

Media Release

FOR IMMEDIATE RELEASE

May 22, 2019

Report highlights potential cost increases with changes to municipal governance in Peel

Confirming Caledon Council's support of the current two-tier government in Peel region, a report produced by Ernst & Young (EY) for the Region of Peel reveals that potential changes to municipal governance in Peel region could increase costs over half a billion dollars.

Commissioned at the request of Region of Peel Council, the [Financial Impact Analysis of Service Delivery Models](#) looked at municipal services such as roads, transportation, public works, police, and water under three governance scenarios:

- 1) Status Quo – two tier (Region of Peel and local municipalities),
- 2) Amalgamation - one new entity comprised of the Region of Peel, City of Brampton, City of Mississauga, and the Town of Caledon, and
- 3) Dissolution - Regional services and responsibilities transferred to the three local municipalities.

On May 21, 2019 the EY report was submitted to the Special Advisors for the Province's Regional Government Review and released to the public by the Region of Peel.

"Since the Province of Ontario launched the Regional Government Review, my priority has been to represent the interest of Caledon taxpayers, ensure their voice is heard and continue to ensure we deliver the services they need efficiently and effectively," said Mayor Allan Thompson. "Council's position to maintain the status quo reflects a "why fix what isn't broke" approach. We now look to the provincial advisors and the provincial government to consider the findings of this report and make a decision that's best for Caledon."

The current net cost of providing services from 2020 to 2028 is \$26.1 billion. This is the "Status Quo" option in the EY report (see *Table 1* below).

However, under the other two scenarios looked at – amalgamation and dissolution -- EY forecasts a net cost of providing service to all ratepayers in the Region of Peel as follows:

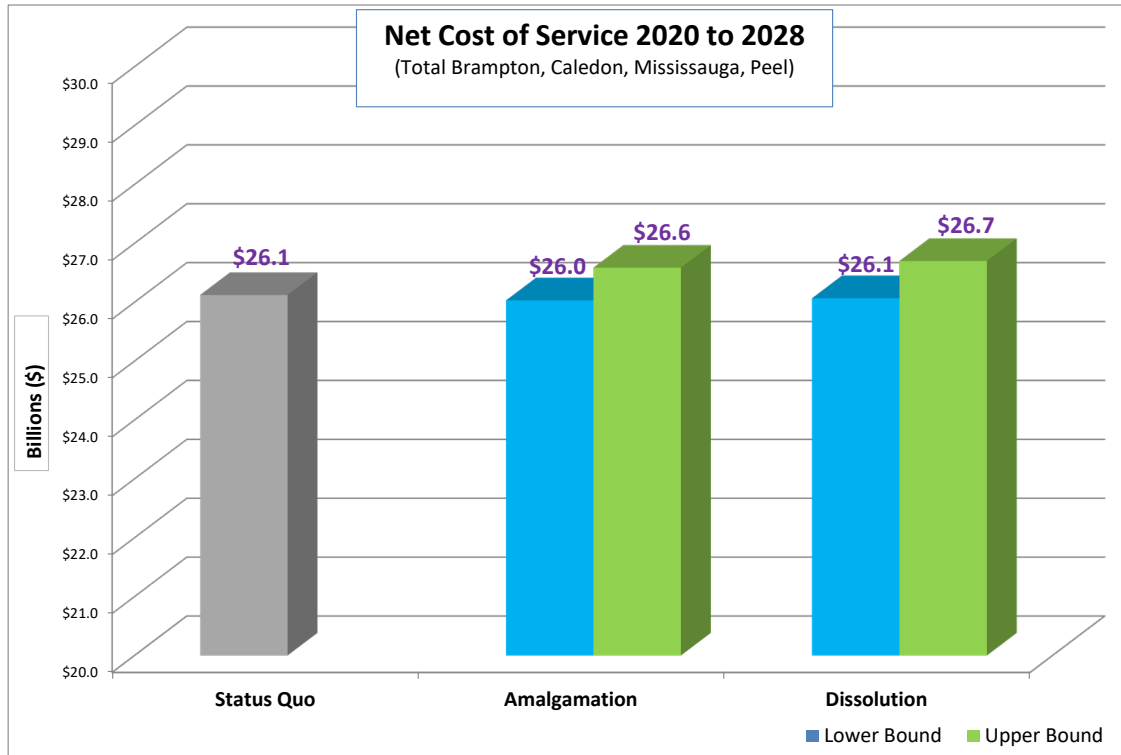
- Under amalgamation, costs range from a decrease of approximately \$100 million to an increase of upwards of \$500 million.
- Similarly, under dissolution costs could remain about the same as the status quo or they could increase to upwards of \$600 million.



TOWN HALL, 6311 OLD CHURCH ROAD, CALEDON, ON, L7C 1J6
T. 905.584.2272 | 1.888.225.3366 | F. 905.584.4325 | www.caledon.ca

In summary, under amalgamation or dissolution, there is a risk that the net cost of providing services to all ratepayers within the boundaries of Brampton, Caledon and Mississauga could increase by \$500 million to \$600 million by 2028.

Table 1



Note: Lower and upper bound costs are determined at the service line level based on agreed assumptions.

The report will be placed on the agenda for the Region of Peel Council meeting Thursday, May 23, 2019 where E&Y will be providing a presentation to Regional Council. [View the report](#)

About the Process

On April 11, 2019 Region of Peel Council passed a resolution to commission a report analysing the financial impact of potential changes to service delivery models under three scenarios: status quo, amalgamation and dissolution. Ernst & Young LLP was retained to conduct the analysis in consultation with all three area municipalities (Brampton, Caledon and Mississauga) and the Region of Peel.

To ensure transparency and fairness, a Steering Committee made up of Chief Administrative Officers (CAOs) and Chief Financial Officers (CFOs) from the four municipalities was formed. The Steering Committee approved the approach, scope and assumptions framing the analysis, it facilitated access to the necessary data from municipal budgets and plans, and provided review of and feedback on the analysis throughout.

For more information about the Region of Peel response to the Regional Government Review, visit peelregion.ca/government-review.



-30-

Media Contact:

Town of Caledon | Strategic Initiatives | Communications

905.584.2272 | communications@caledon.ca | www.caledon.ca | @YourCaledon



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