of municipalities. To overcome this, it has been suggested that new categories of properties should be introduced that are reflective of the changing realities. These new categories may include a “home office” class that attempts to capture some of the non-residential revenue losses that have effectively been absorbed into residential spaces with higher tax rates for teleworkers, or a “co-working space” class as these become increasingly popular.

While there may be potential to introduce new categories of property, this would need to be introduced through amendments to the Assessment Act at the provincial level. There will also be administrative challenges to implementation – in particular, it is difficult to define specific tax classes. For example, in the case of teleworkers, work that is done online may not have a fixed place of work (i.e. neither home nor traditional office space). Adding new tax classes is also likely to result in an increase in the number of appeals with owners

trying to get into classes with lower tax rates. Finally, addition of new tax classes will further complicate the already complex property-tax system in Ontario, which currently has over 30 different potential tax classes and subclasses, many of which are optional.

Optimizing Development Charges

Development charges are a useful tool to derive revenue in jurisdictions experiencing considerable growth, such as Peel Region. Like most Ontario municipalities outside Toronto, however, growth forecasts have not been reflective of the actual pace of development in Peel. As a result, the cost of anticipatory growth-related infrastructure has not been recovered, which tends to be the most significant challenge that municipalities face with development charges. While this is a difficult problem to get around, there are some improvements that can be made to optimize development charges as a revenue generator in this context.

To best address the challenge of growth projections, forecast models should be revised on a regular basis to keep pace with changing realities. Rates based on historical data that is too outdated can be obsolete and lead to misguided decisions in infrastructure investments. As mentioned above, new office buildings today tend to accommodate more employees with lower square footage per employee. Therefore, forecasting based on historical rates of service provision for a smaller number of people within a larger physical space, is now inaccurate.

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In addition to taxes, user fees can serve as useful tools for municipalities to cover the costs of various services, while encouraging citizens to make more efficient consumption choices.

Municipalities may also be losing significant potential revenues as a result of exemptions and deferrals. Not all infrastructure is eligible for development charges, and not all of the costs are eligible. While exemptions tend to be made for strategic reasons or oftentimes must be made as a result of an appeals process, these case-by-case decisions can add up to considerable sums. To potentially increase revenues from development charges, local and regional governments should undertake a thorough analysis of these exemptions and deferrals to better understand where revenue losses might occur, and whether these are fair and justifiable. Moreover, redevelopment revenues should be reassessed to analyze whether they are sufficient to cover the costs of providing services, especially for non-residential buildings renovated to accommodate more people in the same space. Payment deferrals should also be minimized as much as possible to avoid undue financial burden on municipalities.

New or Improved User Fees

In addition to taxes, user fees can serve as useful tools for municipalities to cover the costs of various services, while encouraging citizens to make more efficient consumption choices. There is potential for municipalities to incorporate new user fees to cover the costs of essential services, although some of these options would require approval through provincial legislation. Some possibilities include:

» **Road Pricing:**

While road pricing is often politically unpopular, it has been proven to be effective in managing travel demand, reducing congestion and curbing pollution. Road pricing could take the form of high occupancy toll lanes or highway tolls.¹¹⁵ In municipalities such as Peel Region however, many residents travel primarily by car, and transit is not as widespread or accessible as in fully urbanized areas. In these instances, the municipality would have to be careful in ensuring that these fees are fair and do not unnecessarily penalize citizens for driving. Having said that, similar to how public transit users pay fares, drivers can be charged a fee for the cost of maintenance of roads that they use.

» **Parking Charges:**

Another way to generate revenue is to charge parking levies in high-demand areas, as well as fees for non-residential and commercial parking spaces. These could help reduce traffic volume, easing congestion and encouraging transit use and development.¹¹⁶ Such fees would also cover the cost of maintaining parking spaces.

» **Motor Vehicle Registration Fee:**

These fees can be levied annually, and be based on features such as engine size, age of vehicle, emissions and weight. While these modest levies can generate significant revenue, they are unlikely to affect travel behaviour. If it is combined with the provincial tax, it would also be easy to administer.¹¹⁷

115 Harry Kitchen and Enid Slack (2016) "New Tax Sources for Canada's Largest Cities: What Are the Options?" Institute on Municipal Finance and Governance. pp. 3-7. https://tspace.library.utoronto.ca/bitstream/1807/82858/1/imfg_perspectives_no15_newtaxsources_kitchen_slack_2016.pdf.

116 Ibid.

117 Ibid.

New Revenue Tools

Additional Taxes

Contrary to popular perception, it is essential to note that while Canada is perceived to be a high-tax jurisdiction overall, taxes in the country (31.7 per cent) are slightly lower than the OECD average of 34.3 per cent of the national economy.¹¹⁸ If taxed at the OECD average, governments would collect an additional \$40 billion in revenue.¹¹⁹ As mentioned, however, this tends to be difficult for several reasons. Firstly, given the perception that we do live in a high-tax jurisdiction, it is challenging for any political party to advocate for new or higher taxes. Secondly, any revenue tool that is not already outlined in the *Municipal Act* (or for Toronto, the *City of Toronto Act*), requires provincial approval and legislation. Finally, tax revenue as a percentage of GDP in the United States is much lower at 26 per cent.¹²⁰ Due to Canada's proximity to the US and competitiveness concerns, increasing taxes may not be a feasible option, and would certainly not be politically popular.

Proponents of new taxation tools for municipalities in particular would argue that it is critical to diversify revenue sources, as they are overly reliant on property taxes as their primary revenue source. In the face of rising expenditures and economic changes such as the changing nature of work, new taxes may help increase flexibility and allow governments to

118 OECD (2018) "Revenue Statistics 2018: Tax revenue trends in the OECD." pp. 3. <https://www.oecd.org/tax/tax-policy/revenue-statistics-highlights-brochure.pdf>.

119 Paul Kershaw (2018) "A Tax Shift that Benefits the Vast Majority: the case for more annual (deferrable) taxation of housing wealth to rebalance the mix of revenue generation tools used by Canadian government." Generation Squeeze Lab. pp. 9. https://www.citynews1130.com/wp-content/blogs.dir/sites/9/2018/05/16/Tax_Shift_2018-05-15_website.pdf.

120 OECD (2018) "Revenue Statistics 2018: Tax revenue trends in the OECD." pp. 3. <https://www.oecd.org/tax/tax-policy/revenue-statistics-highlights-brochure.pdf>.

efficiently provide services without making cuts or compromising quality. More types of taxes might also mean lower tax rates on any given tax base, which could improve efficiency. The following options have been discussed in the context of Ontario:

MUNICIPAL SALES TAX

A municipal sales tax is one of the ways municipalities can generate significant revenue and tax non-residents who use local services. Such local sales taxes are used in various cities across the world, including 25 states in the United States.¹²¹ If it is local, such a tax could provide flexibility to municipalities to determine the tax structure and benefit from the local economy. A municipal sales tax may also be piggybacked to the provincial tax. However, according to the Institute on Municipal Finance and Governance (IMFG), it may not be possible to piggyback a municipal sales tax in provinces with existing HST and GST, including Ontario, because of the administrative structure of these taxes. Currently, the GST and HST revenues collected from each province are not tracked by the federal government, but entitlement for each province is calculated based on estimates of the consumption expenditure base.

If municipalities were to piggyback the municipal tax onto the HST, estimates for the taxable consumption base for each municipality would need to be calculated, which are currently unavailable. As with other taxes, it will also be essential to coordinate with neighbouring municipalities to prevent tax avoidance and

121 Association of Municipalities of Ontario (2017) "What's Next Ontario – The Local Share." <https://www.amo.on.ca/AMO-PDFs/Local-Share/Reports/AMO-Local-Share-Proposed-Action-Plan-2017-05-25.aspx>.

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generate mutual benefits. As such, a feasible way to administer this approach might be for the province to increase its tax rate and distribute the additional revenues amongst municipalities. However, there would be no local autonomy in this scenario.¹²²

The Association of Municipalities of Ontario (AMO) has advocated for such an approach – namely implementing a 1 per cent HST increase to be added to the existing provincial portion of the HST. They have regarded this as the most feasible revenue generating option for municipalities, and estimate that it would generate \$2.5 billion in additional revenues annually.¹²³ According to a public opinion survey conducted by the AMO, 60 per cent of Ontarians support a 1 per cent increase in HST to be used for addressing municipal infrastructure gaps.¹²⁴ While the municipal sales tax is a promising option, it would require political buy-in and approval from the province.

PERSONAL INCOME TAX

A municipal income tax can serve as a progressive way to generate revenues and fund redistribution. It is widely applied by municipalities in other countries. As the income tax is progressive and related to the taxpayer's ability to pay, it may be considered fairer than the property tax. The property tax does not take into account the ability of the property owner to pay. Some properties in certain locations have appreciated considerably, but that value cannot be realized without selling the home. The homeowner may be "house rich but cash poor."

Municipalities can levy an income tax either by administering it themselves or by piggybacking onto the existing provincial system, where the province would collect the revenues and transfer them to municipalities. The latter would be inexpensive to administer, but municipalities would not have control over the tax base. If municipalities administer it on their own, it would give them greater autonomy over the tax base and the tax rate. However, it would be expensive to administer and may result in a patchwork with lack of coordination amongst municipalities.¹²⁵

A personal income tax at the local level could either be residence-based or payroll-based. If it is residence-based, it may promote jurisdiction hopping to avoid taxes. To overcome this and ensure economic efficiency, a personal income tax would work best if it is levied on a Region-wide basis. In the case of a payroll-based tax, employees who live in the municipality as well as those who live outside but work in the municipality would be taxed. While a local personal income tax has the potential to generate significant revenues, instituting it would be difficult as provincial approval would be required.

The province and local politicians may be reluctant due to its lack of popularity amongst taxpayers, making this option politically infeasible.¹²⁶ Moreover, Canada already has relatively high income tax rates. Personal income tax as a share of total tax revenue in Canada is about 37 per cent, far above the OECD average of 24.4 per cent.¹²⁷ Nevertheless, the income tax may have to be considered as an option in the future if fiscal pressures on municipalities become more

122 Harry Kitchen and Enid Slack (2016) "More Tax Sources for Canada's Largest Cities: Why, What, and How?" Institute on Municipal Finance and Governance. pp. 16-17. https://tspace.library.utoronto.ca/bitstream/1807/81209/1/imfg_paper_27_kitchen_slack_June_27_2016.pdf.

123 Association of Municipalities of Ontario (2017) "What's Next Ontario – The Local Share." <https://www.amo.on.ca/AMO-PDFs/Local-Share/Reports/AMO-Local-Share-Proposed-Action-Plan-2017-05-25.aspx>.

124 Ibid.

125 Harry Kitchen and Enid Slack (2016) "More Tax Sources for Canada's Largest Cities: Why, What, and How?" Institute on Municipal Finance and Governance. pp. 14-16. https://tspace.library.utoronto.ca/bitstream/1807/81209/1/imfg_paper_27_kitchen_slack_June_27_2016.pdf.

126 Ibid.

127 OECD (2018) "Revenue Statistics 2018: Tax revenue trends in the OECD." pp. 3-4. <https://www.oecd.org/tax/tax-policy/revenue-statistics-highlights-brochure.pdf>.

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severe. The income tax is a potentially rich source of revenue. Personal income in Peel in 2018 is estimated to be about \$53 billion. Therefore, even a one percentage point effective tax rate¹²⁸ on that income would yield \$530 million.

While no municipality in Canada currently levies a local income tax, the Province of Manitoba has an income-tax-sharing program. Proportionate to their populations, all municipalities in Manitoba receive either a share of the personal income and corporate taxes as well as fuel tax or a share of the province's sales tax – depending on which is greater.¹²⁹ Currently, the *Municipal Act* in Ontario explicitly prohibits the imposition of a levy that is based on income.¹³⁰ An amendment to the *Municipal Act* would be required to permit an income tax.

As the income tax is a direct tax, it would be within the competence of the provincial legislature to delegate the power to impose an income tax. In practice, the cooperation of the federal government, through the Canada Revenue Agency, would also be needed. The CRA collects income tax on behalf of the province. There would be some administrative complexity if only some municipalities in Ontario opted to have an income tax. By contrast, it would be relatively straightforward if there was a uniform income tax in all municipalities. If only some municipalities opted for it, there would also be concerns about competitiveness.

128 A 1 percentage point increase in the effective tax rate would require somewhat more than a 1 percentage point increase in the posted tax rate schedule, as some forms of income are exempt from tax while other forms (e.g., capital gains and dividends) are taxed at considerably lower rates than employment income.

129 David Thompson et al. (2014) "Funding a better future: Progressive revenue sources for Canada's cities and towns." CUPE, pp. 60. https://cupe.ca/sites/cupe/files/funding_a_better_future_0.pdf. 130 S. 394(1). See: <https://www.ontario.ca/laws/statute/01m25#BK498>.

Income tax may have to be considered as an option in the future if fiscal pressures on municipalities become more severe.

The incidence of the income tax on different types of individuals would be different than the incidence of the property tax. It is generally true that higher income people own more expensive houses, but the correlation is imperfect. It is particularly likely that relatively low-income seniors would benefit at the expense of younger people, as many seniors acquired their homes at a time when real estate was considerably cheaper. Further, it could be considered unfair to impose higher taxes on younger people working hard and struggling to afford a home. Renters will also be differently impacted. They would be caught by the income-tax increase, but may get little or no benefit from the offsetting reduction in property-tax rates.

DEDICATED FUEL TAX

While municipalities in Canada do not levy fuel taxes, the federal government provides grants to municipalities based on population and public transit ridership. Some municipalities also receive a share of provincial fuel-tax revenues. In Ontario, the province shares 2 cents per litre from gas-tax revenues, which is distributed amongst municipalities based on population and public transit ridership. Despite this, there is potential for an additional municipal fuel tax.

Benefits include the incentive for drivers to reduce emissions and increase public transit use. A fuel tax can also provide critical funding needed for public transit expansion, roads and infrastructure maintenance. However, it is important to note that with the increased use of more fuel-efficient cars and less driving due to public transit expansion,

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this tax revenue is likely to decline in the long term. To maximize administrative efficiency, this tax should be coordinated at the regional level and piggybacked onto the provincial rate with the province responsible for collecting and remitting it.¹³¹

HOTEL AND MOTEL TAX

The *Transient Accommodation Tax* came into effect in Ontario on December 1, 2017, allowing municipalities to implement a municipal accommodation tax.¹³² The advantage of such a hotel and motel tax is that it falls largely on visitors to cities, and allows cities to be compensated for the services provided to them. Several Canadian municipalities, including Winnipeg, Montreal, Charlottetown and municipalities in British Columbia, have such a tax. As with other taxes, it would be most beneficial if it is coordinated regionally, as lack of coordination may create an incentive for visitors to stay at hotels or motels in competing neighbouring municipalities if they do not have such a tax.¹³³ In Peel, the City of Mississauga recently implemented such a tax.¹³⁴

CANNABIS TAX

In 2015-2016, the direct costs of cannabis use for governments, particularly in the areas of health and criminal justice, were estimated to be around \$830.3 million – 70 per cent of which were borne by municipal governments. With the 2018 legalization of recreational cannabis in Canada, it can be expected that while policing costs for enforcement will decrease for municipalities, costs to deal with cannabis-impaired driving will increase. Provinces will receive 75 per cent of the revenues from the cannabis excise tax, and will be responsible for passing a share on to municipalities.¹³⁵

The Province of Ontario has promised to provide \$40 million of the provincial portion to municipalities, and share 50 per cent of the amount in excess of \$100 million received from the excise tax with municipalities.¹³⁶ However, it is currently unclear precisely what costs municipalities will incur to deal with cannabis-related challenges or what the level of strain on provincial healthcare costs will be. Therefore, it will be critical for municipalities to analyze potential risks and revenue shortfalls associated with cannabis legalization and advocate for a fair share of revenues, as well as conduct ongoing assessments to advocate for appropriate adjustments to the funding formula as necessary.

131 Harry Kitchen and Enid Slack (2016) "More Tax Sources for Canada's Largest Cities: Why, What, and How?" Institute on Municipal Finance and Governance. pp. 17-18. https://tspace.library.utoronto.ca/bitstream/1807/81209/1/imfg_paper_27_kitchen_slack_June_27_2016.pdf.

132 O. Reg. 435/17: Transient Accommodation Tax under Municipal Act, 2001, S.O. 2001, c. 25. See: <https://www.ontario.ca/laws/regulation/170435>.

133 Harry Kitchen and Enid Slack (2016) "More Tax Sources for Canada's Largest Cities: Why, What, and How?" Institute on Municipal Finance and Governance. pp. 20-21. https://tspace.library.utoronto.ca/bitstream/1807/81209/1/imfg_paper_27_kitchen_slack_June_27_2016.pdf.

134 See: City of Mississauga (2018) "Municipal Accommodation Tax." <http://www.mississauga.ca/portal/business/municipal-accommodation-tax>.

135 Erich Hartmann (2018) "Sharing the Costs of Cannabis in Canada: Key Takeaways." Mowat Centre. <https://mowatcentre.ca/sharing-the-costs-of-cannabis-in-canada-key-takeaways/>.

136 Association of Municipalities of Ontario (2018) "Towards a long-term vision for Municipal-use of the Cannabis Excise tax." pp. 3. <https://www.amo.on.ca/AMO-PDFs/Cannabis/Towards-a-long-term-vision-for-Municipal-use-of-th.aspx>.

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Tools Available in the *City of Toronto Act*

The *City of Toronto Act, 2006* provided expanded powers to the City of Toronto to pass by-laws on a number of matters as well as provided it increased taxation powers that are not available to other municipalities. This authority was granted to Toronto as it is Canada's 6th largest government, and therefore "requires a broad, permissive legislative framework to achieve "made-for-Toronto" policies commensurate with its size, responsibilities, diversity and economic and cultural significance."¹³⁷ Based on the provisions in this Act, the city has implemented a Municipal Land Transfer Tax (MLTT), Personal Vehicle Tax (which was rescinded in 2011) and Third Party Sign Tax. Additional revenue tools available to the City of Toronto include an alcoholic beverage tax, Entertainment and Amusement Tax, Parking Levy, Road Pricing and Tobacco Tax.¹³⁸

It has been argued that providing similar authority to other municipalities to employ some of these tools would help diversify their revenue sources by creating more choices at the local level to deploy taxes and fees according to particular needs and circumstances. It would also make municipalities more fiscally autonomous. On the other hand, it has been argued that it may create a patchwork which could promote jurisdiction shopping.¹³⁹

137 City of Toronto "City of Toronto Act." <https://www.toronto.ca/city-government/accountability-operations-customer-service/city-administration/city-managers-office/intergovernmental-affairs/city-of-toronto-act/>.

138 City of Toronto (2016) "City Revenue Fact Sheet." <https://www.toronto.ca/city-government/budget-finances/city-finance/long-term-financial-plan/city-revenue-fact-sheet/>.

139 Association of Municipalities of Ontario (2017) "What's Next Ontario – The Local Share." <https://www.amo.on.ca/AMO-PDFs/Local-Share/Reports/AMO-Local-Share-Proposed-Action-Plan-2017-05-25.aspx>.

Several municipalities in Ontario have indicated a particular interest in obtaining the authority to institute an MLTT, which has been a major source of revenue for the City of Toronto over the past few years. While it has been a significant revenue generator, the land transfer tax has been criticized as being inequitable as it targets property buyers only and is volatile to the property market cycle.¹⁴⁰ It also unfairly compensates for Toronto's artificially low property taxes.¹⁴¹ It has been suggested that the MLTT disincentivizes people from moving and creates inflexibilities in the labour market.¹⁴² Critics have argued that the Province of Ontario should instead require all municipalities to assess property values annually and increase property-tax rates by at least the rate of inflation.¹⁴³

Tapping into Digital Economic Activity

With the rise of the gig economy and global digital platforms, many business activities that occurred in-person traditionally now take place online, and therefore remain untaxed. For example, instead of physically visiting a mall or a store, individuals can now order many of the things they need online, often via global platforms such as Amazon, and have these delivered at their doorstep. Since

140 Frank Clayton (2015) "Forget a Municipal Land Transfer Tax in Ontario - Tweak the Property Tax Instead." Centre for Urban Research and Land Development, Ryerson University. <https://www.ryerson.ca/cur/Blog/blogentry2/>.

141 Jeff Gray (2018) "Toronto land-transfer tax revenue beats expectations by \$30-million despite market decline." The Globe And Mail, May 24, 2018. <https://www.theglobeandmail.com/canada/toronto/article-toronto-land-transfer-tax-revenue-beats-expectations-by-30-million/>.

142 Harry Kitchen and Enid Slack (2016) "More Tax Sources for Canada's Largest Cities: Why, What, and How?" Institute on Municipal Finance and Governance. pp. 6. https://tspace.library.utoronto.ca/bitstream/1807/81209/1/imfg_paper_27_kitchen_slack_June_27_2016.pdf.

143 Centre for Urban Research and Land Development (2015) "Policy Commentary: Making Toronto's Tax System Better - Repeal the Land Transfer Tax." Faculty of Community Services, Ryerson University. pp. 4. https://www.ryerson.ca/content/dam/cur/pdfs/policycommentaries/CUR%20Policy%20Commentary3_Clayton.pdf.

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municipalities rely heavily on non-residential property taxes, the reduced need for new physical stores and closing of existing ones has significantly impacted and will continue to impact this tax base.

To obtain revenues from digital economic activities, policymakers across the world are trying creative approaches. An example of such an approach at the municipal level in Ontario can be seen in Ottawa which has entered into a tax agreement with Airbnb, the digital short-term rental platform. This agreement is only the second of its kind in Canada, after Quebec. Since August 2018, every listing on the platform in the city pays a hotel tax or municipal accommodation tax collected by Airbnb.¹⁴⁴ It is estimated that the city would have received about \$850,000 in additional tax revenue if this tax was collected from the 2,700 hosts on the platform in 2017.¹⁴⁵ The City of Toronto also implemented a municipal accommodation tax on hotels and short-term rentals in 2018.

Research from the IMFG found that if properties listed on Airbnb are charged a commercial property-tax rate, which is significantly higher compared to the residential rate, it will result in significant municipal revenues. In order to do this effectively, however, municipalities would have to devise appropriate means to effectively distinguish between commercial enterprises and casual users of the platform, which may prove challenging.¹⁴⁶

144 City of Ottawa (2018) "Hotel and short term accommodation tax." <https://ottawa.ca/en/city-hall/budget-and-taxes/hotel-and-short-term-accommodation-tax>.

145 The Canadian Press (2018) "Airbnb to collect, remit hotel tax on its listings in City of Ottawa." Ottawa Citizen, July 31, 2018. <https://ottawacitizen.com/news/airbnb-to-collect-remit-hotel-tax-on-its-listings-in-city-of-ottawa/wcm/ed41233d-5c2f-4444-9a92-879293534b27>.

146 Zachary Spicer (2018) "The Platform Economy and Regulatory Disruption: Estimating the Impact on Municipal Revenue in Toronto." Institute on Municipal Finance and Governance. pp. 18-19. https://tspace.library.utoronto.ca/bitstream/1807/88262/1/imfgpaper_no40_platformeconomyregulatorydisruption_zacharyspicer_june_5_2018.pdf.

Another example of generating revenue from digital economic activity can be seen in Sao Paulo. The city has instituted prepaid fees of an average of 0.10 reals (about \$0.04 CAD)¹⁴⁷ per vehicle per kilometre travelled on Transportation Network Companies (TNCs) such as Uber. The purpose of this fee is to ensure that these commercial platforms or apps that match drivers and passengers contribute to the cost and maintenance of the public infrastructure, such as roads, that they rely on. The city estimates that this fee will raise about 37.5 million reals (or about \$15.3 million CAD) each year.¹⁴⁸ Similarly, the City of New York has implemented a congestion charge in busy areas on for-hire vehicles.¹⁴⁹

To generate benefits from foreign online services, such as Netflix, Amazon, iTunes and Spotify, the Government of Quebec announced in its 2018 budget that it will start charging a provincial sales tax on these services as of January 1, 2019. All services collecting more than \$30,000 in revenue from Quebecers will have to pay 9.975 per cent in provincial sales taxes. According to estimates, the province is currently losing \$270 million in revenues annually by not collecting these taxes.¹⁵⁰ Other provincial governments and the federal government can look at similar measures, and also consider sharing the increased revenues with municipalities.

147 Based on the 2017 annual average exchange rate. See: <https://www.bankofcanada.ca/rates/exchange/annual-average-exchange-rates/>.

148 Sharon Ede (2018) "Ride-sharing companies charged mileage fees to help fund infrastructure." Shareable. <https://www.shareable.net/blog/ride-sharing-companies-charged-mileage-fees-to-help-fund-infrastructure>.

149 Zachary Spicer (2018) "The Platform Economy and Regulatory Disruption: Estimating the Impact on Municipal Revenue in Toronto." Institute on Municipal Finance and Governance. pp. 12. https://tspace.library.utoronto.ca/bitstream/1807/88262/1/imfgpaper_no40_platformeconomyregulatorydisruption_zacharyspicer_june_5_2018.pdf.

150 Daniel Tencer (2018) "Quebec's New Tax On Netflix, Amazon A Reaction To Feds' Laissez-Faire Attitude." The Huffington Post, March 27, 2018. https://www.huffingtonpost.ca/2018/03/27/netflix-tax-quebec-budget_a_23396919/.

What Can We Learn from Others? Revenue Tools in International Jurisdictions

United States

Generally, local governments in the US are much less constrained in their ability to implement new revenue tools than Canada, and therefore tend to have a much more diverse revenue base. **New York City**, for example, has one of America's most diverse municipal tax bases, receiving 27 per cent of its revenues from property tax (residential and non-residential), 10 per cent from sales and use taxes (including general sales tax and other taxes on cigarettes, commercial motor vehicles and stock transfers), 24 per cent from income taxes (including personal income and multiple corporate/business taxes), and another 4 per cent from other taxes, such as beer and liquor excise, hotel occupancy, taxi medallion transfers and horse race admission taxes.¹⁵¹

Given their freedom to introduce new taxation tools, there is considerable variation in the make-up of revenue sources across US cities. Income taxes are popular in some states, for example, although the way in which these revenues are collected varies. New York City, for example, which generates a significant portion of its municipal revenues from income taxes, piggybacks onto the state-level income tax. In Pennsylvania, Ohio, Kentucky and Michigan, however, income taxes are collected directly by the municipal government. Some cities are particularly reliant on income tax as a revenue source: in **Springfield, Ohio**, for instance, local income taxes comprised 77 per cent of general revenues in 2015, and are expected to grow to 79 per cent by 2021.¹⁵²

Many US cities also levy a local sales tax. For example, **Denver, Colorado** uses sales taxes extensively on various items including retail sales and purchases of tangible personal property, telephone services, informational and entertainment services, food and beverage, aviation and railway fuel, car rentals, retail marijuana etc. This forms the major revenue source for the General Fund which finances the city's operations – in 2016, Sales and Use Tax made up 49.8 per cent of the General Fund's revenues compared to just 9.7 per cent for the property tax.¹⁵³

Europe

Local income taxes are also prominent elsewhere internationally – particularly in Nordic countries such as Denmark, Finland, Norway and Sweden. In **Sweden**, for example, municipalities derive nearly all of their revenues from income taxes (97.4 per cent in 2013).¹⁵⁴ Income is taxed by both the national and local governments in Sweden – the latter set their own rates (with the average at around 32 per cent). It is only applied to taxable earned employment income. Business and employment income are taxed in the same manner, and capital is generally taxed at a flat rate of 30 per cent.¹⁵⁵

In **Germany**, the national government taxes corporate residents on their worldwide income. Corporate profits in Germany are subject to two separate taxes: a uniform corporation tax and a trade tax. The trade tax (*Gewerbesteuer*) combines both the national base rate applied to all German corporate profits, and an additional rate that is separately determined by municipalities (it is generally between 7 and 17 per cent).¹⁵⁶ In some cases, the trade tax is the primary source of tax revenue in German municipalities: in **Frankfurt**, for example, the trade tax makes up around 49 per cent of the total revenues.¹⁵⁷

151 Enid Slack (2017) "How Much Local Fiscal Autonomy Do Cities Have? A Comparison of Eight Cities around the World." Institute on Municipal Finance and Governance. https://tspace.library.utoronto.ca/bitstream/1807/82864/1/imfg_perspectives_no19_localfiscalautonomy_slack_2017.pdf.

152 Public Financial Management (2016) "City of Springfield: Financial Trend Analysis." <https://springfieldohio.gov/wp-content/uploads/2016/10/Springfield-Financial-Trend-Analysis-Final.pdf>.

153 Timothy M. O'Brien (2016) "Audit Report: Department of Finance, Municipal Sales Tax Collection Practices." Office of the Auditor, Audit Services Division, City and County of Denver. https://www.denvergov.org/content/dam/denvergov/Portals/741/documents/Audits_2016/MunicipalSalesTaxCollectionPractices_August2016.pdf.

154 Harry Kitchen and Enid Slack (2016) "More Tax Sources for Canada's Largest Cities: Why, What, and How?" Institute on Municipal Finance and Governance. https://munkschool.utoronto.ca/imfg/uploads/348/imfgpaper_no27_taxrevenues_slack_kitchen_june_27_2016_updated.pdf.

155 Deloitte (2018) "International Tax: Sweden Highlights 2018." <https://www2.deloitte.com/content/dam/Deloitte/global/Documents/Tax/dttl-tax-swedenhighlights-2018.pdf>; PwC (2018) "Sweden: Individual – Taxes on Personal Income." <http://taxsummaries.pwc.com/ID/Sweden-Individual-Taxes-on-personal-income>.

156 PwC (2018) "Germany: Corporate – Taxes on Corporate Income." <http://taxsummaries.pwc.com/ID/Germany-Corporate-Taxes-on-corporate-income>; German Trade and Invest (2018) "Trade Tax." <https://www.gtai.de/GTAI/Navigation/EN/Invest/Investment-guide/The-tax-system/Company-taxation/trade-tax.html>.

157 Enid Slack (2017) "How Much Local Fiscal Autonomy Do Cities Have? A Comparison of Eight Cities around the World." Institute on Municipal Finance and Governance. https://tspace.library.utoronto.ca/bitstream/1807/82864/1/imfg_perspectives_no19_localfiscalautonomy_slack_2017.pdf; City of Frankfurt (2018) "Trade Tax (Gewerbesteuer)." https://www.frankfurt.de/sixcms/detail.php?id=4615&ffmpar%5B_id_inhalt%5D=4733002.

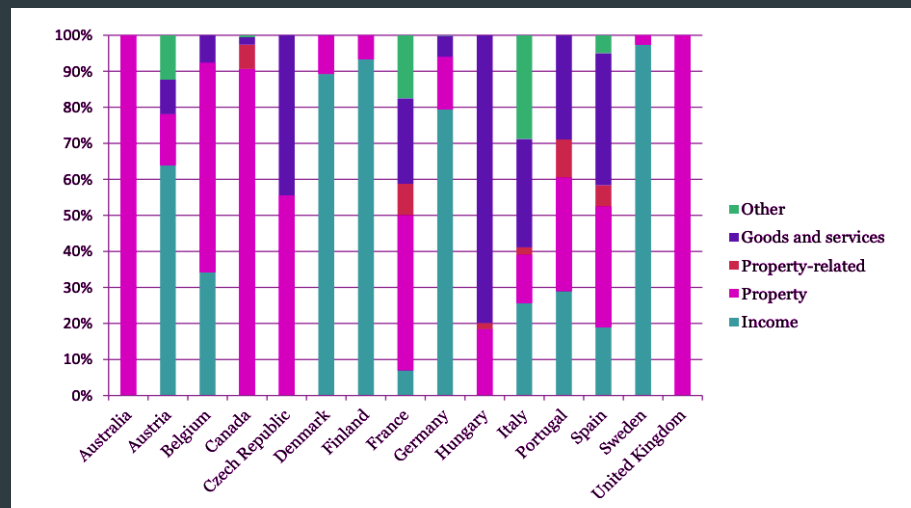
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Municipalities that have city-state status can often have more autonomy and greater ability to collect revenues compared to other cities, depending on their structure and location (e.g. within a federal or unitary state).¹⁵⁸

Berlin, Germany, for example, has access to state taxes (e.g. real estate transfer and inheritance taxes), local taxes (e.g. trade and property taxes) as well as a share of taxes collected by the state (e.g. income and value-added taxes) and national governments (e.g. wage and capital income taxes). While some city-states may have greater fiscal autonomy, they must take on greater challenges and responsibilities as well.¹⁵⁹

FIGURE 33

Sources of local taxation, selected OECD countries, 2012



Source: Enid Slack (2016) "Local Governments in the 21st Century: What are the Funding Options? Presentation to the Municipal Finance Authority of British Columbia." https://munkschool.utoronto.ca/imfg/uploads/340/slack_presentation_mfabc_march_31_2016.pdf.

South America

Some municipalities in Brazil use progressive property-tax rates – meaning that properties with higher assessed values pay a higher marginal tax rate. In 2002, **Sao Paulo** shifted its property tax structure from uniform rates to progressive property-tax rates with six different tax brackets.¹⁶⁰ Similarly, **Porto Alegre** has used a progressive rate structure since the 1990s. These two cities have levied progressive property taxes for a significant enough time to enable study and evaluation of its success, which should be considered as municipalities in Canadian jurisdictions like British Columbia deliberate such a structure in the upcoming years.¹⁶¹

Asia

Singapore also uses a progressive property-tax structure specifically for residential properties, which was introduced in 2010 and enhanced in their 2013 budget (non-residential properties are taxed at a flat rate of 10 per cent). Furthermore, since 2015, Singapore has made a distinction between owner-occupied and non-owner-occupied residential properties – the latter are subject to a higher rate even at the same assessed value. Currently, owner-occupied property rates are determined on a sliding scale from zero to 16 per cent, whereas non-owner-occupied property rates range on a scale from 10 to 20 per cent.¹⁶²

158 Enid Slack (2017) "How Much Local Fiscal Autonomy Do Cities Have? A Comparison of Eight Cities around the World." Institute on Municipal Finance and Governance. https://tspace.library.utoronto.ca/bitstream/1807/82864/1/imfg_perspectives_no19_localfiscalautonomy_slack_2017.pdf.

159 Ibid.

160 Ciro Biderman and Yuri Camara Batista (2018) "Working Paper" Is Progressive Property Tax Progressive? Evidences from São Paulo. Lincoln Institute of Land Policy. https://www.lincolnst.edu/sites/default/files/pubfiles/wp18cb1_biderman.pdf.

161 See the above-referenced study (the progressive property tax section), as well as: Pedro Humberto Bruno de Carvalho Junior (2017) "Property Tax Performance and Potential in Brazil." University of Pretoria. https://repository.up.ac.za/bitstream/handle/2263/62689/Carvalho_Property_2017.pdf?sequence=1; C. M. De Cesare and L. Ruddock (1999) "The Property Tax System in Brazil." <http://www1.worldbank.org/publicsector/decentralization/June2003Seminar/PTBRAZIL.pdf>.

162 Government of Singapore (2018) "Progressive Property Tax Structure For Residential Properties." <https://www.mof.gov.sg/Policies/Tax-Policies/Property-Tax/Progressive-Property-Tax-Structure-For-Residential-Properties>.

Innovative Approaches to Service Delivery

Partnerships with the Private and Non-Profit Sectors

To deliver services in a cost-efficient manner, municipalities can look towards strategic partnerships with the private and non-profit sectors. However, municipalities must assess the risks and costs associated with contracting out services and getting into public-private partnerships, as they can often be more expensive and inefficient.

There are several examples of creative partnerships. For example, Innisfil – a growing town to the north of Toronto with a moderate to low population density, partnered with the ride-hailing company Uber to expand its public transit offerings in a cost-efficient manner. Since traditional options, such as fixed bus routes, were too expensive and would not have provided sufficient service, the town decided to partner with Uber to carry out an innovate pilot project. Residents can call an Uber on-demand (or a local taxi for accessible rides) and be driven to key destinations in the town for \$3-5.¹⁶³ According to estimates, this project is leading to annual savings of over \$8 million for the town compared to traditional bus services.¹⁶⁴

Apart from the private sector, municipalities can also work with non-profits to deliver services more efficiently, particularly in the domain of human services, as these community organizations often have pre-established knowledge of, trust and partnerships within the community. Over the recent years, governments have increasingly relied

on this sector to help with service delivery in areas such as social housing, child care, employment and social services, shelter services, cultural programming and recreation. The Region of Peel currently has two grant programs for non-profit organizations that provide human services to residents – the Community Investment Program (CIP) and the Homelessness Partnering Strategy (HPS).¹⁶⁵

Partnerships with Other Governments

To deliver services more efficiently, municipalities should also consider partnering with one another to create economies of scale. In cases where a municipality does not have sufficient resources to deliver a service, they can contract another municipality to provide the service. This can lead to significant cost efficiencies by saving initial start-up costs. One example of this is transit extension agreements that several communities around Edmonton have made to extend transit services. Since establishing transit systems is extremely costly in terms of both capital and operating expenses, this has resulted in significant financial benefits.¹⁶⁶

Another example of cost-effective shared services is the York-Peel Agreement instituted in 2002 between the Peel Region and York Region. Based on this agreement, Peel provides water to York, and the municipalities share infrastructure and plant operating costs. This has created a win-win situation for both municipalities. Compared to other options considered, York receives water

163 Town of Innisfil (2018) "Bringing Transit to Innisfil: Background and Answers to Frequently Asked Questions." <https://innisfil.ca/mygovernment/planningforourfuture/BringingTransittoInnisfil>.

164 The Canadian Press (2018) "Uber transit partnership saving Innisfil, Ont., \$8M per year." Global News, March 15, 2018. <https://globalnews.ca/news/4084807/uber-innisfil-transit-savings/>.

165 Region of Peel (2018) "Community Investments." <https://www.peelregion.ca/communityinvestments/>.

166 Zachary Spicer (2015) "Cooperation and Capacity: Inter-Municipal Agreements in Canada." Institute on Municipal Finance and Governance. pp. 6. https://munkschool.utoronto.ca/imfg/uploads/318/1623_imfg_no.19_spicer_online.pdf.

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from Peel at a substantially lower cost, while Peel also benefits financially. The financial benefit for Peel is estimated \$152.4 million to the year 2031. Based on estimates, York Region will also contribute \$340 million towards the expansion of Peel's water supply and distribution system that is necessary to meet increasing needs.¹⁶⁷

The SouthWestern Integrated Fibre Technology (SWIFT) Network is another example of innovative collaboration amongst municipalities. A non-profit collective broadband initiative, SWIFT aims to provide access to high-speed broadband for communities across Southwestern Ontario, Caledon and Niagara Region – making up 3.5 million Ontarians or 25 per cent of the population. SWIFT aims to do this by building critical infrastructure that connects over 350 communities.¹⁶⁸ The project was built on the premise that a fast and reliable internet service is essential to promote social and economic opportunities for development, as well as to improve service delivery in various sectors including health and social services. As private telecom service providers did not invest in building this critical infrastructure due to lack of return on investment, the public sector had to take the lead. The project is funded by combined investments of \$180 million from the federal and provincial governments, as well as over \$17 million from municipal governments.¹⁶⁹ SWIFT is using an open procurement process where telecom service providers can bid to build, own and operate the network. SWIFT aims to release the final network design and begin construction in spring 2019.¹⁷⁰

167 Region of Peel (2018) "York-Peel Agreement." <https://www.peelregion.ca/pw/water/water-trtmt/york-peel/agreement.htm>.

168 SWIFT website: <https://swiftnetwork.ca/>.

169 SWIFT (2018) "Briefing Note – Project Update: 2018." <http://swiftnetwork.ca/wp-content/uploads/2018/03/2018-SWIFT-Briefing-Note-2.pdf>.

170 SWIFT website: <https://swiftnetwork.ca/>.

Cutting Red Tape

Cutting red tape can help municipalities realize cost savings while improving service delivery and increasing business attractiveness. The World Bank ranked Canada 22nd out of 190 economies in its annual ease of doing business rankings – a low ranking compared to competing jurisdictions such as the United States, United Kingdom, Australia and New Zealand.¹⁷¹ This highlights the burdens faced by entrepreneurs and businesses in the country. If the cost of establishing a business is too high or it takes too long, opportunities can shift to other jurisdictions. While regulation is essential to ensure considerations such as sustainability, health and safety are taken into account, they should not be too cumbersome, complex and bureaucratic. Streamlining the regulatory process and timelines can provide certainty, attract businesses and entrepreneurs, and expand the non-residential property-tax base.

Deploying municipal resources prudently by improving administrative efficiencies can also save money for taxpayers. Having said this, success in reducing red tape depends largely on the province as well, as the provincial government needs to streamline regulatory processes in areas of provincial jurisdiction.¹⁷² Over the recent years, the Government of Ontario has taken notable steps towards simplifying processes and modernizing regulations, including the *Cutting Unnecessary Red Tape Act, 2017* and *Reducing Regulatory Costs for Businesses Act, 2017*.¹⁷³

171 World Bank Group (2018) "Doing Business 2019, 16th Edition." pp. 5. http://www.worldbank.org/content/dam/doingBusiness/media/Annual-Reports/English/DB2019-report_web-version.pdf.

172 See: Michael Fenn (2017) "Reducing Business Burdens: Great Ideas from Five Innovative Ontario Municipalities." Association of Municipalities of Ontario. <https://www.amo.on.ca/AMO-PDFs/Reports/2017/ReducingBusinessBurdensGreatIdeasfromFiveInnovativ.aspx>.

173 See: Ministry of Economic Development, Job Creation and Trade (2018) "2018 Burden Reduction Report: Building a better business climate for Ontario." Government of Ontario. <https://www.ontario.ca/page/2018-burden-reduction-report-building-better-business-climate-ontario>.

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Apart from the burdens faced by businesses, municipalities also face extensive reporting requirements from the province. According to research from the Association of Municipal Managers, Clerks and Treasurers of Ontario (AMCTO), the province receives about 422 reports from municipalities each year - a conservative estimate. While not all municipalities are responsible for submitting all 422 reports, there are some that submit over 200 – the City of Toronto submitted 270 reports to various provincial ministries and agencies in 2012. On the lower end, some municipalities submit as few as 90 reports – still a considerable number. These reports are time consuming and put burden on municipal resources.¹⁷⁴ According to a survey conducted by AMCTO, about half of the Ontario public servants believe that undertaking onerous provincial reporting impacts their ability to deliver services effectively by putting a squeeze on their already busy schedules. This is often overcome by employees working overtime or by hiring consultants, both of which add additional costs for municipalities.¹⁷⁵

Planning and Economic Development

Building Livable Communities

When undertaking financial planning, it is vital for municipalities to take a holistic and long-term approach. This means realizing that positive long-term fiscal health cannot be achieved without making strategic investments in the short term. Particularly, it is essential to build livable, welcoming and inclusive communities by investing in adequate transit and cycling infrastructure,

¹⁷⁴ AMCTO (2017) "Bearing the Burden: An Overview of Municipal Reporting to the Province (Summary Report)." pp. 4-6, <https://www.amcto.com/getattachment/8a6fcf9a-c10b-4d9e-8d1a-3062d99aaf20/>.asp.

¹⁷⁵ Ibid.

pedestrian-friendly environments with access to various amenities, entertainment options, as well as opportunities to celebrate diversity and foster social connections amongst residents. These strategic investments are essential to attract residents and position Peel as a preferred destination for workers and businesses.

Over the past decade, downtown Toronto has been the preferred destination for new office development compared to suburbs. This is mainly because of amenities such as transit accessibility, a young and qualified workforce available to businesses, and other attractions such as restaurants and shops. While suburbs offer cheaper rents, businesses and workers increasingly value the urban, amenity-rich environment.¹⁷⁶ Investments in such amenities may seem costly initially, but lack of investment in building livable communities and an attitude of austerity limits opportunities for long-term gains and stagnates the economy.

Attracting Investment and Business Opportunities

According to the 2017 Employment Strategy Discussion Paper prepared for the Peel Region by Cushman & Wakefield, the Region can make development more cost competitive compared to other municipalities and encourage new office development in the municipality through a range of financial incentives such as development-charges reductions, tax increment equivalent grants (TIEGs), and municipally-built parking facilities. In order for the Peel Region to do this effectively, an environmental scan should be conducted on incentives provided by other municipalities in the GTHA, and the pros and cons of any incentive should be studied beforehand.¹⁷⁷ It

¹⁷⁶ Cushman & Wakefield (2017) "Employment Strategy Discussion Paper." Prepared for the Region of Peel.

¹⁷⁷ Ibid.

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is also essential to avoid a race to the bottom with unnecessary incentives. Therefore, cooperation with other municipalities in the GTHA is critical.

Municipalities also need to take proactive steps to drive innovation and entrepreneurship in their jurisdictions. An example of such an initiative in the Peel Region is the Research Innovation Commercialization Centre (RICC). Founded by the City of Mississauga, City of Brampton and Town of Caledon along with educational partners, the RICC is an entrepreneur and innovation hub that provides a range of services to technology start-ups of various sizes for free. For 2018-2019, the RICC is focused on Advanced Manufacturing & Materials, Clean & Green Technologies, and ICT & Internet of Things as its main priorities.¹⁷⁸ The RICC currently has over 500 clients, and has so far generated \$29 million in revenue, of which \$17 million was in Canada.¹⁷⁹

It is important to note that lower-tier governments are mainly responsible for economic development planning, rather than the upper-tier regional government. Therefore, effective collaboration amongst local governments and the Region is critical to promoting economic development.

Collaboration with Other Municipalities

Municipalities cannot operate in isolation. They must collaborate with other governments, and particularly neighbouring municipalities, in working towards shared prosperity. While it is widely believed that lower tax rates attract businesses, there is minimal evidence to prove that this is the predominant factor in a business's decision in determining its location. Therefore, it is critical when it comes to taxation policy to harmonize revenue tools amongst municipalities across the GTA and to avoid a race to the bottom in local tax competition.

An example of collaboration amongst municipalities was seen with the Amazon bid, where cities and municipalities from the Toronto region, including the City of Toronto, Peel Region, York Region, Durham Region and Halton Region came together to submit a regional bid for Amazon's second corporate headquarters in North America.¹⁸⁰ For the purposes of this bid, Waterloo Region and Guelph were also included in the Toronto region. The rationale for this combined effort was to leverage collective strengths to put together an attractive bid, and in particular highlight the Region as having the most educated workforce in North America.¹⁸¹ The Toronto region was the only shortlisted Canadian location amongst 20 finalists announced by the company.¹⁸²

178 RIC Centre (2018) "About RIC Centre." <https://riccentre.ca/entrepreneur-and-innovation-hub/about-us/>.

179 RIC Centre (2015 – 2016) "Welcome to RIC Centre's Annual General Report." <http://agr.riccentre.ca/>.

180 Toronto Global (2017) "Toronto Region Municipalities Join Forces to Submit Regional Bid for Amazon's New Corporate Headquarters." <https://torontoglobal.ca/about-us/News/2017/Toronto-Region-Municipalities-Join-Forces-to-Submi>.

181 Toronto Global (2017) "Toronto Region Bid for Amazon's HQ2 Highlights Most Educated Workforce in North America." <https://torontoglobal.ca/about-us/News/2017/Toronto-Region-Bid-For-Amazon-s-HQ2-Highlights-Mos>.

182 Bisnow (2018) "Amazon HQ2 Shortlist: Details On The 20 Finalists In \$5B Sweepstakes." Forbes, January 19, 2018. <https://www.forbes.com/sites/bisnow/2018/01/19/amazon-hq2-shortlist-details-on-the-20-finalists-in-5b-sweepstakes/#37b181eb79e6>.

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Municipalities cannot operate in isolation. They must collaborate with other governments, and particularly neighbouring municipalities, in working towards shared prosperity.

Collaboration with neighbouring municipalities is also essential to plan improved transit connections and facilitate the movement of people. Good transit is likely to increase investments in businesses and recreational facilities, as transportation is currently a major barrier to visiting the Region for people seeking employment or entertainment. In the long term, investments in transit are also essential to reduce the number of cars on the road and reduce GHGs.

Community Benefits Agreements and Social Procurement Policies

As mentioned above, municipalities across the country are in urgent need of infrastructure upgrades and will have to invest in this in the near future. Attracting new businesses will also lead to new infrastructure development. This presents an opportunity to use community benefits agreements (CBAs) to maximize value for money. CBAs and social procurement policies can create additional social, economic or environmental value to benefit local communities, by leveraging funding that is already being spent on infrastructure development.

Community benefits can include local job creation and training opportunities for those disadvantaged in the labour market, social procurement to purchase goods and services from local businesses or social enterprises, improvement of public spaces or any other benefit identified by the community. These benefits can be achieved through private agreements between developers and local communities; public initiatives such as social procurement clauses, contracts between developers and governments, or other policies and legislation; or they can take a hybrid approach where developers, government and community groups come together to create three-way agreements.¹⁸³

The Region of Peel has recognized the potential of CBAs in maximizing gains. In 2014, the Peel Poverty Reduction Committee identified CBAs as a tool to advance economic opportunities in the Region, and in 2017, the Committee created the Peel Community Benefits Network. Recently, a Community Benefits Framework Agreement was signed with Metrolinx for the Hurontario Light Rail Transit, the construction of which is expected to begin in 2019.¹⁸⁴

183 Jordann Thirgood, Kiran Alwani and Erich Hartmann (2018) "Engage & Empower: Defining and engaging community in Ontario's community benefits initiatives." Mowat Centre. <https://mowatcentre.ca/engage-and-empower/>.

184 Region of Peel "2018-2028 Peel Poverty Reduction Strategy: Community Action." pp. 11. http://www.povertyinpeel.ca/_include/Peel-Poverty-Reduction-Strategy-2018-2028.pdf.

Economic Benefits from the Airport

The Region of Peel is home to Canada's largest international airport – a key employment generator and an important infrastructure element. Pearson Airport has been named the best large airport in North America.¹⁸⁵ It handles more air cargo than Vancouver and Montreal airports combined, and the largest passenger volumes in the country.¹⁸⁶ According to the Greater Toronto Airports Authority (GTAA), the economic contribution of the airport will be even more substantial in the coming years. It is predicted that the number of passengers will increase from 47 million in 2018 to 85 million in 2037, that the airport will facilitate 700,000 jobs in 2037 compared to 332,000 jobs today, and form 8.5 per cent of Ontario's GDP compared to 6.3 per cent in 2018.¹⁸⁷

The airport is a key asset to Peel, bringing in employment and business. With the predicted increase in goods movement in the Region and its connection with increased cargo traffic at the airport, it will be key for Peel to negotiate renewed terms with the federal and provincial governments to get a greater share of the benefits for its host municipality. Currently, GTAA pays ground rent to the federal government as well as payments in lieu of property taxes (PILT) to its host municipalities of Toronto as well as the City of Mississauga and the Region of Peel.

185 CTV News (2018) "Toronto Pearson airport named best large airport in North America for customer service." March 7, 2018. <https://www.ctvnews.ca/canada/toronto-pearson-airport-named-best-large-airport-in-north-america-for-customer-service-1.3832567>.

186 Region of Peel (2017) "Peel Region Goods Movement Strategic Plan 2017-2021." <https://www.peelregion.ca/pw/transportation/goodsmovement/pdf/goods-movement-strategic-plan-2017-2021.pdf>.

187 Greater Toronto Airports Authority (2018) "Local economic benefits: land development and taxation." https://www.torontopearson.com/uploadedFiles/Pearson/Content/About_Pearson/Community_Relations/Committees/Consultative_Committee/Landdevelopmentandtaxation-Mar272018.pdf.

The PILT rate was established by the province based on Ontario Regulation 282/98 Section 45.1(7). While the PILT paid by the GTAA has increased over the years due to increases in passenger volume, the per-passenger rate of \$0.94 has stayed constant since 2001. In addition, Mississauga's building permit and development-charges regime does not apply to development of airport lands as it is a federal property. However, GTAA has voluntarily made development charges a requirement for third party non-aviation developments. Third party tenants also pay municipal property taxes.¹⁸⁸

Since the PILT rate has not changed since 2001, the City of Mississauga, as well as the Region of Peel, have been advocating to the province for years to increase it. The \$0.94 PILT rate has remained unchanged despite inflation, and is capped at a 5 per cent increase. Further, these rates are based on passenger traffic only and do not recognize cargo traffic. The rates for some other airport authorities, also set by the province, are higher than the GTAA – \$1.67 for the Greater London International Airport Authority and \$1.08 for the Ottawa International Airport Authority.¹⁸⁹

According to city officials, the rate for the GTAA should have increased by 30 per cent to \$1.22 in 2016. According to estimates made by the City of Mississauga, the stagnant PILT has resulted in a revenue loss of \$2.6 million for the city and the Region of Peel based on conservative estimates. It is also important to note that because municipal property assessments have increased significantly, property taxpayers have

188 Ibid.

189 Region of Peel (2018) "The GTAA and the City of Mississauga." In Council Agenda. <https://www.peelregion.ca/council/agendas/2018/2018-02-08-rc-agenda.pdf>.

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been facing a greater burden.¹⁹⁰ In addition, GTAA has refused to pay the stormwater levy to the City of Mississauga, which the city estimated to be over \$3 million annually, citing that it disagrees with the formula used to calculate it and that it has invested over \$120 million in state of the art stormwater management at the airport. The city sued the Authority for non-payment in February 2017.¹⁹¹ These facts point towards the need for renewed negotiations between the province, Peel, Mississauga and GTAA to address these issues and ensure a positive and mutually beneficial relationship for all stakeholders.

In addition to the PILT paid to municipalities, airport authorities in Canada pay rent to the federal government. In 2016, GTAA paid over \$148 million in ground rent to the federal government while paying \$34.6 million in PILTs to municipalities.¹⁹² This points towards the opportunity to negotiate with the federal government, and advocate for better economic benefits for the Region, given that Peel and Mississauga provide significant services to ensure smooth operation of this important national revenue generator. It is also vital that the municipality takes into account the environmental impacts of increased cargo traffic, air pollution and pressure on roads when analyzing the airport's economic impact and advocating for increased benefits.

190 Rachael Williams (2017) "Mississauga getting 'deeply shafted' by Pearson airport, says councillor." Mississauga.com, January 23, 2017. <https://www.mississauga.com/news-story/7080851-mississauga-getting-deeply-shafted-by-pearson-airport-says-councillor/>.

191 City of Mississauga (2017) "Additional Agenda." https://www7.mississauga.ca/documents/committees/council/2017/2017_12_13_Council_Additional_Agenda.pdf.

192 City of Toronto (2018) "Report for Action: City of Toronto Interests Regarding Airport Ownership." <https://www.toronto.ca/legdocs/mmis/2018/ex/bqrd/backgroundfile-110721.pdf>.

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Implementation Challenges

As municipalities work towards diversifying revenue sources to improve their fiscal health, they can expect to confront a host of challenges. These challenges include: fiscal constraints, an uncertain operating environment, evolving demographic and economic pressures and public opinion around taxation issues. Specifically:

- » The primary limiting factor for Canadian municipalities to address fiscal challenges is their limited toolkit. As it is often said, ‘municipalities are creatures of the provinces.’ Constitutionally, provinces have exclusive power over municipalities and they can provide powers to municipalities at their discretion.
- » Depending on the province, municipal powers vary somewhat across Canada.¹⁹³ In Ontario, municipalities are governed by the *Municipal Act* which is a ‘laundry list’ legislation, i.e. it lists every power municipalities have. This makes adapting to new changes and emerging realities extremely difficult for municipalities, as every action not explicitly granted under legislation, including the ability to levy new taxes, requires provincial approval.
- » In addition, municipalities are not allowed to run a deficit in their operating budgets. They can only incur long-term debt for capital expenditures. There is an Annual Repayment Limit, which is 25 per cent of annual own-source revenues for most municipalities less their annual long-term debt servicing costs and annual payments for other long-term financial obligations.¹⁹⁴ There is a fiscal imbalance in the share of revenues available to municipal governments – the resources being transferred from other levels of governments have eroded over time, while the responsibilities of municipalities to provide additional services have increased. Consequently, municipalities have increasingly been doing more for less, and as such there is limited scope to find further efficiencies. Given this scenario, a key success factor in ensuring that municipalities are able to maintain their fiscal health and deal with emerging economic challenges is on the willingness of the provincial and/or federal governments to increase contributions to municipalities, as well as expand their authority to diversify revenue sources.
- » Another challenge to increasing revenues is the lack of data and uncertainty in being able to forecast the future accurately. As mentioned earlier, provincial and local forecasts have not always matched realities. This makes planning adequately extremely difficult, especially when investing in long-term infrastructure.
- » When talking about the changing nature of work and threats such as automation and office space transformation, this is even more difficult as estimates vary widely. For example, based on one study about 42 per cent of Canadian jobs are at high risk of automation, while according to another only 9 per cent of the jobs face this threat.¹⁹⁵
- » Finally, a key challenge to successfully implementing new revenue tools, including taxes and user fees, is public opinion. There is little support for new taxes in Canada at any level of government, particularly as many Canadians face rising costs in areas such as housing, childcare and energy but with limited wage growth over the past two decades.¹⁹⁶
- » Any new tax or tax increase would require a clearly articulated rationale as to why other means or identifying budget efficiencies could not be accomplished as well as what the purpose of the additional taxes would be. For the Peel municipal governments, this challenge would be particularly acute, as the historic trend of property tax increases has already created a rising burden on household incomes.

193 City of Toronto (2001) “Powers of Canadian Cities - The legal framework.” https://www.toronto.ca/ext/digital_comm/inquiry/inquiry_site/cd/gg/add_pdf/77/Governance/Electronic_Documents/Other_CDN_Jurisdictions/Powers_of_Canadian_Cities.pdf.

194 Ontario Ministry of Municipal Affairs and Housing (2017) “Understanding Municipal Debt.” <http://www.mah.gov.on.ca/Page15266.aspx>.

195 Sunil Johal et al. (2018) “Robots, Revenues & Responses Ontario and the Future of Work.” Mowat Centre. pp. 14-15. <https://mowatcentre.ca/robots-revenues-responses/>.

196 See: Sunil Johal and Armine Yalnizyan (2018) “Race to the Top: Developing an Inclusive Growth Agenda for Canada.” Mowat Centre. <https://mowatcentre.ca/race-to-the-top/>.

Given the host of demographic challenges, service pressures and tax base difficulties posed by technological and employment shifts, municipalities must consider a range of approaches and tactics to solidify their footing.

7 RECOMMENDATIONS

The fiscal challenges facing Peel and other municipalities in the years ahead won't be addressed through any single measure. Given the host of demographic challenges, service pressures and tax base difficulties posed by technological and employment shifts, municipalities must consider a range of approaches and tactics to solidify their footing. In particular, this is critical as land consumption (which is intimately linked to existing municipal revenue tools) is increasingly becoming decoupled from broader economic growth. Increases in digital economic activities, knowledge-based jobs and a broader shift towards the service sector have decreased demand for land. For municipalities this means that their land-based revenue tools are increasingly falling further away from the realities of economic growth and activity.

As a general strategy, Peel and other municipalities need to advocate for a review of, and realignment of, the existing revenues and responsibilities of each level of government. This realignment must recognize that provinces are, by and large, in a much more fiscally precarious situation than the federal government over the long term, largely as a result of the projected increase in healthcare costs. The federal government is projected to have capacity to increase spending (or reduce taxes) by \$29B a year while maintaining current net-debt-to-GDP levels, whereas provinces will over the longer-term be faced with an \$18B shortfall in order to maintain current debt ratios.¹⁹⁷ As creatures of the province, municipalities will be further squeezed by this inexorable diminution of provincial fiscal flexibility.

Therefore, bilateral municipal-provincial conversations about realigning current revenue sources are unlikely to yield much in the way of substantive progress. The federal government must be at the table for these conversations, given its relatively rosier fiscal situation and room to potentially allow municipalities or provinces to occupy existing federal tax space or provide direct transfers to fund core services. Any conversations around re-allocating the existing revenue pie must involve all three levels of government.

Nevertheless, there is a clear opportunity for dialogue with the province around new revenue powers which could be granted to municipalities, modelled on the *City of Toronto Act* precedent. Opportunities to explore a municipal sales tax, road pricing and other measures would provide significant flexibility to mitigate the weaknesses of land-based tax bases in an evolving operating environment. However, all of these approaches will be viewed with skepticism by the public and are unlikely to generate much political support,

197 Office of the Parliamentary Budget Officer (2018) "Fiscal Sustainability Report 2018." https://www.pbo-dpb.gc.ca/en/blog/news/FSR_September_2018.

THE CHANGING NATURE OF EMPLOYMENT AND IMPLICATIONS FOR FISCAL HEALTH AND MUNICIPAL SUSTAINABILITY

despite the fact that Canadians are taxed at lower levels than most other residents in advanced economies.

Finally, it is critical to engage in a public dialogue around these issues. Residents of Peel, and other municipalities, are taxpayers for three levels of government. The lack of transparency around which tax dollars pay for which services makes it challenging for municipalities to make a case to residents that they ought to pay higher property taxes or user fees for municipal services, let alone that new revenue tools might be required. Few residents are likely aware that municipalities are by far the lowest taxing level of government in Ontario (receiving only 9 cents of every tax dollar paid, roughly one-fifth the amount the federal and provincial governments each receive). Clearly articulating where tax dollars from residents go, and what services they directly fund, is a critical first step to gaining more public and political support for a change to the status quo.

Therefore, the following hierarchy of approaches should guide Peel's thinking on the revenue side of the ledger:

- » Advocate for and explore a **realignment of existing revenues, with both the federal and provincial governments** and engage in a meaningful dialogue with the public around how Canada's taxes and responsibilities are allocated amongst levels of government.
- » Explore opportunities to **raise more revenues from existing tools**, including a comprehensive definitional review of various property types to ensure that misclassification isn't leading to tax leakage, as well as explore progressive property taxes or hiking property taxes at rates higher than historical patterns. This should also include a review of planning and forecasting assumptions to ensure that revenue projections are realistic and reflect exogenous trends. (see the Working at the Margins section on page 59).

- » Then look to **new revenue tools specific to particular uses and users** (ideally not out of step with neighbouring jurisdictions), including measures such as road pricing.
- » Finally, **explore general purpose revenue tools** (e.g., sales tax, share of income taxes).

Municipalities should, of course, also look to review their service-delivery frameworks and wring further efficiencies from existing expenditures. Yet, ultimately, the options that the Region of Peel can consider to address revenue shortfalls stemming from a changing employment and technological landscape are proscribed by the existing roles and relationships municipalities operate within in Ontario and Canada. The existing approach to taxation by municipalities relies inordinately on land, and the consumption of land – whether through ongoing commercial and residential property taxes, or development charges. As outlined in this report, this approach is already showing significant signs of strain, and those strains are only likely to get more acute over time.

The broader, more systematic and transformational approach that would yield more revenue tools to the Region, necessarily involves authority being granted from senior levels of government, or transfers from senior levels of government. Whether through dedicated access to revenue sources such as the gas tax, a share of income-tax revenues or the right to introduce municipal income tax, or similarly sharing or introducing sales-tax revenues, these measures are well-known.

Some specific short-term and medium-to-longer-term options that the Region should consider to address the growing imbalance between revenues and expenditures are outlined below, in ranked priority order:

THE CHANGING NATURE OF EMPLOYMENT AND IMPLICATIONS FOR FISCAL HEALTH AND MUNICIPAL SUSTAINABILITY

Short Term

- » Building on this report, gather additional data and evidence regarding the shifting nature of revenues and expenditure pressures in the Region. Work with other municipalities to identify similarly situated jurisdictions. Develop a business case for change that can serve as a starting point for discussions with the public, province and federal government about service responsibilities and revenue sources. To depoliticize such an exercise, it may be prudent to advocate for a Royal Commission to explore the tax system, which hasn't had a fundamental review in Canada for 50 years.
- » Explore options for introducing progressive property-tax rates, modelled on experience in international jurisdictions such as Singapore, including rebates or exemptions for low-income households and higher rates for non-owner-occupied residences. (see page 60 for a deeper discussion on progressive property taxes).
- » Discuss with the federal government, province and GTAA options for a larger share of Pearson-generated revenues, and an update to the 2001 PILT rate, as well as inclusion of cargo traffic in calculations.
- » Explore the option of the "Toronto Act" toolkit with the province, including road pricing, alcoholic beverage tax, entertainment and amusement tax, tobacco tax (as well as potentially a share of cannabis-tax revenues).
- » Explore options for taxing newly emerging digital services such as Airbnb and Uber, in line with actions by other jurisdictions in Canada and abroad. For example, the City of Ottawa and the City of Toronto have recently instituted a hotel and short-term accommodation tax to generate revenue from platforms such as Airbnb. In Sao Paulo, Transportation Network Companies (TNCs) such as Uber are required to pay fees per vehicle per kilometre travelled to help with infrastructure maintenance costs.¹⁹⁸ (see the Tapping into Digital Economic Activity section on page 67 for more examples).
- » Explore opportunities to work with the province and adopt a volume-based approach (as opposed to a surface area approach) to industrial taxes, reflecting shifts in the nature of warehousing and land-usage.
- » Reconsider definitions of industrial vs commercial space to reflect the trend towards warehousing and away from manufacturing activities, and associated tax revenue reductions.
- » Adopt a "future-proof" approach to development that budgets for worst-case scenarios. Recent projections for growth have been overly optimistic when compared with actual development-charges revenues. Working with the province to understand why these forecasts have not been accurate should be a starting point, but the Region should also adopt more cautious revenue assumptions to reflect recent history on this front.
- » Continue to explore and implement expenditure side approaches to improve service efficiencies, such as service integration across siloed departments (modelled on successful human services integration that Peel undertook), outcomes-based funding models, and exploration of innovative financing models such as social impact bonds.

198 Sharon Ede (2018) "Ride-sharing companies charged mileage fees to help fund infrastructure." Shareable. <https://www.shareable.net/blog/ride-sharing-companies-charged-mileage-fees-to-help-fund-infrastructure>.

Medium and Longer Term

It's already apparent that property taxes, at current levels, are ill-suited to provide sufficient revenues for municipalities in Canada. Given their, arguably, regressive nature with respect to income, there is limited scope to increase property taxes to meet service expectations and other cost pressures, particularly as wages and income levels fail to keep pace for many families. Consequently, municipalities must be prepared to advocate for more transformational changes that equip them with the revenue tools necessary to discharge their obligations to residents. Some of these options could include:

- » Revenue options that, currently, aren't available to any municipality in Ontario such as a municipal sales tax, a municipal income tax (both corporate and personal) and a development levy to capture land value gains. (For a broader discussion, see the New Revenue Tools section on page 63 and the What Can We Learn from Others? Revenue Tools in International Jurisdictions section on page 69).
- » Explore uploading of expenditure responsibilities with senior levels of government to reflect revenue capacities of each level of government.
- » Find opportunities for efficiencies and cost savings in service delivery by partnering with other municipalities, non-profits or the private sector. Similarly, assess whether technological solutions may exist to deliver services or back-office functions more efficiently.
- » Utilize strategic foresight to ensure that policies are robust and forward-looking.¹⁹⁹ This should include conducting pilots to determine effectiveness, increasing analytics capacity to conduct ongoing evaluations and effectively utilize data, streamlining systems and ensuring that policies are flexible and adaptable to changing circumstances.

¹⁹⁹ See the Plausible Scenarios section on page 48 for an example of a strategic foresight exercise.



Modernizing revenue approaches to reflect the 21st century economy will position municipalities to thrive as the technological and economic landscape continues to evolve.

8

CONCLUSION

Ongoing trends and emerging issues have reshaped the economy and labour market, and will continue to challenge outdated policy and processes at every level of government. While municipalities face fiscal and legislative constraints, there are opportunities for local governments to benefit from the digital revolution to improve municipal fiscal health, enhance service delivery and invest in the future.

The Region of Peel specifically can take advantage of its strategic location, diverse population and emerging markets to become a leader in the new economy. Yet, this leadership position will require support and authority granted from senior levels of government and will require a significant commitment by Council and staff to develop a forward-looking, action-oriented strategic approach that will optimize the Region's strengths and position it to be as resilient and nimble as possible.

Reliance on land-based revenue tools that sustained growth and prosperity in the 20th century will place municipalities in a perilous situation. Modernizing revenue approaches to reflect the 21st century economy will position municipalities to thrive as the technological and economic landscape continues to evolve.

CHANGING NATURE OF EMPLOYMENT WHAT DOES IT MEAN FOR MUNICIPAL FISCAL SUSTAINABILITY

A Socio Economic Study

Stephen VanOfwegen, CPA CMA

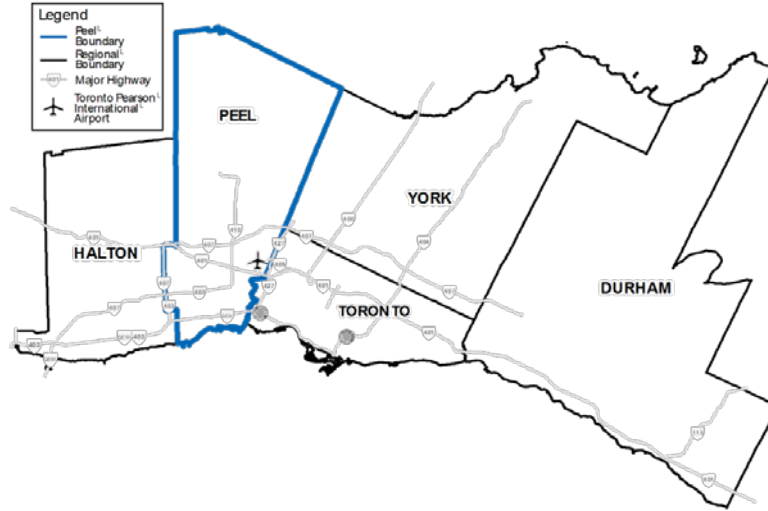
Commissioner of Finance and CFO, Region of Peel

Sunil Johal, Policy Director,

The Mowat Centre



A Growing Municipality



Jobs in Peel

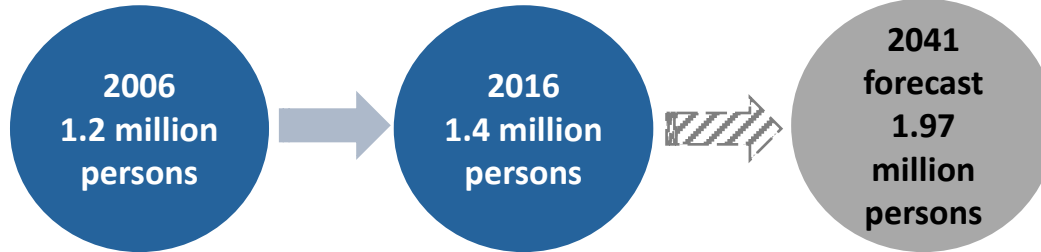


2006: 542,000

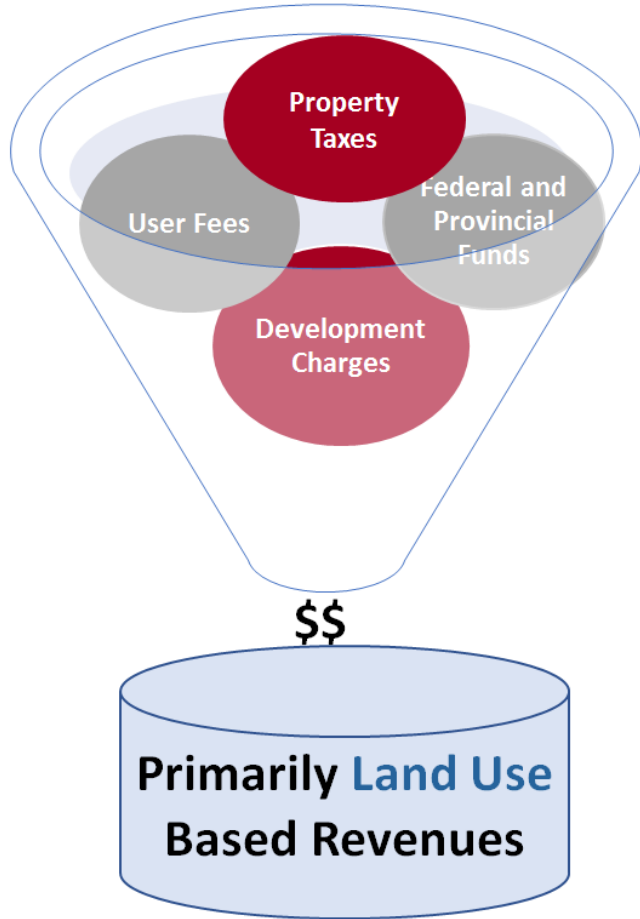
2016: 608,000

2041 forecast: 969,000

Approximately two-thirds of Peel's residents live and work in Peel

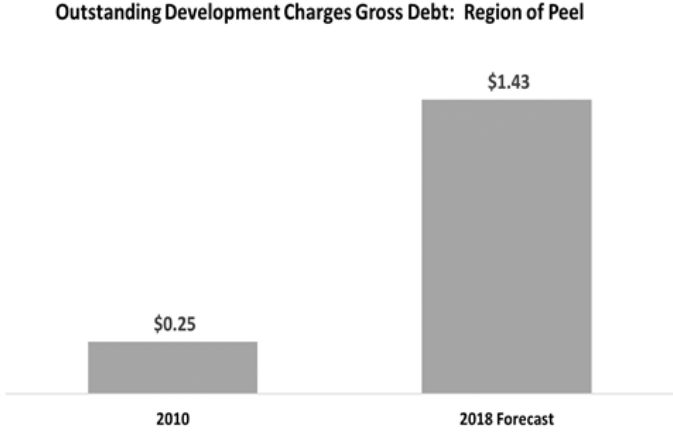
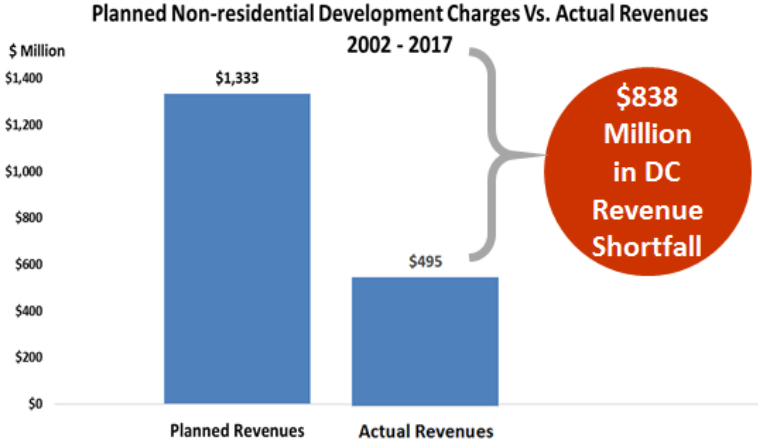


Limited Sources of Revenue



Sustained Shortfalls Contributing to Higher Debt

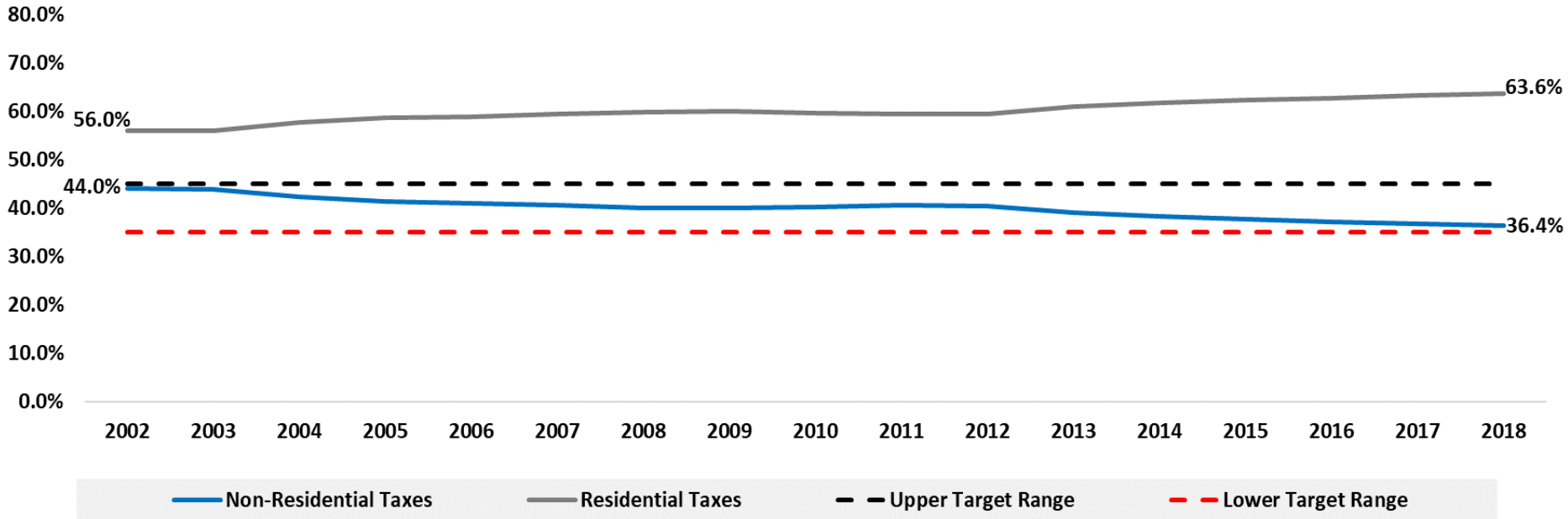
Changing Nature of
Employment:
risk of stranded debt



Non-residential Revenues

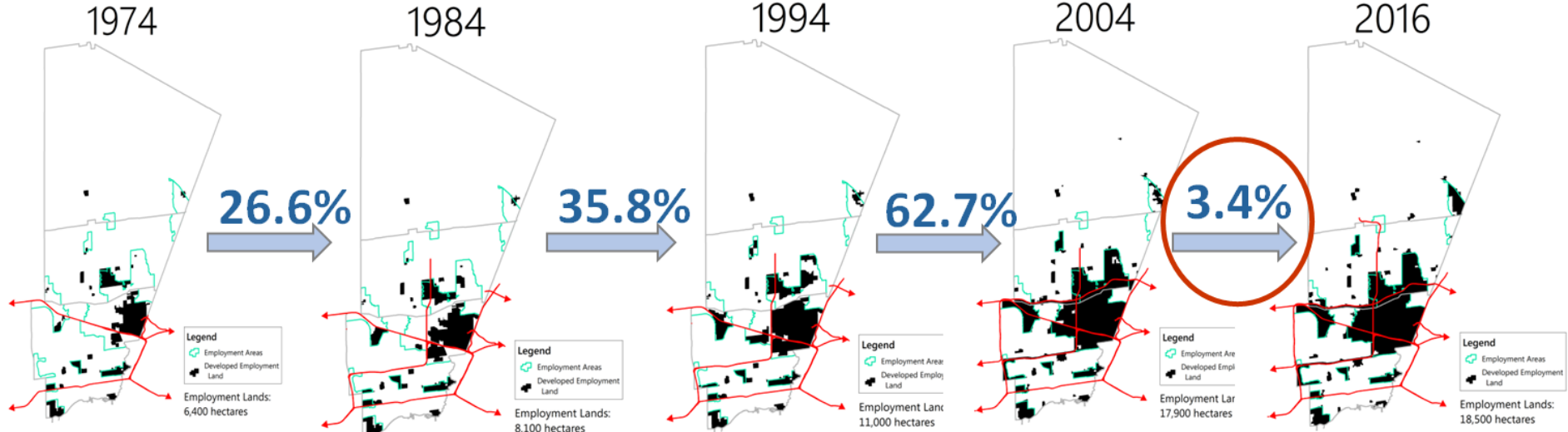
Changing Nature of Employment:
a shift in tax burden to residents

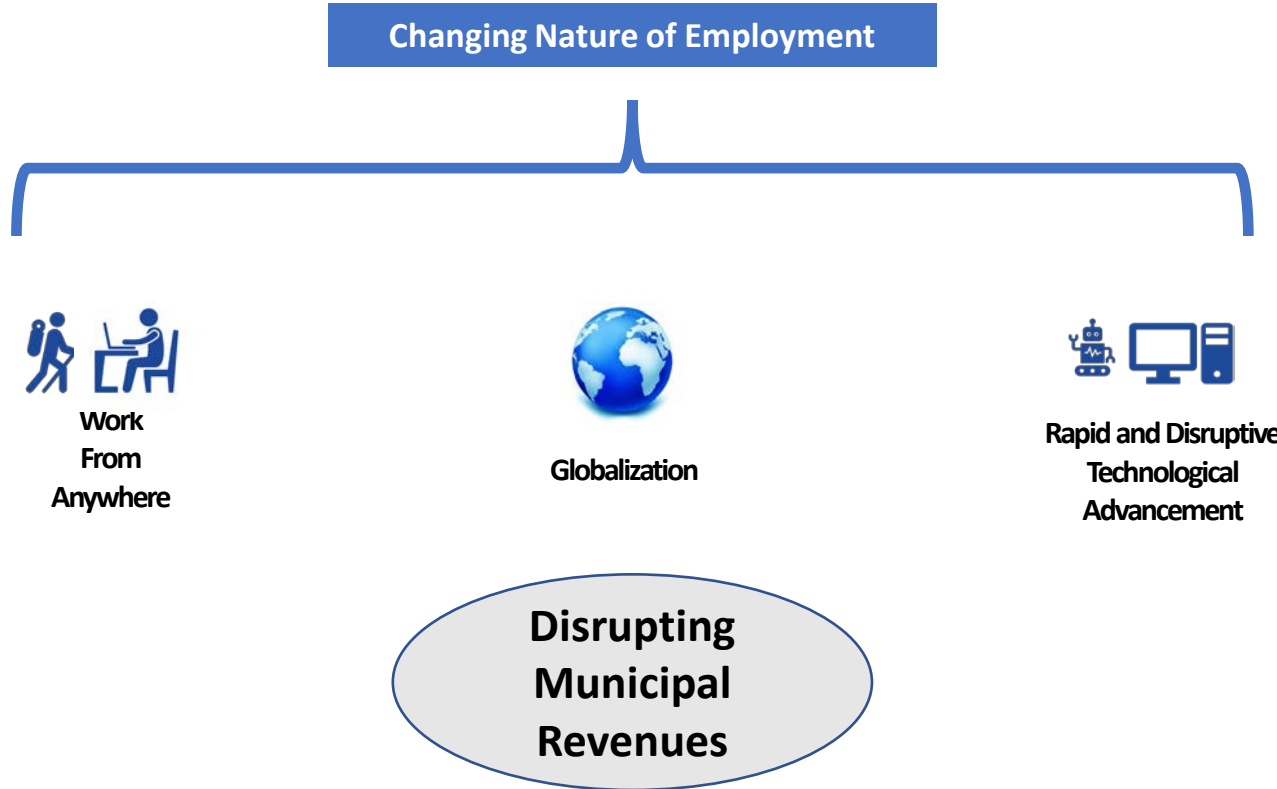
Peel's Non-Residential Tax Revenues is a Declining Share of Total Revenues



Lower Rate of Employment Land Consumption

Significant slowing in employment land development since 2004





Changing Nature of Employment



**Work
From
Anywhere**



Globalization



**Rapid and Disruptive
Technological
Advancement**

**Disrupting
Municipal
Revenues**

Why We Engaged the Mowat Centre



Transformative changes in
the nature of employment

Municipal non-residential revenues
not keeping pace with growth

Risk of stranded **debt**
& rising Residential
tax burden

**Municipal fiscal
sustainability at risk**

8.2-103

Research Findings

@johalsunil

Sunil Johal, Policy Director

Mowat Centre

ONTARIO'S VOICE ON PUBLIC POLICY

Municipal Governance & Finances

- ❖ Operate in a unique context
 - ✓ Creatures of the province
 - ✓ Limited revenue sources
- ❖ Responsibilities have increased over the years
 - ✓ revenue growth \neq expenditure growth
- ❖ Share of economic pie has remained stagnant
 - ✓ for every household tax dollar in Ontario, municipalities collect **only 9 cents***

*Source: Association of Municipalities of Ontario

Trends and Drivers of the New Economy

Demographic
Changes

Inequality & Wage
Stagnation

Non-Standard &
Precarious Work

Technological
Change & Labour
Market Shifts

Up to 42% of Canada's existing jobs could be automated
over the next 10-20 years*



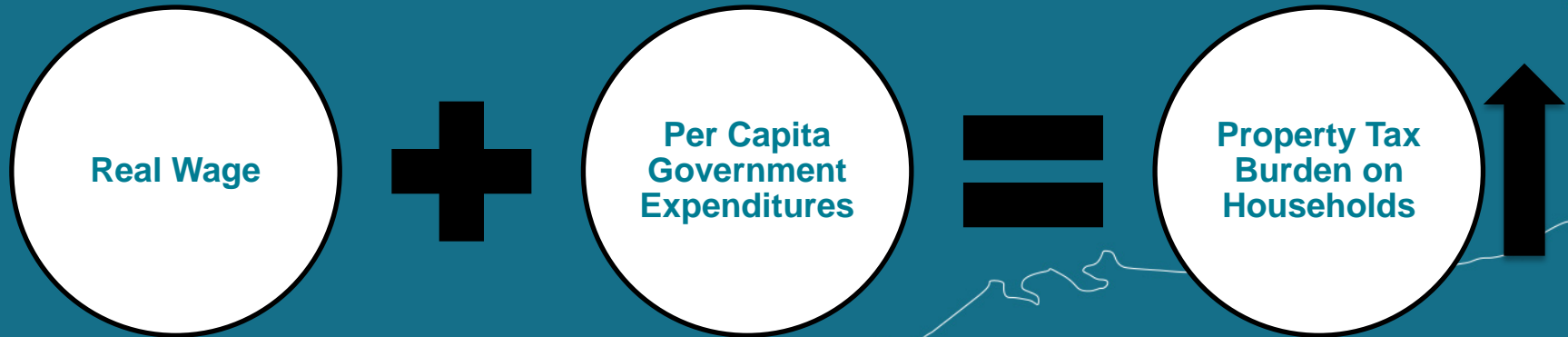
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Plausible Scenarios

Based on Region of Peel data

Business As Usual

Growth At Current Levels



- ❖ While this may not sound too high, it can feel that way to households – given the inflation for other expenses as well
- ❖ Maintaining the **status quo** is likely to be **unsustainable** and **politically infeasible**

| Portion of Household Income | |
|-----------------------------|----|
| Now | 4% |
| 2040 | 5% |

Worst Case Scenario

Large Scale
Job Losses

Lower
Incomes

Decline in
Commercial
Tax Revenues

- ❖ **Expenditure growth may accelerate**
due to increased demand for social services
- ❖ **Property tax will become unaffordable**
potentially more than doubling as a % of household incomes

If municipalities fail to **diversify revenue sources**, this scenario may lead to cuts in essential public services

Best Case Scenario

Drivers of improved fiscal health & wellbeing of residents

Diverse Revenue
Sources

Reduced
Precarious Work

Supports for
Workers to
Transition to the
New Economy

1% Municipal Income Tax
*(there are other possibilities for
revenue tools)*

Replaces a Large Portion
of the Residential
Property Tax

Portion of Household Income

| Now | 2040 |
|-----|--------------|
| 4% | Less than 3% |

Policy Options

Working at the Margins

- Progressive property tax, new tax classes, optimizing development charges, new or improved user fees

New Revenue Tools

- Additional taxes (e.g. municipal income or sales tax), tools available in the *City of Toronto Act*, tapping into digital economic activity

Partnerships

- with private & non-profit sectors, and other municipalities

Building Liveable Communities

- to attract residents and businesses (transit, amenities, entertainment, etc.)

Collaboration Amongst Municipalities

- to avoid a race to the bottom, transit planning, advocacy efforts, etc.

Cutting Unnecessary Red Tape

Key Takeaways

- ❖ **The existing approach to taxation by municipalities relies inordinately on land**
- ❖ **This has led to significant revenue strains, which are likely to get more acute over time**

MUNICIPAL REVENUE SOURCES:

1. Uneven distribution of benefits from economic growth
2. Unsustainable in long term
3. Residential taxes increasingly unaffordable

A CALL TO ACTION

Municipalities require a fair share of economic growth and prosperity

- **Engage**
 - AMO/FCM to educate senior levels of governments
 - Refer to Government Relations Committee to inform development of advocacy strategy

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**ITEMS RELATED TO
HEALTH**

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DATE: March 14, 2019

REPORT TITLE: **PARAMEDIC SERVICES - NEW INITIATIVES IN COMMUNITY HEALTH AND SAFETY**

FROM: Nancy Polsinelli, Commissioner of Health Services

RECOMMENDATION

That Paramedic Services be authorized to participate in a study to determine the effectiveness of a volunteer community responder Cardiopulmonary Resuscitation (CPR) and Public Access Defibrillator Program utilizing the “FirstAED” mobile application;

And further, that Paramedic Services be authorized to participate in a research study, led by Dr. S. Cheskes as principal researcher, to study the effectiveness of an automated external defibrillator (AED) drone delivery in the Town of Caledon.

REPORT HIGHLIGHTS

- A public access defibrillation (PAD) program was established for Peel in 2014. The goal of the program is to increase the likelihood of survival for someone who suffers a cardiac arrest.
- There are three to four cardiac arrests in Peel every day. Immediate commencement of CPR and using an AED increases the chance of survival.
- As 85 per cent of cardiac arrests occur in private locations, Peel Paramedics seek to study a Volunteer Community Responders program and Crowd Sourcing Application so that volunteers placed within the community can provide timely cardiac arrest interventions in both public and private settings until paramedics arrive.
- Drones make it possible to deliver an AED to a remote location where a lay-responder witnessed sudden cardiac arrest has taken place. Peel Paramedics will be a participant in a research study for drone delivery testing that could provide an enhancement for the Region of Peel’s rural areas in both public and private settings.

DISCUSSION

1. Background

Regional Council approved incorporating an enhanced Cardiopulmonary Resuscitation (CPR) and Public Access Defibrillation (PAD) program in the 2014 budget, as described in the report of the Commissioner of Health Services on September 12, 2013, entitled “Cardiopulmonary Resuscitation (CPR) and Public Access Defibrillation (PAD) in Peel.” The

9.1-2

PARAMEDIC SERVICES - NEW INITIATIVES IN COMMUNITY HEALTH AND SAFETY

goal of the program is to increase the likelihood of survival for someone who suffers a cardiac arrest. The Heart and Stroke Foundation of Canada and numerous existing CPR and PAD programs were considered in designing Peel's PAD Program.

The components of the CPR and PAD program include:

- placement of AEDs in Regional buildings;
- information on optimal placement of AEDs for other organizations;
- identification and registration of AEDs in the community;
- CPR and AED awareness and training (together with community partners);
- increasing the communities' propensity to act in saving a life using CPR and AED; and
- providing critical incident follow-up and recognition of lay-responders.

For each minute that passes between collapse and defibrillation, survival rates from a witnessed sudden cardiac arrest decrease 7 to 10 per cent. When lay-responder CPR is provided, the decrease in survival rates is more gradual and averages 3 to 4 per cent each minute, increasing a person's chance at survival until paramedics arrive. When an AED is applied and delivers a shock within the first 4 minutes, survival with a favourable neurological outcome increases up to 74 per cent.

Paramedics will respond to an average of 3 to 4 cardiac arrests per day. The bystander CPR rate is still below 50 per cent and AED use is only 2.5 per cent overall but 15-20 per cent occur in public locations. In Peel, during the last three years, 597 cardiac arrests occurred within 250 meters of an AED yet the AED was only used in 60 cases. When the AED was applied by a lay-responder prior to emergency services, over half of those patients that received a shock were discharged from the hospital with favourable neurological outcomes.

Access to an AED with timely delivery of a shock by a lay-responder, prior to the arrival of emergency services, is critical to survival. The proposed Volunteer Community Responder study aims to address this particularly in residential spaces where 85 per cent of cardiac arrests take place.

Through several presentations made by Dr. Cheskes in the past years, Paramedic Services is looking to participate, along with Drone Delivery Canada (DDC), in research studies. Drone Delivery Canada was engaged by Dr. Cheskes to look at the possibility of using drones to deliver an AED to a patient in a rural community. The premise was to provide an AED through timely delivery by a drone to the scene of a witnessed cardiac arrest.

2. Volunteer Community Responders and Crowd Sourcing Application

Paramedic Services is seeking approval to participate in a study lasting up to three years to gather and analyse data to determine long term viability of a volunteer community responder program. This timeframe will allow for the evaluation of the actions of lay-responder assisted CPR and AED use and increasing survivability for those suffering a cardiac arrest by summoning community volunteers through a mobile application.

The Volunteer Community Responder program will involve the recruitment, screening, and training of a group of volunteers. All volunteers (150) will be trained in CPR, the use of an AED as a lay-responder, and connected to FirstAED, a mobile application that will be used by the Central Ambulance Communications Centre to link a cardiac arrest call with the

PARAMEDIC SERVICES - NEW INITIATIVES IN COMMUNITY HEALTH AND SAFETY

nearest trained and equipped volunteer. The volunteers will be provided with an AED to be kept in their possession.

Staff conducted a complete program review and assessment of the mobile application FirstAED and engaged Purchasing, Legal, IT, and Privacy to mitigate any potential risks, liabilities, and limitations. This review and risk assessment is of importance as the volunteers may be directed to private residences.

Staff will return to Regional Council at a future meeting to provide recommendations on the program.

3. Drone Delivery

Drones make it possible to deliver an AED to a remote location where a lay-responder who witnessed sudden cardiac arrest has taken place. A recent study involving Dr. Sheldon Cheskes, MD CCFP (EM) FCFP Medical Director, Sunnybrook Center for Prehospital Medicine, entitled “Optimizing a Drone Network to Deliver Automated External Defibrillators”, found that drones can deliver an AED ahead of median 911 response times by up to 10 minutes in rural settings. Drone delivery could provide an enhancement for the Region of Peel’s rural areas in both public and private settings. Several considerations must be addressed before an AED can be delivered using a drone. These include all associated costs, weather limitations, commercial/recreational flight paths, drone station(s), and practicality.

Dr. Cheskes has reviewed the initial aspects of this program and through discussions with Paramedic Services has developed a research proposal to continue to review the effectiveness of drone delivery in Peel as well as in Renfrew County. The research will investigate alternate deployment strategies to improve access to public access defibrillation and will focus on improving outcomes from out of hospital cardiac arrest in both public and private locations.

The proposal also leverages grant funding to move forward with the two phases of research required before final recommendations are brought to Council. The two phases include:

- a. Variety of test flights in Caledon by Drone Delivery Canada
- b. After successful flight tests, conduct mock scenarios involving all first responders along with more flight scenarios

With Council’s approval, Paramedic Services will participate in a series of test flights within the Caledon. These test flights will originate from paramedic stations in Caledon and will fly various distances to pre-determined destinations. These test flights will inform the research and allow for the collection of data for analysis to assess the potential benefit of drone delivery using “real life” conditions. Flight testing will include a recorded “mock” scenario of cardiac arrest that involves delivering a drone to a potential lay bystander and simulating the use of a drone delivered AED.

Once the two research phases are completed, Dr. Cheskes and Paramedic Services will report back to Council with the research implications, outcomes and opportunities.

PARAMEDIC SERVICES - NEW INITIATIVES IN COMMUNITY HEALTH AND SAFETY

FINANCIAL IMPLICATIONS

Resources, equipment and supplies required to support the Volunteer Community Responder study are currently being negotiated by Dr. Cheskes with external partners for grant funding. If grant funding is not available, these costs (approximately \$15,000) are included in the 2019 Paramedic Services operating budget. If costs are greater, Paramedic Services will return to Council for approval through the budget process.

Phase one and two costs related to the drone research will be borne through Dr. Cheskes and his grants as lead researcher.

CONCLUSION

By leveraging innovative technologies to enhance the Public Access Defibrillation Program we can help to ensure that residents and visitors of Peel can live and thrive in one of North America's safest cardiac regions. The implementation of the Volunteer Community Responder study together with permission to begin test flights of drones to deliver AEDs in the Regions rural areas are central elements.



Nancy Polsinelli, Commissioner of Health Services

Approved for Submission:



D. Szwarc, Chief Administrative Officer

For further information regarding this report, please contact Peter F. Dundas, Chief and Director, Paramedic Services, at peter.dundas@peelregion.ca, or at Ext 3921.

Authored By: Paul Snobelen and Lincoln Bryant

Reviewed in workflow by: Financial Support Unit

Ministry of Health
and Long-Term Care

Office of the Minister

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www.ontario.ca/sante



FEB 21 2019

HLTC6605IT-2018-137

Mr. Frank Dale
Chair, Board of Health
Peel Public Health
10 Peel Centre Drive
Brampton ON L6T 4B9

Dear Mr. Dale:

I am pleased to confirm the commitment of the Ministry of Health and Long-Term Care (the ministry) to support the Community Infrastructure Renewal Fund Infrastructure Project for your organization.

The ministry has approved up to \$139,500 in one-time capital funding for the 2018-19 funding year from the Community Infrastructure Renewal Fund to complete your infrastructure project.

Thank you for your dedication and commitment to your community.

Sincerely,

Christine Elliott
Deputy Premier and Minister of Health and Long-Term Care

c: Sara Singh, MPP, Brampton Centre
Gurratan Singh, MPP, Brampton East
Kevin Yarde, MPP, Brampton North
Prabmeet Singh Sarkaria, MPP, Brampton South
Amarjot Singh Sandhu, MPP, Brampton West
Hon. Sylvia Jones, MPP, Dufferin-Caledon
Natalia Kusendova, MPP, Mississauga-Centre
Kaleed Rasheed, MPP, Mississauga East-Cooksville
Sheref Sabawy, MPP, Mississauga-Erin Mills
Rudy Cuzzetto, MPP, Mississauga-Lakeshore
Deepak Anand, MPP, Mississauga-Malton
Nina Tangri, MPP, Mississauga-Streetsville
Dr. Jessica Hopkins, Medical Officer of Health, Peel Public Health

Regional Municipality of Peel
Office of the Regional Chair

FEB 26 2019

RECEIVED

REFERRAL TO _____
RECOMMENDED _____
DIRECTION REQUIRED _____
RECEIPT RECOMMENDED _____

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**ITEMS RELATED TO
HUMAN SERVICES**

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DATE: March 20, 2019

REPORT TITLE: **BRAMPTON BRAMALEA CHRISTIAN FELLOWSHIP RESIDENCES LTD., AFFORDABLE HOUSING PROJECT**

FROM: Janice Sheehy, Commissioner of Human Services

RECOMMENDATION

That staff be authorized to increase the funding provided to Brampton Bramalea Christian Fellowship Residences Ltd. for the development of a six-story residential apartment building with 89 affordable rental housing units located in Brampton, ON (the 'Project') through a Regional Forgivable Loan in the amount of up to \$4,228,255, pursuant to Document 2016-599P and in accordance with Procurement By-law 30-2018;

And further, that the Commissioner of Human Services be authorized to execute a Regional Forgivable Loan Agreement, together with such further agreements and documents as deemed necessary or advisable, with Brampton Bramalea Christian Fellowship Residences Ltd. to provide funding for the Project in the amount of up to \$4,228,255, on business terms satisfactory to the Commissioner of Human Services and on legal terms satisfactory to the Regional Solicitor;

And further, that Capital Project 17-5038 be revised to \$17,578,255, to account for the additional \$4,228,255 of Regional funding allocated to the Project.

REPORT HIGHLIGHTS

- The Brampton Bramalea Christian Fellowship Residences Ltd. (BBCFR) Affordable Housing project is a six-story residential apartment building with 89 affordable rental housing units.
- Regional Council initially approved \$13.5 million of Federal/Provincial Investment in Affordable Housing 2014 Extension (IAH) funding to this project, representing \$150,000 per affordable housing unit.
- In order to secure the IAH funding and meet the program's timeframes, this commitment was made when the project was at a conceptual stage in the planning and design process.
- At the time of commitment, no Regional funding was allocated to this project, just the IAH funding.
- Since the project was committed to by Regional Council in early 2017, a number of changes requested through the planning process have increased costs.
- The final project budget is \$33 million, which exceeds the current amount of approved capital funding.

BRAMPTON BRAMALEA CHRISTIAN FELLOWSHIP RESIDENCES LTD., AFFORDABLE HOUSING PROJECT

- Staff is requesting that Regional Council authorize the signing of a Regional Forgivable Loan Agreement with BBCFR of up to \$4.23 million.
- The Forgivable Loan will close the funding shortfall and enable the project to proceed.

DISCUSSION

1. Background

The Brampton Bramalea Christian Fellowship Residences Ltd. 90-unit rental housing project is located at 11613 Bramalea Road, Brampton. The mid-rise rental project will consist of one market unit, which will be occupied by the building superintendent, and 89 affordable housing units, of which 45 are dedicated to households on the Region's Centralized Wait List.

1.1 Decision History

On March 30, 2017, Regional Council authorized (Resolution 2017-243) the execution of a conditional Memorandum of Understanding with Brampton Bramalea Christian Fellowship, Inc., to fund the affordable housing project located at 11613 Bramalea Road, Brampton through Federal/Provincial Investment in Affordable Housing 2014 Extension (IAH) funding in the amount of \$12.6 million.

On June 28, 2018, Regional Council authorized (Resolution 2018-617) an additional \$750,000 of IAH funding to add five more affordable housing units dedicated to households on the Region's Centralized Wait List.

2. Cost Estimates

The BBCFR cost proposal was unique in that the initial request was for IAH funding only of \$150,000 per affordable housing unit. In the past four years, all housing projects as committed and developed by the Region of Peel have required additional regional funding beyond IAH of approximately \$218,000 per unit based on the 2014-2018 average, to be operationally sustainable.

The BBCFR Request for Proposal submission in late 2016 estimated the cost of the project to be \$21,390,835.

Since Regional Council committed the project in 2017, a number of changes have occurred during the planning process, impacting the total project cost. These include, but are not limited to the following:

- Movement of the project site from the east to the west side of the subject lands requiring an additional entrance/exit onto Inspire Boulevard
- Relocation of the existing former farmhouse deemed Heritage under Part IV of the *Ontario Heritage Act*
- The redesign of the building to enhance the architectural presence
- Streetscape fencing along Bramalea Road
- Upgraded to Energy Recovery Ventilation to improve energy efficiency and air quality

11.1-3

BRAMPTON BRAMALEA CHRISTIAN FELLOWSHIP RESIDENCES LTD., AFFORDABLE HOUSING PROJECT

Based on the results of the Request for Tender, actual construction costs for this project are approximately \$33 million.

Further details are in the table below.

| Item | Budgeted Amount \$ |
|--------------------------------|---------------------|
| Land Cost | 1,400,000 |
| Hard Costs (i.e. construction) | 23,116,019 |
| Soft Costs (i.e. planning) | 3,473,268 |
| Fees and Permits | 3,828,523 |
| HST | 760,445 |
| TOTAL PROJECT COST | \$32,578,255 |

3. Funding Sources

To date, BBCFR has secured \$28,350,000 of funding for this affordable housing project. As shown below, the funding sources include:

- \$13,350,000 under the IAH program
- A low-cost loan from the Canada Mortgage and Housing Corporation (CMHC) National Housing Co-Investment Fund in the amount of \$13.6 million
- BBCFR Equity of \$1.4 million

The gap between the final project budget and available funding is \$4,228,255.

| Funding Sources | Amount | | |
|--|--------------|-----------------------|---------------|
| Federal/Provincial Investment in Affordable Housing 2014 Extension (IAH) | \$13,350,000 | Total Project Cost | \$ 32,578,255 |
| BBCFR Equity | \$1,400,000 | Total Funding Sources | \$28,350,000 |
| CMHC National Housing Co-Investment Fund | \$13,600,000 | Capital Need Gap | \$ 4,228,255 |
| Total Funding Sources | \$28,350,000 | | |

If approved, the additional Regional funding of \$47,508 per funded unit is still below the 2014-2019 average of approximately \$218,000 per funded unit. Furthermore, the construction cost per unit of the BBCFR project at \$361,981 is lower than that of other projects approved for the same time period as above, which averaged \$384,099 per unit.

4. Recommendation

To secure the IAH funding and to add 89 affordable housing units to the stock in Peel, staff recommends that Council approve a Forgivable Loan Agreement up to approximately \$4.23 million to assist in the development of BBCFR's affordable housing project. This agreement,

BRAMPTON BRAMALEA CHRISTIAN FELLOWSHIP RESIDENCES LTD., AFFORDABLE HOUSING PROJECT

principally structured like the IAH Contribution Agreement, will set out clear requirements for both capital and ongoing affordability compliance and governance controls. At the end of the project's affordability period of 25 years and subject to full accordance with the agreement, the loan will be forgiven.

RISK CONSIDERATIONS

To preserve the affordable housing project and the IAH funding that has been earmarked, Council approval of the stated recommendation is requested. The alternative would impact the viability of the project, placing it at-risk and threatening the additional supply of affordable housing units.

As the project will provide affordable rental rates well below market, this will limit the amount of projected rental revenue available to support debt financing. BBCFR is mitigating this financial risk by securing CMHC's National Housing Co-Investment financing; undergoing a rigorous and comprehensive underwriting process and locking in the following offers:

- A 10-year term (closed to pre-payment) with a fixed interest rate locked in at first advance. The term will be renewable for another 10 years, and the interest rate will reset when renewed
- Up to a 50-year amortization for smaller monthly payments and long-term viability

Regional staff worked with City of Brampton staff to explore any potential relief of fees and charges associated with the affordable housing project. This has resulted in a City of Brampton staff recommendation to defer City Development Charges to one year post-occupancy, thereby eliminating interest costs associated with this component on the construction loan. At the time of writing this report, the staff report had yet to receive approval from City of Brampton Council. The Regional loan amount of up to \$4.23 million shall be reduced by the amount of any relief of fees or charges secured by BBCFR.

The noted offers, combined with the potential City of Brampton Development Charge deferral, will limit the variability in the operational costs, thereby enabling BBCFR to manage the affordable housing project successfully and without additional support.

In addition to the above risk mitigating tactics, the Forgivable Loan Agreement will be registered on the land title and be forgiven at a rate of 4 percent of the total loan amount year-to-year for the affordability period of 25 years.

FINANCIAL IMPLICATIONS

Capital costs for this project are estimated to be \$32,578,255. It is recommended that capital project 17-5038 in the amount of \$13,350,000 be increased to \$17,578,255, with the additional \$4,228,255 being funded from Region of Peel Housing reserves (R1160).

The contribution from the Region of Peel is capital funding in the form of a forgivable loan, solely to support the construction of the affordable housing units. No operational subsidy will be provided to this project.

BRAMPTON BRAMALEA CHRISTIAN FELLOWSHIP RESIDENCES LTD., AFFORDABLE HOUSING PROJECT

CONCLUSION

The BBCFR affordable housing project represents a unique opportunity to support the achievement of outcomes established in the renewed 10-Year Peel Housing and Homelessness Plan. It also serves as a chance to increase the involvement of not-for-profit partners in affordable housing, and the supply of affordable rental housing in Brampton.

Council approval to enter into a Forgivable Loan Agreement in the amount up to \$4.23 million will move the Region closer to bridging the affordability gap and ensure the timely development of 89 new affordable housing units in Peel.



Janice Sheehy, Commissioner of Human Services

Approved for Submission:



D. Szwarc, Chief Administrative Officer

For further information regarding this report, please contact Aileen Baird, Director, Housing Services at aileen.baird@peelregion.ca, (905) 791-7800, ext. 1898.

Reviewed in workflow by:

Financial Support Unit

DATE: March 20, 2019

REPORT TITLE: **REACHING HOME: CANADA'S HOMELESSNESS STRATEGY FUNDING**

FROM: Janice Sheehy, Commissioner of Human Services

RECOMMENDATION

That the Region of Peel serve as the Community Entity Fund administrator for the new federal funding program, Reaching Home: Canada's Homelessness Strategy;

And further, that the Commissioner of Human Services be authorized to execute the Service Canada Reaching Home transfer payment agreement for receipt of the Reaching Home Funding, on business terms satisfactory to the Commissioner of Human Services and on legal terms satisfactory to the Regional Solicitor for the federal funding term to 2024 or as may be extended by Service Canada;

And further, that the Commissioner of Human Services be delegated authority to approve the use of the funding for service provision by community agencies in accordance with federal funding obligations;

And further, that the Director responsible for the program be delegated authority to execute agreements and other related documents to deliver Reaching Home programming, on business terms satisfactory to the Commissioner of Human Services and on legal terms satisfactory to the Regional Solicitor for the federal funding term to 2024 or as may be extended by Service Canada;

And further, that the 2019 Homelessness Support gross expenditures and revenues be increased by \$283,369 as a result of additional federal funding.

REPORT HIGHLIGHTS

- The Region of Peel has received Federal Homelessness Partnering Strategy funding since April 1, 2009.
- The Homelessness Partnering Strategy is being replaced with "Reaching Home: Canada's Homelessness Strategy".
- The Reaching Home goals of reducing chronic homelessness and enhancing service access align with the outcomes of the Peel Housing and Homelessness Plan.
- Reaching Home funding will begin on April 1, 2019 and end on March 31, 2024.
- The Region of Peel's April 1, 2019 to March 31, 2020 allocation has increased by \$377,825 to a total of \$1,783,340. This requires an increase to the 2019 homelessness support gross expenditure and revenues in the amount of \$283,369.

REACHING HOME: CANADA'S HOMELESSNESS STRATEGY FUNDING**DISCUSSION****1. Background**

The Homelessness Partnering Strategy has been a federally funded, community-based program to reduce and prevent homelessness across Canada. Initiatives approved for funding include both service delivery and capital projects. The Region of Peel began receiving Homelessness Partnering Strategy funding on April 1, 2009. This funding will come to a close on March 31, 2019. A list of projects funded through this program for 2018/19 is included as Appendix I.

2. Reaching Home: Canada's Homelessness Strategy Findings

The Government of Canada's new homelessness program, called Reaching Home, will begin on April 1, 2019 following the conclusion of the Homelessness Partnering Strategy. Reaching Home: Canada's Homelessness Strategy is a \$2.2 billion investment to support the goals of the National Housing Strategy. Specific focus is placed on supporting the most vulnerable Canadians in maintaining safe, stable and affordable housing. Two community level goals have been identified: reduce chronic homelessness nationally by 50% by 2027-2028 and achieve coordinated system access by March 31, 2022.

Reaching Home provides funding to community agencies to support their efforts in addressing local needs and specific homelessness priorities. It supports communities to adopt a fulsome approach to homelessness and to shift away from emergency responses; focusing instead on longer-term solutions.

a) Community Advisory Board

Service Canada requires that a Community Entity administer the program at the local level. A Community Entity is defined as a local organizing committee responsible for setting direction for addressing homelessness in their community. The Region has served as the Community Entity for federal homelessness funding since it began in 2009 and will continue to act in this capacity for Reaching Home. In addition, each community is required to have a Community Advisory Board. This board is selected by the Region and is comprised of system partners and community stakeholders that are representatives of the housing system, and have in-depth knowledge of the sector and systems that impact homelessness. Their role is to coordinate efforts to address chronic homelessness.

The Reaching Home Community Advisory Board consists of eight voting members who are representatives of the Peel Alliance to End Homelessness (PAEH). Members of PAEH are listed in Appendix II. Specific governance within PAEH and the Community Advisory Board representation is pending, as further details of the program become available. If additional members are required they will be recruited through a transparent, to be determined process. Regional staff and representatives from Service Canada also sit on the board as non-voting members. Board members are tasked with reviewing all Reaching Home applications and making funding recommendations. The Board has endorsed the Region to continue as the Community Entity.

REACHING HOME: CANADA'S HOMELESSNESS STRATEGY FUNDING**b) Reaching Home Investment and Funding Recommendations**

The Region of Peel will receive \$10,512,190 under Reaching Home funding. The funding is for five years from April 1, 2019 to March 31, 2024. The Region's annual Reaching Home allocations are as follows:

| Year | Amount |
|-------------|---------------|
| 2019-2020 | \$1,783,340 |
| 2020-2021 | \$1,783,340 |
| 2021-2022 | \$2,315,170 |
| 2022-2023 | \$2,315,170 |
| 2023-2024 | \$2,315,170 |

For 2019-20 the Region will receive \$1,783,340 in Reaching Home funding, an increase of \$377,825 over the Homelessness Partnering Strategy 2018-19 budget. This additional funding will enable the Region to fund additional projects, or make enhancements to current projects, to address homelessness and support the outcomes of the Peel Housing and Homelessness Plan. With Council's approval the Region will work with the Community Advisory Board to make allocation decisions.

FINANCIAL IMPLICATIONS

The Region has been allocated a total of \$10,512,190 in Reaching Home funding over a five-year fiscal period, from April 1, 2019 to March 31, 2024. In accordance with program guidelines 15 per cent of the funding will be used by the Region for administration and reporting oversight, with the remaining to be allocated for program funding.

The April 1, 2019 to March 31, 2020 allocation is \$1,783,340; an increase of \$377,825. As a result of this additional federal funding the 2019 Homelessness Support gross expenditures and revenues will be increased by \$283,369, with no net impact to the Region. The annual Reaching Home allocations will be incorporated through the budget process.

CONCLUSION

The Region is well positioned to continue its role as the Community Entity for the federal funding under Reaching Home: Canada's Homelessness Strategy.

Using the Peel Housing and Homelessness Plan as its guide, the Region, working in partnership with the Community Advisory Board, will ensure Reaching Home investments continue to support Peel's most at risk homeless population while enhancing our service approach through coordinated access.



Janice Sheehy, Commissioner of Human Services

REACHING HOME: CANADA'S HOMELESSNESS STRATEGY FUNDING

Approved for Submission:



D. Szwarc, Chief Administrative Officer

APPENDICES

Appendix I – 2018/19 Homelessness Partnership Strategy Funding Projects.
Appendix II – Community Advisory Board Members

For further information regarding this report, please contact Aileen Baird, Director, Housing Services at extension 1898.

Reviewed in workflow by:
Financial Support Unit

**APPENDIX I
REACHING HOME: CANADA'S HOMELESSNESS STRATEGY FUNDING**

2018-19 HPS Funded Projects

| Agency | Program | Funding Amount |
|-------------------------|---|-----------------------|
| Bridge Prison Ministry | Housing Supports for offenders experiencing homelessness to obtain housing, prevent eviction and access required supports. | \$98,313 |
| Regeneration Outreach | Housing supports for singles and families experiencing or at risk of homelessness to obtain housing, prevent eviction and access support services necessary to maintain housing. | \$140,000 |
| St Leonard's Place Peel | Housing Supports for offenders and those at risk of homelessness to obtain housing, prevent eviction and access required supports. | \$171,004 |
| Street Soccer Canada | Peer mentorship and support to assist those experiencing homelessness to maintain housing. | \$197,352 |
| Pathways Housing | Housing Support for singles and families to maintain housing and access support services. | \$50,850 |
| CMHA – Peel | Housing First Outreach - Support for chronically homeless with complex needs to obtain and maintain housing including access to services for physical and mental health, addictions, and life skills. | \$410,644 |
| Salvation Army | Housing First Outreach - Support for chronically homeless with complex needs to obtain and maintain housing including access to services for physical and mental health, addictions, and life skills. | \$95,388 |
| Grace Place Drop-in | Capital retrofit of the HVAC system to enhance the capacity of Grace Place to serve Peel's homeless. | \$60,334 |

11.2-6

APPENDIX II

REACHING HOME: CANADA'S HOMELESSNESS STRATEGY FUNDING

**Peel Alliance to End Homelessness
Reaching Home Community Advisory Board Members
2019-20**

| Agency | Representative |
|--|-----------------------|
| Canadian Alliance to End Homelessness | Michelle Bilek |
| Central West LHIN | Margaret Paan |
| Interim Place | Sharon Floyd |
| John Howard Society Peel Halton Dufferin | Keith Kacsuta |
| Our Place Peel | Christy Upshall |
| Peel Aboriginal Network | Matthew Bigford |
| Region of Peel | Leslie Moreau |
| Salvation Army | Fran Kane |
| Service and Housing In the Province | Cory O'Handley |
| St Leonard's Place Peel | Shelly Redman |
| United Way Greater Toronto | Nauman Khan |
| CMHA Peel Dufferin | Courtenay McGlashen |
| Peel Poverty Reduction Strategy | Adoama Patterson |
| Region of Peel Reaching Home Lead | Carloes Francis |



THE REGIONAL MUNICIPALITY OF PEEL
STRATEGIC HOUSING AND HOMELESSNESS COMMITTEE
MINUTES

SHHC - 1/2019

The Region of Peel Strategic Housing and Homelessness Committee met on February 21, 2019 at 11:05 a.m., in the Regional Council Chambers, 5th Floor, Regional Administrative Headquarters, 10 Peel Centre Drive, Suite A, Brampton, ON.

Members Present: G. Carlson; A. Groves; N. Iannicca; M. Medeiros; C. Parrish; P. Vicente

Members Absent: G.S. Dhillon

Also Present: D. Szwarc, Chief Administrative Officer, J. Sheehy, Commissioner of Human Services; C. Matheson, Commissioner of Corporate Services; J. Smith, Commissioner of Public Works; S. VanOfwegen, Commissioner of Finance and Chief Financial Officer; P. O'Connor, Regional Solicitor; D. Labrecque, General Manager, Peel Housing Corporation; A. Baird, Director, Housing Services; A. Macintyre, Deputy Clerk and Manager, Legislative Services; T. Ivanyshyn, Committee Clerk; S. MacGregor, Legislative Assistant; T. Kobikrishna, Legislative Assistant

T. Ivanyshyn, Committee Clerk, presided

1. ELECTION OF THE CHAIR AND VICE CHAIR

RECOMMENDATION SHHC-1-2019:

That Councillor Groves be elected Chair of the Strategic Housing and Homelessness Committee, for a term ending November 14, 2020 or until a successor is appointed.

RECOMMENDATION SHHC-2-2019:

That Councillor Vicente be elected Vice-Chair of the Strategic Housing and Homelessness Committee, for a term ending November 14, 2020 or until a successor is appointed.

Councillor Groves assumed the Chair.

2. DECLARATIONS OF CONFLICTS OF INTEREST - Nil

* See text for arrivals

◆ See text for departures

3. APPROVAL OF AGENDARECOMMENDATION SHHC-3-2019:

That the agenda for the February 21, 2019 Strategic Housing and Homelessness Committee include a motion regarding the Committee's Terms of Reference, to be dealt with under Other Business – Item 8.1;

And further, that the agenda for the February 21, 2019 Strategic Housing and Homelessness Committee meeting be approved, as amended.

4. DELEGATIONS - Nil**5. REPORTS****5.1. Peel Housing and Homelessness Plan: Proposed 2019-2020 Priorities**
Presentation by Aileen Baird, Director, Housing Services

Received

RECOMMENDATION SHHC-4-2019:

That the proposed 2019-2020 Peel Housing and Homelessness Plan (PHHP) priorities, as described in the report of the Commissioner of Human Services titled, "Peel Housing and Homelessness Plan: Proposed 2019-2020 Priorities" be endorsed.

Aileen Baird, Director, Housing Services, presented the Peel Housing and Homelessness Plan: Overview and Priorities for 2019-2020. She provided an update on the current state of housing and role of Council and its five key accountabilities including: system planning; centralized wait list; asset sustainability; operational viability; and new development. She highlighted the housing continuum and the scope and scale of the housing system Council has authority over; housing stock and housing units under construction; and growing levels of unmet needs from emergency/temporary housing to supportive housing.

She provided an overview of Peel's Housing Organization Structure and highlighted the five strategic priorities for 2019-2020 including: housing master plan; incentives program pilot; client census; new client service delivery model; and private stock strategy. Once approved these priorities will become the committee's workplan for the year. Information and operational housing matters will continue to be reported to Council directly.

Members discussed the challenges of increasing the supply of affordable housing and suggested that local and Regional planning staff meet to discuss how policies could be aligned to incentivize homeowners to legalize their basement units and developers to build affordable housing units.

Aileen Baird undertook to work with staff from Finance and Planning and Growth Management to determine whether the 2019 priority to report to the SHHC on a proposed private stock strategy could be brought forward earlier in the year.

Councillor Parrish inquired about options to increase the existing private housing stock for families/individuals in need.

RECOMMENDATION SHHC-5-2019:

That staff review the feasibility of eliminating Development Charges for basement apartments and report back to the Strategic Housing and Homelessness Committee with findings.

6. COMMUNICATIONS - Nil

7. IN CAMERA MATTERS - Nil

8. OTHER BUSINESS

Additional Item:

8.1. Terms of Reference for the Strategic Housing and Homelessness Committee

RECOMMENDATION SHHC-6-2019:

Whereas the Region of Peel Strategic Housing and Homelessness Committee (SHHC) Terms of Reference were approved at the December 13, 2018 Regional Council Meeting;

And whereas, the Membership of the SHHC, as outlined in the Terms of Reference, included that a Member of the Planning and Growth Management Committee be appointed to the SHHC;

And whereas, the Planning and Growth Management is now a section of Regional Council which includes all Members of Council as opposed to a separate Committee;

Therefore be it resolved, that the SHHC Terms of Reference be amended to remove the requirement that a Member of the Planning and Growth Management Committee be appointed to the SHHC.

9. NEXT MEETING

The next meeting of the Strategic Housing and Homelessness Committee is scheduled for Thursday, April 18, 2019 at 11:00 a.m., Regional Administrative Headquarters, Council Chamber, 5th floor, 10 Peel Centre Drive, Suite A, Brampton, ON.

Please forward regrets to Helena West, Committee Clerk, (905) 791-7800, extension 4697 or at Helena.west@peelregion.ca.

10. ADJOURNMENT

The meeting adjourned at 11:50 a.m.

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**ITEMS RELATED TO
ENTERPRISE PROGRAMS
AND SERVICES**

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For Information

DATE: March 5, 2019

REPORT TITLE: **PROCUREMENT ACTIVITY REPORT - T3 SEPTEMBER 1 TO DECEMBER 31, 2018**

FROM: Stephen VanOfwegen, Commissioner of Finance and Chief Financial Officer

OBJECTIVE

To provide the details of procurement activity as required by Procurement By-law 30-2018 for the third triannual period ending December 31, 2018, and to report on key highlights and outcomes achieved in 2018.

REPORT HIGHLIGHTS

- The Procurement By-law delegates authority to staff to manage procurement processes and to report these activities to Regional Council on a regular basis.
- During the last triannual period of 2018, the Region of Peel awarded 51 new contracts greater than \$100,000 with a total value of \$127,201,030.02 using competitive and non-competitive (Direct Negotiation) processes.
- This report provides a summary of the Region's procurement and disposal activity for the third triannual period of 2018.
- Key highlights of the Region's procurement functions for 2018 are also provided.

DISCUSSION
1. Background

On May 10, 2018 Council enacted a new Procurement By-Law that is modernized and reflective of current public procurement trends while continuing to embody the principles of integrity, fairness, openness and transparency. Under the By-law, staff have been delegated authority to make awards of all contracts arising from competitive procurement processes, provided that the award is within budget and is being made to the best value bid. "Best value bid" is defined as the bid representing the optimal balance of technical merit and cost, determined in accordance with pre-set evaluation criteria disclosed in bid solicitation documents. Council approval is required where staff recommend that an award be made to a bidder that has not submitted the best value bid. Council approval is also required for any directly negotiated contracts that exceed \$250,000.

The Procurement By-law requires that staff report to Regional Council regularly on procurement activity. The purpose of this report is to provide Regional Council with a summary of the procurement activity for the third triannual period (T3) of 2018, including awards made under delegated authority. Procurement activity is reported under the

PROCUREMENT ACTIVITY REPORT - T3 SEPTEMBER 1 TO DECEMBER 31, 2018

following categories (definitions in connection with the terms referenced below are contained in Appendix I of this report):

- Contract Awards;
- Contracts awarded to support the Region's Waste Management Strategy;
- Disposal of surplus goods and equipment;
- Emergency purchases;
- Awards during Regional Council recesses;
- Non-compliance with the By-law;
- Unforeseen circumstances;
- Final contract payments related to the original purchase contract.

This report also outlines some of the key highlights attributable to the Region's procurement functions over the 2018 year.

2. Key Highlights for 2018

Outlined below are some of the key highlights and outcomes arising from the continuous improvement and modernization efforts undertaken by the Region's Procurement Division in 2018. These initiatives support the Region's ongoing efforts to maximize value for money, enhance vendor experience in doing business with the Region, and ensure public trust and confidence in the Region's procurement processes.

a) e-Bidding

An electronic bidding system (e-Bidding) was implemented in 2018, enabling easier access by the vendor community to the Region's bidding opportunities, increasing vendor competition and allowing staff to automate certain bidding processes. As a result of the implementation of e-Bidding, the Region has been able to realize the following benefits:

- 32% increase in vendor competition;
- 39% reduction in bid irregularities;
- over \$4K per year cost avoidance related to courier fees;
- approximately 684 annual staff hours freed up to provide additional value added work and to assist in addressing increased volume and complexity;
- reduced environmental footprint as vendors are no longer required to travel to the Region's offices to submit hard copy paper submissions or attend tender openings in person.

The efficiencies realized through the implementation of e-Bidding were outlined in greater detail in a report of the Commissioner of Corporate Services entitled "Continuous Improvement Program Update" which appeared on the January 10, 2019 Regional Council meeting agenda.

b) Vendor Performance Management Program

A Vendor Performance Management program is being implemented in phases, with the majority of the roll-out having been completed in 2018. The program provides a uniform and transparent approach to monitor and assess vendor performance on Regional contracts for the purposes of determining vendor eligibility to bid future contracts and to

PROCUREMENT ACTIVITY REPORT - T3 SEPTEMBER 1 TO DECEMBER 31, 2018

inform future contract awards. The intended outcome of the program is to enhance value for money by increasing the performance of vendors performing Regional contracts. Through the Vendor Performance Management Program, the Region has begun to identify and address consequences with low performing vendors. Of the vendors enrolled in the program to date, 95% received an overall performance rating of “satisfactory”.

c) Competitive Procurement Value

The Region procures the vast majority of its contracts through competitive procurement processes. In 2018, 97% of the total dollar value of contracts awarded by the Region were procured through competitive processes. The value of the competitive process is regularly monitored and measured to ensure that it continues to represent an effective means of achieving value for money. The competitive procurement value is calculated by measuring the total savings that the Region has accrued through low bid tender awards, as compared to the average bid price submitted in competitive tender processes, and is shown as a percentage of the total dollar value of all tender awards. In 2018, the overall competitive procurement value was calculated at 21%, meaning that the Region benefitted from an overall price savings of 21%, or \$86 million, by awarding to low bids in competitive tender processes, as compared to the average bid prices.

d) Key Procurement Trends

Procurement staff regularly monitor and measure trends in procurement activity to ensure the ability to meet the growing needs of the Region’s residents through the procurement of best value goods and services for Regionally-provided programs. Based on 2018 activity, the following trends have been observed:

- A total of \$1.1 billion of goods and services was procured in 2018, representing a 65% increase since 2015;
- A total of 834 procurement processes were undertaken in 2018, representing a 70% increase since 2015;
- There has been a marked increase in the complexity of procurement processes. Complex procurements are those which involve additional phases of evaluation over and above a low bid tender analysis, and encompass multi-phase evaluations that may include technical evaluations, goods demonstrations and negotiation phases, in order to determine best value.

3. Procurement Activity and Disposal Summary - T3 2018

The table below provides a summary of the procurement and disposal activity for the third triannual period of 2018 (September 1- December 31). The Procurement Activity section of the table includes information on all awarded contracts in excess of \$100,000; emergency purchases; non-compliant purchases; and awards made during periods of Regional Council recess. It also includes amendments made to existing contracts that were a result of unforeseen circumstances or were required for final payment purposes, as authorized under the Procurement Bylaw. The Procurement Activity summary excludes contract renewal activity. A detailed listing of all procurement activity is referenced in Appendix II to this report.

PROCUREMENT ACTIVITY REPORT - T3 SEPTEMBER 1 TO DECEMBER 31, 2018

The Disposal activity section summarizes the proceeds or trade-in values received from the disposal of Region of Peel surplus assets. A detailed listing of the disposal activity is referenced in Appendix III to this report.

| Procurement Activity | Value |
|--|-------------------------|
| Competitive contracts approved under Delegated Authority | \$122,783,024.42 |
| Non-competitive contracts approved by Council | \$2,913,770.60 |
| Non-competitive contracts approved under Delegated Authority | \$754,235.00 |
| Contracts awarded during Council recess | \$750,000.00 |
| Total New Contracts Greater Than \$100,000 | \$127,201,030.02 |
| Waste Management (Resolution 2015-742 and 2016-645) | No Activity |
| Emergency purchases | \$12,100.00 |
| Final Contract Payments | No Activity |
| Unforeseen circumstances | \$3,410,000.00 |
| Non-Compliant Purchases | No Activity |
| Total Activity | \$130,623,130.02 |
| Disposal Activity | |
| Total disposal proceeds received | \$90,146.06 |

CONCLUSION

The Procurement By-Law builds trust and confidence in the stewardship of public funds with an emphasis on awarding contracts based on best value, and by reflecting the principles of integrity, fairness, openness and transparency. Continuous improvement and modernization efforts undertaken in connection with the Region's Procurement program, as outlined in this report, build on these principles to continually measure and assess the effectiveness of the Region's procurement program and enhance value for money. This report is submitted to summarize the Region's procurement and disposal activity for the third triannual period ending December 31, 2018 in accordance with the reporting requirements set out in the Procurement By-law, and to highlight key outcomes of continuous improvement and modernization initiatives undertaken in 2018.



Stephen VanOfwegen, Commissioner of Finance and Chief Financial Officer

PROCUREMENT ACTIVITY REPORT - T3 SEPTEMBER 1 TO DECEMBER 31, 2018

Approved for Submission:



D. Szwarc, Chief Administrative Officer

APPENDICES

Appendix I - Definitions

Appendix II - Awarded Contracts

Appendix III – Disposal Activity

For further information regarding this report, please contact Patricia Caza, Director, Procurement, extension 4742, patricia.caza@peelregion.ca.

APPENDIX I**PROCUREMENT ACTIVITY REPORT - T3 SEPTEMBER 1 TO DECEMBER 31, 2018**

Procurement Activity Report – Definitions

Best value bid: the optimal balance of technical merit and cost determined in accordance with pre-set evaluation criteria disclosed in a Bid Solicitation for the purpose of making an Award. For Requests for Tenders and Requests for Quotations, the best value bid is the lowest cost compliant Bid meeting technical specifications and qualifications. For Requests for Proposals, the best value is the highest ranked compliant Bid following the evaluation of proposals.

Competitive contracts greater than \$100,000: These are contracts awarded to vendors as a result of a competitive process.

Council recess purchases: The Procurement By-law delegates authority to the Chief Financial Officer (CFO) to award contracts that are otherwise required to be awarded by Council when there is no regular meeting of Regional Council scheduled during a period of time that is more than 21 days after the date of the previously scheduled regular Council meeting, where the contracts are deemed reasonably required to carry on the business of the Region.

Disposal proceeds: These are proceeds received from the sale, exchange, transfer or gift of goods owned by the Region which are surplus to its needs.

Emergency purchases: These are contracts awarded to vendors in the event of an emergency. “Emergency” means a situation or impending situation that constitutes a danger of major proportions that could result in serious harm to persons or substantial damage to property and that is caused by the forces of nature, a disease or other health risk, an accident, or an act whether intentional or otherwise.

Final contract payments: These are amendments made to contracts to facilitate final payment to a vendor for additional work required in order to complete the contract. The final payment for the work exceeds the approved contract amount including the allowable amendment value in accordance with the Procurement By-law. The Procurement By-law delegates authority to the Director of Procurement to approve these final contract payments which manages payment delays to vendors on the condition that Council is provided full disclosure on all final contract payments.

Non-competitive contracts greater than \$100,000: These are contracts awarded to vendors as a result of a non-competitive process. It refers to the negotiation of an agreement for the purchase of goods and services where there is no open competition among or between vendors. The conditions that allow for direct negotiation are outlined in Part V Procurement Authorities and Procurement Methods of the Procurement By-law.

Non-compliant purchases: These are purchases made when a department has engaged a vendor to deliver goods or services without following the procurement processes required by the Procurement By-law.

Unforeseen circumstances: These are amendments made to contracts to facilitate nominal payments for unforeseen work. For example, a contractor must remedy an unknown pre-existing site condition in order to complete the contract. The Procurement By-law delegates authority to the Director of Procurement to approve these amendments on the

**APPENDIX I
PROCUREMENT ACTIVITY REPORT - T3 SEPTEMBER 1 TO DECEMBER 31, 2018**

condition that Council is provided full disclosure on all increases resulting from unforeseen circumstances.

Vendor of Record: Vendor of Record (VOR) means a procurement arrangement, typically established through a competitive procurement process, that authorizes one or more qualified vendors to provide goods and/or services for a defined period with particular terms and conditions, which may include pricing, as set out in the VOR agreement. It is used for frequent purchases of a good or service and can help improve procurement efficiency by eliminating duplication of effort for similar goods or services. The Region may from time to time elect to establish a Vendor(s) of Record for the procurement of specific goods or services, and will do so in accordance with the requirements set out in Procurement Policy.

APPENDIX II

PROCUREMENT ACTIVITY REPORT - T3 SEPTEMBER 1 TO DECEMBER 31, 2018

Awarded Contracts - Procurement Activity Report - September 1, 2018 to December 31, 2018

| AWARDED CONTRACTS BID COMPETITIVELY > \$100,000 - APPROVED BY DELEGATED AUTHORITY | | | | | |
|---|----------------------------------|-----------|--|--|----------------|
| Item | Department | Document | Description | Vendor | Award Amount |
| 1 | Corporate Services | 2018-295P | Services For Long Term Financial Planning Strategy Refresh | Ernst & Young LLP | \$350,000.00 |
| 2 | Corporate Services | 2018-343T | Quick Connect for Emergency Generator at Tall Pines and Malton Village Long Term Care Facility | Ferguson Electric Company Ltd | \$394,000.00 |
| 3 | Corporate Services | 2018-547T | LED Lighting Upgrade at Malton Village Long Term Care Centre, City of Mississauga, Project 17-5424 | 1250803 Ontario Ltd O/A AM Power Electrical Power | \$421,768.83 |
| 4 | Corporate Services | 2018-524T | Installation of Security Guard Booths at Various Public Works Facilities, Project 179002 | City Core Construction Inc | \$442,000.00 |
| 5 | Corporate Services | 2018-636T | LED Lighting Retrofit at 7120 Hurontario Street, Mississauga, Project 175231 | Energy Network Services | \$606,179.59 |
| 6 | Digital and Information Services | 2018-353P | Appointments and Events Scheduling Solution for the Region of Peel | Aqxolt Ltd | \$208,710.00 |
| 7 | Finance | 2018-125P | Insurance and Broker Consultant Services | Aon Reed Stenhouse Inc.; Frank Cowan Company Ltd | \$1,796,329.00 |
| 8 | Health Services | 2018-381T | Transportation Services for Residents Receiving Dialysis | Spectrum Health Care | \$228,072.00 |
| 9 | Health Services | 2018-395T | Supply and Delivery of Ambulances for Peel Regional Paramedic Services | Demers Ambulance Manufacturer Inc | \$3,615,138.00 |
| 10 | Human Services | 2018-639P | Consulting Services for Review and Evaluation of Housing Related Grant Programs | Ernst & Young LLP | \$112,000.00 |
| 11 | Human Services | 2018-030P | Vocational Assessment | Rehabilitation Network Canada Inc | \$145,500.00 |
| 12 | Public Works | 2018-180P | Development And Implementation Of The Community Cycling Program Funding Initiative | CultureLink Settlement and Community Services; Punjabi Community Health Services | \$118,740.02 |
| 13 | Public Works | 2018-538P | Regional Study for Major Transit Station Areas in the Region of Peel | Perkins & Will Architecture Co | \$148,495.00 |
| 14 | Public Works | 2018-767P | Environmental Assessment Study of Kennedy Road and Williams Parkway Intersection | City Of Brampton | \$350,000.00 |
| 15 | Public Works | 2018-406P | Value Engineering Services for the East to West Diversion Sanitary Trunk Sewer | NCE Value Engineers Inc | \$483,800.00 |

APPENDIX II

15.1-9

PROCUREMENT ACTIVITY REPORT - T3 SEPTEMBER 1 TO DECEMBER 31, 2018

| | | | | | |
|----|--------------|-----------|--|---|----------------|
| 16 | Public Works | 2018-356P | Detailed Design, Contract Administration And Supervision For Various Bridge Structures, Projects 17-4870, 17-4850 And 11-4860 | GHD Ltd | \$777,898.00 |
| 17 | Public Works | 2018-315P | Detailed Design, Contract Administration, And Supervision Of CPR Substructure And Various Retaining Walls Within The Region Of Peel, Projects: 15-4880, 15-4520, 16-4520 | Wood Environment and Infrastructure a Division of Wood Canada Ltd | \$1,124,954.00 |
| 18 | Public Works | 2018-596P | Engineering Services for Detailed Design and Contract Administration of Sanitary Maintenance Hole Rehabilitation | CIMA Canada Inc | \$1,719,400.00 |
| 19 | Public Works | 2018-487P | Detailed Design, Contract Administration, And Construction Inspection Services For The Gore Road Improvements Between Queen Street East And Castlemore Road In The City Of Brampton, Project 15-4080 | AECOM Canada Ltd | \$1,726,246.00 |
| 20 | Public Works | 2018-273P | Detailed Design, Contract Administration, Construction Inspection And Supervision Services For Mayfield Road Between Mississauga Road And Winston Churchill Boulevard In The Region Of Peel, Project 17-4030 | R.V. Anderson Associates Ltd | \$1,848,525.00 |
| 21 | Public Works | 2018-189P | Detailed Design, Contract Administration, Construction Inspection And Supervision Services For Widening Of Mayfield Road From Dixie Road To Bramalea Road, City Of Brampton, Project 17-4020 | SNC-Lavalin Inc | \$1,951,400.00 |
| 22 | Public Works | 2018-482P | Engineering Services For The West Trunk Diversions | Hatch Corporation | \$8,251,387.48 |
| 23 | Public Works | 2018-280T | Septage Wastewater Removal And Disposal From Water, Wastewater Facilities In The Regional Municipality Of Peel | Wessuc Inc, Bartels Environmental Services Inc | \$117,058.00 |
| 24 | Public Works | 2018-590T | Supply and Delivery of a ProMaster Van for TransHelp | MoveMobility Inc | \$135,132.00 |
| 25 | Public Works | 2018-647T | Watermain Replacement on Little John Lane, in the City of Mississauga, Assignment F2, Project 16-1310 | Sandy Scamurra Contracting Ltd | \$216,343.29 |
| 26 | Public Works | 2018-591T | 300mm Interconnect on Battleford Road, Mississauga, Project 17-1405 | London Excavators & Trucking Ltd | \$326,718.90 |
| 27 | Public Works | 2018-598T | Transportation and Use of Utility Grade Compost | SusGlobal Energy Belleville Ltd | \$472,500.00 |

APPENDIX II

15.1-10

PROCUREMENT ACTIVITY REPORT - T3 SEPTEMBER 1 TO DECEMBER 31, 2018

| | | | | | |
|----|--------------|-----------|---|---|-----------------|
| 28 | Public Works | 2018-459T | Geotechnical, Hydrogeological and Environmental Investigation Services in Support of Detailed Design for Watermains in Snelgrove, Town of Caledon, Project 17-1188, 18-1184 and 19-1370 | WSP Canada Inc | \$497,778.00 |
| 29 | Public Works | 2018-603T | Watermain Replacements On Stillmeadow Road And Crozier Court, City Of Mississauga | Lancorp Construction Co Ltd | \$769,852.00 |
| 30 | Public Works | 2018-186T | Supply of Granular and Hot and Cold Asphalt Materials, on an As Required Basis. | Franceschini Brothers; Coco Paving Inc | \$838,908.00 |
| 31 | Public Works | 2018-599T | Watermain Replacement on Hollowtree Crescent, Saddle Crescent, and Swirlingleaves Crescent, Assignment D1, City of Mississauga, Project 18-1310 | Sam Rabito Construction Ltd | \$945,000.00 |
| 32 | Public Works | 2018-014T | Geotechnical, Hydrogeological and Environmental Investigation work in support of Detailed Design of Watermain Replacement on Glen Erin Drive. | EXP Services Inc | \$981,731.00 |
| 33 | Public Works | 2018-179T | Haul Tunnel Soil from Clarkson Wastewater Treatment Plant to Lakefront Water Connection Site, City of Mississauga | Magine Construction Inc | \$1,723,060.00 |
| 34 | Public Works | 2018-422T | Replacement of the Original Ash Piping at the G.E. Booth Waste Water Treatment Plant | Romag Contracting Ltd | \$1,749,000.00 |
| 35 | Public Works | 2018-446T | Watermain Replacement on Hale Road and Steeles Avenue, City of Brampton, Project 16-1340 | Lakeside Contracting Company Ltd | \$2,098,627.10 |
| 36 | Public Works | 2018-668T | Watermain and Sanitary Replacements on Hilldale Crescent, City of Brampton | Rymall Construction Inc | \$2,146,185.00 |
| 37 | Public Works | 2018-188T | Pump Station Upgrades at Britannia Landfill, O'Neil and Shardawn Mews SPS | Sona Construction Ltd | \$3,083,906.22 |
| 38 | Public Works | 2018-355T | Watermain Replacement on Dundas Street West, City of Mississauga, Project 14-1346, Assignment D | London Excavators & Trucking Ltd | \$3,744,731.99 |
| 39 | Public Works | 2018-474T | Construction Services for Burnhamthorpe Water Project, Contracts 4 & 5, City of Mississauga, Projects 16-1118, 16-2122 and 18-1310 | F.C.M. Construction Ltd | \$6,336,000.00 |
| 40 | Public Works | 2018-396T | Pumping Station Upgrades at the Lorne Parke Water Treatment Plant, City of Mississauga, Projects 13-1935 and 17-1938S | Bennett Mechanical Installations (2001) Ltd | \$9,447,000.00 |
| 41 | Public Works | 2018-135T | Watermain Replacements in Southwest Mississauga, Assignment B, City of Mississauga, Project 13-1347 | Tedescon Infrastructure Ltd | \$15,332,950.00 |

APPENDIX II

15.1-11

PROCUREMENT ACTIVITY REPORT - T3 SEPTEMBER 1 TO DECEMBER 31, 2018

| | | | | | |
|---|----------------------------------|-----------------|---|---|-------------------------|
| 42 | Public Works | 2018-028T | G.E. Booth (Lakeview) Waste Water Treatment Plant Primary Expansion and Miscellaneous Improvements, Project 10-2925 | ROMAG Contracting Ltd | \$45,000,000.00 |
| TOTAL | | | | | \$122,783,024.42 |
| AWARDED CONTRACTS - NON COMPETITIVE PROCESS > \$100,000 - APPROVED BY COUNCIL | | | | | |
| Item | Department | Document | Description | Vendor | Award Amount |
| 1 | Digital and Information Services | 2018-543N | Supply of Amazon Web Services for Region of Peel | Amazon Web Services | \$360,000.00 |
| 2 | Digital and Information Services | 2018-531N | IT Service Management Solution Implementation And Support Services | Sierra Systems Group Inc, ITSM Company APS | \$492,135.00 |
| 3 | Public Works | 2018-554N | Contract Administration and Inspection Services for Material Recovery Facility Capital Upgrades | GHD Ltd | \$562,345.60 |
| 4 | Public Works | 2018-575N | Coordination of Water and Wastewater Infrastructure Works with the Ontario Ministry of Transportation's Highway 401 Expansion Project, City of Mississauga, Project 18-1496 | CH2M Hill Canada Inc | \$1,499,290.00 |
| TOTAL | | | | | \$2,913,770.60 |
| AWARDED CONTRACTS - NON COMPETITIVE PROCESS > \$100,000 - APPROVED BY DELEGATED AUTHORITY | | | | | |
| Item | Department | Document | Description | Vendor | Award Amount |
| 1 | Digital and Information Services | 2018-606N | Internet Services Provider for Region of Peel | Frontier Networks Inc, Bell Canada | \$114,000.00 |
| 2 | Finance | 2018-727N | Supply and Delivery of Paper Products, Garbage bags and Janitorial Supplies. | Mister Chemical Ltd | \$180,000.00 |
| 3 | Corporate Services | 2018-504N | Development of Corporate Climate Change Master Plan (Vendor originally awarded through a competitive process was terminated due to performance issues after 13 months. As funding deadline did not allow for another competitive process, the second highest scoring bidder from the competitive process was retained to complete the project.) | Sustainability Solutions Group Worker's Cooperative | \$228,360.00 |
| 4 | Public Works | 2018-506N | Condition Assessment Services for Small Diameter Metallic Watermains | PICA Corporation | \$231,875.00 |
| TOTAL | | | | | \$754,235.00 |

PROCUREMENT ACTIVITY REPORT - T3 SEPTEMBER 1 TO DECEMBER 31, 2018

CONTRACTS AWARDED DURING COUNCIL RECESS > \$100,000 - APPROVED BY DELEGATED AUTHORITY

| | | | | | |
|--------------|--------------|-----------|---------------------------------------|----------------------|---------------------|
| 1 | Public Works | 2018-759N | TransHelp Passenger Assistant Program | Canes Community Care | \$750,000.00 |
| TOTAL | | | | | \$750,000.00 |

OTHER -UNFORESEEN CIRCUMSTANCE PAYMENTS

| Item | Department | Document | Description | Vendor | Award Amount |
|--------------|--------------|-----------|--|----------------------------------|-----------------------|
| 1 | Public Works | 2016-063P | G.E Booth Wastewater Treatment Plant Incineration Unit Repairs | CH2M Hill Canada Ltd | \$160,000.00 |
| 2 | Public Works | 2017-015T | G.E Booth Wastewater Treatment Plant TOX2 and 3 Cross Over Duct Replacement, City of Mississauga, Project 16-2925 (*Please see below for further details.) | Bennett Mechanical Installations | \$3,250,000.00 |
| TOTAL | | | | | \$3,410,000.00 |

OTHER - EMERGENCY PURCHASES

| Item | Department | Document | Description | Vendor | Award Amount |
|--------------|--------------|-------------|---|------------------------|--------------------|
| 1 | Public Works | No Document | Emergency Air Quality Testing for Victoria Yard | Stantec Consulting Ltd | \$12,100.00 |
| TOTAL | | | | | \$12,100.00 |

*There are four incinerators at the GE Booth Wastewater Treatment Plant. The incinerators burn sludge from the wastewater treatment process. Three incinerators are required to be in service at any given time, with one on standby. CH2M Hill and Bennett Mechanical Installations were contracted by the Region through competitive processes to design and carry out the demolition and replacement of major components of Incinerator No. 2 and Incinerator No. 3. The work on Incinerator No. 3 was completed first. Shortly after Incinerator No. 2 was placed out of service for repair, the inspection revealed that the condition was significantly worse than anticipated, including previously unknown severe erosion, and that the unit was unfit for operation in its current state. The Region's consulting engineer, CH2M Hill, advised that the unit must remain out of operation until the additional repairs could be completed. The additional repairs required were not originally foreseen as each incinerator cannot be fully inspected until it is removed from service with substantial preparation work. The initial contract was accordingly scoped based upon conditions learned from previous works. The full repair work required was estimated to take eight months. Incinerator No. 1 is scheduled for maintenance in 2019 and is expected to be like that of Incinerator No. 2. That work will be secured through a new competitive process. However, the additional repairs to Incinerator No. 2 were required to be done immediately in order to allow it to be put back in service to enable the work to commence on Incinerator No. 1 as soon as possible.

Issuing a separate competitive procurement process to carry out the additional repairs of Incinerator No. 2 would delay the repair schedule and impose significant risk to regulatory compliance at the GE Booth Wastewater Treatment Plant. Both CH2M Hill and Bennett Mechanical were on site to carry out the original design and repair work. Accordingly, prices were obtained from them and their scopes expanded to complete this additional work. Both firms have prior recent experience in York Region with this type of unique incinerator design and repair work. The pricing supplied from Bennett Mechanical for the additional repair work has been reviewed by CH2M Hill and staff and represents fair market pricing. The hourly rate of the engineering fees provided by CH2M Hill remain as established through the original competitive RFP process. The increase to the engineering fees is due to the increased duration of the project arising from the unforeseen circumstances of the additional repair work required.

APPENDIX III

PROCUREMENT ACTIVITY REPORT - T3 SEPTEMBER 1 TO DECEMBER 31, 2018

Disposal Activity - Procurement Activity Report - September 1, 2018 to December 31, 2018

| DISPOSAL ACTIVITY | | |
|---|-----------------------------------|-----------------------|
| Reporting Department/Division | Items Disposed | Total Proceeds |
| Corporate Services - Climate Change & Energy Management | Energy Solar Panels | 3,572.00 |
| Corporate Services - Real Property Asset Management | Cabinets | 149.50 |
| Health Services - Long Term Care | Tables, Chairs , Exercise Machine | 232.95 |
| Public Works - Operations Support | Water Meters | 6,566.81 |
| Public Works - Operations Support | Vehicles and Equipment | 79,624.80 |
| Total Disposal Proceeds | | \$90,146.06 |

| DONATIONS | | |
|--------------------------------------|-----------------------|--|
| Reporting Department/Division | Items Donated | Recipient |
| Health Services - Paramedic Services | Medical Bags (6 sets) | Dufferin Search & Rescue (2 sets); Hamilton Health Sciences (4 sets) |

For information

DATE: March 01, 2019

REPORT TITLE: **A BRIEF HISTORY OF EXPENDITURE INCREASES AND RELATED DRIVERS**

FROM: Stephen VanOfwegen, Commissioner of Finance and Chief Financial Officer

OBJECTIVE

The purpose of the report is to provide an overview of the key drivers of the expenditure increases from 2010 to 2019.

REPORT HIGHLIGHTS

- Investments in expenditures are made to advance Peel's vision of a Community for Life.
- According to a Mowat Centre report, titled "Rethinking Municipal Finance for the New Economy", municipal expenditure responsibilities have increased without a corresponding increase in revenues.
- From 2010 to 2019, current expenditures have increased at a rate quicker than inflation and population growth largely due to three key reasons.
- A significant portion of the increased total expenditures have been driven by a 97% increase in Provincially funded programs such as the 100 per cent funded Child Care programs.
- The Region has strategically increased its investments to maintain the state of good repair of its \$26 billion in assets through infrastructure levies in both the tax and utility rate supported services, avoiding more significant future costs.
- Peel has also increased investments to meet some key needs within the community, such as additional affordable housing and seniors' care (Butterfly model).
- Overall, the Region has managed its base costs well and its net tax levy increases have been in line with inflation to ensure its services remain affordable. Revenues and expenditures should be reviewed for long term sustainability.

DISCUSSION
1. Background

The Region of Peel's investments are guided by its Strategic Plan and its vision of a Community for Life, based on community insights and the priorities of residents and businesses in Peel. These investments have three areas of focus:

A BRIEF HISTORY OF EXPENDITURE INCREASES AND RELATED DRIVERS

1. Living: People's lives are improved in their time of need
2. Thriving: Communities are integrated safe and complete
3. Leading: Government is future oriented and accountable

Each area of focus has specific outcomes and service levels to ensure alignment to the Strategic Plan to meet the needs of the community. However, these needs will change as its landscape changes.

Over the past several years, community service needs have evolved due to a growing and aging population. Technology is changing at an unprecedented rate, impacting how we do business. At the same time, Peel has experienced a major change in its employment sector, moving from manufacturing based to service based businesses.

Impact of the Changing Nature of Employment

On March 28, 2019, Council was presented with a report from the Mowat Centre, titled "Rethinking Municipal Finance for the New Economy". The report highlighted that Peel's employment landscape is indeed changing. Employment in the manufacturing or goods production sector is shifting to more goods movement and other service-based businesses. Technological advances in artificial intelligence and digitization are also changing the space needs for traditional offices and stores. These changes shrink the property tax base with less revenue coming from the non-residential base ultimately putting additional pressure on the property taxes from residential homes.

As municipalities are creatures of the Province, Peel has limited revenue tools aside from property tax, development charges, user fees and transfer payments from the federal and provincial governments. Any new revenue tools would have to be approved by the Province. This limitation on revenue creates significant financial pressure for Peel and other municipalities. In recent years, municipal expenditure responsibilities have increased with existing revenue sources not keeping pace. From 2010 to 2017, Peel's total current expenditures increased from \$1.2 billion to \$1.7 billion. After adjusting for inflation and population growth, Peel's expenditures have grown an average of 1.2 per cent each year compared to the 0.2 per cent average growth experienced by all municipalities in Ontario. This report examines the drivers of the increase in expenditures.

2. Findings

To achieve the outcomes for its vision of a Community for Life, Council approves the investments or expenditures each year through the annual budget. The investments support Council's approved service levels that are currently being delivered to the community, respond to increased service demand from a growing population and the need for new services as the community continues to evolve.

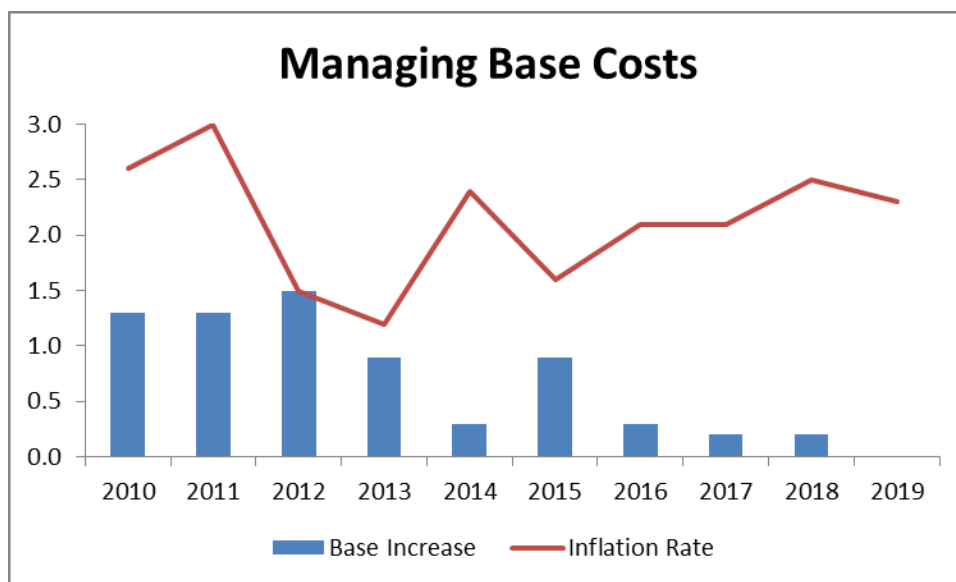
Effectively Managing Base Costs

In order to ensure that service levels are not eroded, additional resources or expenditures may be required to address inflationary pressures for vendor contracts, labour and increased pressure resulting from the population-driven growth of mandated services such as waste management and income support.

A BRIEF HISTORY OF EXPENDITURE INCREASES AND RELATED DRIVERS

Over the past ten years (2010 – 2019), Peel’s rapidly growing and aging population has been a major driver of increased base budget expenditures for most services including investments in the facilities and delivery models for Paramedic Services, Waste Management, Long Term Care, and TransHelp. With a shift in Peel’s economy from the changing nature of employment, there is increasing demand for Income Support, Employment Services and Affordable Housing.

Some of these services include a cost-sharing component with the Province, such as Paramedic Services where 50 per cent of the cost is funded through provincial transfers, there remains a gap to be funded through the net tax levy base. To help offset these service pressures Peel continually reviews its services through different approaches, including the LEAN process improvement method, to identify opportunities for cost savings and cost avoidance. Over the past ten years, as shown in the chart below, Peel has managed its base costs well with the average increase to the base budget (0.7 per cent) remaining below inflation.



Responding to Service Demand and New Services

While the Region is mandated to meet increased demand from population growth for some services, there is additional Council discretion where there is no legislative requirement to increase the investments each year. For example, in Housing Support, there is a legislative requirement to manage and fund the downloaded social housing portfolio but there is no legislative requirement to increase affordable housing. However, Council has been very supportive of the Peel community and has made additional investments in key outcomes such as increased waste diversion, increased affordable housing, and implementation of the Butterfly model in long term care homes to support seniors with dementia and other mental health challenges.

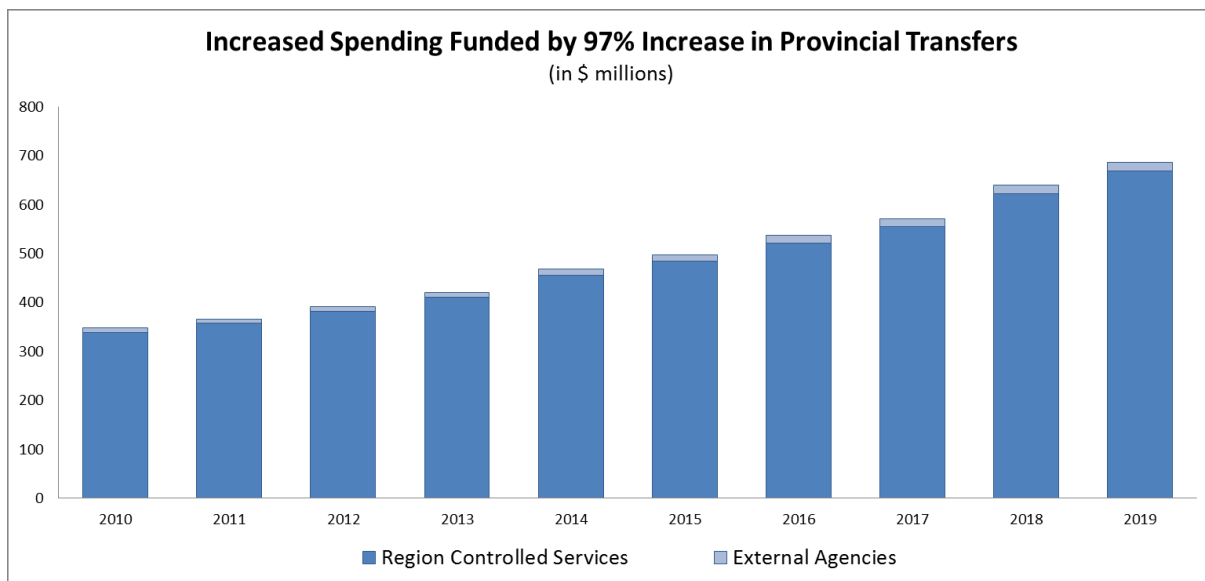
Increased Expenditures Funded by Increased Provincial Transfers

In addition, new services have also been downloaded from the Province where there is full cost funding or cost-sharing. An example of a downloaded fully funded program includes the

A BRIEF HISTORY OF EXPENDITURE INCREASES AND RELATED DRIVERS

EarlyON child care program where the Province provided funding with no requirement for the Region to cost share but additional investments were approved by Council to expand the EarlyON program beyond the level of provincial funding. An example of a cost-shared program is Income Support (Ontario Works) where the administrative costs are shared 50-50 with the Province while the payment to the Income Support clients is 100 per cent borne by the Province.

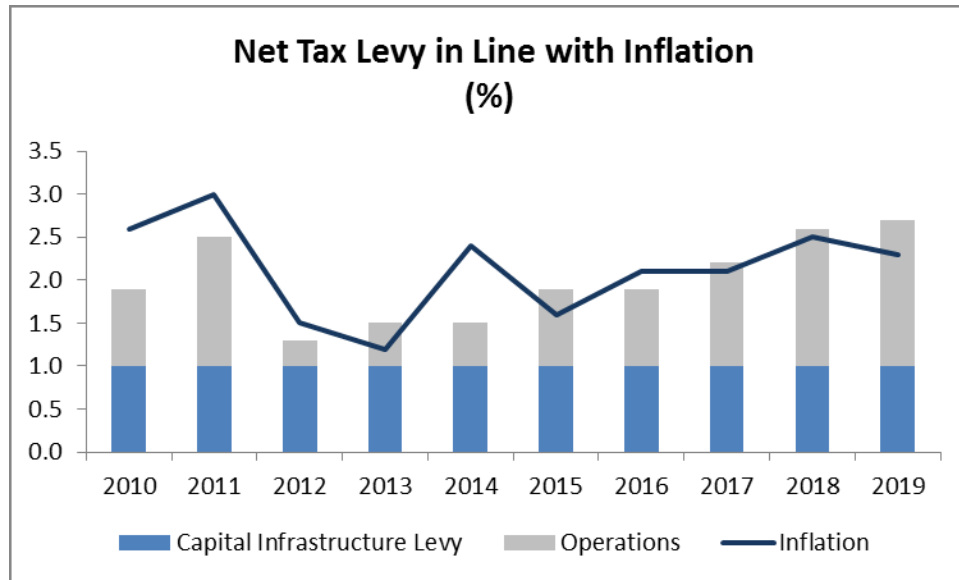
These programs have resulted in increased total expenditures by the Region but because they are either fully or partially funded by the Province, they have had a lower net tax levy impact. Over the past ten years, the level of external funding has increased at a rate faster than population growth. As shown in the chart below, from 2010 to 2019, Peel received additional Provincial transfers of \$330 million almost doubling the \$338 million in funding received in 2010. In fact, the increase in funding for the same time period has averaged 8.9 per cent while Peel's population grew at an average rate of 1.6 per cent.



Being Financially Prudent and Ensuring the Capital Plan is Sustainable

Capital infrastructure is a key component of service delivery in Peel. A significant portion of this infrastructure, such as the social housing stock and the water and wastewater infrastructure, was previously paid for by the province but now it's the residents in Peel that pay for the infrastructure replacement. To ensure that Peel's almost \$28 billion in assets are performing as needed, it is important to replace them when they reach the end of their useful life to avoid future higher costs. Regional Council has been strategic and fiscally prudent with its approach to maintaining assets and ensuring there are sufficient reserves to fund capital replacement. Since 2010, Council has approved annual increases to its infrastructure levies equivalent to 1% of its total net tax levy for tax supported assets and average levies of 4.3% for the water and wastewater assets, ensuring that infrastructure intensive services to the public are not disrupted.

A BRIEF HISTORY OF EXPENDITURE INCREASES AND RELATED DRIVERS



Long Term Financial Sustainability

To ensure that the service pressures are balanced with the community's need for affordability, Peel's Long Term Financial Planning Strategy recommends net tax levy increases that are in line with inflation. As seen in the chart above, Peel's net tax levy increases have been in line with inflation for the same time period even with the inclusion of the 1% infrastructure levy. However, to ensure long term financial sustainability, both expenditures and revenues will have to be assessed.

CONCLUSION

Over the past 10 years, Peel's total expenditures have increased at a rate faster than population growth and inflation. This increase has been largely driven by provincially downloaded and funded programs, ensuring the state of good repair of assets critical for service delivery, and meeting the evolving needs of the community. To ensure the long term financial sustainability of services, both expenditures and revenues will have to be assessed.

Stephen VanOfwegen, Commissioner of Finance and Chief Financial Officer

Approved for Submission:

D. Szwarc, Chief Administrative Officer

For further information regarding this report, please contact Norman Lum extension 3567 or via email: Norman.Lum@peelregion.ca.

For Information

DATE: March 14, 2019

REPORT TITLE: **2018 STATEMENT OF REMUNERATION AND EXPENSES**

FROM: Stephen VanOfwegen, Commissioner of Finance and Chief Financial Officer

OBJECTIVE

To provide the 2018 Statement of Remuneration and Expenses as required under section 284 of the *Municipal Act, 2001, as amended*.

REPORT HIGHLIGHTS

- The Regional Council members and Regional Appointees have received remuneration and expenses during 2018 which are disclosed annually, as per the *Municipal Act, 2001*.
- Payment information reported for Regional Appointees relating to other bodies, such as the Conservation Authorities have been provided by these bodies.
- Regional Council approved in 2014, an annual increase in the four-year term allowance for reimbursement of business expenses based on the Consumer Price Index of the previous year. For 2019 expenses, this represents a 2% increase resulting in a revised term allowance of \$23,260 (from \$22,805) for each Member of Council.

DISCUSSION

Appendix I to the subject report, lists all payments made during 2018 to Members of Council and Regional Appointees. In accordance with section 284 of the *Municipal Act, 2001*, this listing must be reported to Council annually by March 31st.

The benefits listed in Appendix I include the employer paid portion of the Ontario Municipal Employees Retirement System (OMERS), the Canada Pension Plan, the Employee Health Tax, Group Life, Health Spending and Basic Accidental Death and Dismemberment. The authority to remit this remuneration is found in Resolution RCB-2017-26.

The four-year term allowance for each Member of Council for business expenses is increased annually, as directed by Regional Council Resolution 2014-639 and the annual increase is based on Statistics Canada Consumer Price Index of the previous year. Based on the 2018 Statistics Canada Consumer Price Index the term allowance will increase by 2 per cent from \$22,805 to \$23,260 for 2019.

2018 STATEMENT OF REMUNERATION AND EXPENSES

FINANCIAL IMPLICATIONS

The cumulative impact for the annual increase in the term allowance for business expenses for all of Council is \$10,920 over the four year term. Funding for the term allowances is available through the Council operating budget.

CONCLUSION

The 2018 Statement of Remuneration and Expenses is a statutory report listing the remuneration and expenditures paid to or on behalf of current and former Members of Council and their appointees during the 2018 calendar year. The term allowance for business expenses in the amount of \$22,805 will increase to \$23,260 in 2019 for each Member of Council for the four-year period.



Stephen VanOfwegen, Commissioner of Finance and Chief Financial Officer

Approved for Submission:



D. Swarc, Chief Administrative Officer

APPENDICES

Appendix I – 2018 Statement of Remuneration and Expenses

For further information regarding this report, please contact Stephanie Nagel, Director, Corporate Finance and Treasurer, extension 7105.

Authored By: Monique Hynes

Reviewed in workflow by:
Financial Support Unit

APPENDIX I
2018 STATEMENT OF REMUNERATION AND EXPENSES

THE REGIONAL MUNICIPALITY OF PEEL
STATEMENT OF REMUNERATION AND EXPENSES FOR 2018

Current Members of Council 2018 - 2022

| | <u>Salary</u> | <u>Benefit Costs (1)</u> | <u>Retirement Allowance</u> | <u>Total Remuneration</u> | <u>Conferences & Other Expenses (2)</u> |
|---------------------------|---------------|--------------------------|-----------------------------|---------------------------|---|
| <u>CHAIRMAN</u> | | | | | |
| N. Iannicca | \$ 62,564.50 | \$ 11,294.86 | \$ 55,988.94 | \$ 129,848.30 | \$ 7,197.14 |
| <u>COUNCILLORS</u> | | | | | |
| P. Brown | 3,876.16 | 661.17 | | 4,537.33 | |
| G. Carlson | 55,957.10 | 9,711.64 | | 65,668.74 | |
| B. Crombie | 55,957.10 | 9,716.35 | | 65,673.45 | 49,831.24 |
| D. Damerla | 3,876.16 | 661.17 | | 4,537.33 | |
| S. Dasko | 3,876.16 | 661.17 | | 4,537.33 | |
| G. Dhillon | 3,876.16 | 661.17 | | 4,537.33 | |
| J. Downey | 55,957.10 | 9,711.64 | | 65,668.74 | 5,988.56 |
| C. Fonseca | 55,957.10 | 9,711.64 | | 65,668.74 | 6,283.04 |
| P. Fortini | 3,876.16 | 661.17 | | 4,537.33 | |
| A. Groves | 55,957.10 | 9,711.64 | | 65,668.74 | 4,865.73 |
| J. Innis | 55,957.10 | 9,711.64 | | 65,668.74 | 424.02 |
| J. Kovac | 55,957.10 | 9,711.64 | | 65,668.74 | 11,959.20 |
| M. Mahoney | 55,957.10 | 9,711.64 | | 65,668.74 | 2,517.55 |
| S. McFadden | 55,957.10 | 9,855.33 | | 65,812.43 | 10,084.02 |
| M. Medeiros | 55,957.10 | 9,711.64 | | 65,668.74 | 11,957.23 |
| M. Palleschi | 55,957.10 | 9,711.64 | | 65,668.74 | 11,502.04 |
| C. Parrish | 54,880.39 | 1,916.38 | | 56,796.77 | 11,399.14 |
| K. Ras | 55,957.10 | 9,711.64 | | 65,668.74 | 2,852.56 |
| P. Saito | 55,957.10 | 6,606.06 | | 62,563.16 | 8,466.62 |
| R. Santos | 3,876.16 | 661.17 | | 4,537.33 | |
| I. Sinclair | 3,876.16 | 133.58 | | 4,009.74 | |
| R. Starr | 55,957.10 | 1,833.47 | | 57,790.57 | 14,770.01 |
| A. Thompson | 55,957.10 | 9,711.64 | | 65,668.74 | 8,949.17 |
| P. Vicente | 3,876.16 | 661.17 | | 4,537.33 | |

Note 1: Includes employer portions of Health & Dental, Group Life and Accidental Death & Dismemberment Insurance, Employee Health Tax, Ontario Municipal Employee Retirement System (OMERS), if applicable and Canada Pension Plan, if applicable.

Note 2: Conferences & Other Expenditures reflect discretionary term limit items and cost of Regional newsletters.

**APPENDIX I
2018 STATEMENT OF REMUNERATION AND EXPENSES**

**THE REGIONAL MUNICIPALITY OF PEEL
STATEMENT OF REMUNERATION AND EXPENSES FOR 2018**

Former Members of Council 2014-2018

| | <u>Salary</u> | <u>Benefit Costs (1)</u> | <u>Retirement Allowance</u> | <u>Total Remuneration</u> | <u>Conferences & Other Expenses (2)</u> |
|--------------------|---------------|--------------------------|-----------------------------|---------------------------|---|
| <u>CHAIRMAN</u> | | | | | |
| F. Dale | \$169,031.50 | \$10,725.45 | \$76,230.00 | \$255,986.95 | \$375.00 |
| <u>COUNCILLORS</u> | | | | | |
| D. Cook | 43,499.08 | 2,287.10 | | 45,786.18 | 2,428.04 |
| G. Gibson | 52,080.94 | 9,114.74 | 6,105.00 | 67,300.68 | 6,224.17 |
| L. Jeffrey | 52,080.94 | 9,455.59 | 18,662.98 | 80,199.51 | 4,858.89 |
| K. Mahoney | | | 14,163.43 | 14,163.43 | |
| G. Miles | 52,080.94 | 9,114.74 | 10,000.00 | 71,195.68 | 9,051.96 |
| E. Moore | 52,080.94 | 9,114.74 | 55,988.94 | 117,184.62 | 6,277.60 |
| R. Paterak | | | 12,031.87 | 12,031.87 | |
| B. Shaughnessy | 52,080.94 | 9,034.73 | | 61,115.67 | 5,434.16 |
| J. Sprovieri | 52,080.94 | 1,784.43 | | 53,865.37 | 9,385.61 |
| J. Tovey | 2,767.62 | 504.41 | 32,178.00 | 35,450.03 | |

Note 1: Includes employer portions of Health & Dental, Group Life and Accidental Death & Dismemberment Insurance, Employee Health Tax, Ontario Municipal Employee Retirement System (OMERS), if applicable and Canada Pension Plan, if applicable.

Note 2: Conferences & Other Expenditures reflect discretionary term limit items and cost of Regional newsletters.

15.3-5

**APPENDIX I
2018 STATEMENT OF REMUNERATION AND EXPENSES**

2018 NON-SALARY RELATED REMUNERATION & EXPENSES PAID BY REGION AND/OR OTHER BODIES

| | | <u>Other Remuneration</u> | <u>Benefit Costs</u> | <u>Other Expenses</u> |
|-----------------------------------|----------------------------|---------------------------|----------------------|-----------------------|
| <u>CHAIRMAN</u> | | | | |
| F. Dale | Police Services Board | \$ 12,899.02 | \$ 446.17 | \$1,120.00 |
| N. Iannicca | Police Services Board | 533.15 | 102.33 | |
| N. Iannicca | Credit Valley Conservation | 13,729.89 | | 198.00 |
| <u>COUNCILLORS</u> | | | | |
| P. Brown | Police Services Board | 533.15 | 114.63 | |
| B. Crombie | Police Services Board | 533.15 | 83.53 | |
| L. Jeffrey | Police Services Board | 12,896.99 | 1,900.96 | 1,120.00 |
| S. McFadden | Police Services Board | 16,062.79 | 2,537.70 | 2,342.54 |
| D. Cook | Credit Valley Conservation | 547.54 | | 173.25 |
| J. Downey | Credit Valley Conservation | 624.61 | | 228.80 |
| M. Medeiros | Credit Valley Conservation | 468.17 | | 49.50 |
| M. Palleschi | Credit Valley Conservation | 623.46 | | 184.80 |
| R. Starr | Credit Valley Conservation | 468.17 | | 212.30 |
| K. Ras | Credit Valley Conservation | 624.61 | | 176.00 |
| J. Innis | Toronto & Region Conserv. | 1,559.16 | | 935.00 |
| M. Palleschi | Toronto & Region Conserv. | 692.96 | | 280.00 |
| M. Mahoney | Toronto & Region Conserv. | 519.72 | | 165.00 |
| J. Sprovieri | Toronto & Region Conserv. | 519.72 | | 159.00 |
| J. Tovey | Toronto & Region Conserv. | 86.62 | | 29.00 |
| S. McFadden | Conservation Halton | 50.00 | | |
| A. Thompson | AMO Board | | | 1,852.25 |
| C. Fonseca | FCM Board | | | 3,596.69 |
| <u>REGIONAL APPOINTEES</u> | | | | |
| J. Williams | Conservation Halton | \$500.00 | | \$381.60 |
| N. Nicholson | Police Services Board | 18,082.86 | 411.60 | |

DATE: March 18, 2019

REPORT TITLE: **IMPLEMENTATION OF A VLOCITY APPLICATION FOR HUMAN SERVICES PEEL HOUSING CORPORATION AND HOMELESSNESS PROJECT – DOCUMENT 2015-238N**

FROM: Sean Baird, Commissioner of Digital and Information Services
Janice Sheehy, Commissioner of Human Services

RECOMMENDATION

That the Contract (Document 2015-238N) for Implementation of a Vlocity Solution for the Human Services Peel Housing Corporation and Homelessness Project awarded to Vlocity, Inc. be increased by \$520,211.20 for a revised contract amount of \$3,174,898 (exclusive of applicable taxes) in accordance with Procurement By-law 30-2018.

REPORT HIGHLIGHTS

- In 2015, the Region of Peel acquired the services of Vlocity, Inc. to implement a cloud-based housing technology solution built on the Salesforce platform.
- From 2016 through 2018, the Region has worked with Vlocity to deliver digital solutions for the Peel Housing Corporation and homelessness programs and services.
- In the fall of 2016, a project commenced in the Peel Housing Corporation to automate the work order system, by creating a digital channel for tenants to initiate requests for maintenance.
- In 2016/17, solutions were delivered to manage all Regional shelters and multiple homelessness programs. In 2018, the original scope of work in homelessness programs was revised to reflect enhanced reporting and the case planning capabilities necessary to achieve the proposed outcomes of the Peel Housing and Homelessness Plan.
- Moving to the digital platform enhances the capability and capacity of the tenant portal, supporting self-serve options and the ability for management to track and coordinate work requests across the portfolio of buildings leading to efficiencies and cost savings.
- In accordance with Procurement By-law 30-2018, the process to increase this Contract requires Regional Council approval.
- The additional funds required are available from the Peel Housing Corporation 2019 capital budget and have been approved to support this project by the Peel Housing Corporation Board.

IMPLEMENTATION OF A VLOCITY APPLICATION FOR HUMAN SERVICES PEEL HOUSING CORPORATION AND HOMELESSNESS PROJECT – DOCUMENT 2015-238N

DISCUSSION

1. Background

In 2015, the Region of Peel entered into an agreement with Vlocity, Inc. to implement, configure and integrate a cloud-based technology solution built on Salesforce (the Region's established external digital services platform), known as Vlocity Social Housing (VSH). The VSH solution creates digital capabilities to manage: (i) the intake of clients/tenants into homeless shelters and/or the Peel Housing Corporation; (ii) tenants and service provider management; and (iii) tracking transactions related to tenants and providers.

In 2016/17 the VSH digital services for Emergency Shelters, Family Transitional Shelters and multiple Homelessness Programs were delivered, and legacy systems and manual processes previously in use in these areas were retired. Through these enhancements we have been able to collect data to incorporate vulnerability assessments at intake, ensuring that the highest priority clients receive timely services, implement a new model of client case planning, and create a dashboard of real time demand information in the shelters to assist with overflow protocol decisions.

In early 2018, additional work commenced to further support the transition of Peel Housing Corporation to the Vlocity platform requiring the Vendor's product expertise. The Region has requested Vlocity, Inc. to provide a full team to manage the project throughout several phases that include tenancy management, document lifecycle management, onboarding new tenants, on-line MLS style presentation of market rent vacancies, financials, and backlog management. Data migration from legacy systems (Lotus Notes and Timberline) and integrations with existing Regional systems (Enterprise Information Management, Content Server and PeopleSoft) is also included to support the functionality of each phase.

Both the Homelessness and Peel Housing Corporation solutions are aligned with the Region's Modernization and Digital Strategies, are Service Outcome focussed, and eliminate significant manual processes.

System enhancement will result in the following benefits to tenants:

- Tenant self-serve service request options such as: maintenance requests, unit viewings, tenant enquiries, and the booking of the elevator and party rooms;
 - The look and feel is simple and user friendly
 - Ability to continuously improve the tenant portal to deliver more robust self-serve options
 - Ability to measure Key Performance Indicators and Service Levels consistently across all operations
 - Faster response times and more accurate information to and from tenants
 - Ability to provide real-time calculations such as Rent Geared to Income rent calculations and last month rent interest calculation which is currently a manual process
- Electronic document submission with appropriate internal permissions avoids asking the client to manually submit the same document multiple times to multiple staff
- Ability for prospective tenants to apply for a market rent unit via an online channel will improve turnaround times and present options in a modern environment, consistent with client expectations;
 - Targeting faster turn-over of market units and reduction of vacancy loss

IMPLEMENTATION OF A VLOCITY APPLICATION FOR HUMAN SERVICES PEEL HOUSING CORPORATION AND HOMELESSNESS PROJECT – DOCUMENT 2015-238N

Benefits to Peel Housing Corporation Operations:

- Modernization of Peel Housing Corporation’s enabling technology in accordance with the Digital Strategy
- Automation of numerous manual processes, for example:
 - The integration of two legacy systems reduces duplicate, manual data entry and risk of human error
 - Significant reduction of the average 47,000 daily financial transactions for 7,000 tenants posted each month
 - Integration of financial transactions with tenancy management functions in one solution eliminates multiple manual processes, workarounds and duplicate/triplicate data entries between prior legacy systems
 - Automation of Rent Geared to Income rent calculation replaces current manual processes
 - Automation of Last Month Rent Interest calculation completes within minutes, versus the current state of 1.5 days for all tenants.
 - Streamlining of the invoice generation process to replace current manual processes which involves hand-offs across six reviewers
- Vacant Market Rent units advertised online via two clicks; click on unit then click on publish; prospective tenant can engage on-line to express interest and request viewings, etc.

Prototype market rent explorer screen from tenant self-serve portal:

Region of Peel working with you | MyPeelPortal | Services ▾ | My Services | Contact Us ▾

Services Overview >> Peel Living

Peel Living

Unit Listings | My Applications

If you are looking for a place to live, you can search for a rental home in Peel at market rates. The Region of Peel owns non-profit housing corporation called Peel Living. It is the largest non-profit housing provider in Peel. Peel Living offers a number of non-subsidized housing units which are often lower than market rates. Begin your search for a market rate unit now through our listings.

Filters ▾

Showing 23 of 23 Listings | Sort by Rent amount (High to Low) ▾

Knightsbridge

Unit 300
Available Date: 2018-07-19

\$1,400

[View Details](#)

Bella Vista Place

Unit 100
Available Date: 2018-07-03

\$1,400

[View Details](#)

Related articles

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- Tempor prodesset nemore possim adscriptorem [id pro](#)

Project Status

The initiative was originally scheduled for completion by the end of December, 2018. Subsequently, a new version of the software was released by the vendor mid-project. This

IMPLEMENTATION OF A VLOCITY APPLICATION FOR HUMAN SERVICES PEEL HOUSING CORPORATION AND HOMELESSNESS PROJECT – DOCUMENT 2015-238N

provided an opportunity to upgrade the Vlocity platform while work on rolling out the new IT solution continued, thereby eliminating the need for a future software update.

Upgrading the Vlocity platform is a necessary expense that the Region would have to incur, as at a point in time the outdated software would cease to be supported by the vendor. Upgrading the platform in advance of the solution delivery resulted in the optimal architectural solution in this case. As a result, the project is now intended for implementation in June of 2019.

The total increase to the original contract awarded to Vlocity is \$962,659.

2. Procurement Process

In 2015, Council granted authority to directly negotiate the procurement of Salesforce solutions under the Digital Strategy pursuant to Council Resolution # 2015-71. A contract was awarded to Vlocity, Inc. for the implementation of a cloud-based technology solution utilized by Human Services for its Social Housing program. This contract delivered a solution for all Regional Shelters and multiple Homelessness Programs.

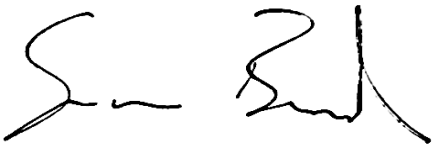
In 2018, a contract was awarded to Vlocity, Inc. in the amount of \$2,212,239 for the implementation of a solution to improve the Homelessness Shelter functionality and replace the multiple Peel Housing Corporation's legacy systems and manual processes.

The contract has previously been increased by \$442,447.80, through authorities granted to staff pursuant to the Procurement By-law.

In accordance with the By-law, the process to increase this Contract by an additional \$520,211.20 requires Regional Council approval, bringing the total increase to \$962,659.

FINANCIAL IMPLICATIONS

The additional funds required will be made available from Peel Housing Corporation's approved 2019 capital budget. Management reviewed the budget in its entirety and a lower priority capital job has been deferred. Funds of \$962,659 will be transferred from capital to the IT project's budget allocation to increase the contract for a revised total commitment of \$3,174,898 (excluding applicable taxes). This funding allocation has been approved by the Peel Housing Corporation Board.



Sean Baird, Commissioner of Digital and Information Services



Janice Sheehy, Commissioner of Human Services

**IMPLEMENTATION OF A VLOCITY APPLICATION FOR HUMAN SERVICES PEEL
HOUSING CORPORATION AND HOMELESSNESS PROJECT – DOCUMENT 2015-238N**

Approved for Submission:



D. Szwarc, Chief Administrative Officer

*For further information regarding this report, please contact Steve Van De Ven, Acting Director,
IT Solutions, ext. 4451, steve.vandeven@peelregion.ca*

Authored By: Karen McKellar

*Reviewed in workflow by:
Procurement*

New System

Old System

Yellow pages approach to finding homelessness shelters



Link to identify appropriate shelter and 'tell them I'm coming'



Manual, disconnected intake and assessment process for housing



Online application process to improve consistency, data and traceability



Manual housing placements with disconnected tracking



Common database and tracking of tenants across all properties



Disconnected service management leads to inefficient and reactive service



Connected and data-driven service management allows us to coordinate service requests and act proactively



Manual, paper and spreadsheet-based tenant transaction tracking



Common, coordinated transaction system allows for better consistency and quality





REGION OF PEEL
ACCESSIBILITY ADVISORY COMMITTEE
MINUTES

AAC-1/2019

The Region of Peel Accessibility Advisory Committee met on February 21, 2019 at 2:00 p.m., in the Regional Council Chamber, 5th Floor, Regional Administrative Headquarters, 10 Peel Centre Drive, Suite A, Brampton, Ontario.

Members Present: C. Belleth; C. Chafe; P. Crawford-Dickinson; M. Daniel; P. Fortini; N. Iannicca*; A. Karim; M. Mahoney; A. Misar; I. Sinclair

Members Absent: R. Chopra; A. Groves; N. Husain

Also Present: S. Baird, Commissioner of Digital Information Services; C. Matheson, Commissioner of Corporate Services; J. Jackson, Director, Culture and Inclusion; A. Macintyre, Deputy Clerk and Manager, Legislative Services; V. Montesdeoca, Accessibility Planning Specialist; S. Jurrius, Legislative Specialist; H. Gill, Committee Clerk; T. Kobikrishna, Legislative Assistant; S. MacGregor, Legislative Assistant

H. Gill, Committee Clerk, presided.

1. ELECTION OF CHAIR AND VICE-CHAIR

Chair Iannicca arrived at 2:03 p.m.

Mary Daniel, Committee Member, placed the following motion.

RECOMMENDATION AAC-1-2019:

That Raj Chopra be appointed Chair of the Region of Peel Accessibility Advisory Committee for a term ending November 30, 2020, or until a successor is appointed.

Chamila Belleth, Committee Member, placed the following motion.

RECOMMENDATION AAC-2-2019:

That Mary Daniel be appointed Vice-Chair of the Region of Peel Accessibility Advisory Committee for a term ending November 30, 2020, or until a successor is appointed.

* See text for arrivals

◆ See text for departures

Mary Daniel, Vice-Chair, assumed the Chair.

2. DECLARATIONS OF CONFLICTS OF INTEREST - Nil

3. APPROVAL OF AGENDA

RECOMMENDATION AAC-3-2019:

That the agenda for the February 21, 2019, Region of Peel Accessibility Advisory Committee meeting be approved.

4. DELEGATIONS – Nil

5. REPORTS

5.1. Alton Village – Phase 2 Road Improvements and Streetscaping (Oral)

Presentation by Serguei Kabanov, Project Manager, Roads - Design and Construction

Received

Serguei Kabanov, Project Manager, Roads - Design and Construction, provided an update on Phase 2 of the Alton Village project with respect to the project background, roads and boulevards, rest areas, amenity areas, parkette area, on-street parking, project timelines, key accessibility features and the status of Phase 1 of the project.

In response to a question raised by Councillor Sinclair, regarding sidewalk snow removal, Serguei Kabanov explained that the Town of Caledon is responsible for maintenance and repair of the sidewalks in Alton Village.

In response to questions raised by Carol-Ann Chafe, regarding the overgrowth of vegetation in the decorative flower baskets and flowerbeds, encroaching onto the walkway, Serguei Kabanov indicated that the vegetation would not interfere with accessibility and that the height of the flower baskets was in accordance with accessibility guidelines. In addition, he noted that the Region of Peel is working with the Town of Caledon to establish maintenance guidelines and undertook to notify Caledon of the Committee's concern.

Committee Member Carol-Ann Chafe also suggested that consideration be given to the placement of garbage cans and bike racks in rest areas to ensure that adequate room is available to accommodate a wheelchair next to benches, allowing for inclusive use of the space.

5.2. Accessibility Planning Program Update – February 21, 2019

Received

Veronica Montesdeoca, Accessibility Planning Specialist, provided an update on the following matters:

- The Site Plan and Construction Advisory Working Group should continue the work started during the previous term and requested volunteers to participate on the working group.
- National Access Awareness Week will take place in May 2019 and requested volunteers to assist with the planning.

6. COMMUNICATIONS

- 6.1. **Raymond Dell'Aera, 2018 Chair, TTC Advisory Committee on Accessible Transit**, Email dated January 11, 2019, Regarding Update on the GTA Accessibility Advisory Committee (GTA-AAC) Joint Meeting

Received

- 6.2. **Raj Chopra, Committee Member**, Providing an Update on the Provincial Health Care Standards Development Committee (Oral)

RECOMMENDATION AAC-4-2019:

That the communication item from Raj Chopra, Committee member be deferred to the April 18, 2019 Region of Peel Accessibility Advisory Committee meeting.

7. OTHER BUSINESS - Nil

8. NEXT MEETING

The next meeting of the Region of Peel Accessibility Advisory Committee is scheduled for Thursday, April 18, 2019 at 1:30 p.m., Regional Administrative Headquarters, Council Chamber, 5th floor, 10 Peel Centre Drive, Suite A, Brampton, ON.

Please forward regrets to Harjit Gill, Committee Clerk, (905) 791-7800, extension 4854 or at harjit.gill@peelregion.ca.

9. ADJOURNMENT

The meeting adjourned at 2:57.



THE REGIONAL MUNICIPALITY OF PEEL

AUDIT AND RISK COMMITTEE

MINUTES

ARC - 1/2019

The Region of Peel Audit and Risk Committee met on February 21, 2019 at 9:35 a.m., in the Regional Council Chamber, 5th Floor, Regional Administrative Headquarters 10 Peel Centre Drive, Suite A, Brampton, Ontario.

Members Present: S. Dasko; N. Fairhead; N. Iannicca; K. Ras; R. Santos; I. Sinclair; R. Starr; H. Zuberi

Members Absent: C. Fonseca

Also Present: D. Szwarc, Chief Administrative Officer; S. VanOfwegen, Commissioner of Finance and Chief Financial Officer; S. Baird, Commissioner of Digital and Information Services; C. Matheson, Commissioner of Corporate Services; J. Smith, Commissioner of Public Works; N. Polsinelli, Commissioner of Health Services; J. Sheehy, Commissioner of Human Services; P. O'Connor, Regional Solicitor; S. Nagel, Treasurer and Director of Corporate Finance; M. Morris, Director of Enterprise Risk and Audit Services; Ava Macintyre, Deputy Clerk and Manager, Legislative Services; S. Jurrius, Committee Clerk; S. MacGregor, Legislative Assistant; T. Kobikrishna, Legislative Assistant

S. Jurrius, Committee Clerk, presided.

1. ELECTION OF CHAIR AND VICE-CHAIR

Councillor Dasko placed the following motion.

RECOMMENDATION ARC-1-2019:

That Councillor Starr be elected Chair of the Audit and Risk Committee, for a term ending November 14, 2020, or until a successor is appointed by Regional Council.

* See text for arrivals

◆ See text for departures

Councillor Sinclair placed the following motion.

RECOMMENDATION ARC-2-2019:

That Councillor Santos be elected Vice-Chair of the Audit and Risk Committee, for a term ending November 14, 2020, or until a successor is appointed by Regional Council.

Councillor Starr assumed the Chair.

2. DECLARATIONS OF CONFLICTS OF INTEREST - Nil

3. APPROVAL OF AGENDA

RECOMMENDATION ARC-3-2019:

That the agenda for the February 21, 2019 Audit and Risk Committee meeting, be approved.

4. DELEGATIONS

- 4.1. **Stephen VanOfwegen, Commissioner of Finance and Chief Financial Officer, Region of Peel**, Presenting the 2017 Government Finance Officers Association Canadian Award for Financial Reporting to Corporate Finance Staff

Received

Stephen VanOfwegen, Commissioner of Finance and Chief Financial Officer, recognized staff from the Corporate Finance team for their work on the 2017 Community for Life Annual Financial Report. He announced that the Region of Peel received the Government Finance Officers Association Canadian Award for Excellence in Accounting and Financial Reporting for 2017, for the 17th consecutive year.

Councillor Ras congratulated staff for their work on the 2017 Annual Financial Report.

5. REPORTS

5.1. Audit and Risk Committee Orientation (Oral)

Presentation by Michelle Morris, Director, Enterprise Risk and Audit Services; Jennifer Weinman, Manager, Enterprise Risk and Audit Services; Anila Lalani, Advisor, Enterprise Risk and Audit Services; and Stephanie Nagel, Treasurer and Director, Corporate Finance

Received

Michelle Morris, Director, Enterprise Risk and Audit Services, introduced staff and welcomed committee members. She provided an overview of the Three Lines of Defense Model outlining the roles and functional responsibilities of the Audit and Risk Committee and the Enterprise Risk and Audit Services division.

Jennifer Weinman, Manager, Enterprise Risk and Audit Services, and Anila Lalani, Advisor, Enterprise Risk and Audit Services, provided an overview of audit services including assurance, advisory, fraud investigation and risk management.

Stephanie Nagel, Treasurer and Director, Corporate Finance, provided an overview of Corporate Finance services and its role in supporting the Audit and Risk Committee. She reviewed statutory requirements for treasurers, external auditors and municipalities (as required under the *Municipal Act, 2001, as amended*) and highlighted the appointment of Deloitte as the external auditor for the Region of Peel.

In response to a question from Councillor Sinclair regarding reference verification for new hires, Michelle Morris noted that Human Resources completes reference checks for new hires, however, police background checks are not a usual requirement but are conducted for positions that deal with vulnerable individuals.

In response to a question from Member Fairhead regarding the Committee's opportunity to participate in the risk management process and information testing, Michelle Morris noted that the internal audit function completes the testing as part of the audit process and that the risk management function does not do testing as part of its process.

In response to a question from Member Zuberi regarding a fraud hotline, Michelle Morris noted that the Region is in the process of implementing an employee reporting line that will cover both human resources complaints and fraud. The system will be managed by a third party provider and triaged by Regional staff. In addition, the Region provides a Fraud Prevention training program for new employees and has a Fraud Prevention Policy.

In response to a question from Member Zuberi regarding guidelines for evaluating and accepting additional advisory service requests, Michelle Morris noted that all advisory services are in line with our red book standards under governance risk and controls.

In response to a question from Councillor Starr regarding standard audit procedures, Stephanie Nagel noted that the *Municipal Act, 2001, as amended*, requires the Auditor to report to Council, however, in the case of municipalities with an Audit and Risk Committee it is usual for the municipality and the Auditor to report to the Committee and the results are put forward to Council through the Committee minutes.

5.2. **Audit and Risk Committee and Enterprise Risk and Audit Services Charters**

RECOMMENDATION ARC-4-2019:

That proposed revisions to the Charters as described in the report of the Director, Enterprise Risk and Audit Services titled "Audit and Risk Committee and Enterprise Risk and Audit Services Charters", be approved.

5.3. 2019 Enterprise Audit Services Risk Based Work Plan

Presentation by Michelle Morris, Director, Enterprise Risk and Audit Services and Jennifer Weinman, Manager, Enterprise Risk and Audit Services

Received

RECOMMENDATION ARC-5-2019:

That the 2019 Enterprise Audit Services Risk Based Work Plan as outlined in the report of the Director, Enterprise Risk and Audit Services, titled "2019 Enterprise Audit Services Risk Based Work Plan", be approved.

Michelle Morris, Director and Jennifer Weinman, Manager, Enterprise Risk and Audit Services, provided an overview of the Work Plan outlining the purpose, methodology, and alignment to the Region of Peel's Strategic Plan. Jennifer Weinman provided an overview of the three Work Plan components including: Audit projects that will commence in 2019, projects started in 2018 to be concluded in 2019, and other audit related services.

In response to a question from Councillor Ras regarding the scope of the Infectious Disease Prevention audit, Jennifer Weinman stated that staff will audit the controls that are in place throughout the processes; the scope is defined after the initial planning of the audit.

In response to a question from Councillor Sinclair regarding the Traffic Signal Operations audit, Jennifer Weinman noted that the audit will include operations of the local municipalities that have agreements with the Region. Janette Smith, Commissioner of Public Works, noted that the Region has agreements with the Cities of Brampton and Mississauga, however, there is no contract with the Town of Caledon because it was mutually agreed that the Region would maintain traffic signal operations on Regional roads in Caledon. She added that the Region is responsible for traffic signal operations on all Regional roads and that the Ministry of Transportation is responsible for Provincial roads, such as Highway 10.

In response to questions from Councillor Sinclair regarding official plan amendments, the Municipal Comprehensive Review (MCR) and development charges, Janette Smith noted that two reports and a presentation will be provided to Regional Council at its meeting on February 28, 2019, outlining the Region's planning roles, a work plan for growth management, processes for updating of the Official Plan, and the MCR.

In response to a question from Councillor Santos regarding the scope of the Homelessness Support and Shelter Operations audit, Jennifer Wienman stated that the audit will address contracts that the Region has with providers of services related to the shelter operations.

In response to question from N. Iannicca regarding cash transactions, Stephen VanOfwegen, Commissioner of Finance and Chief Financial Officer, noted that cash transactions are minimal at the Region of Peel, however, there are programs in place to mitigate risks.

5.4. **New Public Sector Accounting Standard: Related Party Disclosures**

Received

6. **COMMUNICATIONS - Nil**

7. **IN CAMERA MATTERS - Nil**

8. **OTHER BUSINESS - Nil**

9. **NEXT MEETING**

The next meeting of the Audit and Risk Committee is scheduled for April 4, 2019 at 11:00 a.m. in the Council Chamber, 5th floor, Regional Administrative Headquarters, Suite A, 10 Peel Centre Drive, Brampton, Ontario.

Please forward regrets to Jill Jones, Committee Clerk, and (905) 791-7800 ext. 4330 or at jill.jones@peelregion.ca.

10. **ADJOURNMENT**

The meeting adjourned at 10:44 a.m.

From: Minister of Infrastructure <Minister.MOI@ontario.ca>

Sent: Thursday, March 14, 2019 11:06 AM

To: Minister of Infrastructure <Minister.MOI@ontario.ca>

Subject: Message from the Minister of Infrastructure / Un message du Ministre de l'Infrastructure

Dear Mayor/Chief:

As the Minister of Infrastructure, I would like to provide an update about some important actions our government is taking to ensure we provide predictable, secure infrastructure funding to address community needs, while reducing the administrative burden on local governments.

As part of this plan, I am pleased to announce the launch of the first stage of the Investing in Canada Infrastructure Program (ICIP) in Ontario. The ICIP is a 10-year federal-provincial infrastructure program that will invest up to \$30 billion in combined federal, provincial and other partner funding to critical local and regional infrastructure needs. The program will support public transit, green, community, culture and recreation, and rural and northern infrastructure investments. It will bring major infrastructure investments to communities across Ontario. It will grow our economy, ensuring Ontario is open for business and open for jobs. By leveraging funding from the federal government, the ICIP will help us deliver on our commitment to a balanced, fiscally-responsible plan that includes smart infrastructure investments and meets the needs of the people.

I am pleased to announce that the first intake for the ICIP, the Rural and Northern stream, will launch in days. An intake for the remaining Public Transit stream will open in the coming weeks, while intakes for the Community, Culture and Recreation stream and Green stream will launch later this year.

In cooperation with my colleague the Honourable Ernie Hardeman, Minister of Agriculture, Food and Rural Affairs, the initial intake of the Rural and Northern stream will open on March 18, 2019. Communities will have up to eight weeks to submit applications for provincial review and nomination to the federal government.

This intake will prioritize projects that improve transportation infrastructure through investments in road, bridge, air and/or marine infrastructure. Municipalities and First Nations with populations of 100,000 or less will be eligible to apply. Projects that will be considered must have a total cost of less than \$5 million, though municipalities and First Nations could submit joint applications for larger projects, such as shared county roads. Future intakes may prioritize other specific asset types eligible under ICIP, like broadband.

More information about the Rural and Northern stream can be found at: www.grants.gov.on.ca/GrantsPortal/en, by clicking on Grant Opportunities.

I would also like to provide an update on the Ontario Community Infrastructure Fund. As

REFERRAL TO _____
RECOMMENDED _____
DIRECTION REQUIRED _____
RECEIPT RECOMMENDED _____

you may be aware, the government committed, through a recent line-by-line review, to make all government spending more effective. As a first step, we will be confirming the 2019 OCIF formula allocations with eligible communities, with formula funding confirmed at \$200 million for 2019. Moving forward, the province will be undertaking a re-design of the Ontario Community Infrastructure Fund (OCIF) to ensure funding is targeted to where it is needed most. Our government will work with the Association of Municipalities of Ontario and municipalities to develop this re-focused OCIF.

Projects that were submitted to the 2018 top-up application intake were reviewed and evaluated based on the criteria outlined in the program guidelines. While no funding will be provided through the 2018 OCIF application intake, it is our intent to nominate a number of road and bridge projects – that would have been successful under the program – for federal funding under the Rural and Northern stream on an accelerated basis. Nomination is subject to municipal agreement and the submission of further information to ensure compliance with federal eligibility criteria. Ministry officials will be in contact shortly to provide a more detailed update on the OCIF and to outline next steps for those municipalities whose ICIP applications will be fast-tracked.

Thank you for your support as we continue to fund better infrastructure for the people, making smarter infrastructure investments throughout all municipalities and Indigenous communities across Ontario. I look forward to working with you to invest in and address the infrastructure needs of your community.

Sincerely,

[original signed by]

Monte McNaughton
Minister of Infrastructure

c: The Honourable Ernie Hardeman, Minister of Agriculture, Food and Rural Affairs
The Honourable Steve Clark, Minister of Municipal Affairs and Housing

Confidentiality Warning: This e-mail contains information intended only for the use of the individual names above. If you have received this e-mail in error, we would appreciate it if you could advise us through the Minister's website at www.ontario.ca/page/ministry-infrastructure and destroy all copies of this message. Thank you.

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**ITEMS RELATED TO
PUBLIC WORKS**

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DATE: March 14, 2019

REPORT TITLE: **AMENDMENTS TO THE REGION OF PEEL TRAFFIC BY-LAW 15-2013 TO EXTEND THE COMMUNITY SAFETY ZONE AND IMPLEMENT A SPEED LIMIT REDUCTION ON REGIONAL ROAD 50 (HIGHWAY 50) IN THE VILLAGE OF PALGRAVE, TOWN OF CALEDON, WARD 4**

FROM: Janette Smith, Commissioner of Public Works

RECOMMENDATION

That the existing Community Safety Zone on Regional Road 50 (Highway 50) from Gibson Lake Drive/Patterson Sideroad to Zimmerman Drive be extended to 100 metres south of Gibson Lake Drive/Patterson Sideroad to 30 metres north of Zimmerman Drive;

And further, that the existing posted speed limit 50 km/hr on Regional Road 50 (Highway 50) be extended from 50 metres south of Gibson Lake Drive/Patterson Sideroad to 400 metres south of Gibson Lake Drive/Patterson Sideroad;

And further, that the necessary by-law be presented for enactment;

And further, that the Ontario Provincial Police (OPP) Caledon Detachment and Town of Caledon be advised.

REPORT HIGHLIGHTS

- Staff reviewed the existing Community Safety Zone and posted speed limit in conjunction with Highway 50 reconstruction capital project works within the Village of Palgrave.
- Staff recommends extending the existing Community Safety Zone and extending the southern 50 km/h posted speed limit on Regional Road 50 (Highway 50) to enhance safety and provide adequate signage spacing for motorists.
- The Ontario Provincial Police (OPP) is in support of expanding the Community Safety Zone on Regional Road 50 (Highway 50) for the Village of Palgrave.
- The recommendations are consistent with and support the Region of Peel's adoption of the Vision Zero framework.

17.1-2

SPEED LIMITS AND COMMUNITY SAFETY ZONE ON REGIONAL ROAD 50 (HIGHWAY 50) IN THE VILLAGE OF PALGRAVE

DISCUSSION

1. Background

Region of Peel staff received inquiries from area residents during the Public Information Centre session for the Palgrave Road reconstruction project in December 2016. These inquiries prompted the review of the entire stretch of Highway 50 within and approaching the Village of Palgrave.

The Region initiated a capital project on Highway 50 in the Village of Palgrave which includes on-street parking facilities, street lighting enhancements, an updated school crossing, a pedestrian crossover at Highway 50 and the Caledon Trailway as well as traffic control signals at Highway 50 and Patterson Sideroad / Gibson Lake Drive. The road improvement project commenced in 2017 and is expected to be completed in 2019.

Community Safety Zones and speed limit reductions are part of the Region of Peel's Vision Zero Road Safety Strategy Plan, which include initiatives intended to discourage unsafe driving. The Ontario Traffic Manual provides guidelines for setting Community Safety Zones where there are schools, parks, playgrounds, senior citizen residences and when public safety is of special concern. Safety concerns such as aggressive driving must be evident in the part of the roadway chosen as a Community Safety Zone. Furthermore, to maintain the integrity of the Community Safety Zone, adequate police resources must be allocated to ensure regular enforcement. As such, the Police are consulted prior to recommending an area as a Community Safety Zone.

The primary consequence of a Community Safety Zone designation is that all moving offences related to motor vehicles will be charged an increased fine if committed within the boundaries of the zone. The increased fines are aimed to deter aggressive driving behavior, such as careless driving and speeding, in an effort to enhance public safety within the zone.

2. Findings

a) Community Safety Zone

Highway 50 within Village of Palgrave consists of a two-lane urban cross-section between Gibson Lake Drive/Patterson Sideroad and Zimmerman Drive. The posted speed limit for this section of the road varies between 40 km/h and 50 km/h. In the Village of Palgrave this road has urban main street characteristics with on-street parking, numerous driveways for homes and businesses, including school, fire hall and senior residences.

Based on the changes and urbanization in the Village of Palgrave, extending the existing Community Safety Zone on Highway 50 in advance of entering the Village is recommended from 100 metres south of Gibson Lake Drive/Patterson Sideroad to 30 metres north of Zimmerman Drive (as shown in Appendix I).

A letter has been received from the Ontario Provincial Police indicating that they are in support of expanding the existing Community Safety Zone on Highway 50 for the Village of Palgrave (as shown in Appendix II).

17.1-3

SPEED LIMITS AND COMMUNITY SAFETY ZONE ON REGIONAL ROAD 50 (HIGHWAY 50) IN THE VILLAGE OF PALGRAVE

b) Speed Limit Revisions

An amendment is necessary to the existing speed limit along Highway 50. It is recommended for the 50 km/h speed limit to begin prior to entering the Community Safety Zone so drivers can safely adjust their speeds. The recommended speed limit change is as follows:

- Extend the existing 50 km/h posted speed limit to 400 metres south of Gibson Lake Drive/Patterson Sideroad to 210 metres north of Zimmerman Drive (as shown in Appendix I).
- The travelling public will be informed of the change by the addition of “NEW” starburst signs.

c) Road Safety Strategic Plan – Vision Zero

Road safety is a priority in the Region of Peel. Council adopted the Vision Zero framework where no loss of life is acceptable. Through the Vision Zero process staff will implement actions to continually strive to improve safety in order to eliminate motor vehicles collisions causing injury and death. The adjustments of the Community Safety Zone, flashing school zone limit and posted speed limit recommended on Highway 50 are consistent with and supports the move towards Vision Zero.

CONCLUSION

Amendments to the Region of Peel Traffic By-law 15-2015 are required to extend the existing Community Safe Zone and the posted speed limit on Highway 50 in the Village of Palgrave to enhance the level of safety for all road users.



Andrew Farr for
Janette Smith, Commissioner of Public Works

Approved for Submission:



D. Szwarc, Chief Administrative Officer

APPENDICES

Appendix I – Map of Community Safety Zone and Speed Limit Reduction on Regional Road 50 (Highway 50)

Appendix II – Ontario Provincial Police (OPP) letter of supporting to extend the Community Safety Zone on Regional Road 50 (Highway 50)

17.1-4

**SPEED LIMITS AND COMMUNITY SAFETY ZONE ON REGIONAL ROAD 50 (HIGHWAY 50)
IN THE VILLAGE OF PALGRAVE**

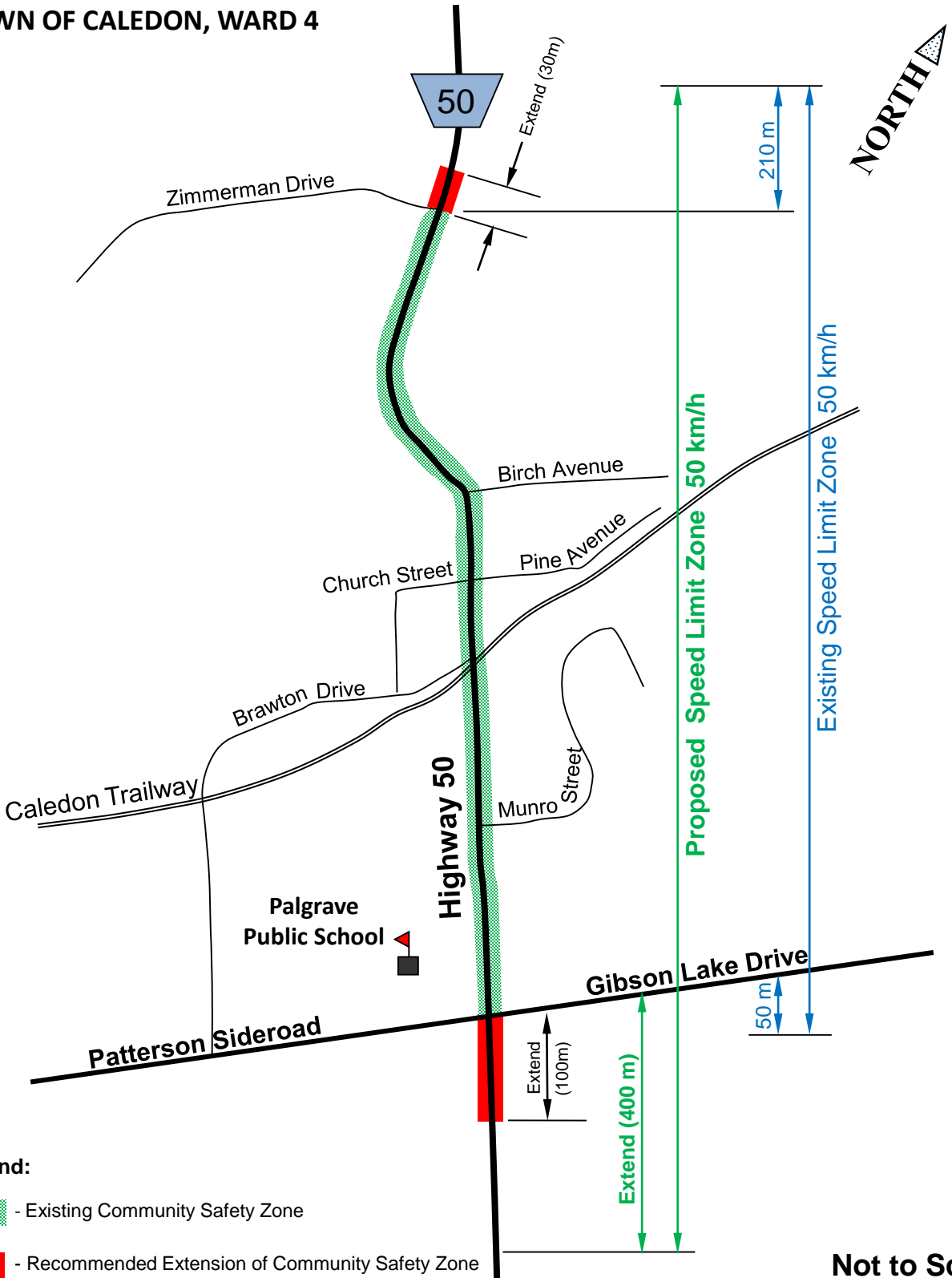
For further information regarding this report, please contact Denise Dang, Technical Analyst, at extension 7853, denise.dang@peelregion.ca.

Authored By: Denise Dang

*Reviewed in the workflow by:
Financial Support Unit*

APPENDIX I

AMENDMENTS TO THE REGION OF PEEL TRAFFIC BY-LAW 15-2013 TO EXTEND THE COMMUNITY SAFETY ZONE AND IMPLEMENT A SPEED LIMIT REDUCTION ON REGIONAL ROAD 50 (HIGHWAY 50) IN THE VILLAGE OF PALGRAVE TOWN OF CALEDON, WARD 4



APPENDIX II

AMENDMENTS TO THE REGION OF PEEL TRAFFIC BY-LAW 15-2013 TO EXTEND THE COMMUNITY SAFETY ZONE AND IMPLEMENT A SPEED LIMIT REDUCTION ON REGIONAL ROAD 50 (HIGHWAY 50) IN THE VILLAGE OF PALGRAVE TOWN OF CALEDON, WARD 4

Ontario
Provincial
Police

Police
Provinciale
de l'Ontario



Caledon Detachment
15924 Innis Lake Road
Caledon, Ontario Provincial Police
L7C 2Z1

Tel/Tél: (905) 584-2241
Fax/ Téléc: (905) 584-2188

Denise Dang
Technical Analyst, Traffic Operations
Transportation Division, Public Work
Region of Peel

7 December 2018,

Ms. Dang,

As discussed, the Caledon OPP would support the proposed extension of the existing Community Safety Zone (CSZ) on Regional Road # 50 to 100 metres south of Patterson Sideroad to 30 metres north of Zimmerman Sideroad.

Indeed Caledon OPP are in support of any measure designed to increase road and public safety and we are willing to commit the policing resources needed to both create awareness of the CSZ before and as it begins operating and to carry out enforcement once the CSZ is in place.

Thank you for consulting us on this matter and if you require anything further please do not hesitate to contact me.

A handwritten signature in black ink, appearing to read "Marcus Sanderson". The signature is fluid and cursive.

Marcus Sanderson

Staff Sergeant, Operations Manager

Caledon OPP Detachment

DATE: March 14, 2019

REPORT TITLE: **AMENDMENTS TO THE REGION OF PEEL TRAFFIC BY-LAW 15-2013 TO IMPLEMENT SPEED LIMIT REDUCTIONS ON REGIONAL ROAD 1 (MISSISSAUGA ROAD) AND ON REGIONAL ROADS 107/10 (BOVAIRD DRIVE), CITY OF BRAMPTON, WARDS 1, 2, 5, 6, 7, 8, 9, AND 10, AND TOWN OF CALEDON, WARD 2**

FROM: Janette Smith, Commissioner of Public Works

RECOMMENDATION

That the existing 80 kilometres per hour posted speed limit on Regional Road 1 (Mississauga Road) be reduced to 70km/h from 400 metres north of Regional Road 6 (Queen Street West) to 200 metres north of Regional Road 14 (Mayfield Road), in the City of Brampton and Town of Caledon;

And further, that the existing 70 kilometres per hour posted speed limit on Regional Roads 107/10 (Bovaird Drive) be reduced to 60km/h from 730 metres west of Heritage Road to Regional Road 7 (Airport Road), in the City of Brampton;

And further, that the necessary by-law be presented for enactment;

And further, that Peel Regional Police, Halton Regional Police, Ontario Provincial Police, City of Brampton and Town of Caledon be advised.

REPORT HIGHLIGHTS

- An Environmental Assessment for the Regional Road 1 (Mississauga Road) widening between Regional Road 107 (Bovaird Drive West) to Regional Road 14 (Mayfield Road) recommended a review of the posted speed limit, which prompted the review of a larger section of Regional Road 1 (Mississauga Road) due to environmental features and intensified development.
- Staff also conducted a comprehensive speed limit review of Regional Roads 107/10 (Bovaird Drive) from 730 metres west of Heritage Road to Regional Road 7 (Airport Road).
- The recommendations are consistent with and support the Region of Peel's adoption of the Vision Zero framework.

IMPLEMENT SPEED LIMIT REDUCTIONS ON REGIONAL ROAD 1 AND REGIONAL ROADS 107/10

DISCUSSION

1. Background

The Region's Environmental Assessment report for the Mississauga Road widening has identified that a speed limit reduction should be considered for Mississauga Road between Bovaird Drive West and Mayfield Road. Staff also received requests from concerned residents to consider a decrease of the posted speed limit on Mississauga Road between Queen Street West and Bovaird Drive West.

The Environmental Assessment report outlines a number of benefits that support the recommended speed limit reduction. The reduced 70km/h speed limit would enhance the level of safety for both drivers and vulnerable road users and reduce impacts to property owners that front onto Mississauga Road.

Bovaird Drive from 1.5 kilometres west Heritage Road to Elbern Markell Drive is also being reconstructed and urbanized to accommodate future growth. The road will have an urban cross-section with sidewalks and live / work commercial in addition to residential units fronting onto the roadway. With the changing road characteristics a speed limit review was prompted to determine the appropriate posted speed limit for both present and future conditions. Staff felt it would be beneficial to expand the study area limits of the speed limit review along Bovaird Drive west of Heritage Road to Airport Road.

2. Findings

a) Speed Review

Staff evaluated Mississauga Road from 400 metres north of Queen Street West to 200 metres north of Mayfield Road using the Transportation Association of Canada Speed Zone Methodology to determine the recommended speed limits.

The Transportation Association of Canada Speed Zone Methodology is a standardized technique that is used by the industry to establish an appropriate posted speed limit for a specific section of roadway. The basic premise of this technique is that the drivers select a travel speed after subjectively evaluating the surrounding environment, road geometrics and the risk of collision at different rates of speed. This study aims to predict at what speeds reasonably vehicle operators would drive based on the previously mentioned factors, and that speed limit is determined to be the most appropriate posted speed. The study area is mainly comprised of window roads and a combination of residential side and rear lot in addition to commercial/residential frontage.

The collected data was entered into the Transportation Association of Canada Speed Zone Methodology and, the results indicate that the posted speed limit on Mississauga Road should be decreased from 80km/h to 70km/h. In addition, the Environmental Assessment recommendation also supports the posted speed limit reduction.

A speed limit review was also undertaken for Bovaird Drive from 730 metres west of Heritage Road to Airport Road by using the same criteria. As part of the speed limit review staff accounted for both future and existing road characteristics and surrounding

IMPLEMENT SPEED LIMIT REDUCTIONS ON REGIONAL ROAD 1 AND REGIONAL ROADS 107/10

land uses. The Transportation Association of Canada Speed Zone Methodology study results indicate that the posted speed limit on Bovaird Drive West within the study limits should be decreased from 70km/h to 60km/h (refer to Appendix I)

The travelling public will be informed of the change by the addition of “NEW” starburst signs.

b) Road Safety Strategic Plan – Vision Zero

Road safety is a high priority in the Region of Peel and Council adopted the Vision Zero framework where no loss of life is acceptable. Through the Vision Zero process staff will implement actions to continually strive to improve safety to eliminate motor vehicle collisions causing injury and death. The speed limit reductions recommended for Mississauga Road and Bovaird Drive within the City of Brampton are consistent with and support the move towards Vision Zero.

CONCLUSION

An amendment to the Region of Peel Traffic By-law 15-2013 is required to implement a reduction of speed limit on Mississauga Road and on Bovaird Drive to coincide with future and existing road character and provide a uniform and safe posted speed for all road users.



Andrew Farr for
Janette Smith, Commissioner of Public Works

Approved for Submission:



D. Szwarc, Chief Administrative Officer

APPENDICES

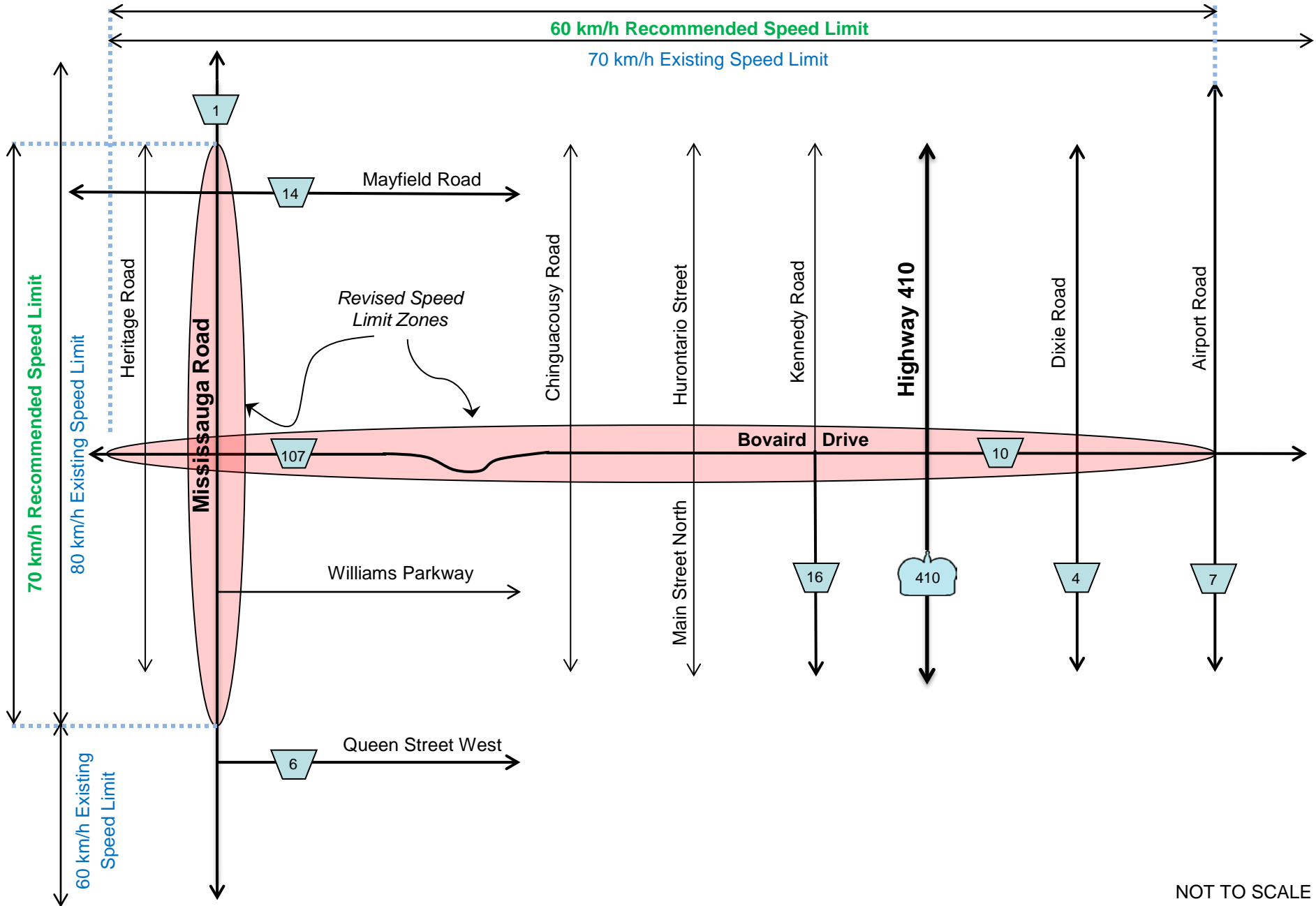
Appendix I – Proposed Speed Reductions on Mississauga Road from 400 metres north of Queen Street West to 200 metres north of Mayfield Road, and Bovaird Drive from Airport Road to 730 metres west of Heritage Road

For further information regarding this report, please contact Damian Jamroz, Supervisor, Traffic Operations, extension 7856, damian.jamroz@peelregion.ca.

Authored By: Damian Jamroz

Reviewed in Workflow By:
Financial Support Unit

APPENDIX I
AMENDMENT TO THE REGION OF PEEL TRAFFIC BY-LAW 15-2013 TO IMPLEMENT SPEED LIMIT REDUCTIONS ON
REGIONAL ROAD 1 (MISSISSAUGA ROAD) AND ON REGIONAL ROADS 107/10 (BOVAIRD DRIVE)
CITY OF BRAMPTON, WARDS 1, 2, 5, 6, 7, 8, 9, AND 10 TOWN OF CALEDON, WARD 2



NOT TO SCALE

For Information

DATE: March 14, 2019

REPORT TITLE: **WATER TREATMENT AND QUALITY 2018 ANNUAL SUMMARY REPORT AND WATER PROGRAMS UPDATE**

FROM: Janette Smith, Commissioner of Public Works

OBJECTIVE

To provide an update on the water programs and status of regulatory compliance for drinking water systems under Ontario Regulation 170/03 of the *Safe Drinking Water Act, 2002*.

REPORT HIGHLIGHTS

- The Region of Peel is proud to report another successful year of providing high quality drinking water to Peel residents, business and visitors. In 2018, Peel's municipal drinking water supplies achieved and surpassed the requirements set forth by provincial legislation.
- This report is to fulfil the requirement of Schedule 22 of the Ontario Regulation 170/03 under *Safe Drinking Water Act, 2002*, which requires drinking water system owners to prepare a Summary Report for the Municipality that must be presented to Council by March 31 of each year.
- The Region of Peel fulfilled all compliance requirements of the Regulations and legal instruments under the *Safe Drinking Water Act, 2002*, with the exception of the conditions summarized in Appendix I.
- The identified conditions were administrative or operational in nature and at no time was there any impact to the quality of the drinking water supply.
- Through dynamic and effective water programs, reinforced by the successes of the Drinking Water Quality Management System, the Region continues to demonstrate the supply of high quality drinking water with excellent performance scores in the 2018 Ministry of the Environment, Conservation and Parks inspection program.

DISCUSSION

1. Background

The municipal drinking water systems in Ontario are governed by the *Safe Drinking Water Act, 2002* (the *Act*) and its Regulations. The legislative mandates are intended to protect public health through the control and regulation of drinking water systems, and are accomplished by implementing the municipal drinking water licensing program, adoption of quality management principles into the operation of water systems as well as through the directive of Statutory Standard of Care for all individuals with oversight responsibilities for municipal drinking water systems.

WATER TREATMENT AND QUALITY 2018 ANNUAL SUMMARY REPORT AND WATER PROGRAMS UPDATE**2. Statutory Standard of Care and Statement of Compliance with the Requirements of the *Safe Drinking Water Act, 2002***

Section 11 of *the Act* defines legal responsibilities of owners and operating authorities for drinking water systems in Ontario. These include assurance of water system being operated by competent staff, maintained in good state of repair, the reporting obligations met and drinking water meeting the prescribed drinking water quality standards.

The owner of the Region's drinking water systems is the municipality, with Council members providing oversight, exercising decision making and ensuring management tools and policies are in place that allow the municipality meet the legislative and regulatory requirements. Scope of these responsibilities is defined in the Statutory Standard of Care under Section 19 of *the Act*, which was reviewed during Council meeting, in a workshop facilitated by the Walkerton Clean Water Centre on February 28, 2019.

The Ontario Regulation 170/03 (O.Reg.170/03) under the *Act* prescribes stringent mandatory requirements to monitor, test and to report drinking water quality information. Every year, a water quality report must be prepared for the preceding calendar year that identifies details regarding the overall quality of drinking water supply, events of adverse test results, and corrective action taken. The report must also be made available to the public by February 28 of each year.

As required, the 2018 Water Quality Reports have been prepared for each of Peel's drinking water system and made available to the public; for on-line viewing via the Regional website (peelregion.ca/pw/water/quality/reports/), or paper copy can be obtained upon request.

Additionally, under Schedule 22 of O.Reg.170/03, a Summary Report for the Municipality must be prepared and presented to Council by March 31 of each year. The report must disclose the standing of compliance with the terms and conditions of Approvals, Licences, Permits and the requirements of the *Act*, and its Regulations. The regulatory requirements that the drinking water system failed to meet must be summarized and the measures taken to correct these failures described.

The report must also include a summary of the quantities and flow rates of water supplied during the period from January 1 to December 31, 2018, which aids with the assessment of the capabilities of the drinking water systems to meet the existing and future demand.

In 2018, the Region of Peel demonstrated compliance with the legislative requirements with the exception of the administrative and operational events summarized in Appendix I. These occurrences were not associated with the safety of drinking water supplied to the consumers and these were rated with low risk to the overall performance of water systems as presented through the inspections.

All annual reports confirm that the Region of Peel has maintained its commitment to provide high quality drinking water to the consumers throughout the reporting period.

WATER TREATMENT AND QUALITY 2018 ANNUAL SUMMARY REPORT AND WATER PROGRAMS UPDATE

3. 2018 Performance Indicators and Water Programs Update

Ministry of the Environment, Conservation and Parks Inspections

Every year, the Region of Peel drinking water systems undergo an extensive review by the Ministry of the Environment, Conservation and Parks (the Ministry) to verify that the Region meets sampling, testing and treatment standards and staff competency requirements, and that Peel operates its water systems in compliance with provincial legislation. In tandem with the in-house compliance checks, Quality Management System internal and third party audits and the Ministry inspections provide an opportunity to review the Region's best management practices and where appropriate, enhance existing and implement new processes to continually improve the operation and management of the Region of Peel's drinking water systems. The 2018 Ministry inspections for the groundwater and lake based systems yielded successful ratings, presented in the table below, that certify compliance with regulatory requirements.

| Drinking Water System / Water Works | 2018 Ministry Inspection Rating |
|--|--|
| Caledon Village – Alton | 100% |
| Palgrave – Caledon East | 95.34% |
| Cheltenham | 100% |
| Inglewood | 100% |
| South Peel Distribution | 100% |
| Lakeview Water Treatment Plant | 93.94% |
| Lorne Park Water Treatment Plant | inspection was underway at time of this report |

The Poltawa Country Club Distribution System located in Terra Cotta, Caledon, which receives all of its drinking water from the Region's Cheltenham Drinking Water System did not undergo the Ministry inspection in 2018. The outcome of Poltawa's first inspection in 2017 was excellent, with no findings of compliance-related issues observed or reported. Staff continues to regularly monitor water quality of this Non-Municipal Year Round Residential system and assists with compliance administration through Section 5 of O.Reg.170/03 legal agreement approved by Regional Council on January 28, 2016.

Source Water Quality Monitoring Program

Protection of the Region's existing and future drinking water sources from contamination and overuse is a shared responsibility intended to safeguard public health. Through the in-house groundwater management program that includes decommissioning of old and unused private wells to help eliminate potential pathways of contamination to sources of drinking water in Peel, and an expanded scope of Lake Ontario water testing at the water treatment plant intakes, the Region continues to monitor and manage the sources of its drinking water.

Being a member of the Lake Ontario Collaborative Group, the Region takes part in initiatives to ensure measures are in place to protect the Lake as a shared source of drinking water. These initiatives include real-time monitoring, spills scenario modelling, shared incident notification and spill prevention strategies for water treatment plant intakes. Staff will be reporting to Council in April 2019 with more detail on this program.

WATER TREATMENT AND QUALITY 2018 ANNUAL SUMMARY REPORT AND WATER PROGRAMS UPDATE

Community Lead Testing Program

Through the Community Lead Testing Program, launched in 2008, the Region of Peel has been regularly testing private plumbing (water at the tap) and municipal distribution systems and tracking levels of lead in drinking water. The presence of lead in water at the tap is generally associated with plumbing (pipes and outlets) in homes built prior to 1960 or from plumbing connected to lead service pipes. The Region's program focuses on communities with greater potential for elevated lead in water based on the building age and type of plumbing material.

To date, the Region has completed 22 scheduled rounds of testing, the results of which indicate no elevated lead level concerns in its drinking water supplies. The 2018 test results have been summarized in the 2018 Annual Water Quality Report. The results confirm non-detect or very low levels of lead, well below the regulatory maximum limit of 10 micrograms per litre with an exception of one plumbing sample yielding lead result above the maximum limit, source of which was a lead water service, identified during Capital watermain replacement program.

Upon discovery of lead service, in a collaborative manner, Regional staff encourage property owner to work with the Region on coordination of private service pipe replacement with the Region's work.

Drinking Water Quality Management System

The Region has been operating all of its five (5) drinking water systems in accordance with the approvals framework under the *Act* and has been successfully maintaining its accreditation to the Ontario Drinking Water Quality Management Standard (the Standard).

A new version of the Ministry Standard released for implementation in 2018 offered more flexibility to water program management and resulting in little impact to our existing Drinking Water Quality Management System. The key changes to the Standard included added consideration of risks of Climate Change in water infrastructure planning and a requirement for documented application of both proactive and reactive approaches to continual improvement.

The highlights of the program in 2018 have been described in the below table.

| Highlight | Update Details |
|---|--|
| Implementation of Version 2.0 of the Standard | Updates applied to reflect organizational structure, risks associated with climate change and their impact on the provision of Infrastructure, asset maintenance, rehabilitation and renewal. Continual improvement of the program strengthened by adopting methods that allow prevention of incident recurrences. |
| Drinking Water System Risk Assessment | Potential hazards were assessed and resulting risks rated. Through Capital projects and water infrastructure renewal efforts, risks were found better controlled and hazardous events easier to manage. |
| Internal Audit for all Drinking Water Systems | Findings included one instance of Non-Conformance and several Opportunities for Improvement related to document controls and the need to enhance program awareness to staff at all levels. |

WATER TREATMENT AND QUALITY 2018 ANNUAL SUMMARY REPORT AND WATER PROGRAMS UPDATE

| Highlight | Update Details |
|--|--|
| Review of Emergency Readiness and Planning | Water supply and distribution modelling conducted to review demand scenarios during emergencies and to identify critical infrastructure within the Region's drinking water systems to build for redundancy, add control measures whereby lower the risk of potential impact. |

The program undertakings are underway for the first half of 2019. The work required to meet the requirements of the Standard include:

- Management Review for 2018 program overall performance in February and March, results of which will be presented to Council later this year.
- Third party external surveillance audit to maintain the Region's accreditation to the Standard;
- Municipal Drinking Water Licence renewal applications submission to the Ministry by May 17, 2019, supplemented by Council endorsement of the Financial Plan, as presented to Council on March 28, 2019.

CONCLUSION

The Region is committed to the ongoing provision of high quality drinking water and strive to achieve full compliance at all times including of its accreditation to Drinking Water Quality Management Standard. The annual water quality reports, excellent Ministry inspection ratings and program audit results demonstrate the Region's efforts to serve the communities in accordance with the provincial regulatory standards.



Andrew Farr for
Janette Smith, Commissioner of Public Works

Approved for Submission:



D. Szwarc, Chief Administrative Officer

APPENDICES

Appendix I: Water Treatment and Quality, 2018 Annual Summary Report and Regulatory Update

For further information regarding this report, please contact Justyna Burkiewicz, Manager, Regulatory Compliance, Water and Wastewater Divisions, at ext. 4494 or via email at justyna.burkiewicz@peelregion.ca.

Authored By: Justyna Burkiewicz, Manager, Regulatory Compliance, Water and Wastewater Divisions

**APPENDIX I
WATER TREATMENT AND QUALITY 2018 ANNUAL SUMMARY REPORT AND WATER PROGRAMS UPDATE**

Statement of Compliance - Summary of Operational and Administrative Events

| Drinking Water System | Legislative Requirement | Statement of Non-Compliance | Corrective Action |
|---|---|---|---|
| <i>Municipal Groundwater Systems (North Peel)</i> | | | |
| <p>Palgrave – Caledon East</p> | <p>Ontario Regulation 170/03 Schedule 7-2 (3) At least seven (7) distribution samples are to be collected each week and tested immediately for free chlorine residual. Unless one sample is collected each day of the week, four (4) of the samples must be taken on one day of the week and three (3) of the samples are to be taken on a second day of the week, at least 48 hours after the last sample was taken on the previous day in the same week.</p> | <p>Grab samples are generally collected on Monday and Thursday of each week. On the weeks of April 16, 2017 and May 20, 2018, where Monday was a holiday, the first sampling day was pushed to Tuesday, but the second sampling day remained Thursday. Although more than seven (7) distribution samples were collected and tested for free chlorine residual every week, the minimum 48 hour separation was not maintained between the last sample collected on Tuesday and the first sample collected on Thursday on these two occasions.</p> <p>This finding of non-compliance was expected since the same sampling scheduling issue was reported during last year's inspection of Caledon Village – Alton Drinking Water System and since these events fell outside of the inspection period of May 1, 2016 to April 2017 it was not reflected in the 2017 Palgrave – Caledon East Inspection Report.</p> | <p>Caledon Water Operations has amended its staffing schedule such that on weeks when the Monday is a holiday, facility inspections and sampling will be performed on Tuesday and Friday. This permanent scheduling change ensures that the distribution system chlorine residual operational checks will comply with the minimum 48 hours separation.</p> <p>Additionally, Microsoft Outlook notification reminders have been set to flag operations staff the week before and week of a long weekend.</p> |

APPENDIX I

WATER TREATMENT AND QUALITY 2018 ANNUAL SUMMARY REPORT AND WATER PROGRAMS UPDATE

| Drinking Water System | Legislative Requirement | Statement of Non-Compliance | Corrective Action |
|-----------------------|--|--|--|
| Inglewood | <p>Permit To Take Water (PTTW) #0838-AZRFZ5 (Issued June 22, 2018)3.2</p> <p>The Permit Holder shall only take water from the source, during the periods and at the rates and amounts of taking specified in the Water Takings Table A. Water taking flow rate for Inglewood Well #3 shall not exceed 900 L/min (15.0 L/s).</p> | <p>On September 14, 2018, it was discovered that raw water taking flow rates for Inglewood Well #3 were exceeding the limit of the new PTTW which was issued on June 22, 2018. The new PTTW decreased this well's water taking flow rate by 25%, compared to the former PTTW allowance of 1200 L/min to 900 L/min (i.e. from 20 L/s to 15 L/s). In reviewing the daily water taking trends during the period of June 22 to September 14, 2018, the PTTW limit was exceeded by an average of approximately 72 L/min (1.2 L/s). Flow meter calibration variances may account for some of the flow rate exceedance.</p> | <p>On September 14, 2018, staff immediately manually adjusted Well #3's raw water flow rate to 13.5 L/s, which is below the new PTTW limit of 15.0 L/s. Additionally, the high-high flow set-point was adjusted such that the well will lock out if water flow exceeds 15.0 L/s for more than 30 seconds. Staff will conduct a detailed review of newly issued PTTWs to identify any changes, new conditions or specific monitoring requirements and ensure these are documented, communicated to impacted staff and the appropriate changes are applied promptly.</p> |

**APPENDIX I
WATER TREATMENT AND QUALITY 2018 ANNUAL SUMMARY REPORT AND WATER PROGRAMS UPDATE**

| Drinking Water System | Legislative Requirement | Statement of Non-Compliance | Corrective Action |
|---|---|--|--|
| <i>Municipal Surface Water Systems (South Peel)</i> | | | |
| Lakeview Water Treatment Plant (Operated by the Ontario Clean Water Agency; OCWA) | Municipal Drinking Water Licence (009-201) Schedule E For conventional filtration, a chemical coagulant shall be used at all times when the treatment plant is in operation, unless a regulatory relief condition is in place with a different requirement. Municipal Drinking Water Licence (009-201) Schedule D - Regulatory Relief Item 2.3 Report interruption to chemical coagulant feed for duration of greater than fifteen (15) consecutive minutes. | On January 12, 2018, during monthly data review, a computer monitoring system trending data recording gap of 23 minutes was identified. | It was identified that during security system network upgrades, the data historian server was inadvertently disabled. Local panels continued recording daily minimum, maximum and averages during the time of incident; however, all historical data trending was lost for the event duration. Although conventional coagulant feed is believed to have been functioning appropriately during the data gap, trending is not available to demonstrate the actual minimum during that time. The event was reported appropriately. |
| | Ontario Regulation 170/03 Schedule 8, Section 8-2 (2) Manufacturer's instructions shall be followed with respect to the checking or maintenance of water treatment equipment. | During a review of trends on April 19th, 2018, it was identified that a required daily Membrane Integrity Test (MIT) had not been completed as scheduled for Membrane Train #76 on April 18th, 2018. Although an MIT was scheduled to start automatically at 12:01pm for Membrane Train #76, the scheduled MIT did not take place. | On April 18th, 2018, the maximum permeate turbidity for Membrane Train #76 was 20.5 mNTU (0.02 NTU). On April 19th, 2018, two MITs were performed on Membrane Train #76 – both met the required criteria, demonstrating that the integrity of Membrane Train #76 was intact. |
| | During a review of trends for June 21, 2018, it was identified that a required daily Membrane Integrity Test (MIT) had not been completed as scheduled for membrane train #76. Although an MIT was scheduled to start automatically at 12:01pm for Membrane Train 76, the scheduled MIT did not take place. | On June 21, 2018, the maximum permeate turbidity for Train #76 was 19.5 mNTU (0.02 NTU). On June 22, 2018, an MIT was performed on Membrane Train #76 with results that met the criteria, demonstrating that the integrity of Membrane Train 76 was intact. Programming was updated to include a new critical alarm to notify of MIT missed for 24 hours to help prevent this issue from re-occurring. | |

**APPENDIX I
WATER TREATMENT AND QUALITY 2018 ANNUAL SUMMARY REPORT AND WATER PROGRAMS UPDATE**

| Drinking Water System | Legislative Requirement | Statement of Non-Compliance | Corrective Action |
|---|--|--|--|
| <p>Lakeview Water Treatment Plant (Operated by the Ontario Clean Water Agency; OCWA)</p> | <p>Ontario Regulation 170/03 Schedule 10, Section 10-4 Raw water shall be sampled once every week and tested for microbiological parameters including E. coli and total coliform.</p> <p>Schedule 6, Section 6-1.1 Weekly samples must be collected and tested at least five (5) days and not more than ten (10) days after the sample collected in the previous week.</p> | <p>Raw water was not sampled for the week of April 29, 2018. Raw water sampling is generally performed on Monday however, the sample scheduled for Monday April 30, 2018, was not collected.</p> <p>As soon as the issue was identified, a raw water microbiological sample was collected on Friday May 4, 2018. However, since the previous week's sample was collected on Monday, April 23, 2018, there were eleven (11) days between the samples, which was beyond the allowable 10 day window.</p> | <p>This event was reported appropriately.</p> <p>To prevent a reoccurrence of missed weekly sampling, raw water microbiological sampling frequency has been increased to three times per week.</p> |
| | <p>Ontario Regulation 170/03 Schedule 6, Section 6-5(1) Continuous monitoring and recording must be carried out every 15 minutes for filter effluent turbidity readings.</p> | <p>The effluent turbidity analyzer on conventional Filter #2 was found to not be recording between June 7 and June 20, 2018. This event was the result of the turbidity analyzer being left in local maintenance mode following calibration.</p> | <p>As soon as it was discovered, the Filter #2 turbidity analyzer was removed from maintenance mode.</p> <p>The event was reported appropriately.</p> <p>During June 7-20, filter backwashes were conducted regularly and the combined effluent turbidity remained within regulatory limits. Bacteriological samples were collected three times per week on the treated water and all results during this time met the Ontario Drinking Water Quality Standards.</p> <p>A new procedure was implemented to further emphasize analyzer monitoring during rounds. The analyzer work order in the Computerized Maintenance Management System was updated to include text stating mandatory requirement to not place analyzer in maintenance mode on the local device. Maintenance mode instructions were reviewed during staff meetings in June and July, and reinforced during training by the instrument manufacturer in September.</p> |

**APPENDIX I
WATER TREATMENT AND QUALITY 2018 ANNUAL SUMMARY REPORT AND WATER PROGRAMS UPDATE**

| Drinking Water System | Legislative Requirement | Statement of Non-Compliance | Corrective Action |
|---|---|---|---|
| Lakeview Water Treatment Plant (Operated by the Ontario Clean Water Agency; OCWA) | Municipal Drinking Water Licence No. 009-101, Schedule E Duty ultraviolet (UV) disinfection units' intensity sensors shall be checked at least monthly against a reference sensor. | The monthly reference sensor checks were completed as required with an exception of June 2018 for sensors on conventional UV Reactors 1, 2 and 3. The conventional UV reactors were installed May 14, 2018. It was identified that a work order for monthly reference sensor checks for the conventional UV reactors had not yet been created. | As soon as it was discovered, the reference sensor checks for the conventional UV reactors were completed on July 4, 2018. Recurring monthly work orders for the UV reference sensor checks were created to prevent future reoccurrences. |
| | | On December 18, 2018, during routine monthly reference sensor checks on the conventional UV reactors, it was found that the UV reference sensor used in the previous month's check had mistakenly been left inside of UV Reactor #2. As a result, it was determined that the duty UV intensity sensor for UV Reactor #2 had been mistakenly used to complete the reference sensor check on two (2) duty UV intensity sensors in UV Reactor #3 on November 14, 2018. | Immediately after discovering the issue, the reference sensor was removed from UV Reactor #2 and replaced with the Reactor #2 duty UV intensity sensor. The monthly reference sensor checks for December for Conventional UV Reactors 1, 2 and 3 were completed using a calibrated spare UV reference sensor. The event was reported appropriately. To prevent reoccurrence, a visual identifier (tag and colouring) was placed on the outside handle of all UV reference sensors used in the facility. |
| | Municipal Drinking Water Licence No. 009-101, Schedule B, Section 10.1 Water systems must not discharge a contaminant into the natural environment that causes, or is likely to cause, an adverse effect. | On June 21, 2018, at approximately 6:00 pm, staff discovered untreated lake water overflowing from the OBM2 treatment process to the facility driveway, which entered stormwater catch basins and sewer chambers. Staff measured a free chlorine residual of 0.03 mg/L and total of 0.08 mg/L on the overflowed water. Approximate volume of water discharged during the event was 1000 L. | As soon as the overflow was discovered, the low lift pumps and OBM2 treatment plant were immediately shut down. Dechlorination agent was applied to the storm water catch basins. |

**APPENDIX I
WATER TREATMENT AND QUALITY 2018 ANNUAL SUMMARY REPORT AND WATER PROGRAMS UPDATE**

| Drinking Water System | Legislative Requirement | Statement of Non-Compliance | Corrective Action |
|---|---|---|---|
| Lorne Park Water Treatment Plant (Operated by the Ontario Clean Water Agency; OCWA) | Ontario Regulation 170/03 Schedule 6, Section 6-5 (1) Continuous monitoring and recording must be carried out every 15 minutes for filter effluent turbidity readings. | On March 9, 2018, it was discovered that the drain plug had fallen out of the turbidity analyzer on Membrane Train # 56. The turbidity meter had been cleaned during the day and the plug was not adequately tightened afterward. Review of trends revealed that the plug was out for 53 minutes (two production cycles). | As soon as it was discovered, Membrane Train #56 was shut down. The drain plug was put back on the turbidity analyzer and a turbidity grab sample was tested from Membrane Train #56 with a result of 0.06 NTU. All membrane train turbidity values were below 36.23 mNTU (0.04 NTU) during the event. Treated water turbidity trends were reviewed and all membrane train turbidity analyzer drain plugs were checked. The event was reported appropriately. |
| | Ontario Regulation 170/03 Schedule 8, Section 8-2 (2) Manufacturer's instructions shall be followed with respect to the checking or maintenance of water treatment equipment. | During a review of trends on March 9th, 2018, it was identified that a required daily Membrane Integrity Test (MIT) had not been completed as scheduled for Membrane Train #53 on March 8th, 2018. Although an MIT was scheduled to start automatically at 06:00AM for Membrane Train 53, the scheduled MIT did not take place. | On March 8, 2018, the maximum permeate turbidity for Membrane Train #53 was 50.11 mNTU (0.05 NTU). On March 9, 2018, two MITs were performed on Membrane Train #53 – both met the required criteria, demonstrating that the integrity of Membrane Train #53 was intact. Programming was updated to include a new critical alarm to notify of MIT missed for 24 hours to help prevent this issue from re-occurring. |

**APPENDIX I
WATER TREATMENT AND QUALITY 2018 ANNUAL SUMMARY REPORT AND WATER PROGRAMS UPDATE**

| Drinking Water System | Legislative Requirement | Statement of Non-Compliance | Corrective Action |
|-------------------------|---|---|--|
| South Peel Distribution | <p>Watermain Disinfection Procedure In addition to other requirements, mandatory sampling for bacteriological parameters and chlorine residual is required following each Category 2 watermain break repair.</p> | <p>On December 24, 2018, there were two separate Category 2 watermain breaks in Brampton, located on Greenwood Cr and on Norbert Rd. Following repair of the watermains, samples were collected as required and delivered to the laboratory. Due to lab error, the samples were not analyzed within the holding time.</p> | <p>Region of Peel was notified of this error and requested the samples be processed even though it was beyond the holding time. Secondary samples were also collected for each main break location. All sample results met the Ontario Drinking Water Quality Standards. The laboratory provided a Corrective Action Report. The event was reported appropriately.</p> |
| | <p>Municipal Drinking Water Licence No. 009-101, Schedule B, Section 10.1 Water systems must not discharge a contaminant into the natural environment that causes, or is likely to cause, an adverse effect.</p> | <p>On several occasions throughout 2018, water emerging from a watermain break picked up soil (silt) and washed it into a nearby storm sewer or water body, until the water supply was isolated for watermain repair efforts to be initiated.</p> | <p>The Region of Peel Environmental Control responds to these events to assess impact to fish, wildlife, or plant life and report the event to the Ministry of the Environment and Climate Change. During these events, staff strive to maintain drinking water system pressure and ensure the integrity of the drinking water supply.</p> |

DATE: March 13, 2019

REPORT TITLE: **MUNICIPAL DRINKING WATER LICENSING PROGRAM - LICENCE RENEWAL AND UPDATE TO THE FINANCIAL PLAN**

FROM: Janette Smith, Commissioner of Public Works

RECOMMENDATION

That the Financial Plan (2019-2024) Number 009-301A, demonstrating the Region's long-term strategy for the financial sustainability of its municipal drinking water systems be endorsed to satisfy the requirements of the Ontario Regulation 453/07 (Financial Plans) under the *Safe Drinking Water Act, 2002*.

REPORT HIGHLIGHTS

- The Region's Municipal Drinking Water System Licences are renewed every five years and expire in 2019.
- A Financial Plan must be approved by Regional Council through resolution prior to the renewal of the Municipal Drinking Water System Licences and submitted to the Ministry of Municipal Affairs and Housing.
- The Financial Plan (2019-2024) Number 009-301A, covering from 2019 to 2024, has been prepared in accordance with Ontario Regulation 453/07 under the *Safe Drinking Water Act, 2002* (the Act) and is based on the approved 2019 capital and operating budget.
- The Financial Plan summary has been attached to this report in Appendix I. A full Financial Plan can be accessed through the Office of the Regional Clerk.
- The Financial Plan summary demonstrates that the Region's drinking water systems are financially viable through an analysis of total revenues (including water rates, user charges and other revenues), total expenses (including amortization, interest and other expenses), annual surplus/deficit, and accumulated surplus/deficit.

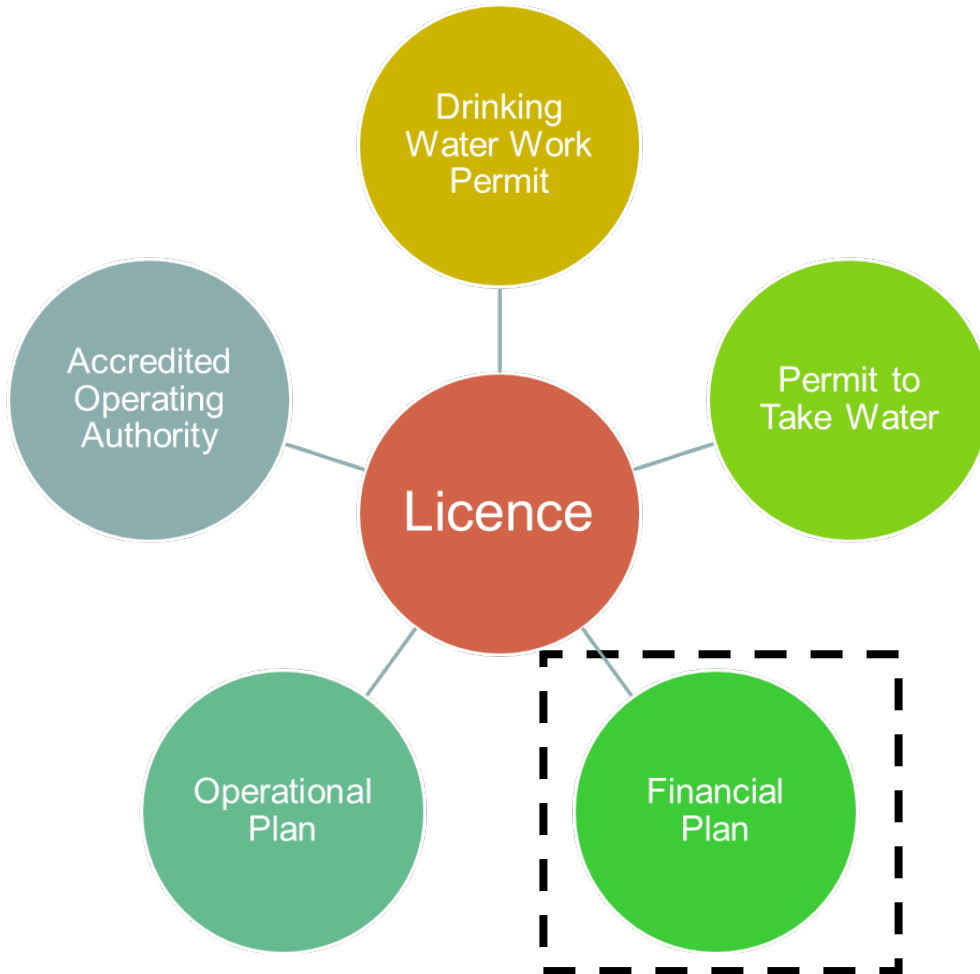
DISCUSSION

1. Background

The Financial Plan is one of five (5) components of the Municipal Drinking Water Licensing Program, an approvals framework for municipal residential drinking water systems in Ontario. The Municipal Drinking Water Licence (the Licence), issued by the Ministry of the Environment, Conservation and Parks (the Ministry), grants the authority to operate a drinking water system for a period of five (5) years during which the drinking water system owner must hold a valid Permit to Take Water and Drinking Water Works Permit, maintain

MUNICIPAL DRINKING WATER LICENSING PROGRAM - LICENCE RENEWAL AND UPDATE TO THE FINANCIAL PLAN

status as an accredited operating authority as well as have an Operational Plan documenting the Quality Management System and Council approved Financial Plan. The Region's drinking water systems currently operate under the Licences issued in November 2014.



Regional Council approved the first submission of the Financial Plan (Number 009-301A), prepared for the period 2010 – 2014, on June 3, 2010 (Council Resolution 2010-560).

Subsequently, Regional Council approved an updated Financial Plan (Number 009-301A), prepared for the period of 2014 – 2019, on April 24, 2014 (Council Resolution 2014-357).

MUNICIPAL DRINKING WATER LICENSING PROGRAM - LICENCE RENEWAL AND UPDATE TO THE FINANCIAL PLAN

2. Municipal Drinking Water Licensing Program – Update to the Region’s Drinking Water Systems Financial Plan

The intent of this report is to fulfil the requirement of the Financial Plan. It is the Region’s responsibility to ensure that planning for long term financial sustainability and safety of the drinking water systems has been conducted and that it complies with the requirements of Ontario Regulation 453/07, under the Act. The Financial Plan has been prepared by forecasting the cost, over a period of six (6) years, of providing Region of Peel customers with high quality drinking water.

For the purposes of fulfilling the requirements of renewing the Region’s Licence, the Financial Plan includes statements that the financial requirements of the drinking water systems have been considered and details of the system’s financial position, operations, and cash flow. A copy of the Financial Plan and the Council resolution will be submitted to the Ministry of Municipal Affairs and Housing as required. In addition, the Financial Plan will be made available, on request and without charge, to members of the public who are served by the drinking water systems and available through publication on the Region’s website.

The Licences for the South Peel, Caledon Village – Alton, Inglewood, Cheltenham and Palgrave – Caledon East Drinking Water Systems are due to expire on November 17, 2019. To ensure the continued water supply operations, applications for Licence renewal, accompanied with Council resolution for the Financial Plan, must be prepared and submitted to the Ministry no later than May 17, 2019.

Approval of the Financial Plan (2019 – 2024) Number 009-301A is required to ensure the Region’s continued compliance with the Act. Upon Regional Council’s endorsement, staff will submit the application for renewal of the Municipal Drinking Water System Licences to the Ministry.

FINANCIAL IMPLICATIONS

There are no financial impacts resulting from the preparation of the Financial Plan. The plan documents financial commitments and funding sources established for the current 2019 budget year and projections for the next five (5) years, including operational expenditures and capital outlays together with the water infrastructure 10 Year Capital Plan.

Also, there are no fees associated with the renewal of the Region’s Municipal Drinking Water Licences with the Ministry.

CONCLUSION

Through the process of planning for the long-term financial sustainability and safety of the drinking water systems, the Region has demonstrated commitment to the updates and maintenance of the Region’s Financial Plan.

Regional Council is asked to support the recommendation contained within this report and approve the Financial Plan prepared in accordance with the requirements of Ontario Regulation 453/07. Endorsement of the Plan by Council will allow staff to move forward with the renewal process for the Region’s Municipal Drinking Water Licences. The renewal applications,

**MUNICIPAL DRINKING WATER LICENSING PROGRAM - LICENCE RENEWAL AND
UPDATE TO THE FINANCIAL PLAN**

supplemented with a copy of the resolution will be submitted to the Ministry no later than May 17, 2019.



Janette Smith, Commissioner of Public Works

Approved for Submission:



D. Szwarc, Chief Administrative Officer

APPENDICES

Appendix I: Financial Plan Summary.

For further information regarding this report, please contact Daniel Gong, Supervisor, Public Works Finance Support Unit, at ext. 4815 or via email at daniel.gong@peelregion.ca or Justyna Burkiewicz, Manager, Water and Wastewater Regulatory Compliance at ext. 4494 or via email at justyna.burkiewicz@peelregion.ca.

Reviewed in workflow by:

Financial Support Unit

**APPENDIX I
MUNICIPAL DRINKING WATER LICENSING PROGRAM – LICENCE RENEWAL AND
UPDATE TO THE FINANCIAL PLAN**

Executive Summary for Peel Water Financial Plan (2019-2024)/Number 009-301A

The contents of the Peel Water Financial Plan describe the six (6) year Financial Plan to sustain municipal drinking water systems in the Regional Municipality of Peel (hereafter referred to as “Peel”). The Financial Plan utilizes guidelines of the Public Sector Accounting Board’s accounting standards PSAB 3150 for tangible capital assets in preparing this document required by Ontario Regulation 453/07 under the *Safe Drinking Water Act, 2002* (the “Regulation”).

The Financial Plan outlines the processes and practices in place within Peel that ensure the financial sustainability of the drinking water systems. It documents current financial commitments and funding sources for the current 2019 budget year and projections for the subsequent five (5) years including both capital outlays and operational expenditures. It also documents the 10 Year Capital Plan for water infrastructure.

The Financial Plan is not an accounting summary nor does it describe water program specifics such as service levels, program processes, service delivery, etc. It is focused on the means by which Peel assures financial sustainability of the physical assets and a high level summary of financial projections and position.

Some areas of the Financial Plan are developed in conjunction with the wastewater service when it comes to the business sustainability as Peel’s management is taking an integrated approach to conduct water and wastewater business.

Some financial information required by the Regulation is consolidated on a municipal level across numerous departments and it is difficult for that information to be properly allocated to the drinking water system. This includes a projected Statement of Changes in Financial Position and financial assets, liabilities and non-financial assets except tangible capital assets. The Regulation recognizes this challenge and therefore, this level of information is optional from Municipalities.

Also attached in the Finance Plan are:

- Complete projected statement of financial activities;
- Tangible capital assets and changes in tangible capital assets in the projected Statement of Financial Position;
- Level of details related directly to the replacement of lead service pipes;
- Water Program 2019-2028 10 Year Capital Plan

This Plan is prepared using the same methodology as the previous two submissions; the 2010 Water Financial Plan and the 2014 Water Financial Plan. The full detailed Financial Plan is available to the public at no cost through the Office of the Regional Clerk.

Ministry of Agriculture, Food and Rural Affairs

Ministère de l'Agriculture, l'Alimentation et des Affaires rurales

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RECEIVED
March 4, 2019

REGION OF PEEL
OFFICE OF THE REGIONAL CLERK

Agriculture Development Branch

Date: March 1, 2019
To: Clerks of County, District, Regions and other Municipalities
From: Mike Cowbrough
Chief Weed Inspector

Subject: Weed Control Act R.S.O. 1990 and appointment of Weed Inspectors

The following requirements of municipalities exist under the *Weed Control Act, R.S.O. 1990, Chapter W.5*:

- Section 6 (1) the council of every upper-tier and single-tier municipality shall by by-law appoint one or more persons as area weed inspectors to enforce this Act in the area within the council's jurisdiction and fix their remuneration or other compensation.
- Section 7 (1) the clerks of each upper-tier and single-tier municipality shall report the names of all area weed inspectors before April 1, 2019.
- Section 8 (1) municipalities may by by-law appoint one or more persons as municipal weed inspectors.
- Section 9 (1) the clerks of municipalities who have appointed municipal weed inspectors shall report the names of all municipal weed inspectors before April 1, 2019.

If since last year (2018) there has been no change in personnel appointed as weed inspector in your municipality, then there is no need to fill out the attached form.

If there has been a new person appointed as a weed inspector, please fill out the attached form and return it to the attention of Vaughan Allan at the address below before April 1, 2019.

Vaughan Allan
Ministry of Agriculture, Food and Rural Affairs
1 Stone Road West, 3rd Floor SW
Guelph, Ontario N1G 4Y2

.../2

REFERRAL TO _____
RECOMMENDED _____
DIRECTION REQUIRED _____
RECEIPT RECOMMENDED _____

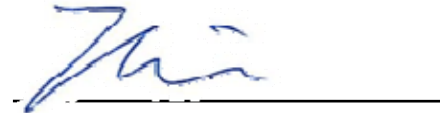


Good Things Grow in Ontario
À bonne terre, bons produits



Please forward on the following information to your appointed weed inspector:

The annual Weed Inspectors' Conference and Training Day will be held on **April 17, 2019 in Guelph at the Victoria Park East Golf Club**. To review the program agenda go to: <http://fieldcropnews.com/2016/02/weed-act/>. You can register for the conference by phone at 1-877-424-1300 or fill out and mail in the attached registration form. Space is limited so we ask that you register by **April 12, 2019**.



Mike Cowbrough
Chief Weed Inspector

**1. FILL IN IF YOU ARE AN UPPER TIER MUNICIPALITY
(e.g. Bruce County, Durham Region)**

Regional Municipality or County of: _____

Name of Weed Inspector: _____

Address: _____

Email: _____

Phone: _____

Name of Weed Inspector: _____

Address: _____

Email: _____

Phone: _____

**2. FILL IN IF YOU ARE A SINGLE TIER MUNICIPALITY
(e.g. Brant, Chatham Kent)**

Name of municipality: _____

Name of Weed Inspector: _____

Address: _____

Email: _____

Phone: _____

Name of Weed Inspector: _____

Address: _____

Email: _____

Phone: _____

NOTE: If more than two Weed Inspectors, please list on separate page.

**3. FILL IN IF YOU ARE A LOCAL (lower tier) MUNICIPALITY
(e.g. Guelph/Eramosa, Tiny, North Perth etc.)**

Name of municipality: _____

Name of Weed Inspector: _____

Address: _____

Email: _____

Phone: _____

Section of Municipality served: _____

CLERK'S INFORMATION

The municipality of _____ in the (county, region, district)

_____ **will not** be appointing a municipal weed inspector for 2019 and will be using the services of the area weed inspector for the Regional Municipality or County or will be sharing the services of a weed inspector from the single tier municipality (applicable only to municipalities found within districts):

Clerk _____

Address _____

Date: _____

PLEASE RETURN before April 1, 2019 TO:

**Vaughan Allan,
Ministry of Agriculture, Food and Rural Affairs
1 Stone Road West, 3rd Floor S.W.
Guelph, Ontario N1G 4Y2
Fax: 519-826-3567**

From: Melissa A. Soline <melissa.soline@glslcities.org>
Sent: Thursday, March 14, 2019 4:45 PM
To: Melissa A. Soline <melissa.soline@glslcities.org>
Cc: John Dickert <john.dickert@glslcities.org>; Sarah Rang <sarah.rang@glslcities.org>; Jane Eagleton <jane.eagleton@glslcities.org>; Scott McKay <scott.mckay@glslcities.org>; Jessica Vibert <jessica.vibert@glslcities.org>
Subject: EMBARGOED News Release - Concern over cuts to Great Lakes funding and drinking water protections in US
Importance: High

Dear Members of the Great Lakes and St. Lawrence Cities Initiative –

Attached please find an **embargoed** copy of a news release we will issue **tomorrow, Friday March 15 at 10am CDT / 11am EDT**, regarding the President’s proposed FY20 budget which cuts funding to the Great Lakes Restoration Initiative and other critical water protection funding. Also attached are some brief talking points/key messages should you receive any calls from the media on our comments.

If you have any questions, please don’t hesitate to reach out to either John Dickert (john.dickert@glslcities.org / 312-201-4516) or to me (melissa.soline@glslcities.org /630-219-3293).

Thank you –
Melissa

Melissa Soline
Program Manager
Great Lakes and St. Lawrence Cities Initiative
630.219.3293
melissa.soline@glslcities.org
www.glslcities.org

REFERRAL TO _____
RECOMMENDED _____
DIRECTION REQUIRED _____
RECEIPT RECOMMENDED _____



EMBARGOED UNTIL FRIDAY 3/15 AT 10AM CDT / 11AM EDT

**Trump Administration 2020 Budget Proposal Jeopardizes Clean Water
Mayors Concerned Over Cuts to Funding to Protect Drinking Water and the Great Lakes**

(Chicago, IL) March 15, 2019 -- President Donald Trump's fiscal year 2020 budget was introduced this week and proposes cuts to funds that protect the Great Lakes and the nation's drinking water while increasing military spending. "Every American citizen in every community deserves safe and clean drinking water. Access to clean water is not a privilege. It is a fundamental human right to sustain our daily needs," stated Deputy Mayor Michelle Morin-Doyle of Québec City, and Chair of the Great Lakes and St. Lawrence Cities Initiative. "Now is not the time to be rolling back funding. As elected officials, regardless of the level of government, it is our common responsibility to invest in measures to avoid another water crisis that puts public health and safety at risk."

The President's budget cuts the US Environmental Protection Agency by 31%, the Clean Water State Revolving Fund and Drinking Water State Revolving Fund by 34% and 26% respectively, and the Great Lakes Restoration Initiative (GLRI), the annual federal investment to protect and restore the Great Lakes, by 90% from \$300 to \$30 million. Investment in GLRI has resulted in action to reduce nutrients causing harmful algal blooms in the lakes, the cleanup of multiple Areas of Concern, and the restoration of critical wetlands and habitats, to name a few.

"Every dollar of GLRI that is spent has a return on investment of \$2.00-\$4.00. So we need to come together to continue, not stop, our investment of at least \$300 million in our Great Lakes. This will ensure clean water, restored waterfronts and sustainable fisheries," said John Dickert, President and CEO of the Great Lakes and St. Lawrence Cities Initiative.

Mayors of the Cities Initiative have long championed collaboration among all orders of government to invest in our water resources, particularly the Great Lakes, which provide drinking water to more than 40 million people in the region. A 2008 study by the Cities Initiative on local investment in the Great Lakes and St. Lawrence found that local government invests \$15 Billion annually in efforts to protect and restore the resource. "This constant attack on our drinking water and the Great Lakes is shortsighted," stated Mayor Mike Vandersteen of Sheboygan, Vice Chair of the Cities Initiative. "Mayors are on the front lines, working to ensure our citizens have safe and clean drinking water. We need the support of government leaders to accomplish this goal."

The Great Lakes and St. Lawrence Cities Initiative is a coalition of more than 100 Canadian and US mayors and municipal leaders, representing over 17 million people, committed to the long term protection and restoration of the Great Lakes and St. Lawrence River. Visit www.glslcities.org to learn more.

Media contact:

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Scott McKay, Québec Program and Policy Manager
Scott.mckay@glslcities.org / 514-618-0297



Facts & Talking Points – Great Lakes and St. Lawrence Funding

March 14, 2019

Great Lakes and St. Lawrence Basin Facts

- The largest surface freshwater systems in the world and contains 20% of the Earth's and 84% of the North America's surface freshwater.
- Provides drinking water to over 40 million people and is home to approximately 107 million people.
- The 3rd largest regional economy in the world, valued at of \$5.8 trillion USD (\$7.6 trillion CAD) and generates 30% of U.S. and Canadian economic activity.
- Generates more than 1.5 million jobs and \$60 billion in wages.
- Home to one-fifth of all U.S. and one-half of all Canadian manufacturing.
- Supports a \$7 billion USD (\$9.4 billion CAD) fisheries industry.

Great Lakes Restoration Initiative Facts & Talking Points

- The Great Lakes Restoration Initiative (GLRI) has provided more than \$2 billion in investments to over 3400 protection and restoration projects in the U.S. since 2010.
- The Great Lakes Restoration Initiative is creating jobs and revitalizing struggling communities across the eight-state Great Lakes region.
- The GLRI is used to fight invasive species, prevent Asian carp invasion, clean up toxic hot spots and Areas of Concern, restore waterfronts, reduce nutrient runoff to stop algal blooms, and protect critical ecosystems and drinking water.
- The GLRI is projected to generate \$50 billion in long-term economic benefits for the region and has a 2-to-1 return on investment, or better.
- The GLRI has a proven record of success and bipartisan support in Congress thanks to the House and Senate Great Lakes Task Forces.
- In December 2016, GLRI was authorized for 5 more years at up to \$300 million per year, but the actual funding requires an annual appropriation by Congress
- The FY2020 White House Budget released in mid-March cuts GLRI by 90%, from \$300M to \$30M.
- Cuts of this magnitude would bring Great Lakes restoration to a virtual halt
- The budget process will extend over many months this year so this is not final
- There is strong, bi-partisan support in Congress for maintaining or even increasing GLRI funding
- Responsibility for funding Great Lakes and St. Lawrence restoration and protection should not be returned to state and local entities, but shared among all orders of government.

18.2-4



- U.S. & Canadian local governments spend over \$15 billion annually in protection and restoration efforts.
- Cuts of this magnitude would be devastating to the Great Lakes and St. Lawrence Region and halt or slow down restoration efforts and economic recovery in the region.
- Much work to clean up and protect the Great Lakes and St. Lawrence remains.
 - Of the 43 total Areas of Concern under the Great Lakes Water Quality Agreement, only 7 have been formally delisted.
 - Asian carp are a looming threat
- \$300 million for the GLRI in FY2020 is critically important to maintain the restoration momentum on the Great Lakes.



Resolution

| | |
|-------------------------------|--------------------------------|
| Moved By: Councillor Dasko | Date: March 28, 2019 |
| Seconded By: Councillor | Item Number 20.1 |

Whereas, Mr. Arthur (Art) Kennedy, a professional engineer, was the manager of the Toronto Township Public Utilities Commission established in 1955, which managed the waterworks for Toronto Township;

And whereas, Mr. Kennedy was the manager of the Public Utilities Commission of the Town of Mississauga from 1968 until 1974, when the Region of Peel was formed;

And whereas, from 1974 until his retirement, Mr. Kennedy was the Director of the Water and Wastewater Division at the Region of Peel;

And whereas, from 1973 until 1976 Mr. Kennedy was a Director of the Ontario Water Works Association;

And whereas, Mr. Kennedy received the George Warren Fuller Award in 1974 from the Ontario Water Works Association for distinguished service in the water industry;

And whereas, Mr. Kennedy turned 100 years of age on March 7, 2019;

Therefore be it resolved, that the Region of Peel's Lakeview Water Treatment Plant be renamed to "Arthur P. Kennedy Water Treatment Plant".

| | | |
|----------------|-------------|-----------------|
| CARRIED | LOST | REFERRED |
|----------------|-------------|-----------------|

Chair

THE REGIONAL MUNICIPALITY OF PEEL

BY-LAW NUMBER 23-2019

A by-law to reduce the posted speed limit and designate the Community Safety Zone on Regional Road 50 (Highway 50); and to amend By-law Number 15-2013 being a by-law to regulate traffic on roads under the jurisdiction of The Regional Municipality of Peel.

WHEREAS, the Council of the Regional Corporation on the 24th day of January, 2013 passed By-law 15-2013 to consolidate the by-laws that regulate traffic on roads under the jurisdiction of The Regional Municipality of Peel;

AND WHEREAS, the Council of The Regional Municipality of Peel has by resolution passed on the 28th day of March, 2019, authorized the enactment of a by-law to amend By-law 15-2013 to reduce the posted speed limit on Regional Road 50 (Highway 50) from 400 metres south of Gibson Lake Drive / Patterson Sideroad to 210 metres north of Zimmerman Drive;

AND WHEREAS, the Council of the Regional Municipality of Peel has by resolution passed on the 28th day of March, 2019, authorized the enactment of by-law to amend By-law 15-2013 to designate the Community Safety Zone on Regional Road 50 (Highway 50) from a point located 100 metres south of Gibson Lake Drive / Patterson Sideroad to a point located 30 metres north of Zimmerman Drive;

NOW THEREFORE, the Council of the Regional Corporation enacts as follows:

1. That Part 11 of Schedule A of By-law 15-2013 is amended by deleting the following:

| Column 1 | Column 2 | Column 3 | Column 4 |
|-------------------|---|-------------------------------------|---------------|
| Regional Road No. | From | To | Times or Days |
| 50 | 50 metres south of Gibson Lake Drive / Patterson Sideroad | 210 metres north of Zimmerman Drive | Anytime |

2. That Part 11 of Schedule A of By-law 15-2013 is amended by adding the following:

| Column 1 | Column 2 | Column 3 | Column 4 |
|-------------------|--|-------------------------------------|---------------|
| Regional Road No. | From | To | Times or Days |
| 50 | 400 metres south of Gibson Lake Drive / Patterson Sideroad | 210 metres north of Zimmerman Drive | Anytime |

3. That Part 14 of Schedule A of By-law 15-2013 is amended by deleting the following:

| Column 1 | Column 2 | Column 3 | Column 4 |
|-------------------|----------------------------------|---|---------------|
| Regional Road No. | From | To | Times or Days |
| 50 | 100 metres north of Columbia Way | 50 metres south of Gibson Lake Drive / Patterson Sideroad | Anytime |

4. That Part 14 of Schedule A of By-law 15-2013 is amended by adding the following:

| Column 1 | Column 2 | Column 3 | Column 4 |
|-------------------|----------------------------------|--|---------------|
| Regional Road No. | From | To | Times or Days |
| 50 | 100 metres north of Columbia Way | 400 metres south of Gibson Lake Drive / Patterson Sideroad | Anytime |

5. That Part 24 of Schedule A of By-law 15-2013 is amended by deleting the following:

| Column 1 | Column 2 | Column 3 |
|------------------|--|---------------|
| Regional Road | Between | Times or Days |
| Regional Road 50 | Patterson Sideroad and Zimmerman Drive | Anytime |

6. That Part 24 of Schedule A of By-law 15-2013 is amended by adding the following:

| Column 1 | Column 2 | Column 3 |
|------------------|---|---------------|
| Regional Road | Between | Times or Days |
| Regional Road 50 | A point located 100 metres south of Gibson Lake Drive / Patterson Sideroad and a point located 30 metres north of Zimmerman Drive | Anytime |

READ THREE TIMES AND PASSED IN OPEN COUNCIL this 28th day of March, 2019.

Regional Clerk

Regional Chair

THE REGIONAL MUNICIPALITY OF PEEL

BY-LAW NUMBER 24-2019

A by-law to reduce the speed limits on Regional Road 1 (Mississauga Road) from 80 km/h to 70 km/h from 400 metres north of Regional Road 6 (Queen Street West) to 200 metres north of Regional Road 14 (Mayfield Road); and to reduce the speed limit on Regional Roads 107/10 (Bovaird Drive) from 70 km/h to 60 km/h from Regional Road 7 (Airport Road) to 730 metres west of Heritage Road; and to amend By-law Number 15-2013 being a by-law to regulate traffic on roads under the jurisdiction of The Regional Municipality of Peel.

WHEREAS, the Council of the Regional Corporation on the 24th day of January, 2013 passed By-law 15-2013 to consolidate the by-laws that regulate traffic on roads under the jurisdiction of The Regional Municipality of Peel;

AND WHEREAS, the Council of The Regional Municipality of Peel has by resolution passed on the 28th day of March, 2019, authorized the enactment of a by-law to amend By-law 15-2013 to reduce the speed limit on Regional Road 1 (Mississauga Road) from 80 km/h to 70 km/h from 400 metres north of Regional Road 6 (Queen Street West) to 200 metres north of Regional Road 14 (Mayfield Road); and to reduce the speed limit on Region Roads 107/10 (Bovaird Drive) from 70 km/h to 60 km/h from Regional Road 7 (Airport Road) to 730 metres west of Heritage Road;

NOW THEREFORE, the Council of the Regional Corporation enacts as follows:

1. That Part 12 of Schedule A of By-law 15-2013 is amended by deleting the following:

| Column 1 | Column 2 | Column 3 | Column 4 |
|-------------------|----------------------------------|-------------------------------------|---------------|
| Regional Road No. | From | To | Times or Days |
| 107 | 730 metres west of Heritage Road | 285 metres east of Regional Road 19 | Anytime |

2. That Part 13 of Schedule A of By-law 15-2013 is amended by deleting the following:

| Column 1 | Column 2 | Column 3 | Column 4 |
|-------------------|-------------------------------|----------------------------------|---------------|
| Regional Road No. | From | To | Times or Days |
| 10 | Regional Road 7 | The east limit of Highway 410 | Anytime |
| 107 | The west limit of Highway 410 | 730 metres west of Heritage Road | Anytime |

3. That Part 14 of Schedule A of By-law 15-2013 is amended by deleting the following:

| Column 1 | Column 2 | Column 3 | Column 4 |
|-------------------|--|-------------------------------------|---------------|
| Regional Road No. | From | To | Times or Days |
| 1 | 400 metres north of Regional Road 6 (Queen Street West) / River Road | 370 metres south of Regional Road 9 | Anytime |

4. That Part 12 of Schedule A of By-law 15-2013 is amended by adding the following:

| Column 1 | Column 2 | Column 3 | Column 4 |
|-------------------|---------------------------------|-------------------------------------|---------------|
| Regional Road No. | From | To | Times or Days |
| 10 | Regional Road 7 | Highway 410 Northbound Off Ramp | Anytime |
| 107 | Highway 410 Northbound Off Ramp | 285 metres east of Regional Road 19 | Anytime |

5. That Part 13 of Schedule A of By-law 15-2013 is amended by adding the following:

| Column 1 | Column 2 | Column 3 | Column 4 |
|-------------------|--|---|---------------|
| Regional Road No. | From | To | Times or Days |
| 1 | 400 metres north of Regional Road 6 (Queen Street West) / River Road | 200 metres north of of Regional Road 14 | Anytime |

6. That Part 14 of Schedule A of By-law 15-2013 is amended by adding the following:

| Column 1 | Column 2 | Column 3 | Column 4 |
|-------------------|---|-------------------------------------|---------------|
| Regional Road No. | From | To | Times or Days |
| 1 | 200 metres north of of Regional Road 14 | 370 metres south of Regional Road 9 | Anytime |

READ THREE TIMES AND PASSED IN OPEN COUNCIL this 28th day of March, 2019.

Regional Clerk

Regional Chair

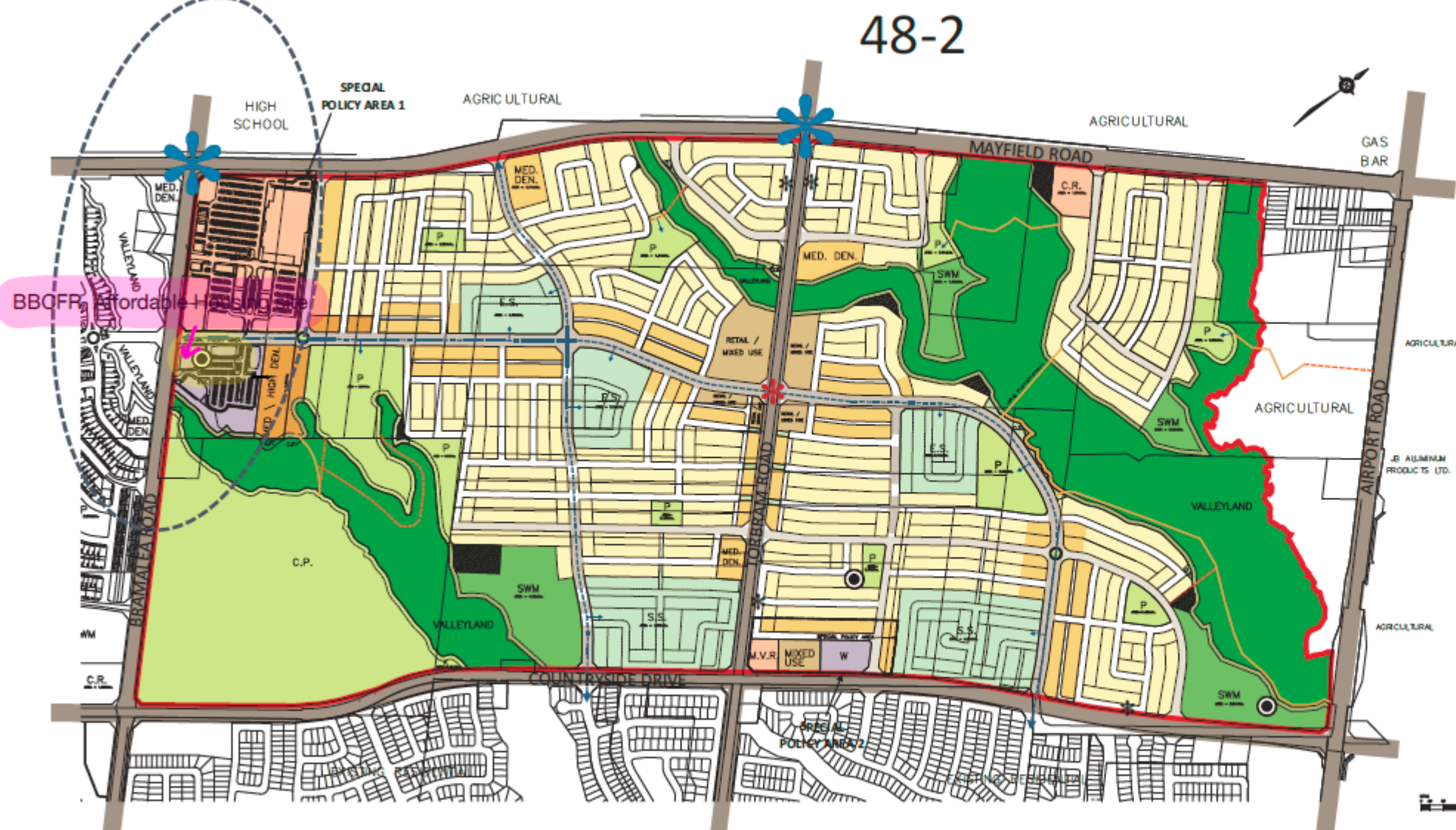
**ADDITIONAL MATERIALS
DISTRIBUTED AT MEETING**

BBCFR Affordable Housing Project

- Bramalea Christian Fellowship church with a desire to add value
- 2007 CMHC SEED funding was used for a feasibility study
- 2016-17 BCF was successful in Regional RFP to supply 84 units
- APRIL 2019 Construction start of 89 Affordable & 1 market unit
- Removing 45 smaller families from the CWL
- Providing less than market housing for another 44 families



7.2-3 CONCEPTUAL BLOCK PLAN 48-2



LEGEND

| | |
|--|---|
| | LOW / MEDIUM DENSITY RESIDENTIAL |
| | MEDIUM DENSITY RESIDENTIAL |
| | MEDIUM / HIGH DENSITY RESIDENTIAL |
| | MIXED USE |
| | OPEN SPACE |
| | PARK |
| | SCHOOL |
| | 10m BUFFER |
| | STORMWATER MANAGEMENT |
| | VALLEYLAND / CHANNEL |
| | COMMERCIAL |
| | WORSHIP |
| | NEIGHBOURHOOD GATEWAYS |
| | 29.0m ROADS |
| | 24.0m ROADS |
| | 21.5m ROADS |
| | 18.5m ROADS |
| | 18.0m ROADS |
| | 16.5m ROADS |
| | VILLAGE CORE |
| | URBAN SQUARE |
| | SPECIAL POLICY AREA |
| | CULTURAL HERITAGE RESOURCE |
| | STATED RECREATIONAL TRAIL / CROSSING |
| | POTENTIAL RECREATIONAL TRAIL |
| | POTENTIAL ON ROAD 1.5m WIDE ASPHALT BIKE LANE |
| | CONCEPTUAL TRAIL CROSSING TO CATION AT SPINE ROAD OR COLLECTOR ROAD |
| | POTENTIAL FUTURE CONCEPTUAL PRIVATE / PUBLIC CONNECTION |
| | COMPENSATION AREAS = 1.481Ha. (36.79 Acs.) |



FEB 3, 2016
1:4000

mbtw watchorn

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PHONE 905.664.4552 FAX 905.664.4557 design@kmlp.com

GROWING TO BETTER SERVE OUR COMMUNITY



7.2-5

Bramalea Christian Fellowship

Future housing

Affordable Apartment

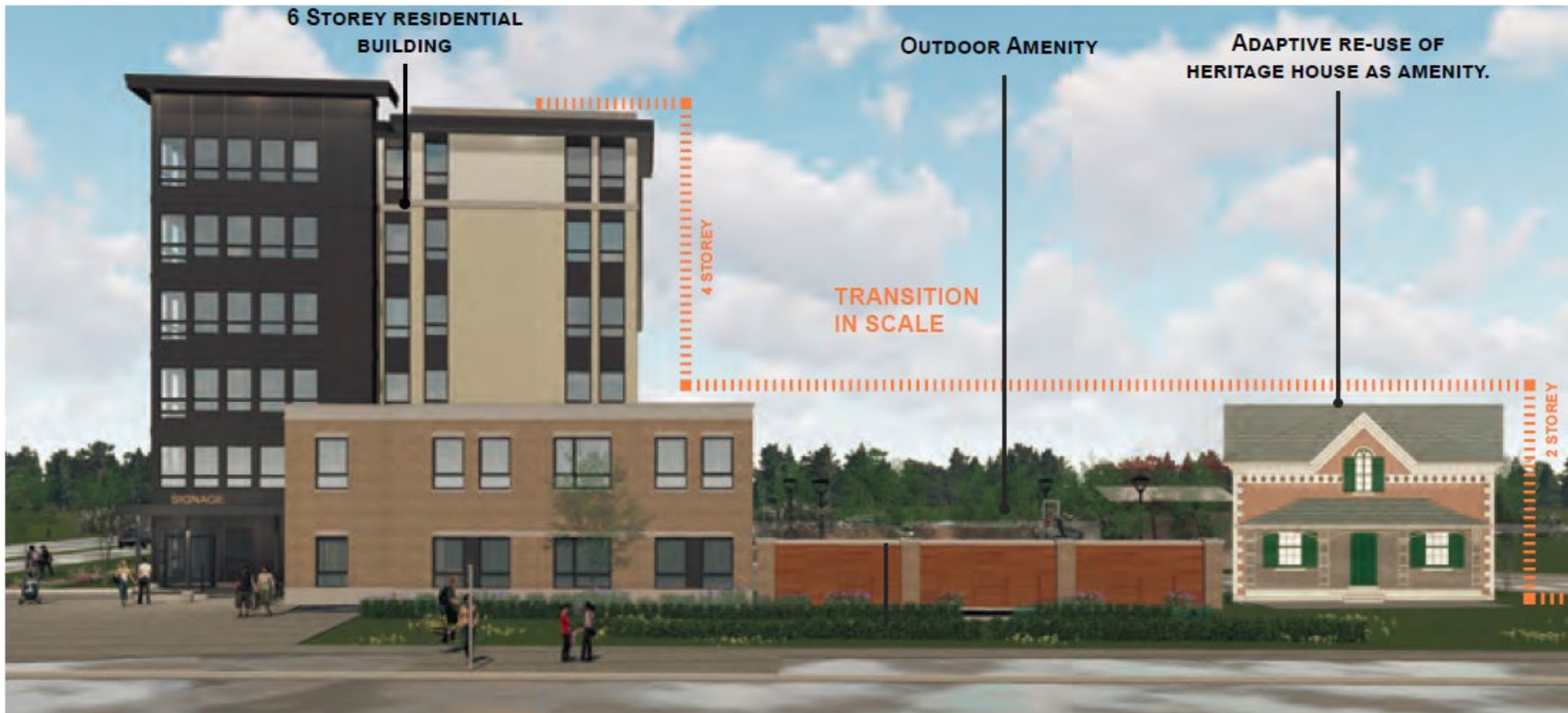
Future Housing

Google



ESTIMATED OCCUPANCY SUMMER OF 2020

7.1 : PERSPECTIVE VIEW - LOOKING EAST AT THE INTERSECTION OF BRAMALEA ROAD AND INSPIRE BOULEVARD



7.2 : WEST ELEVATION ALONG BRAMALEA ROAD



3.2 Elevation Drawings & Perspectives Views:



8.1 : PERSPECTIVE VIEW - LOOKING EAST AT THE ENTRANCE FROM BRAMALEA ROAD AND INSPIRE BOULEVARD



8.2 : PERSPECTIVE VIEW LOOKING WEST FROM SURFACE PARKING



8.3 : PERSPECTIVE VIEW FROM SOUTH



8.4 : PERSPECTIVE VIEW FROM NORTH EAST CORNER ALONG INSPIRE BOULEVARD

FIGURE 8: ELEVATIONS AND PERSPECTIVE VIEW

BBCFR Affordable Housing Project

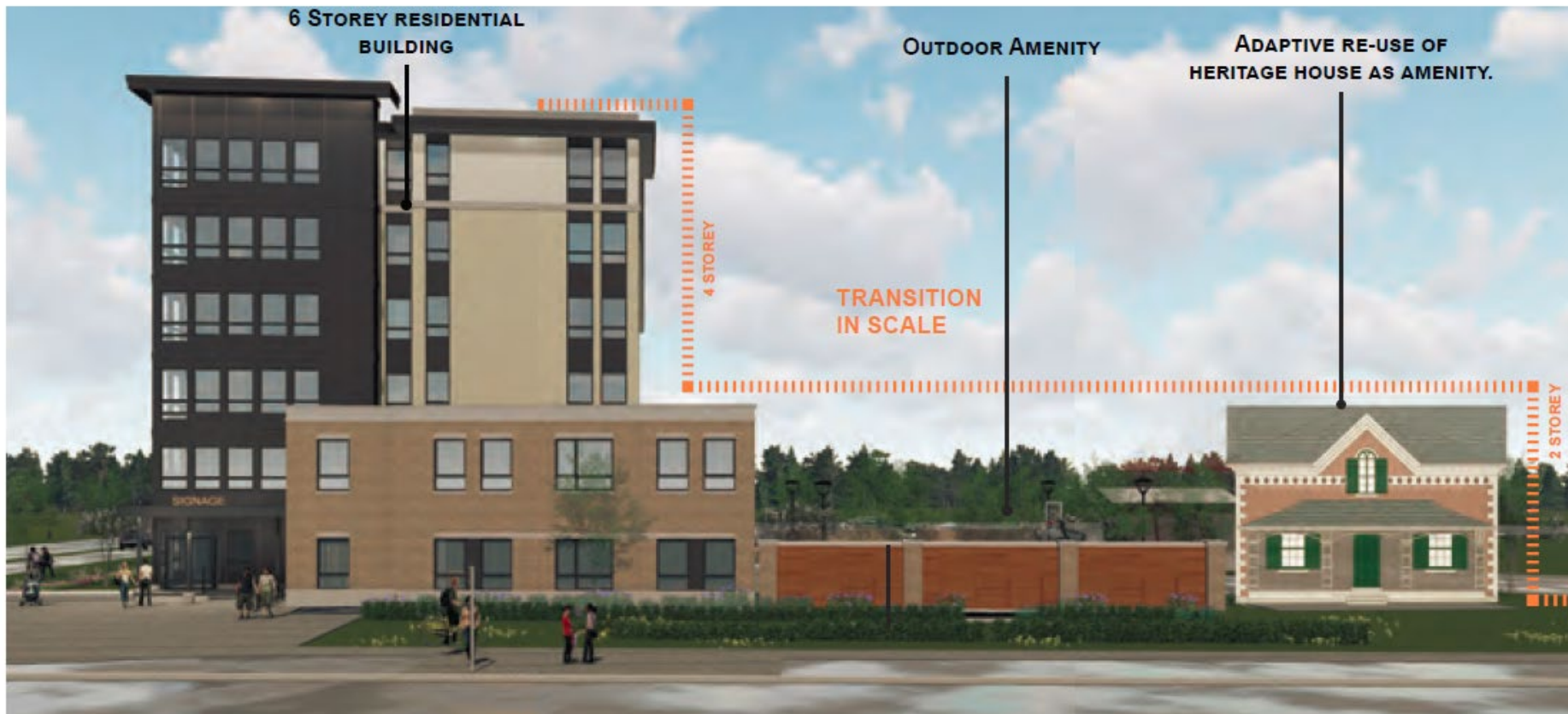
- Bramalea Christian Fellowship church with a desire to add value
- Insight from Brampton's development community
- Region of Peel support, encouragement and access to IAH funding
- City of Brampton cooperation and deferral of DC's
- CMHC debt financing with a 50 year amortization mortgage
- Area 48 landowners group waiving cost sharing obligations
- LIV Communities assisting throughout the project and ensuring a mixed use residential community





ESTIMATED OCCUPANCY SUMMER OF 2020

7.1 : PERSPECTIVE VIEW - LOOKING EAST AT THE INTERSECTION OF BRAMALEA ROAD AND INSPIRE BOULEVARD



7.2 : WEST ELEVATION ALONG BRAMALEA ROAD

- 45 families off CWL
- Smaller families, seniors & persons with disabilities
- Future housing for larger families
- Cohesive community





ORLANDO CORPORATION

6205 Airport Road, Mississauga, Ontario, L4V 1E3 Telephone: (905) 677-5480 Fax: (905) 677-2824 orlandocorp.com

March 27, 2019

Via email: Kathryn.lockyer@peelregion.ca

Region of Peel
10 Peel Centre Drive, Suite A, 5th Floor
Brampton, Ontario L6T 4B9

Attn: Regional Clerk

Re: The Changing Nature of Employment and Implications for Fiscal Health

Mr. Chairman and Members of Council

We are in receipt of and have reviewed the report titled "The Changing Nature of Employment and Implications for Fiscal Health and Municipal Sustainability" and are pleased to see the Region take a leadership role in attempting to deal with a broken funding model. We share the concerns raised by the Region of Peel insofar as the current funding model not being a sustainable source of revenue in support of future growth.

Future employment growth will look different than growth from the past. We have seen this changing over the last 30 years, have been very vocal about attempting to fix the problem and we believe this trend is here to stay for the foreseeable future. For example, the percentage of employment growth that doesn't create new GFA has been steadily increasing resulting in significant shortfalls in development charge revenue. We need a new funding model to account for this new normal.

To that end, we would welcome the opportunity of being involved with the Region in discussions to find a sustainable and fair funding model.

Yours truly,

ORLANDO CORPORATION

Blair Wolke, MBA, P.Eng.
Vice President

BW/ljs

REFERRAL TO _____
RECOMMENDED _____
DIRECTION REQUIRED _____
RECEIPT RECOMMENDED _____