

Region of Peel will not borrow \$11.1 Billion to meet Provincial growth targets

By Zachary Roman

Peel Region will not be taking on debt for the purpose of constructing infrastructure required to meet the Province's housing targets.

At Region of Peel Council's July 6 meeting, a staff report was presented to Council by Gary Kent, the Region's Chief Administrative Officer. It recommends that Peel "not seek to incur long-term debt in the amount of \$11.1 billion to immediately finance the servicing shortfall associated with new provincial growth targets."

The report also recommended that Council should advocate to Ontario's Minister of Municipal Affairs and Housing Steve Clark, asking him to ensure the Province creates a fund that will make municipalities whole "as a result of the impacts of Bill 23 on municipal growth funding revenues and expenditures."

Kent's report was created as a result of a motion brought forward by Brampton Mayor Patrick Brown "and seconded by Caledon Mayor Annette Groves " at Peel Council's June 27 meeting.

Brown's motion asked the Region, through taking on debt, to immediately commit to financing "the servicing shortfall of \$11.1 billion to meet the new provincial growth targets adopted by all three local municipalities."

Discussion about the motion ensued, with some Council members expressing concerns about it and its financial feasibility. Ultimately, the motion was referred back to Region of Peel staff for more information.

That information was provided by Kent in his July 6 report.

In it, he said at the end of 2022, Peel had only \$1.27 billion in debt. He said capital projects using the proposed \$11.1 billion in debt have not been specifically identified, and in order to take on the debt, specific projects would have to be approved by Council.

Even if the projects were to be approved, the Region would then need to obtain approval from the Ontario Land Tribunal (OLT) to take on debt that exceeds prescribed borrowing limits in Ontario's Municipal Act " \$11.1 billion exceeds said limits.

"Incurring the proposed debt would result in a materially significant deterioration of the Region's financial sustainability and flexibility," wrote Kent.

After seeing the report at the July 6 meeting, Brown motioned to refer the report to the recently-appointed transition board that will be overseeing Peel's dissolution.

Groves seconded Brown's motion and said "this is something the transition team really needs to take a close look at."

Groves said after reviewing Kent's report, she could no longer support borrowing the \$11.1 billion. She said Caledon taxpayers would not support the idea given the tax increases that would come from it.

"If I moved ahead with it, they'd shoot me," said Groves.

Brown's motion to refer Kent's staff report to the transition board failed, with eight Councillors in favour and 16 opposed.

Council then moved to approve Kent's staff report and the recommendations outlined in it. The report and its recommendations were passed with 17 Councillors in favour, six opposed, and one Councillor abstaining.