



## Committee of the Whole

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**DATE:** Tuesday, May 07, 2019

**WARD(S):** ALL

**TITLE: PROVINCIAL REGIONAL GOVERNMENT REVIEW –  
MAINTAINING THE CITY OF VAUGHAN’S EXISTING  
GOVERNANCE FRAMEWORK**

**FROM:**

Tim Simmonds, Interim City Manager

Michael Coroneos, Chief Financial Officer and City Treasurer

**ACTION:** DECISION

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**Purpose**

To recommend the maintenance of the City of Vaughan’s existing two-tier municipal government model within York Region to ensure the continued delivery of quality public services, while safeguarding the property tax base. The report further informs Mayor and Members of Council about potential scenarios that may affect the City of Vaughan’s governance structure and public finances because of the regional government review currently underway by the Ontario government.

## **Report Highlights**

- Vaughan has a successful track record that aligns with the provincial government's priorities, both generally and as part of the regional government review, and an overall effort to find savings, to improve service delivery for citizens and to create a competitive environment for economic opportunity and job creation.
- Both StrategyCorp and Hemson Consulting Ltd. were retained by staff to analyze potential scenarios that could result from the review, including: amalgamation of York Region municipalities, Vaughan as a single-tier municipality, service reform and status quo.
- After ongoing consideration and analysis of the four scenarios, it remains premature to understand the full cost of each of the presented scenarios given the broad mandate of the regional government review.
- The City continues to be highly successful in the existing two-tier municipal government model within York Region. This is evident by the City's ability to deliver quality public services and protect property taxpayers, as reflected in the results of the 2018 Citizen Satisfaction Survey.
- Maintaining the City's existing two-tier municipal government model, within York Region, is consistent with the Ontario government's priorities. Both generally and as part of the regional government review, it aligns in the focus to reduce red tape, improve service delivery for citizens and create a competitive environment for economic opportunity and job creation.
- The findings presented in this report provide the City with greater context about the potential decisions that could be made by the Ontario government. These findings better allow the staff working group to monitor and prepare for the anticipated outcomes of the review.

## **Recommendations**

1. THAT, it is the official position of Mayor and Members of Council to maintain the City of Vaughan's existing (status quo) two-tier municipal government model in York Region to ensure the continued delivery of quality public services, while safeguarding the property tax base;
2. THAT, both the 'City of Vaughan – Review of Regional Government – Scenario Impact Analysis report, prepared by StrategyCorp, and the Regional Governance Review – City of Vaughan' [Attachment 1], and 'York Region Fiscal Impact Analysis report', prepared by Hemson Consulting Ltd., [Attachment 2] be received; and

3. THAT, the City of Vaughan's official position, as outlined in this report, be forwarded to the Premier, the Minister of Municipal Affairs and Housing, Vaughan's Members of Provincial Parliament, York Region and the Association of Municipalities of Ontario.

## **Background**

### **Regional Government Review:**

In January 2019, the Ontario government announced it would proceed with a review of regional government. Former city manager Michael Fenn and former Waterloo Region chair Ken Seiling were appointed as special advisors to undertake this work.

The review is examining Ontario's eight regional municipalities (Halton, York, Durham, Waterloo, Niagara, Peel, Muskoka District and Oxford County), the County of Simcoe and their lower-tier municipalities. In total, 82 upper- and lower-tier municipalities are included in the review. Ontario's regional government model has been in place for almost 50 years.

According to the terms of reference for the special advisors, the mandate of the advisory body is to provide expert advice to the Minister of Municipal Affairs and Housing (MAH) and to make recommendations to the government on opportunities to improve regional governance and service delivery.

The special advisors have undertaken consultations with elected officials, the Association of Municipalities of Ontario and the Association of Municipal Managers, Clerks and Treasurers of Ontario, among other stakeholders. Online public consultations close on May 21, 2019. In-person consultations led by the special advisors continue to take place. Staff have been present for these consultations and will continue to do so.

<b>Special Advisors In-Person Consultations</b>	
<b>Date</b>	<b>Municipality</b>
April 16	Oxford County
April 24	Waterloo Region
April 29	Durham Region
May 1	Niagara Region
May 6	York Region
May 8	Peel Region
May 13	Simcoe County
May 14	Muskoka District
May 17	Halton Region

Recommendations will be submitted to the Minister in early summer 2019. The Minister may retain the special advisors to assist with additional advice until Sept. 30, 2019.

*Ontario Municipalities Respond:*

Municipalities across Ontario that are impacted by the regional government review have referred to their most recent governance review documents to facilitate discussion and inform their responses to MAH.

Halton Region undertook an in-depth review of regional representation prior to the 2018 municipal election that resulted in changes to their representation structure. In a letter to the Minister of MAH, Halton Region and its four local municipalities referred to this review as evidence that the current composition is working effectively. On March 4, 2019, the lower-tier municipality of Milton unanimously passed a motion that endorsed the effectiveness of the current two-tier municipal government model in Halton Region.

Simcoe County also revisited previous governance review documents and the various Regional government composition models that were considered in the past. Simcoe County Council members and past wardens engaged in discussions at a facilitated workshop, provided by an external consultant, the outcomes of which will be used to inform their response to MAH.

In a March 26, 2019 article published in *The Toronto Star*, the Mayor of Brampton publicly commented that he would like Peel Region to remain in place.

The City of Mississauga has publicly expressed its desire to separate from Peel Region and become a single-tier municipality.

*Municipal Responses – City of Vaughan:*

During a meeting of the [Finance, Administration and Audit Committee on April 1, 2019](#), staff brought forward a report to begin the formal public process for Mayor and Council to discuss the potential impacts of the province's regional government review.

The report requested that Council authorize the Interim City Manager and/or the Chief Financial Officer and City Treasurer to engage external consultant(s) to conduct an analysis of the key potential outcome(s) of the provincial regional government review.

Following Council's direction, staff retained both StrategyCorp (SCI) and Hemson Consulting Ltd. to analyze potential scenarios that could affect the City's governance structure and public finances because of the current regional government review.

## **Previous Reports/Authority**

[Provincial Regional Government Review submitted to the Finance, Administration and Audit Committee for April 1, 2019.](#)

## **Analysis and Options**

Working with SCI and Hemson Consulting Ltd., the following four scenarios were identified to be reviewed because they reflect precedent and ongoing public debate:

- Scenario 1: Amalgamation – the creation of one single-tier municipality for all of York Region.
- Scenario 2: Single-tier city – the elimination of York Region and the City of Vaughan becoming a single-tier municipality.
- Scenario 3: Service reform – the consolidation of selected public services.
  - As previously reported to Council, there may be a realignment in services provided at the regional or local municipal level or upload/download of services to/from the Province that occur because of the current regional government review.
  - Service reform appears consistent with the Province's commitment to find efficiencies and reduce costs. There are currently several provincially-led examples of service reforms taking place.
  - In February 2019, the Ontario government introduced legislation to create a new agency, called Ontario Health, to consolidate the 14 Local Health Integration Networks, Cancer Care Ontario, eHealth Ontario and several other agencies.
  - Media reports confirmed that the provincial government's April 2019 budget included plans to merge the 59 local ambulance services into 10 and the consolidating of the province's 35 public health units into 10 regional agencies by 2021.

- On May 2, 2019, the provincial government tabled first reading of Bill 107, *Getting Ontario Moving Act (Transportation Statute Law Amendment), 2019* – as part of its commitment to upload TTC subway infrastructure from the City of Toronto.
- Scenario 4: Status Quo – It should be noted that the terms of reference for the special advisors explicitly asks, “*are two-tier structures appropriate for all of these municipalities?*” As a result, in consultation with the retained consultants, it was determined that the City’s status-quo framework within York Region should be included for analysis and discussion. As previously noted, the Town of Milton unanimously passed a motion that endorsed the effectiveness of its current two-tier government model with Halton Region. The Township of Caledon unanimously passed a similar motion about maintaining the status quo.
- Maintaining the status quo is reflected in the ongoing city-building success delivered by Mayor, Members of Council and members of the administration to improve the citizen experience and deliver Service Excellence. Of note:

*Fiscal Responsibility:*

- Since 2015, the City has achieved approximately \$30 million in savings.
- For the last nine years, Vaughan has passed budgets that kept the property tax rate increase below three per cent per year.
- Vaughan has one of the lowest property tax rates in the Greater Toronto Area.
- The City has received the 2018 Annual Achievement of Excellence in Procurement award (AEP) from the National Procurement Institute. Vaughan is one of only six agencies in Ontario and one of 65 cities in North America to receive this award.
- For 10 consecutive years, the City has received the Distinguished Budget Presentation Award, an international award of excellence in budgeting, from the Government Finance Officers Association.

*Economic Prosperity, Investment and Social Capital:*

- According to the 2018 Business Satisfaction Survey, the vast majority of businesses (95 per cent) reported Vaughan’s quality of life as being very good or good.
- Since 2010, the City has issued nearly \$11 billion in building permits.
- Since 2010, Vaughan has led with an economic growth rate of four per cent – far outpacing Ontario and Canada – and has seen the creation of more than 60,000 new jobs.
- The city has the highest employment in York Region.

- Vaughan is home to more than 12,000 businesses that employ more than 222,000 people.
- Since 2010, the business advisory services provided by the Vaughan Business Enterprise Centre have helped entrepreneurs start or expand nearly 3,300 businesses in Vaughan.
- The City became the first municipality in Canada to sign a Memorandum of Understanding with US Ignite and to join the organization's Smart Gigabit Community – an effort to advance the Smart City agenda.

#### *City Building:*

- The Vaughan Metropolitan Centre (VMC) is the largest and most ambitious project in the City's history.
- The City of Vaughan won the Ontario Traffic Council's Project of the Year Award for the VMC.
- In January 2019, it was announced that Niagara University had expanded its new bi-national site to the VMC. This marked the arrival of the first university to Vaughan and York Region.
- The VMC will be home to the future PwC-YMCA Tower, which will feature a YMCA and a City of Vaughan Centre for Community. This addition to the downtown will also have a new Vaughan Public Libraries branch, a community kitchen, as well as dance and music spaces, among many other amenities.
- A new policy allowing secondary suites was approved – part of Vaughan's commitment to create, manage and provide safe and affordable housing options.
- Mayor Maurizio Bevilacqua joined leaders from the Building Industry and Land Development Association to renew Vaughan's commitment to investment-ready planning best practices.
- The City is exploring the emerging use of short-term rentals, along with any issues, opportunities and best practices that come with it.
- Vaughan launched a new online service to purchase visitor parking permits, expanding the limits for more flexibility and making it easier for enforcement officers to check if a vehicle has permission to park.
- The City launched a secondary plan of Weston Road and Highway 7 to develop an enhanced vision of what the area can become within the next 20 years and beyond.

#### *Transportation and Mobility:*

- The City has nearly 150 kilometres of new roads.
- Highway 427 is being expanded and Highway 400 is being widened.

- Vaughan is the only municipality outside of Toronto to be connected to TTC subway service. The city's three subway stations include the Vaughan Metropolitan Centre, Highway 407 and Pioneer Village stations.
- The City received the John Niedra Better Practices Competition for Equipment Innovation and Made In House Solution Award from the Ontario Good Roads Association.
- The City received the 2017 Management Innovation Award for the Winter Road Maintenance Services and Waste Collection Contracts.

*Active, Safe and Diverse Communities:*

- According to York Regional Police, Vaughan is one of the safest communities in Canada.
- In April 2018, the City broke ground on the new 10,250-square-foot Vaughan Fire and Rescue Service (VFRS) station in Kleinberg, scheduled to open in 2019.
- VFRS unveiled a new \$1.2 million training tower, allowing VFRS staff the ability to train firefighters on all types of hazard responses in a controlled environment with conditions like actual fire calls.
- In April 2018, the community broke ground on the future site of Hospice Vaughan.
- The city's new \$1.6-billion Mackenzie Vaughan Hospital will be the first hospital in Canada to feature fully integrated smart technology systems and medical devices that can speak directly to one another to maximize patient care.
- The efforts and events of the Spirit of Generosity commitment have raised more than \$30 million for community organizations – including the historic \$20-million donation to the Mackenzie Vaughan Hospital, announced during the 2018 Mayor's Gala.
- Festivities such as the Christmas Tree Lighting, Lunar New Year and Menorah Lighting Ceremony have become annual traditions, as have celebrations of Black History Month and Jewish Heritage Month, along with many of Vaughan's culture days and community organization flag raisings.
- The City opened the new Pierre Berton Heritage Centre – Vaughan's newest multi-purpose, accessible community facility celebrating the works of Kleinburg native Pierre Berton.
- The City's Events Team in Recreation Services received the Achievement Award for Best Volunteer Program and was recognized as a Top 100 Festival for Vaughan's popular Concerts in the Park series.
- In 2018, the City opened the Vellore Village Library – the 10th branch in Vaughan.
- Vaughan Public Libraries earned the Angus Mowat Award of Excellence and the Joyce Cunningham Award for Public Library Board of the Year.
- Vaughan is the recipient of the David C. Onley Award for Leadership in Accessibility.



### *Environmental Stewardship:*

- The City opened Phase One of the new 900-acre North Maple Regional Park.
- More than 21,000 trees have been planted as part of the City's tree replacement plan.
- Vaughan has more than 230 kilometres of signed cycling and pedestrian routes, including 60 kilometres of multi-use recreational pathways.
- City operation efforts have reduced greenhouse gas emissions by 22 per cent.
- The City completed a business case for LED streetlight retrofit that will save the City an estimated 9,000 MWH annually and approximately \$15 million in electricity costs each year once completed.
- Since 2010, more than 127,000 citizens have participated in the 20-Minute Makeover across Vaughan.
- On March 30, the City once again marked Earth Hour at Vaughan City Hall. As a result, Vaughan reduced its energy consumption by an outstanding 4.2 per cent (13.68 megawatts), outpacing last year's total of 3.6 per cent (12 megawatts).
- A more than 170-year-old Bur Oak was designated as a Heritage Tree. It measures 24 metres tall and 23 metres at the widest point of its branches and is believed to have taken root just after the village of Kleinburg was founded in 1848.

### *Good Governance and Operational Performance:*

- Council approved the City of Vaughan's new 2018-2022 Term of Council Service Excellence Strategic Plan.
- The Vaughan Accord was once again unanimously endorsed at a special signing ceremony at the 2018-2022 inaugural.
- The results of the 2017 Internal Audit Governance and Accountability Survey show that there has been a significant improvement in employee morale from previous years.
- The Internal Audit department, the Office of the Integrity Commissioner and Lobbyist Registrar and the Anonymous Reporting System are all proven examples that Vaughan continues to go above and beyond in its efforts to deliver a quality of government service for taxpayers that is second to none.

The results of the 2018 Citizen Satisfaction Survey found:

- 97 per cent of citizens are happy with the quality of life in Vaughan
- 92 per cent of citizens are proud to be from Vaughan
- 91 per cent of citizens feel Vaughan is a welcoming community
- 91 per cent of citizens have an overall satisfaction with City services
- 90 per cent of citizens are satisfied with service delivery

Satisfaction with individual services:

- 100 per cent for fire services
- 96 per cent for local public libraries
- 93 per cent for recreation and fitness facilities
- 91 per cent for recreation and fitness programs
- 91 per cent for garbage, recycling, organics and yard waste collection
- 91 per cent for off-road multi-use/nature trails
- 90 per cent for maintenance of parks and greenspaces
- 90 per cent for arts and culture

## **Financial Impact**

N/A

## **Conclusion**

After ongoing consideration and analysis of the four scenarios, it remains premature to understand the full cost of each of the presented scenarios, given the broad mandate of the regional government review. There will be greater clarity once the special advisors make their findings public and the provincial government takes a position on potential reforms to York Region and the City of Vaughan.

The recommendation of this report is to maintain the City's existing two-tier municipal government model within York Region. This will better align with the Ontario government's priorities, both generally and as part of the regional government review, to reduce red tape, improve service delivery for citizens and create a competitive environment economic opportunity and job creation.

The existing staff working group, made up of representatives from across the Corporation, will continue to monitor developments of the 2019 Ontario regional government review. This group will work with the Province, York Region and other municipalities across Ontario to explore further ways to continue to increase efficiency, improve service delivery and enhance collaboration within the existing regional governance structure or any potential future structure.

The findings presented in this report provide the City with greater context about the potential decisions that could be made by the Ontario government. These findings better allow the staff working group to monitor, prepare and serve as an implementation team for whatever the outcomes of the review conclude for Vaughan and York Region. Staff will continue to keep the Mayor and Members of Council updated as subsequent announcements made by the provincial government about the ongoing regional government review become available.

**For more information,** please contact: Tim Simmonds, Interim City Manager, ext. 8427.

### **Attachments**

1. City of Vaughan – Review of Regional Government – Scenario Impact Analysis report, prepared by StrategyCorp.
2. York Region Fiscal Impact Analysis report, prepared by Hemson Consulting Ltd.

### **Prepared by**

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