

GENERAL COMMITTEE MEETING

OFFICE OF THE CAO

REPORT CAO-2025-04

April 29, 2025

SUBJECT: Response to Mayoral Directive – 2025-03A: Municipal Reform in Niagara

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RECOMMENDATION:

THAT THE COUNCIL OF THE CITY OF WELLAND receives for information and requests feedback on report CAO-2025-04: Response to Mayoral Directive Niagara Governance Review; and further

THAT Welland City Council request the Province of Ontario to clarify its position and timeline regarding governance reform in Niagara, including outcomes from the Regional Review initiated in 2024; and further

THAT this report be circulated to all Niagara municipalities, Niagara Region, local MPs and MPPs, and the Association of Municipalities of Ontario (AMO) for information and support.

RELATIONSHIP TO STRATEGIC PLAN:

This recommendation is aligned to Council's strategic priority of ensuring "**Liveability**" by creating a sense of belonging while enhancing mobility by improving access to recreation and community events, ensuring adequate housing options, encouraging job growth, and improving ways to efficiently move people throughout the city.

EXECUTIVE SUMMARY:

This report responds to Mayoral Direction 2025-03A and outlines the need and opportunity for municipal governance reform in Niagara. Following signals from the Province that structural changes to Niagara's two-tier government may be forthcoming, this report provides context from past governance reviews and presents a proactive suite of potential models that could be further explored by Welland Council. It also includes a proposed engagement opportunity with the Province to clarify its direction prior to the 2026 municipal election.

The purpose of this report is twofold:

- Solicit feedback from Council regarding potential governance reform in Niagara.
- Formally request the Province to provide an update and position on municipal reform in Niagara.

Reform considerations include the number of municipalities, potential adoption of a one-tier versus two-tier governance model, council composition, opportunities for service delivery improvements, and how to create a stronger alignment with [Provincial Priorities](#).

BACKGROUND:

The Niagara Region operates under a traditional two-tier structure comprising a Regional government and 12 lower-tier municipalities. This structure, while long-standing, has been increasingly scrutinized for inefficiencies, duplication of services, concerns with consistency in decision-making, number of elected officials and bureaucrats, and challenges in aligning with broader Provincial Priorities.

In 2019, the Province initiated a Regional Government Review across several Ontario regions, including Niagara. The review, led by special advisors Michael Fenn and Ken Seiling, did not result in immediate structural changes; however, the advisors highlighted the potential for more efficient service delivery models and streamlined governance in regions like Niagara. The review underscored the importance of ensuring governance models are adaptable to growth, economically sustainable, and able to deliver effective public services. In the years since, the Province has made notable governance changes in places such as Peel Region and Toronto, reinforcing its interest in modernization and efficiency. Most recently, the Province has removed the Planning function from the Niagara Region, as well as other upper tier municipalities in Ontario.

Informal discussions, recent provincial statements, and messaging from various municipalities have re-ignited the potential need for governance reform in Niagara.

DISCUSSION:

This section presents both a provincial engagement strategy and a suite of governance reform considerations for Council to discuss. These models are not mutually exclusive and could be staged or integrated depending on a Provincial response. It is not the intention of this report to have members of Welland Council decide on a particular model, but rather for Welland Council to discuss collective interests, concerns and challenges in a public and transparent forum.

Sample Governance Models:

Status Quo with Enhanced Coordination

- Maintain the current 12 local municipalities and Regional government.
- Pursue targeted service delivery improvements through formalized inter-municipal agreements.
- Establish a Niagara-wide Council of Mayors and CAOs to address regional priorities.

Pros:

- Least disruptive; maintains local identity and representation.
- Allows municipalities to retain autonomy.

Cons:

- Continued inefficiencies, service duplication.
- Slow to respond to large-scale policy or economic shifts.

Amalgamation into Four Lower-Tier Municipalities + Niagara Region (Upper-Tier)

- Consolidate the 12 municipalities into four (e.g., North Niagara, Central Niagara, South Niagara, West Niagara).
- Retain the Niagara Region as an upper-tier government for select region-wide services such as Transportation, Health, and Policing.

Pros:

- Reduces administrative costs and political overhead.
- Stronger economic zones aligned to shared infrastructure and land use planning.
- Maintains some regional oversight while consolidating services locally.

Cons:

- Transitional complexity (governance, staffing, branding).
- Community identity concerns in amalgamated areas.
- Requires Provincial legislation and support.

One-Tier Unitary Government for Niagara

- Eliminate the Region and all local municipalities in favour of a single-tier City of Niagara.
- Governance would be through a centralized Council with geographic ward representation.

Pros:

- Complete elimination of duplication.
- Uniform service standards and centralized accountability.
- Streamlined planning, budgeting, and policy implementation.

Cons:

- High potential for political resistance.
- Loss of local decision-making power.
- Requires substantial change management and public consultation.

Two-Tier Model with Redefined Roles and Mandates

- Maintain two-tier structure but legislate clearer division of responsibilities.
- Upload or download specific services for efficiency (e.g., Roads to Region, Recreation to Locals).
- Introduce shared service models across clusters of municipalities (e.g., joint procurement, legal services, IT).

Pros:

- Balances efficiency with local representation.
- Can be phased in gradually with legislative support.
- Enhances collaboration without full amalgamation.

Cons:

- May be complex to implement and enforce.
- Doesn't address issues of overlapping political mandates.

Four-City Collaborative Model with Functional Service Leads

- Transition from 12 municipalities to four newly amalgamated cities (e.g., North Niagara, South Niagara, Central Niagara, West Niagara), retaining the Niagara Region as an upper-tier government.
- Instead of centralizing all regional functions under the Region, each of the four cities would take on a leadership role for specific shared services across Niagara, on behalf of all municipalities.
- Service responsibilities are delegated through inter-municipal service agreements, enabled by the Municipal Act and supported by the Region and Province.

Pros:

- Preserves local representation while encouraging deep collaboration.
- Leverages existing municipal strengths and capacities.
- Allows for innovation and piloting without full consolidation.
- Spreads leadership accountability and reduces duplication.
- More nimble than full regionalization—can evolve over time.

Cons:

- Success depends heavily on strong inter-municipal trust and agreements.
- Governance and accountability mechanisms need to be clearly defined.
- Perception of unequal distribution of responsibilities or benefits.
- May require Provincial facilitation to align incentives and resolve disputes.

Implementation Considerations:

- Clearly define governance frameworks, decision-making protocols, and service standards.
- Establish cross-city service boards or advisory panels for oversight.
- Ensure equitable cost-sharing models and reporting mechanisms.
- Provincial support may be needed to mandate participation or resolve impasses.

Evaluation Criteria / Considerations for Options:

- Alignment with Provincial Priorities (e.g., housing, economic development, infrastructure planning);
- Administrative Efficiency and Cost Savings;
- Service Delivery Effectiveness;
- Preservation of Local Identity and Representation;
- Ease of Implementation and Transition;
- Public and Stakeholder Support.

Council Composition

- Maintain a uniform number of elected officials across the region.
- Mandate the maximum number of elected officials across the region
- Consideration for fulltime vs. part-time elected officials
- Should a two-tier system be chosen, adjust the representation model for each of the lower tiers.

The above information is noted in this report to stimulate discussion amongst Welland City Council. No formal decisions on the type or depth of governance reform is expected.

ATTACHMENT:

Appendix A - Council Resolution

Appendix A

Council Resolution: Request the Province to Clarify Position on Governance Reform in Niagara

THE CORPORATION OF THE CITY OF WELLAND
RESOLUTION NO. _____/2025

DATE: April 28, 2025

MOVED BY: Councillor _____

SECONDED BY: Councillor _____

WHEREAS the Province of Ontario has indicated interest in reviewing and potentially reforming the governance structure within the Niagara Region; and

WHEREAS In 2019, the Province initiated a Regional Government Review across several Ontario regions, including Niagara; and.

WHEREAS the Province had made governance changes in the Peel Region, Toronto, and most recently with the removal of the Planning function at the Regional level.

NOW THEREFORE BE IT RESOLVED THAT THE COUNCIL OF THE CITY OF WELLAND request the Province of Ontario to clarify its position and timeline regarding governance reform in Niagara, including outcomes from the Regional Review initiated in 2024