
REPORT TITLE: **Bill 112 – Managing Through the Transition**

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

RECOMMENDATION

That the Principles for approaching the 2024 budget and existing workplans, as outlined in Appendix II of the Report of the Chief Administrative Officer, listed on the June 8, 2023 Regional Council agenda titled “Bill 112 – Managing Through the Transition”, be endorsed.

REPORT HIGHLIGHTS

- On May 18, 2023, the Province introduced Bill 112, *The Hazel McCallion Act (Act)*. If passed, this Act will dissolve the Regional Municipality of Peel effective January 1, 2025, and make Brampton, Caledon, and Mississauga single tier municipalities.
 - This has introduced layers of complexity and anxiety with many stakeholders, including staff.
 - Peel is an anchor institution in the community. Peel residents, businesses and the community rely on the seamless delivery of high quality, efficient services.
 - Everyone agrees that maintaining services is critical and that ensuring the well-being of staff who deliver and support the delivery of those services is of utmost importance.
 - The purpose of this report, in the absence of certainty, is to be very transparent and establish principles which staff can use to assess how to proceed with already approved programs and projects, as well as establishing principles to prepare the 2024 budget.
 - The Ministry of Municipal Affairs and Housing is actively working to develop the Terms of Reference and appoint the Transition Board, after the legislation is passed, to facilitate the municipal restructuring. The Transition Board is expected to be in place by the end of July.
 - The financial audit, also initiated by the Province, is expected to start at approximately the same time and run until the end of the year.
 - While Peel staff assess the legislation, associated impacts and plan to work with the Auditors and the Transition Board, several risks are being managed.
 - Peel’s Executive Leadership Team, working with their Directors, have developed principles for approaching the 2024 budget and existing workplans.
 - In accordance with the proposed legislation, decisions will be made in the public interest having regard for the municipal restructuring, ensuring value for money, high quality efficient services and that other municipalities are not unreasonably impacted.
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Bill 112 – Managing Through the Transition

DISCUSSION

1. Background

On May 18, 2023, the Province introduced Bill 112 (Appendix I), which proposes to dissolve the Regional Municipality of Peel and make Brampton, Caledon and Mississauga single tier municipalities, effective January 1, 2025.

As of the date of preparing this report (May 30th), the Bill passed through the second reading. Three readings of the Bill, followed by the receipt of royal assent, are required for the Bill to become law.

Pursuant to the proposed legislation, the Province will appoint a Transition Board consisting of up to 5 individuals to facilitate the municipal restructuring. As outlined in the following excerpt from the legislation, the Board's duties include:

“Provide recommendations to the Minister, by the date or dates directed by the Minister, respecting the municipal restructuring required for the purposes of section 2, including recommendations with respect to,

- i. winding down the financial operations of The Regional Municipality of Peel,
- ii. transferring assets of The Regional Municipality of Peel,
- iii. assigning liabilities, debt and other financial obligations of The Regional Municipality of Peel,
- iv. employment matters, including pension and benefit obligations,
- v. the allocation, governance, use and control of services provided by The Regional Municipality of Peel, including whether joint municipal service boards or other entities should be established or other shared servicing arrangements would be advisable,
- vi. the impact on any municipality that may be affected by the dissolution of The Regional Municipality of Peel,
- vii. the long-term economic sustainability of the City of Mississauga, the City of Brampton and the Town of Caledon as single-tier municipalities, and
- viii. any other matters that the board considers advisable or that the Minister may direct.”

The Ministry of Municipal Affairs and Housing is actively working to develop the Terms of Reference and to appoint the Transition Board when the legislation passes.

Recommendations from the Transition Board are due to the Minister in the Summer/Fall of 2024 and legislation to address restructuring matters is expected in the Fall of 2024. The Minister and Cabinet will make the final decision.

Council is also aware that the Province recently announced the financial audit of several municipalities, including Peel Region, all three local municipalities, the City of Toronto, and the Town of Newmarket. The purpose of the audit is to assess the financial impacts of Bill 23 and to optimize municipal resources.

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Peel's participation in the audit was approved by Regional Council on May 11, 2023. It is expected that the financial audit will start at approximately the same time as the Transition Board and run until the end of the year.

The purpose of this report, in the absence of certainty, is to be very transparent and establish principles which staff can use to assess how to proceed with already approved programs and projects as well as establishing principles to prepare the 2024 budget.

2. Peel's Critical Role in the Community

Peel is an anchor institution in the community. Peel residents, businesses and the community rely on the seamless delivery of high quality, efficient services.

Peel provides essential services through all stages of life such as housing & shelter, childcare services, social assistance, waste collection, water & wastewater treatment, arterial roads, TransHelp, Paramedics, public health programs including disease prevention, immunization, and long-term care services.

Throughout the COVID-19 pandemic, Peel staff administered 3.3 million doses of COVID-19 vaccine to Peel residents aged 12 and over, managed over 180,000 COVID-19 cases and secured over \$360 million in COVID-19 funding to support the community.

Peel also funds police services (Peel Regional Police & Ontario Provincial Police) and the Conservation Authorities.

The total annual operating budget for Peel is \$3.1 billion. The annual capital budget is \$1.9B and the ten-year capital plan is \$14.5B. Regional assets total \$36B.

As highlighted in the 2023 budget, Peel service levels include:

- Providing affordable housing and supports to approximately 28,800 households
- Managing 10 development projects that will add almost 1,000 new affordable units
- Providing approximately 23,000 residents with Ontario Works assistance
- Responding to an estimated 148,000 emergency calls
- Providing approximately 700,000 TransHelp trips
- Providing more than 8,000 fee subsidies making it possible for families to access affordable licensed childcare
- Providing opportunities for over 17,000 children and their families to participate in EarlyON programs across Peel
- Providing an estimated 95,000 children with free dental screening
- Providing approximately 800 residents with quality care through five long term care homes
- Planning and managing growth and development to sustain healthy and complete communities for current and future generations
- Managing over 570,000 tonnes of residential waste
- Treating, transmitting, and distributing 590 million litres per day of municipal water to over 339,000 retail and wholesale customer accounts

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- Maintaining 1,700 lane kilometres of roads, 390 kilometres of active transportation infrastructure, and 345 kilometres of storm sewers
- Conducting approximately 12,000 compliance health inspections at 6,600 food premises
- Providing programs and services to Peel residents through agencies funded by \$7 M in Community Investment grants
- Planning for climate change adaptation and environmental resiliency
- Advancing work that contributes to a diverse and inclusive workplace and community
- Welcoming an estimated 13,700 estimated in person & virtual visitors with local arts and exhibitions at the Peel Art Gallery, Museum and Archives (PAMA)

All of these services contribute to Peel's rapidly growing, dynamic community. In 1974, Peel's population was approximately 265,000. There has been significant growth. Peel's current population is 1.5 M and by 2051, projected to be 2.28 M.

3. Navigating the Change and Managing Risks

Navigating this change and transition is a significant task. Everyone agrees that maintaining services is critical and that ensuring the well-being of staff who deliver and support the delivery of those services is of utmost importance. Retention of knowledgeable, trained staff will be in every institution's best interests to ensure any timely transition will carry with it, not just well functioning programs, and assets, but trained, professional staff that the community recognizes and values.

While staff actively assess the legislation, associated impacts and plan to work with the Auditors, the Transition Board and colleagues in the local municipalities, a number of risks are being managed in this uncertain phase:

- Business continuity for all essential services to the 1.5 M residents of Peel and the over 175,000 businesses
- Supporting the psychological health and well-being of over 6500 Peel staff
- Collective bargaining for the 11 union contracts that are currently open for negotiations
- Managing staff retention to ensure service continuity
- Managing contracts with community partners and vendors, including those that, by necessity, must extend beyond January 1, 2025, to ensure uninterrupted provision of services
- Providing details to investors around financial stability
- Answering questions from multiple stakeholders including labour groups, businesses, and customers
- Ensuring transparent sharing of data with all municipalities if requested and an organized intake of requests.

Several immediate tactics are underway such as ongoing timely and transparent communication to all employees, customers, community partners, labour groups, investors and vendors.

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Staff believe that it would be helpful if the Transition Board makes early and obvious decisions (where possible) to allow employees to make informed decisions related to job security.

Other key tactics include:

a) Enhancing Psychological Health Benefits for Peel Staff

The proposed dissolution of the Region of Peel has understandably triggered significant anxiety and stress amongst staff.

In consultation with the Regional Chair, the CAO has utilized authority delegated to him under Bylaw 1-2015 in situations of emergency, to increase employee psychological health benefits to \$2,500 in 2023 for eligible full-time employees whose current entitlements are not at this level.

These benefits will now match the existing amount provided to employees of the Cities of Brampton and Mississauga. Employees of the Town of Caledon receive \$1,000 per year. The psychological health benefits include services from psychologists, social workers, psychotherapists, clinical counsellors, and family therapists, and will provide enhanced supports to staff during this difficult time.

The increase is estimated at approximately \$460,000 for the balance of 2023, subject to actual use, and will be funded through the rate stabilization reserve.

b) Managing Community Partner and Vendor Arrangements

Community partners and vendors are critical to the delivery of services in Peel.

Many of Peel's valued partners and vendors have been in contact with staff with questions and concerns arising from the proposed dissolution.

Communications have been developed and distributed to these parties, advising of the current situation, and providing assurances that there will be no service interruptions for residents, or the businesses served by Peel and that staff plan to continue working with Peel's community partners and vendors throughout the transition.

c) Assurances to Investors and Credit Rating Agencies

Investors and credit rating agencies have contacted Peel staff with questions and requests for assurances in regard to debentures issued by the Region of Peel.

Staff continue to field questions and work with stakeholders to understand potential impacts to debenture holders arising from the dissolution of Peel.

In this regard, the proposed legislation does not include any provisions that adversely affect the rights of current debenture holders. Consistent with the *Municipal Act, 2001*, it is expected that new legislation will be enacted prior to January 1, 2025, that will provide that debentures of Peel that are outstanding on that date will become the joint and several obligations of the continued municipalities.

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Peel is holding a broad global investor call during the week of May 29 to assure investors that the security that backs the debentures has not changed notwithstanding the proposed legislation.

Debenture issuance of up to \$324.1M was planned for 2023, consistent with the 2023 Borrowing Limit Report approved by Council on February 23, 2023.

Regional net debt was \$1,270 M, inclusive of \$100 M debt for Peel Housing Corporation and the total net debt including local municipalities was approximately \$1,574 M as of December 31st, 2022.

In light of the proposed legislation and uncertainty, staff will review over the coming months the borrowing requirements and issuance plans from all four municipalities.

4. Maintaining Partnerships and Preparing for the Financial Audit & Transition Board

Ongoing partnerships and communication with Ministry staff, elected officials, local municipalities, community partners, labour groups, investors and vendors will be crucial to ensure an effective transition with minimal impacts to employees, services, residents, businesses, and the community.

Regional staff are preparing to work with and ensure information and data is available for the Auditors and the Transition Board, when the requests are known.

To prepare for the transition, the Executive Leadership Team, together with their Directors, have developed principles for approaching the 2024 budget and existing workplans (Appendix II).

The proposed legislation provides that Peel and all three local municipalities must act in the public interest having regard to the contemplated municipal restructuring, and in a manner that does not unreasonably impact another municipality, when considering entering into any transaction, commitment, or agreement. This is an overarching principle.

Pursuant to the proposed legislation, all actions are subject to monitoring and review of the Transition Board. As such, the Principles in Appendix II for which Council endorsement is sought, is reflective of these legislative requirements.

To ensure uninterrupted continuation in the services delivered by Peel and an orderly transition of services, arrangements and agreements must be made that extend beyond January 1, 2025. In contemplation of transition, staff will make all efforts to ensure that any such new arrangements and agreements contain appropriate assignment and other provisions appropriate to the transaction, having regard to the municipal restructuring.

To align to the requirements of the legislation and manage risks, staff will be including a new section in all Council reports to ensure that the report identifies any impacts associated with Bill 112 and highlight any significant related risks.

Staff will also reflect on what decisions come forward to Council for clarity, even where delegated authority has been given.

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RISK CONSIDERATIONS

Staff are actively assessing the legal, service, and contractual implications of this legislation and are proactively addressing these risks as outlined in this report. These will continue to be reported to Council as necessary.

FINANCIAL IMPLICATIONS

The financial impacts are unknown at this time.

Staff will continue to deliver services as approved through the 2023 Budget and through previous approved Council reports and continue to review future investments and workplans through the lens of Bill 112.

Staff will also continue to assess financial implications on an ongoing basis as additional information and details are released and will report back to Council as appropriate.

CONCLUSION

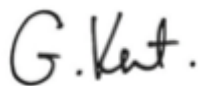
The significant task ahead of dissolving the Regional Municipality of Peel will be complex. Staff are ready to work with Ministry staff, the Auditors, the Transition Board, and colleagues in the local municipalities to ensure an effective transition, should it proceed, and to minimize service impacts on employees, residents, businesses, and the community.

Endorsement of the Principles for the 2024 budget and existing workplans identified in Appendix II will enable effective decisions to be made that will support the uninterrupted provision of services delivered by Peel and the orderly transition of such services as contemplated by the proposed legislation.

APPENDICES

Appendix I - Bill 112

Appendix II - Principles to Maintain Regional Service through Transition Period and Prepare for 2024 Budget



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Legislative
Assembly
of Ontario



Assemblée
législative
de l'Ontario

1ST SESSION, 43RD LEGISLATURE, ONTARIO
1 CHARLES III, 2023

Bill 112

An Act to provide for the dissolution of The Regional Municipality of Peel

The Hon. S. Clark

Minister of Municipal Affairs and Housing

Government Bill

1st Reading May 18, 2023

2nd Reading

3rd Reading

Royal Assent



EXPLANATORY NOTE

The Bill enacts the *Hazel McCallion Act (Peel Dissolution), 2023*. Here are some highlights of the Act:

1. Section 2 provides that, on January 1, 2025, The Regional Municipality of Peel is dissolved and the City of Mississauga, the City of Brampton and the Town of Caledon are continued as single-tier municipalities.
2. Section 3 provides for a transition board consisting of members appointed by the Minister. The transition board must, among other things, provide recommendations to the Minister respecting the municipal restructuring required for the purposes of section 2 and must monitor the actions, duties or decisions of the councils of the municipalities and their local boards, and those actions that have been delegated to committees, staff or officers.
3. Section 5 requires that the municipalities and their local boards, when considering entering into a transaction, commitment or agreement on or after May 18, 2023 and before January 1, 2025, act in the public interest having regard to the municipal restructuring required for the purposes of section 2, including acting in a manner that does not unreasonably impact another municipality.
4. Section 6 enables the transition board to direct a municipality or local board to take certain actions with respect to a transaction, commitment or agreement, or a proposed transaction, commitment or agreement, if the transition board is of the opinion that a municipality or local board has acted or proposes to act contrary to section 5. If the municipality or local board, despite the direction from the transition board, proceeds with the transaction, commitment or agreement or does not modify or undo the transaction, commitment or agreement, the transition board may notify the Minister and the Minister may, by order, modify or terminate the transaction, commitment or agreement or prohibit the municipality or local board from proceeding with the transaction, commitment or agreement.
5. Section 7 provides for immunity from personal liability in specified circumstances for the members, employees and agents of the transition board and any employee or agent of a municipality or of its local board who acts under the direction of the transition board or Minister.
6. Section 8 enables the Minister to apply to the Superior Court of Justice for an order requiring a person or entity to comply with any provision of the Act or of a regulation made under it, a direction of the transition board or an order made by the Minister.
7. Section 10 enables the Minister to make regulations that, among other things, govern the transition board. Section 11 enables the Lieutenant Governor in Council to make regulations that are necessary or advisable to facilitate or implement the municipal restructuring required for the purposes of section 2. Regulations may be retroactive to a period before they are filed, but not earlier than May 18, 2023.
8. On January 1, 2025, the *Regional Municipality of Peel Act, 2005* is repealed.

An Act to provide for the dissolution of The Regional Municipality of Peel

Preamble

The people of Ontario and their Government:

Respect and support the effective administration of local governance.

Recognize that municipalities should be empowered with the tools needed to plan for population growth, including the tools needed to build more housing options, and should work together fairly and in good partnership with neighbouring municipalities.

Understand that safe communities and the delivery of effective frontline services are key pillars of local government, including by preserving frontline workers.

Appreciate the importance of value for money and high-quality services delivered in an efficient manner for taxpayers.

Acknowledge that where there are shared assets and services, municipalities should be treated in an equitable and fair manner whereby all residents, regardless of where they live, are respected and have access to excellent services.

Therefore, His Majesty, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

Interpretation

1 In this Act,

“Minister” means the Minister of Municipal Affairs and Housing; (“ministre”)

“prescribed” means prescribed by the regulations made under this Act; (“prescrit”)

“transition board” means the transition board established under subsection 3 (1). (“conseil de transition”)

Dissolution

2 (1) The Regional Municipality of Peel is dissolved on January 1, 2025.

Single-tier municipalities

(2) The City of Mississauga, the City of Brampton and the Town of Caledon are continued as single-tier municipalities on January 1, 2025.

Transition board

3 (1) A transition board is established consisting of up to five members appointed by the Minister, or up to such other number as may be prescribed.

Chair

(2) The Minister may designate one of the members of the transition board as chair.

Body corporate

(3) The transition board is a body corporate without share capital.

Non-application of corporate Acts

(4) The *Not-for-Profit Corporations Act, 2010* and the *Corporations Information Act* do not apply to the transition board except, in the case of the *Not-for-Profit Corporations Act, 2010*, as is prescribed by regulation.

Duties

(5) The transition board shall do the following:

1. Provide recommendations to the Minister, by the date or dates directed by the Minister, respecting the municipal restructuring required for the purposes of section 2, including recommendations with respect to,
 - i. winding down the financial operations of The Regional Municipality of Peel,

- ii. transferring assets of The Regional Municipality of Peel,
 - iii. assigning liabilities, debt and other financial obligations of The Regional Municipality of Peel,
 - iv. employment matters, including pension and benefit obligations,
 - v. the allocation, governance, use and control of services provided by The Regional Municipality of Peel, including whether joint municipal service boards or other entities should be established or other shared servicing arrangements would be advisable,
 - vi. the impact on any municipality that may be affected by the dissolution of The Regional Municipality of Peel,
 - vii. the long-term economic sustainability of the City of Mississauga, the City of Brampton and the Town of Caledon as single-tier municipalities, and
 - viii. any other matters that the board considers advisable or that the Minister may direct.
2. Monitor, as the board considers appropriate, the actions, duties or decisions of the councils of The Regional Municipality of Peel, the City of Mississauga, the City of Brampton, the Town of Caledon, and their local boards.
 3. Monitor, as the board considers appropriate, the actions, duties or decisions of The Regional Municipality of Peel, the City of Mississauga, the City of Brampton and the Town of Caledon that have been delegated to committees, staff or officers of the municipalities or any of their local boards, as the case may be.
 4. Advise or report to the Minister on any matter that the Minister considers advisable.
 5. Carry out any other prescribed duties.

Fees, etc

(6) The fees or remuneration paid to the transition board and travelling and other expenses incurred by the transition board shall be determined by the Minister and may be apportioned by the Minister from among The Regional Municipality of Peel, the City of Mississauga, the City of Brampton and the Town of Caledon.

Co-operation, access to information

(7) The members of the council of The Regional Municipality of Peel, the City of Mississauga, the City of Brampton and the Town of Caledon, and the employees and agents of those municipalities and the members, employees and agents of each local board of those municipalities, shall,

- (a) co-operate with the transition board and its employees and agents, and assist them in the performance of their duties and comply with their requests under this Act; and
- (b) on request, allow any person or entity described in clause (a) to examine and copy any document, record or other information in the possession of the member, employee or agent's respective municipality or local board.

Power to require information, etc.

(8) Without limiting the generality of subsection (7), the transition board has power to,

- (a) require The Regional Municipality of Peel, the City of Mississauga, the City of Brampton, the Town of Caledon or local boards of any of those municipalities to,
 - (i) furnish information, records or documents that are in its possession or control,
 - (ii) create a new document or record and furnish the document or record,
 - (iii) update earlier information furnished under this subsection, and
 - (iv) provide support and expertise to the transition board; and
- (b) impose a deadline for compliance with a requirement under clause (a).

Disclosure despite privilege

(9) A person who is required under subsection (7) or (8) to provide information or to produce documents shall comply with the requirement even if the information or documents are privileged or confidential.

Sharing information with the Crown

(10) The transition board may share any information or documents that it receives under subsections (7) and (8), including privileged or confidential information, with the Crown.

No waiver of privilege

(11) A disclosure under subsection (9) or (10) does not constitute a waiver of privilege.

Duty to give information

(12) If the transition board requires any municipality or local board to do anything under subsection (8), the council of the municipality or the local board, as the case may be, shall comply with the requirement by the deadline imposed by the transition board.

Dissolution of transition board

(13) The transition board is dissolved on January 31, 2025 or on such later date as the Minister may prescribe.

Personal information

4 (1) A person who obtains information under subsection 3 (7), (8) or (10), or under the regulations made under this Act, that is personal information as defined in the *Municipal Freedom of Information and Protection of Privacy Act* shall use and disclose it only for the purposes of this Act.

Example

(2) Without limiting the generality of subsection (1), the information that may be used or disclosed under that subsection includes information relating to,

- (a) a transaction, commitment or agreement or proposed transaction, commitment or agreement of a municipality or of any of its local boards; or
- (b) anything done or proposed to be done in connection with the finances of a municipality or of any of its local boards by,
 - (i) a member of the council of a municipality or of a local board, as the case may be, or
 - (ii) an employee or agent of a municipality or of a local board, as the case may be.

Offence

(3) A person who wilfully fails to comply with subsection (1) is deemed to have contravened clause 48 (1) (a) of the *Municipal Freedom of Information and Protection of Privacy Act*.

Conflict with FIPPA, MFIPPA

(4) Subsection (1) applies despite anything in the *Freedom of Information and Protection of Privacy Act* or the *Municipal Freedom of Information and Protection of Privacy Act*.

Requirement to consider public interest

5 The Regional Municipality of Peel, the City of Mississauga, the City of Brampton, the Town of Caledon and their local boards shall, when considering entering into any transaction, commitment or agreement on or after May 18, 2023 and before January 1, 2025, act in the public interest having regard to the municipal restructuring required for the purposes of section 2, including acting in a manner that does not unreasonably impact another municipality.

Transactions, commitments, etc

6 (1) If the transition board is of the opinion that The Regional Municipality of Peel, the City of Mississauga, the City of Brampton, the Town of Caledon or any of their local boards has acted or proposes to act in a manner that is contrary to section 5, the transition board,

- (a) shall notify the relevant municipality or local board; and
- (b) may direct the municipality or local board to,
 - (i) in the case of a transaction, commitment or agreement that has been completed or entered into, take steps to modify or undo the effect of the transaction, commitment or agreement, or,
 - (ii) in the case of a proposed transaction, commitment or agreement, to not to proceed with the transaction, commitment or agreement or to proceed with modifications.

Failure to comply with direction

(2) If a municipality or local board receives a direction from the transition board under subsection (1) and, despite that direction, proceeds with the transaction, commitment or agreement or does not modify or undo the transaction, commitment or agreement, the transition board may notify the Minister that the transition board is of the view that the municipality or the local board has acted or proposes to act in a manner that is contrary to section 5.

Minister order

- (3) If the Minister receives notice from the transition board under subsection (2), the Minister may, by order,
 - (a) in the case of a transaction, commitment or agreement that has been completed or entered into, modify or terminate the transaction, commitment or agreement; or

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- (b) in the case of a proposed transaction, commitment or agreement, prohibit The Regional Municipality of Peel, the City of Mississauga, the City of Brampton, the Town of Caledon or any of their local boards, as the case may be, from proceeding with the transaction, commitment or agreement.

Legislation Act, 2006

- (4) Part III (Regulations) of the *Legislation Act, 2006* does not apply to an order made under subsection (3).

No cause of action

7 (1) No cause of action arises against any of the transition board’s members or any of its employees or agents, or any employee or agent of a municipality or of its local board who acts under the direction of the transition board or Minister, for any act done in good faith in the exercise or performance or intended exercise or performance of their powers, duties or functions under this Act or for any alleged neglect, default or other omission in the exercise or performance in good faith of their powers, duties or functions.

Proceedings barred

(2) No proceeding shall be commenced against any person or entity specified in subsection (1) in respect of a matter referred to in that subsection.

Employer liability

(3) Subsection (1) does not relieve the transition board, a municipality or a local board of liability to which it would otherwise be subject as a result of the acts or omissions of a person specified in subsection (1).

Enforcement

8 (1) The Minister may apply to the Superior Court of Justice for an order requiring a person or entity to comply with,

- (a) any provision of this Act or of a regulation made under it;
- (b) a direction of the transition board under clause 6 (1) (b); or
- (c) an order made by the Minister under subsection 6 (3).

Same

(2) Subsection (1) is additional to, and does not replace, any other available means of enforcement.

No compensation

9 (1) Except as may be provided under this Act, no person is entitled to compensation as result of the enactment of this Act, the making of any regulation under this Act, or any direction, order, determination or other instrument made by the Minister, the transition board or a delegate of the Lieutenant Governor in Council under this Act.

No expropriation or injurious affection

(2) Nothing done or not done in accordance with this Act, the regulations under it, or any instrument referred to in subsection (1) constitutes an expropriation or injurious affection for the purposes of the *Expropriations Act* or otherwise at law.

Regulations — Minister

10 (1) The Minister may make regulations,

- (a) prescribing anything required to be or referred to in this Act as being prescribed by the regulations;
- (b) defining any word or expression used in this Act that has not already been expressly defined in this Act;
- (c) governing the transition board, including,
 - (i) governing the composition of the board, terms of office for board members, remuneration and expenses that board members are entitled to be paid, the filling of vacancies, quorum requirements and conflicts of interest for board members,
 - (ii) prescribing the powers and duties of the board,
 - (iii) permitting the board to authorize one or more of its members to exercise a power or perform a duty on its behalf,
 - (iv) permitting the board to hire staff, arrange for facilities and obtain expert services, including imposing conditions and limitations with respect to such matters, and
 - (v) providing for anything necessary for the dissolution of the board.

Retroactivity

(2) A regulation made under subsection (1) is, if it so provides, effective with reference to a period before it was filed, but not earlier than May 18, 2023.

Regulations — Lieutenant Governor in Council

11 (1) The Lieutenant Governor in Council may make regulations that, in the opinion of the Lieutenant Governor in Council, are necessary or advisable to facilitate or implement the municipal restructuring required for the purposes of section 2, including, without limiting the generality of the foregoing,

- (a) modifying the application of any Act or regulation with respect to The Regional Municipality of Peel, the City of Mississauga, the City of Brampton, the Town of Caledon or their local boards;
- (b) providing for and governing the transfer of rights, assets, liabilities and obligations of The Regional Municipality of Peel and its local boards to the City of Mississauga, The City of Brampton, The Town of Caledon or any of their local boards, and governing the legal effect of the transfer of such rights, assets, liabilities and obligations, including, for example,
 - (i) providing for the assumption of operations, activities or affairs of The Regional Municipality of Peel by a transfer recipient,
 - (ii) providing that a transfer is deemed not to constitute a breach, termination, repudiation or frustration of any agreement, including a contract of employment or insurance or a collective agreement,
 - (iii) providing that a transfer does not create any new cause of action in favour of a holder of a debt instrument or a party to an agreement, and
 - (iv) providing that certain Acts do not apply to a transfer;
- (c) providing for the allocation, governance, use or control of any joint services, including joint municipal service boards or other entities, by one or more of the City of Mississauga, the City of Brampton or the Town of Caledon;
- (d) providing for any of the matters described in Ontario Regulation 204/03 (Powers of the Minister or a Commission in Implementing a Restructuring Proposal) made under the *Municipal Act, 2001*, with respect to the municipal restructuring described in section 2 of this Act.

Recommendations of the transition board

(2) For greater certainty, regulations made under subsection (1) are not limited to what the transition board recommends under paragraph 1 of subsection 3 (5) and may be made before the transition board has made any recommendations.

Retroactivity

(3) A regulation made under subsection (1) is, if it so provides, effective with reference to a period before it was filed, but not earlier than May 18, 2023.

Same

(4) For greater certainty, the limitation in subsection (3) does not prevent the making of a regulation that relates to a contract, relationship, agreement or anything else mentioned in subsection (1) that arose before May 18, 2023, as long as the regulation is not deemed to be effective before that date.

Subdelegation

(5) A regulation made under subsection (1), other than a regulation made under clause (1) (a), may authorize a person to determine any matter that could be determined by regulation under subsection (1).

No cause of action, etc. against subdelegates

(6) Section 7 applies, with necessary modifications, to anyone acting as authorized by a regulation made under subsection (1) of this section in accordance with subsection (5).

12 The *Regional Municipality of Peel Act, 2005* is repealed.

Commencement

13 (1) Except as otherwise provided in this section, this Act comes into force on the day it receives Royal Assent.

(2) Section 12 comes into force on January 1, 2025.

Short title

14 The short title of this Act is the *Hazel McCallion Act (Peel Dissolution), 2023*.

Overarching Principle

Through the transition period, when entering into any transaction, commitment, or agreement, including major transactions and those that extend beyond January 1, 2025, as required for the continued delivery of all services, act in the public interest and in a manner consistent with past practices, having regard to the municipal restructuring, and in a manner that does not unreasonably impact another municipality, including continued investments in the principled areas identified below.

The examples shown below are not intended to be exhaustive, but to help explain the following principles:

Principles	Some examples
<p>1. Community Housing construction and continuation of housing enabling programs</p>	<ul style="list-style-type: none"> ○ Significant future investment within the property tax context ○ Long-term agreements with community housing providers ○ Chelsea Gardens housing development ○ End-of-mortgage agreements with community housing providers to keep non-profits in the affordable housing system ○ Rental incentive programs, 25-year agreements with developers to maintain affordable units within new developments ○ Human Services grants and loans (Home in Peel, Peel Renovates, Secondary Suites)
<p>2. Public Works enabling infrastructure to build homes faster</p>	<ul style="list-style-type: none"> ○ Infrastructure for growth
<p>3. State of Good Repair investments for assets that will clearly continue to be required</p>	<ul style="list-style-type: none"> ○ Peel Living and Water and Wastewater infrastructure ○ Infrastructure for growth
<p>4. Health and Safety initiatives including psychological health and wellness for staff</p>	
<p>5. Labour Relations Mandate as approved in June 2022 by Council</p>	
<p>6. Initiatives to pursue the Climate Change Emergency master plan</p>	<ul style="list-style-type: none"> ○ All municipalities have approved Climate Change as an emergency ○ Greenhouse gas emissions and climate risks follow assets and services

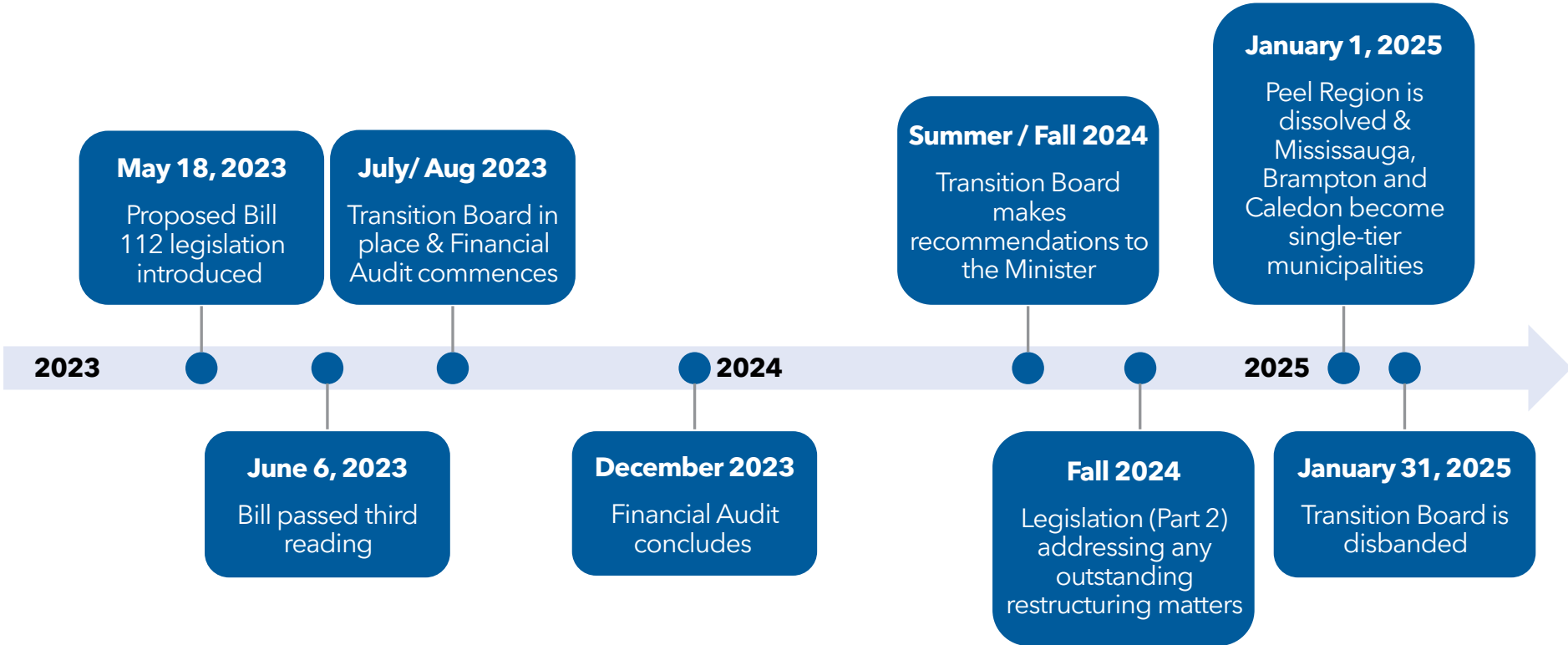
Appendix II
Bill 112 - Managing through the Transition

7. Diversity and Inclusion community initiatives	<ul style="list-style-type: none">○ Staff training to advance D&I○ Council's approved Anti-Racism and Systemic Discrimination resolution
8. Investments in essential services consistent with master plans	<ul style="list-style-type: none">○ Expansion of paramedic services○ Investments for childcare expansion
9. Continued investments in Public Safety & Wellbeing	<ul style="list-style-type: none">○ Peel Regional Police capital expansion as planned in the 2023 budget and 2024 forecast○ Investments that sustain and assist community agencies to meet demand and transition
10. Technology investments to sustain services and protect infrastructure required	<ul style="list-style-type: none">○ Investments that ensure the management of cybersecurity risks and risks related to critical systems failure
11. Required property needs for necessary works and the continued delivery of Regional services	<ul style="list-style-type: none">○ Acquisitions, expropriations, leases, licenses, and permissions to enter
12. The procurement of goods and services as required to deliver and support the uninterrupted delivery of Regional services	

Bill 112 - Managing Through the Transition

Gary Kent, CAO, Peel Region
June 8, 2023 Regional Council Meeting

Transition Timelines



Role of the Transition Board

“Provide recommendations to the Minister, by the date or dates directed by the Minister, respecting the municipal restructuring required for the purposes of section 2, including recommendations with respect to,

- i. winding down the financial operations of The Regional Municipality of Peel,
- ii. transferring assets of The Regional Municipality of Peel,
- iii. assigning liabilities, debt and other financial obligations of The Regional Municipality of Peel,
- iv. employment matters, including pension and benefit obligations,
- v. the allocation, governance, use and control of services provided by The Regional Municipality of Peel, including whether joint municipal service boards or other entities should be established or other shared servicing arrangements would be advisable,
- vi. the impact on any municipality that may be affected by the dissolution of The Regional Municipality of Peel,
- vii. the long-term economic sustainability of the City of Mississauga, the City of Brampton and the Town of Caledon as single-tier municipalities, and
- viii. any other matters that the board considers advisable or that the Minister may direct.”

Managing Risks

- Business continuity for all essential services to the 1.5 M residents of Peel and the over 175,000 businesses
- Supporting the psychological health and well-being of over 6500 Peel staff
- Collective bargaining for the 11 union contracts that are currently open for negotiations
- Managing staff retention to ensure service continuity
- Managing contracts with community partners and vendors, including those that, by necessity, must extend beyond January 1, 2025, to ensure uninterrupted provision of services
- Providing details to investors and credit rating agencies around financial stability
- Answering questions from multiple stakeholders including labour groups, businesses, and customers
- Ensuring transparent sharing of data with all municipalities if requested and an organized intake of requests

Principles to Maintain Regional Services and to Prepare for the 2024 Budget

Overarching Principle

Through the transition period, when entering into any transaction, commitment, or agreement, including major transactions and those that extend beyond January 1, 2025, as required for the continued delivery of all services, act in the public interest and in a manner consistent with past practices, having regard to the municipal restructuring, and in a manner that does not unreasonably impact another municipality, including continued investments in the principled areas identified.

Principles to Maintain Regional Services and to Prepare for the 2024 Budget

1. Community Housing construction and continuation of housing enabling programs
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12. The procurement of goods and services as required to deliver and support the uninterrupted delivery of Regional services