

APPENDIX 1: Chronology of Key Studies Examining Service Delivery in the Region of Peel

Report	Key Findings																																				
Golden Report on the GTA Governance Challenge (1995)	<ul style="list-style-type: none"> • A new government structure is required that will allow for coordination of certain critical services on a (GTA) region-wide basis, while ensuring that these services are cost-effective and responsive to local needs and preferences. 																																				
Justice Adams Facilitation Report (2004)	<ul style="list-style-type: none"> • Recommended the completion of a review of the planning, construction, operation and maintenance of existing regional roads. • Recommended that Brampton’s regional administration be increased from 6 to 11 with a system of ‘weighted’ voting to balance the fact that Brampton’s population at the time did not justify having 11 seats on Regional Council • Principles to be established for governance in Peel Region: <ul style="list-style-type: none"> ○ Efficiency and cost ○ Fairness ○ Representation by population 																																				
Deloitte Report (2017) Financial Implication of Transfer of Jurisdictional and Financial Responsibility of Regional Roads	<ul style="list-style-type: none"> • Significant financial risk in transferring the Regional Road network to the local municipalities. <ul style="list-style-type: none"> ○ Increase in operating costs due to fixed costs that will largely remain at the Region ○ The share of operating costs will shift among municipalities ○ Development charges to be collected by local developers would also see a shift ○ Additional risk that may result in loss of DC revenue which would increase the tax burden to local residents <table border="1" data-bbox="537 1335 1459 1835"> <thead> <tr> <th></th> <th>Brampton</th> <th>Mississauga</th> <th>Caledon</th> </tr> </thead> <tbody> <tr> <td colspan="4" style="text-align: center;"><i>Share of Operating Costs (\$ million)</i></td> </tr> <tr> <td>Current State</td> <td>\$21.4M</td> <td>\$37.9M</td> <td>\$3.8M</td> </tr> <tr> <td>Future State</td> <td>\$26.3M</td> <td>\$18.6M</td> <td>\$21.0M</td> </tr> <tr> <td colspan="4" style="text-align: center;"><i>Development Charges to be Collected (\$ million)*pre Bill 23</i></td> </tr> <tr> <td>Current State</td> <td>\$47.7M</td> <td>\$15.2M</td> <td>\$8.9M</td> </tr> <tr> <td>Future State</td> <td>\$59.4M</td> <td>\$5.3M</td> <td>\$7.3M</td> </tr> <tr> <td colspan="4" style="text-align: center;"><i>Annual Increase in Cost to Taxpayers</i> <i>*based on avg. household assessed at \$474,000</i></td> </tr> <tr> <td>Future State</td> <td>\$12.0 M</td> <td>(\$16.9) *decrease</td> <td>\$18.5</td> </tr> </tbody> </table>		Brampton	Mississauga	Caledon	<i>Share of Operating Costs (\$ million)</i>				Current State	\$21.4M	\$37.9M	\$3.8M	Future State	\$26.3M	\$18.6M	\$21.0M	<i>Development Charges to be Collected (\$ million)*pre Bill 23</i>				Current State	\$47.7M	\$15.2M	\$8.9M	Future State	\$59.4M	\$5.3M	\$7.3M	<i>Annual Increase in Cost to Taxpayers</i> <i>*based on avg. household assessed at \$474,000</i>				Future State	\$12.0 M	(\$16.9) *decrease	\$18.5
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<p>Deloitte Report – Financial Impact Analysis of Service Delivery Models (2019)</p>	<p>Financial Impacts of service delivery lines under dissolution:</p> <ul style="list-style-type: none"> • Water & Wastewater – assumption* services would be maintained and provided by a joint utility board, which includes local municipalities. • Police – local municipalities to be responsible for more than \$108.0 million of forecasted capital expenditures over the next 10 years to ensure they have the right infrastructure and assets in place to service their residents. One-time costs of \$50.9 million will need to be incurred to account for temporary management staff to assist the transition to a local police board. • Roads – local municipalities would need to increase the number of their front-line employees to maintain service levels. This could equate to about \$1.4 million on annual basis. • Waste Management – quantification of savings or costs not determined. • Housing – On-going operating costs of \$2.4 million for Brampton to maintain current service levels. • Development Charges – DC revenues anticipated to decrease as revenues will only be generated from growth-related development within each local municipality. Predicted to increase tax-supported costs by \$186.2 million over a 10-year period.
<p>Ernest & Young Report (2019) Region of Peel – Financial Impact Analysis of Service Delivery Models</p> <p><i>*Based on real 2018 dollars</i></p>	<ul style="list-style-type: none"> • In January 2019, the Ontario government launched a formal Regional Governance Review of eight regional municipalities, including Peel Region. • The objective was to ensure the affected municipalities are working well and supporting the future economic prosperity of residents and businesses, and working harder, smarter and more efficiently. • All four (4) municipalities began an independent financial review of three options related to the future of the Region of Peel: Status Quo, Amalgamation and Dissolution. • Ernest & Young were retained by the Region of Peel to help inform the Provincial review. This report looked at the financial impact of potential changes to service delivery models under the 3 scenarios. • After careful consideration of the feedback received through the regional governance review process, the province maintained the current structure of the regional governance, including Region of Peel.

- The provincial government also announced \$143 million to municipalities at this time, to improve service delivery processes for residents.
- Findings under **amalgamation** include:
 - The increase in operational spending is greater than the increase in operating balance, reducing the operating balance to operational spending ratio relative to the status quo.
 - Increased non-tax revenues are offset by increases in operating expenditure, resulting in a decrease to non-tax revenues as a percent of operating expenditures.
 - Growth in non-tax revenue is much greater under amalgamation than the growth of non-tax revenue under dissolution, strengthening the operating balance overall.
 - The modelled newly amalgamated entity's long-term debt to operational spending is similar to the combined financials of each municipality under the status quo scenario, with slightly higher operating expenditure, resulting in a lower ratio of long-term debt to operating expenditure.
- Findings under **dissolution** include:
 - An increase in operating spending offsets the increase in operating balance, reducing the operating balance to operational spending ratio relative to the status quo.
 - The higher cost scenario reduced operating balance relative to the operational spending, largely driven by changes in wage harmonization costs.
 - Given the Region's relatively large balance of tangible capital assets and long-term debt, each respective municipality's long-term debt to operating expenditures increase upon receipt of its allocated share of the Region's long-term debt.
- Financial Impacts of service delivery lines under **dissolution** are noted below:

	Brampton	Mississauga	Caledon
<i>Net cost of Service (\$ million)</i>			
Status Quo	\$5,229	\$5,630	\$806
Dissolution	\$10,728 – 11,578	\$13,239 - \$14,262	\$1,458 - \$1,469
<i>Impact on FTE Costs (\$ million)</i>			

	Status Quo	\$355	\$495	\$41
	Dissolution	\$672-695	\$1,024 – \$1062	\$68.1 - \$69.4
<i>Impact on Capital (\$ million)</i>				
	Status Quo	\$3,797	\$8,111	\$362
	Dissolution	\$7,394	\$8,708	\$1,450
<i>Impact on Debt (\$ million)</i>				
	Status Quo	\$23	\$177	\$12
	Dissolution	\$522	\$791	\$48