

Summary of Attached Materials

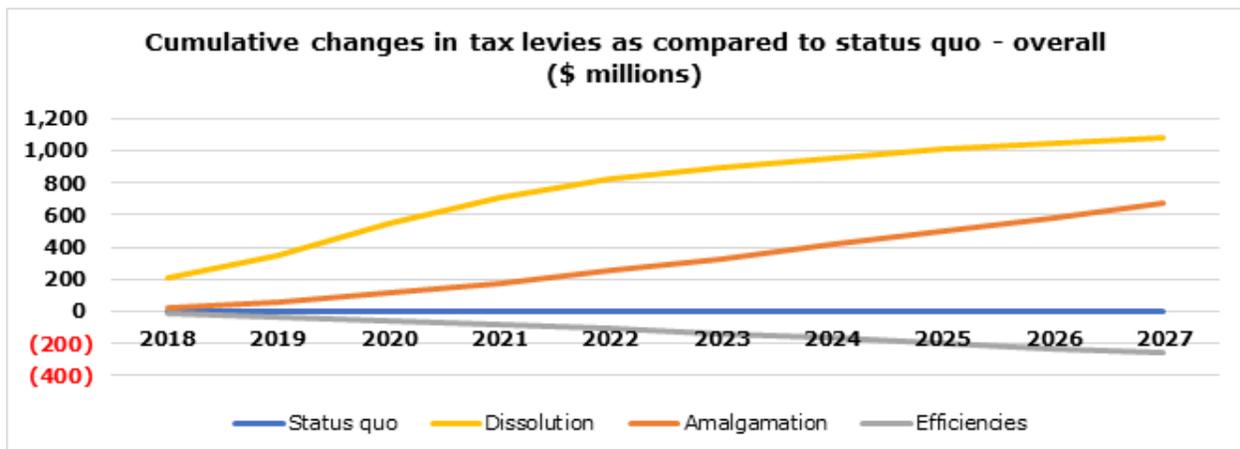
Financial Impact Analysis

Deloitte was asked to undertake a financial analysis of service delivery models to identify the impacts associated with the following three scenarios:

- Efficiencies to be explored without a governance change
- Amalgamation of the Local Municipalities, which includes the City of Mississauga, the City of Brampton, and the Town of Caledon, with the Region (one government providing local and regional services)
- Dissolution of the Region (establishing three independent municipalities in Peel)

Findings

- **Efficiencies** without a governance change will generate **tax savings of \$261 million**, if realized, that will reduce tax requirements when compared to the status quo over the next 10 years.
- **Amalgamation** will require **additional tax levies of \$676 million** that will need to be raised when compared to the status quo over the next 10 years.
- **Dissolution** will ultimately require **additional tax levies of \$1.081 billion** that will need to be raised when compared to the status quo over the next 10 years.



Case Law & Arbitration

The 1953 creation of Metropolitan Toronto provided significant insight and established a precedent setting approach to municipal restructuring. Dr. Lorne R. Cumming, a former Ontario Municipal Board Chairman, developed a series of principles regarding the issue of financial adjustment following the transfer of assets between municipal bodies. These principles were relied on during municipal restructurings in the 1990s.

The financial analysis completed in this report considers these past case law and arbitration results as the best evidence to allocate assets and liabilities in the absence of an agreement between willing parties. It is believed that using this type of legal precedence is the best evidence to determine the financial outcomes of the scenarios that have been defined.

Assessment of Day & Day Report

The City of Mississauga commissioned a report (Day & Day Report) in 2003, which was updated in 2019, citing specific recommendations and cost savings to the City.

Deloitte conducted an analysis of the assumptions in that report, the findings of which speak to an overly simplistic approach to cost savings and flawed methodology, specifically:

- The updated report identifies cost savings for Mississauga of \$84.68M, and identifies cost increases of \$74.12M and \$10.56M for Brampton and Caledon respectively, resulting in no overall reduction to property taxes raised across the Region. The extent to which the aging capital infrastructure, new regulations, future growth, and other financial factors would affect this number are not considered in the report. In addition, despite references to the 2017 Roads report, the financial impact of that Deloitte work was not factored into the Day & Day update. The assumption that the City would pay less for roads is inconsistent with the Deloitte report approved by Regional Council (attached).

Financial Impact of Downloading Regional Roads (Report attached)

In 2017 Deloitte undertook an analysis of the implementation costs associated with downloading Peel's Regional roads to the local municipalities. The findings revealed implementation costs ranging between \$1 million and \$6 million per year, depending on the approach taken for the downloading.

Uploading Waste Collection to the Region of Peel (Report attached)

In 1994 waste collection was uploaded to the Region of Peel, with an annual combined of \$5.1 million to the local municipalities.

The above-mentioned analyses are provided as attachments in support of the Region's submission.