

Committee of the Whole (2) Report

DATE: Tuesday, September 19, 2023

WARD(S): ALL

TITLE: UPDATE: ONTARIO GOVERNMENT'S REVIEW OF REGIONAL GOVERNANCE

FROM:

Nick Spensieri, City Manager

ACTION: DECISION

Purpose

This report provides an update about the Provincial government's ongoing efforts to review the future of regional governance in Ontario's fastest-growing regions, like York Region, and its implications for the City of Vaughan, like the Ward Boundary Review.

Report Highlights

- A Special Committee of the Whole meeting took place on June 20, 2023, to discuss the Ontario government's expedited and ongoing policy initiatives on the future of regional government. This meeting discussed *Bill 112 (the Hazel McCallion Act)* and the introduction of strong mayor powers.
- During the June 2023 Special Committee of the Whole meeting, Vaughan Council unanimously approved a Member's Resolution calling for Vaughan to explore becoming a single-tier municipality and to undertake an analysis required to support further understanding a new governance model.
- On July 5, 2023, the Ontario government announced the appointment of five members to a transition board responsible for making recommendations to the provincial government on a range of restructuring matters related to the dissolution of Peel Region on January 1, 2025.

Report Highlights continued

- On September 13, 2023, the Municipal Affairs and Housing Minister requested the Ontario Legislature's Standing Committee on Heritage, Infrastructure and Cultural Policy to assume responsibility for the work initially proposed for facilitators (excluding Peel) to review the future of regional governance in Ontario's fastest-growing regions, like York Region.
- Ongoing and emerging developments by the Ontario government on the future of regional governance call for a modified scope of work to be undertaken and to complete the Ward Boundary Review during the 2022 to 2026 Term of Council to consider the possibility of different governance scenarios.
- Consistent with the June 2023 Member's Resolution recommendations, Ernst & Young has been retained by the City of Vaughan to conduct a financial impact and governance analysis to better explore and understand the potential of Vaughan becoming a single-tier municipality. The announcement about the Standing Committee on Heritage, Infrastructure and Cultural Policy has also impacted the study's timeline, scope and future advocacy efforts.

Recommendations

1. THAT a Special Council (Closed Session) Education Session be held by the end of November 2023 to discuss the findings of the Ernst & Young study on the proposed financial impact and governance on the potential of Vaughan becoming a single-tier municipality; and
2. THAT City staff be directed to conduct a Ward Boundary Review and Council Composition analysis to present ward boundary and Council composition options for Vaughan as both a lower-tier municipality (existing governance arrangement) and as a single-tier municipality, and for there to be a report back at a future Committee of the Whole (Working Session).

Background

Mayor Steven Del Duca called a Special Committee of the Whole meeting on June 20, 2023, to discuss the Ontario government's expedited and ongoing policy initiatives on the future of regional government as part of the Province's efforts to address housing supply challenges.

The June 20 Special Committee of the Whole meeting presented the first opportunity for City staff to provide an analysis of Bill 112 (the Hazel McCallion Act) to Council since the legislation's swift passage on June 8, 2023. Introduced on

May 18, 2023, Bill 112 will dissolve Peel Region and make Mississauga, Brampton and Caledon single-tier, independent municipalities.

The province's decision to expedite the legislation's approval is part of the Ontario government's ongoing efforts to deliver on shared provincial-municipal priorities like the housing supply shortages and particularly the building of 1.5 million new homes by 2031.

The Special Committee of the Whole meeting further presented City staff with the opportunity to brief Councillors on the Province's June 16 announcement that strong mayor's powers would be extended to heads of Council in 26 large and fast-growing municipalities who submitted a housing pledge, effective July 1, including Vaughan. In March 2023, Vaughan Council approved achieving the Ontario government's Housing Pledge and the City's provincially mandated housing targets to facilitate the construction of 42,000 new homes in the city by 2031.

On July 5, 2023, the [Ontario government announced](#) the appointment of five members to a transition board responsible for making recommendations to the provincial government on a range of restructuring matters related to the dissolution of Peel on January 1, 2025.

During the June 2023 Special Committee of the Whole meeting, Vaughan Council unanimously endorsed Mayor Del Duca's Member's Resolution calling for the possibility of Vaughan to become a single-tier municipality and to undertake an analysis required to support exploring a new governance model.

The Member's Resolution includes six recommendations and is in response to the government's facilitation process:

1. THAT the City of Vaughan confirms the status quo governance model in York Region should be changed and modernized to reflect the current and future needs of our residents; and
2. THAT the City of Vaughan explores a new governance model as part of the provincial government's facilitation process that could enable it, and all other York Region municipalities, to become single-tier while enabling certain identified shared services across the region to be funded and administered in common with all other lower-tier York Region municipalities; and
3. THAT City of Vaughan staff be directed to undertake the analysis required to support exploring a new governance model; and
4. THAT City of Vaughan staff be authorized to retain consultant support to assist with the analysis; and
5. THAT City staff report back to Vaughan Council by the end of September 2023 with the report findings; and

6. THAT a copy of this resolution be forwarded to York Region Chair Wayne Emmerson, the Mayors of the nine lower-tier municipalities, the Premier of Ontario and the Minister of Municipal Affairs and Housing.

After this Member's Resolution was approved and in accordance with the City's procurement policies, a request for proposal was issued requesting "*Consulting Services for the Financial Impact Analysis of the City of Vaughan Becoming a Single Tier Municipality.*" Ernst & Young was awarded the contract in July 2023. Ernst & Young has experience conducting a similar analysis for Peel Region in 2019.

Previous Reports/Authority:

[Regional Government Analysis](#): June 20, 2023

[Member's Resolution - Planning for Vaughan's Promising Future: Delivering Service Excellence and Protecting Taxpayers](#): June 20, 2023

Analysis and Options:

On September 13, 2023, the Municipal Affairs and Housing Minister requested the Ontario Legislature's Standing Committee on Heritage, Infrastructure and Cultural Policy to assume responsibility for the work initially proposed for facilitators. This change impacts the consultant's work timeline and scope now that the City will engage Members of Provincial Parliament (MPP) in advocating for a possibly new municipal governance structure for Vaughan.

In an Ontario government [news release](#) from May 18, 2023, about Bill 112, the province announced that the Ontario government would further name regional facilitators to assess the upper-tier municipalities of Durham, Halton, Niagara, Simcoe, Waterloo and York. However, on September 11, 2023, the new Minister of Municipal Affairs and Housing announced that he would review the previously stated intentions to appoint facilitators to assess the above-mentioned regional governments.

Subsequently, on September 13, 2023, the Municipal Affairs and Housing Minister wrote to MPP Laurie Scott (Attachment 1), Chair of the Ontario Legislature's Standing Committee on Heritage, Infrastructure and Cultural Policy for her committee to assume responsibility for the work initially proposed for facilitators (excluding Peel) to review the future of regional governance in Ontario's fastest-growing regions, like York Region, where the City of Vaughan is one of nine lower-tier municipalities.

The announcement about the Standing Committee on Heritage, Infrastructure and Cultural Policy impacts the timeline and scope undertaken by Ernst & Young for the City, given that now the municipality will be engaging Members of Provincial Parliament, rather than appointed facilitator(s). City staff are recommending the findings from the Ernst & Young report be brought forward to a future Special Council (Closed Session) Education Session as the first of potential other opportunities to discuss the financial and governance implications.

Ongoing and emerging developments by the Ontario government on the future of regional governance call for a modified scope of work to undertake and complete the Ward Boundary Review during the 2022 to 2026 Term of Council to consider the possibility of different governance scenarios.

In May 2023, Vaughan Council voted to defer the Ward Boundary and Council Composition Review to fall 2023. To ensure an effective and accountable Ward Boundary and Council Composition Review can be undertaken during the 2022 to 2026 Term of Council, and completed in advance of the 2026 municipal elections, it is recommended that the Office of the City Clerk proceeds with its work on the Ward Boundary and Council Composition Review presenting two separate scenarios: first, the existing governance arrangement with Vaughan as a lower-tier municipality; and second, a boundary review proposal with Vaughan as an independent municipality.

Financial Impact:

The announcement about the Standing Committee on Heritage, Infrastructure and Cultural Policy has also impacted the study's timeline and scope. Any financial implications will be funded through existing approved budget.

Funding for the Ward Boundary Review project is already allocated.

Broader Regional Impacts/Considerations:

The findings of the Ernst & Young study will be shared with York Region and the other nine lower-tier municipalities to further inform the discussions and efforts of the Province's Standing Committee.

Conclusion:

Moving forward, clarity remains critical as it pertains to the Province's intentions with the future of regional government. The June 20 Special Committee of the Whole meeting and the Council-approved Member's Resolution related to Vaughan potentially becoming an independent City are essential milestones as they pertain to regional government, and

they help Vaughan Council, City staff and our community plan for the implementation of the 2022-2026 Term of Council Strategic Plan and other critical future city-building initiatives, such as the Ward Boundary Review.

A future Special Council (Closed Session) Education Session will help inform the City Council further about the ongoing regional governance debate led by the Ontario government and what this could mean if Vaughan were to become a single-tier municipality. Further discussion positions by Vaughan Council, stakeholders and the community will help inform the City's participation in meetings of the Ontario Legislature's Standing Committee on Heritage, Infrastructure and Cultural Policy, as those members work to address the four guiding questions submitted by the Municipal Affairs and Housing Minister for the Standing Committee to review and report on.

Attachments:

1. September 13, 2023, correspondence from Municipal Affairs and Housing Minister Paul Calandra to MPP Laurie Scott, Chair of the Standing Committee on Heritage, Infrastructure and Cultural Policy.

Prepared by:

Michael Genova, Chief, Communications and Economic Development, ext. 8027

Approved by

A handwritten signature in black ink, appearing to read 'Nick Spensieri', with a long horizontal line extending to the right.

Nick Spensieri, City Manager