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Regional Organization and the Dynamics of Inter-Municipal Cooperation

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in Political Science
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REGIONAL ORGANIZATION AND THE DYNAMICS OF INTER-MUNICIPAL COOPERATION: POLICY COORDINATION BETWEEN ONTARIO'S SEPARATED CITIES AND COUNTIES

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by

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Abstract

This thesis examines the institution of city-county separation in Ontario. City-county separation was the original form of municipal organization in the province, introduced as a method of distinguishing between urban and rural areas by politically separating one from the other. Over time, this practice lost ground to institutions such as regional government, which sought to connect urban and rural areas. Despite this institutional shift, 18 cities and towns in Ontario remain separated from their counties, establishing a situation where some of the province's most populous communities lack institutional linkages to their surrounding rural municipalities.

Exploring four different thematic areas – planning, border expansion, social service delivery and agreement formation – this thesis finds that separated cities and counties are not forming cooperative agreements at expected rates. This is largely attributed to the nature of rural and urban life: there are few common servicing demands and, as such, cooperation is not a natural phenomenon. Additionally, this thesis finds that growth is threatening the continued viability of city-county separation. The municipalities in some counties across the province are content to remain rural and are adhering to the original logic of city-county separation; the county remains rural and directs development toward the urban separated city. However, in many other counties, the once-rural areas around separated cities are experiencing high rates of growth and are actively attempting to attract development. The original bargain behind city-county separation is breaking down in these areas. Provincial officials, who have extended the usable life span of city-county separation as an institution in many urban areas by allowing continuous rounds of outward expansion, may need to re-examine the organizational design of these areas and consider alternative institutions that would better link urban and growing suburban areas.

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CHAPTER 1: INTRODUCTION

1.   Introduction

Linking urban and rural areas is one of the great challenges of municipal governance. Traditionally, the two areas have been seen as distinct with different sets of values, economies, labour trends and ways of life (Sweet 1999; Clarke 1955). These differences have been described as both vast and entrenched. Nevertheless, despite these cultural and geographic divergences, rural and urban have always had a reciprocal relationship and both play an important role in the strength of the national economy, trade, commerce and population growth.

This complex inter-connectedness presents a challenge to policy makers. In Ontario, more recent structural responses to this divide have tended to view a city and its rural periphery as part of a common political unit, if not a sociological or economic one (Fyfe 1975; Jacek 1985). To grow, and to extend the economic benefits of urban life to rural areas, some organizational thinking suggests that cities require an institutional linkage to the rural communities that lie on and just beyond their borders. This mode of institutional thinking is relatively new when considering hundreds of years of municipal evolution. The more traditional solution to this urban-rural divide—and the one that has been dominant throughout most of our municipal history—has been to politically separate urban and rural areas (Bain 1967).

This practice has its roots in the early English municipal system (Pinchbeck 1940; Archer 2000). Cities were thought to be so unique that they required a complete separation from their rural peripheries. While the country was rooted in agrarian and subsistence living, cities began to take on increased importance with the advent of new

technology (Wilson and Game 1988). Urban areas grew at a rapid pace and took on new significance as centres of industry, commerce and innovation. As cities became the economic drivers of nations, the creation of local government capable of managing and promoting this growth became paramount (Merewhether and Stephens 1972). It became clear that the demands inherently connected with increased density—poverty, housing, and the creation of advanced infrastructure—required a government with a broader functional scope. In theory, a separate urban government could address distinct urban opportunities and problems (Magnusson 1983).

Consequently, the separation of urban and rural municipalities was seen as mutually beneficial. Since both areas had different cultures and economies, the inclusion of each in a common political structure was neither desirable nor practical. Rural inhabitants viewed urban areas with suspicion due to the fluidity and relative anonymity of urban life, which challenged the ordered nature of rural living (Sweet 1999, 223). Sweet summarizes this sentiment, stating that, "the dirt, the filth and physical corruption of urban streets were repeatedly employed as a metaphor for the immorality and spiritual corruption which urban living engendered among its inhabitants" (Sweet 1999, 223). Rural residents were considered to be harder working and honest, taking simple pleasure in their agrarian lifestyle, and rarely deviating into vice. Political Scientist David Siegel suggests that many rural residents believed that "urban dwellers were tainted in ways that people living in idyllic rural settings close to the soil were not" (1997, 134). While some urban and rural areas may have been physically linked, there was nevertheless a pervasive belief that political separation could prevent urban life from tainting the supposed idyll of rural living.

Many of these notions were instilled into rural inhabitants through literature. Historian Rosemary Sweet argues that these views originally stemmed from the representation of cities as centres of evil and vice in biblical texts, namely in the Old Testament's depiction of Sodom and Gomorrah or Babylon (1999, 223). These notions also found their way into popularized poetry from the period, such as book four of William Cowper's, "The Task":

> The town has ting'd the country; and the stain
> Appears a spot upon a vestal's robe,
> The worse for what it soils. The fashion runs
> Down into scenes still rural; but alas,
> Scenes rarely grac'd with rural manners now! (553-7)[1]

Consequently, these types of views manifested themselves in structural distinctions. Rural inhabitants believed that the establishment of common political institutions would only encourage the spread of these values and vices to rural areas. Thus, early municipal structures favoured a political separation between the two areas.

The institutional practice of city-county separation evolved slowly. As early as the Middle Ages English boroughs were exempt from the power of local courts and administrations, setting them on a different plane than their more rural counterparts (Meremether and Stephens 1972). In the early English municipal system, some urban areas of importance were granted Royal Charters and formally distinguished from the more rural shires and counties (Innes and Rogers 2000). Although this practice would not receive official codification until the creation of the 1888 *Municipal Corporations Act*, the beliefs behind urban-rural separation in Great Britain laid the basis for a more

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[1] Originally quoted from Rosemary Sweet, *The English Town, 1680-1840: Government, Society and Culture.* London, Longman, 1999.

organized system of city-county separation to emerge in the American and Canadian colonies (Bain 1967).

Early Ontario policy-makers were influenced by the concept of rural and urban distinctiveness and eventually adopted this institutional practice when founding our provincial municipal system. Under the stipulations contained in the 1849 *Baldwin Act*, urban areas in Ontario were politically separated from their surrounding counties as soon as they became incorporated as cities. This system lasted for more than a century, until provincial officials began an institutional shift towards regional government in the 1950s. Rapid urbanization changed how the province viewed urban and rural areas. During this period, urban growth spilled over into areas once thought to be "rural". This growth created shifts in labour and settlement patterns. Increased suburbanization caused provincial policy makers to see urban and rural areas as connected, therefore requiring greater policy coordination.

This shift in organizational thinking was accompanied by institutional change. Following the creation of Metropolitan Toronto in 1953, Toronto became the first city in Ontario to be part of a two-tier structure. The inception of Metropolitan Toronto followed nearly two decades of efforts to find solutions to the region's growing infrastructure deficiencies and social problems. Policy makers argued that the solution was to align the urban core of Toronto with its neighbouring suburban communities and mostly rural townships in order to create continuity between service and infrastructure. This same mode of institutional thinking was behind the creation of the province's ten regional governments in the 1960s and 1970s, when common political institutions were introduced into southern Ontario's rapidly suburbanizing areas.

Despite this evolution in Ontario's municipal system towards regional government, numerous cities remained separate from their counties.[2] Today, eighteen cities and towns in Ontario remain separated: Barrie, Windsor, Guelph, London, Kingston, Peterborough, Orillia, Pembroke, Brockville, Prescott, Gananoque, Cornwall, Smiths Falls, St. Thomas, Belleville, Quinte West, Stratford and St. Mary's.[3] While long histories and hundreds of inter-local agreements exist between Ontario's counties and separated cities, we still know very little about their relationship. This study seeks to remedy this situation by completing the first in-depth study of the province's system of city-county separation.

1.1.   Study Framework

This study will concentrate on the nature of cooperation between separated cities and counties by examining the continued use of city-county separation as an institutional practice. Consequently, this project asks two main research questions:

1. Under what conditions does cooperation occur between these institutionally autonomous municipal governments?

2. Does the continued use of city-county separation as an institution still achieve its intended objectives?

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[2] Counties are not utilized in northern Ontario.
[3] Pelee Township is also a separated municipality. Created as separate from Essex County in 1869, Pelee Township is a small island community located midway in Lake Erie and approximately 16.5 miles from the Town of Leamington. Access to the island is by a 1.5-hour ferry trip or by air. There are less than 100 permanent households on the island, which is primarily a seasonal destination in the summer months. While still within the geographic territory of Essex County, Pelee Township has no relation to other municipalities within the county or little reason to cooperate with mainland jurisdictions. As such, it was not included in this study, as it did not have the standard relationships typical of other separated municipalities.

These questions are important for a number of reasons. First and foremost, very little is known about city-county separation. As previously described, the provincial government has demonstrated a preference for institutions that formally link urban municipalities to neighbouring suburban and rural communities. Furthermore, the provincial government identified increased suburbanization as a key factor in the introduction of regional government in the 1960s and 1970s. Many of Ontario's counties with separated cities are currently experiencing similar trends in suburbanization today, forcing the inevitable question of whether the continued use of city-county separation serves these areas effectively as a governance model.

Second, in the absence of the types of institutions that link urban municipalities to surrounding areas, this study hypothesizes that these municipalities must use inter-local cooperation to overcome institutional deficits. While very little has been written about the nature of inter-municipal cooperation in Canada, existing research demonstrates that most municipalities engage in some form of cooperation with neighbouring jurisdictions, either formal or informal (Hulst and van Montfort 2007). Separated cities and counties provide a good venue to begin the work of examining the process of cooperation between municipalities in Canada.

The relationship between institutionally distinct multi-municipal regions has attracted attention from academic researchers for decades. Beginning with the pioneering work of Studenski (1930), Jones (1942) and Gulick (1962), researchers have attempted to find solutions to metropolitan "fragmentation". This group believed that the lack of a clear institutional connection within metropolitan areas negatively affected policy coordination and service continuity. Public choice theorists criticized this view, believing

that the fragmentation inherent within metropolitan regions, and the competition that inevitably resulted from it, was functional (Bish 1971; Bish and Ostrom 1974; Oakerson 1999; Ostrom, Tiebout and Warren 1961). As a counterbalance to both perspectives, "new regionalists" believe that voluntary networks of cooperation can overcome the negative externalities that result from municipal fragmentation (Salet, Thornley and Kreukels 2003; Savitch and Vogel 1996).

A subset of the new regionalism paradigm, the Institutional Collective Action perspective, provides a set of factors that both positively and negatively affect cooperation. Introduced by Feiock (2004, 6) as a "second generation" rational choice explanation for voluntary cooperation, literature on American local government uses the ICA framework extensively to explain cooperation, competition and policy variation within metropolitan areas. The framework presents several factors, such as geographic density, political leadership and power disparities, that are believed to both hinder and help in achieving cooperation between jurisdictions.

These factors may help our understanding of the relationship between separated cities and counties. However, the application of the ICA framework in Canada is challenging for two central reasons. First, the ICA framework has been used primarily in American literature and, as a result, been applied almost exclusively to larger American case studies. Consequently, applying the ICA framework to Canadian multi-municipal regions that are much smaller in size and population, generally have fewer municipalities, and experience much more control from central governments, may prove problematic. Secondly, the ICA framework has been developed to examine metropolitan regions, which are generally composed of a central city surrounded by suburban municipalities.

As such, ICA has traditionally been employed to explore urban-suburban relationships. This project explores urban-rural relationships, which inherently involve much different servicing demands, interests, and ideologies in addition to stark asymmetries in resources and governing capacity. Although overcoming these differences will be challenging, it is believed that the ICA framework holds promise and presents a number of variables that should be able to overcome institutional context and prove helpful in studying inter-governmental relationships.

At the centre of the ICA framework—and a key variable in this study—is cooperation. This study defines cooperation as the result of two actors—or a series of actors—who believe that the end result of cooperation is mutually beneficial. Municipalities, like other actors, cooperate with each other after conducting a strict cost-benefit calculation: if the rewards of cooperation exceed the costs involved in the agreement, cooperation is likely; if they do not, cooperation is unlikely. Ultimately, both parties must foresee receiving a clear benefit from participating in a cooperative agreement before such an arrangement can be reached.

How can cooperation be operationalized? Stephanie Post (2004) provides a broad definition that ICA scholars in the United States largely utilize:

> Local intergovernmental cooperation, broadly defined, includes all policy activities that require some level of policy coordination between local governments. These efforts may include formal or informal agreements among local jurisdictions, and they may (or may not) require the exchange of revenue. Formal intergovernmental cooperation often includes written agreements among local governments. (69)

While this definition is broadly useful, the inclusion of informal agreements can be problematic. Informal agreements are difficult to gauge for external observers and can, in

some aspects, include norms embedded into area governance that even local policy makers would have difficulty articulating. A more useful definition, therefore, might define cooperation as policy activity that requires inter-jurisdictional coordination between governing units and is formalized through written agreements. Such a definition is not a large departure from how traditional ICA scholars view cooperation and would not be overly restrictive, as most inter-jurisdictional cooperation is now formalized to provide legal protection for participating governments.

Cooperation is necessary in counties with separated cities. Unlike municipalities in regional governments that are connected through their upper-tier, there are no institutional linkages between separated cities and the municipalities that surround them. In the absence of cooperation, service interruption and policy incoherence would likely result. As such, I expect that counties with separated cities will rely extensively upon the formation of written agreements to bridge the institutional gap between both jurisdictions. Examining how and why cooperation is achieved will elucidate the policies these areas use and help better understand governance within these regions.

A study of this nature is important for a number of reasons. First, cooperation within multi-municipal regions is a relatively unexplored area of Canadian political science. Extensive research has been conducted into inter-jurisdictional cooperation in the United States (Feicok 2004; Post 2004; Steinacker 2004) and has identified a variety of factors that may be able to improve governance within American metropolitan areas. Despite these gains, very few studies have exclusively examined the use of inter-local

agreements and inter-jurisdictional agreements in Canada.[4] Feldman (1979) found 15 agreements in place between the County of Strathcona, Alberta and its immediate neighbours, including Edmonton. In 2000, Sancton, James and Ramsay examined eight case studies to compare amalgamation and inter-local cooperation. Of these case studies, four utilized amalgamation and four utilized inter-local agreements. Their findings reveal that the two are not mutually exclusive and amalgamation does not necessarily mean that the need for inter-local agreements and inter-municipal cooperation wanes.

Two more recent studies, Nelles (2009) and Alcantara and Nelles (2009), use the ICA framework to examine inter-local relations with respect to the economic development in both Canada and Germany and relations between municipalities and Aboriginal governments, respectively. Yet, while both of these studies use variations of the ICA framework, they do not investigate the relationship between multiple regions nor extensively test the relationship between municipalities and provincial governments. As such, this project presents a unique investigation into Canadian local government institutional structure, provincial-municipal relations, inter-local relations and policy processes.

Second, while very little is known about the relationship among municipalities in Canada, even less is known about the relationship between separated cities and counties. In Ontario, regional governments have been the dominant form of regional organization since the 1950s. While an extensive amount of research has examined regional government (McDougall 1986; Fyfe 1975; Jacek 1985), very little research has explored

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[4] The Ontario Ministry of Municipal Affairs and Housing has recently begun studying the use of inter-local agreements amongst Ontario municipalities. In 2012, they created the Shared Services Survey, which was sent to all municipalities in the province, gauging their use (or non-use) of shared services agreements. The results should be released in the latter half of 2013.

the continued use of city-county separation. Consequently, this project will be the first of its kind to specifically examine the relationship between these areas.

1.2.   Case Studies and Methodology

In Ontario, there are currently eighteen cities and towns separated from their adjoining counties. Each area is distinct: some areas are primarily rural and some more urbanized. Additionally, some counties comprise nearly two-dozen lower-tier municipalities, whereas other areas contain only a few. The counties, their corresponding separated cities and their lower-tier municipalities, are listed in Appendix A. Within the thirteen counties with a separated municipality, there are 136 governing units, which provide this study with a wide range of potential observations.

This study utilizes two main research techniques: the analysis of primary documents and interviews. I gathered agreements from every county in Ontario with a separated city, for a total of 275 agreements. For the purpose of this project, I included only agreements initiated between 1995 and 2011. Although I chose this time frame for a number of reasons, chief among them is that it is long enough to account for major provincial initiatives, such as amalgamation and various rounds of service downloading, but recent enough that many of these agreements are still relevant and active. Additionally, municipalities may have difficulty securing these documents dated before 1995. These methods provide the necessary breadth and depth that a study of this nature requires.

In addition, I conducted interviews in three regions: 1) London and Middlesex County, 2) Barrie, Orillia and Simcoe County, and 3) Guelph and Wellington County.

Each region adds a unique dimension to the study. London is much larger than Middlesex County, encompassing not only the majority of the land but also the population within the county's borders. The ICA framework proposes that the interaction between stronger and weaker actors creates different relationships. As such, this case study will allow for the analysis of power differentials that exist between separated cities and counties. The second case study in Simcoe County includes two separated cities, Barrie and Orillia, both of which have been affected in differing ways by the rapid growth in southern Ontario. Consequently, studying this region can help elucidate the dynamics of having multiple separated cities within one county. Finally, Guelph and Wellington County provide a much more balanced case study both in terms of population and size. Additionally, since several regional governments also border Wellington County and the area is much closer in proximity to the Greater Toronto Area, this case provides valuable insight into the influence of much larger, populated urban centers on separated cities and counties.

Overall, rates of growth and development vary in each case study. Moreover, as I previously acknowledged, it will be challenging to easily utilize the ICA framework for this project, mainly due to the inherent differences in urban-rural relationships with city-county separation and urban-suburban relationships that American ICA research traditionally examines. Each case study provides some variation on this factor. Guelph and Wellington County adhere very closely to Ontario's early system of city-county separation: the county is largely rural and wishes to remain that way and growth and development proposals tend to focus on the urbanized separated city. Conversely, Simcoe County and Middlesex County are much different. Municipal officials in both counties

actively seek growth and development, skewing the traditional relationship between separated cities and their counties. As such, the varying levels of growth may expose some adverse dynamics between separated cities and counties.

Finally, it is anticipated that studying counties with more populous and urbanized separated cities should provide more insights into the nature of cooperation, as envisioned under the ICA framework. As noted the dynamic between urban and rural is a much different relationship than the urban-suburban relationships traditionally seen in ICA research. Examining regions that more closely compare to those seen in the United States may allow for a more complete investigation into the dynamics of agreement formation and cooperation. Larger cities also provide for more points of contact between local officials, which will provide for more potential interview respondents and access to officials with inter-governmental responsibilities.

While formal documentation exists for many of the meetings and subsequent agreements between separated cities and counties, there is much that these documents do not reveal. As a result, the experiences of political leaders and senior municipal staff are valuable resources that need to be documented and examined in order to gain a more accurate understanding of the relationship between counties and separated cities. In total, I conducted 68 interviews, with approximately 20 respondents for each case study. As per the conditions of the Research Ethics Board approval[5] for this project, the names of those interviewed will not be published. The position of those interviewed may be noted, however, in certain areas. While this does sacrifice some anonymity, it was believed to be necessary in order to provide the reader with some context to the authority in which the

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[5] UWO REB # 17905S

respondent is speaking. The research ethics approval for this project is included in Appendix E.

A full listing of these interviews along the corresponding municipal region are listed in Appendix D. I utilized an interview matrix throughout the study, except in areas where a specific agreement or line of discussion warranted further investigation. I include the interview matrix for this project in Appendix B. In conducting these interviews, I applied the snowball sampling method. After I made initial contact with certain senior municipal and county officials (eg. mayors, councilors, reeves, CAOs, and clerks), I asked them to identify any other individuals with a significant amount of inter-jurisdictional interaction and responsibility. The majority of smaller municipalities had very small administrations and tended to assign only one person to deal with inter-jurisdictional issues. In these cases, it was unnecessary to conduct further interviews within the municipality. However, larger municipalities and counties generally had more staff members to resolve inter-local issues. I received the contact information for municipal staff and politicians primarily from municipal websites. The majority of the interviews included in this study were conducted in person; however, where this was not possible, I utilized telephone interviews. In total, I conducted 11 interviews by telephone and 57 in person.

1.3.   Thesis Organization

This thesis proceeds in several stages. In the first part, I introduce my study and theoretical framework and provide a detailed overview of municipal organization in Ontario. The second chapter provides an overview of the various institutional designs utilized in Ontario, charting the evolution of the county system to the regional governments created from the 1950s to 1970s and, finally, to the amalgamation push that occurred in the 1990s. In this chapter, I demonstrate that the trend towards connecting urban municipalities to surrounding neighbours has turned counties with separated cities into institutional anachronisms. Consequently, I argue that suburbanization was one of the key factors that led to the creation of regional government in Ontario. Over time, the distinction between urban and rural areas began to blur, prompting the provincial government to largely abandon the belief that urban and rural areas should be separated. In response, the province began building institutional linkages between urban and rural in the hope that connecting the two would allow the government to better control and facilitate economic growth and development.

The following chapter examines existing theories of regionalism and introduces the ICA framework in more depth. While researchers have successfully used ICA to explain the dynamics of inter-local cooperation in other jurisdictions, I argue that the application of the ICA framework to the study of separated cities and counties has several significant limitations. Not only do American metropolitan regions have vastly different institutional designs than separated cities and counties in Ontario, but also operate under markedly different regulatory regimes than their Canadian counter-parts. Additionally, the ICA framework has historically been used primarily to explain relationships between urban and suburban communities, rather than urban and rural municipalities of the type

under examination by this study. However, despite these differences, I am hopeful that the ICA framework can help identify many of the factors that promote cooperation between municipalities despite differences in institutional design and variations in population density.

The second part of this thesis delves deeper into city-county separation in Ontario and contains four chapters arranged thematically: border issues and expansion, planning, social service delivery and the creation of formal agreements. I present the chapters on border expansion and planning first because they are closely connected and provide a good contrast to many of the functions of Ontario's regional governments. Similarly, I present the chapters on social service delivery and the creation of formal agreements last because, again, they are closely connected and provide a distinction between the types of voluntary and mandated cooperation discussed in the ICA framework.

The fourth chapter examines border issues and the consequences of central city expansion in London-Middlesex, Guelph-Wellington and Barrie-Orillia-Simcoe. This study argues that urban municipalities will always have some concerns about development, especially when growth occurs on the periphery of its borders. Whereas municipalities in regional governments have some input in the placement and direction of development beyond its borders, separated cities have no control over this type of growth. Indeed, an examination of each city in the fourth chapter demonstrates that these regions all expanded their borders precisely in an effort to control growth. By analyzing each city's most recent annexations, I find that the amicability of border expansion depends on the degree of development in the county and the desire of officials from rural municipalities surrounding separated cities to grow. Officials from Guelph found it

relatively easy to annex county land because their counterparts from surrounding rural

municipalities wanted to remain rural and direct growth toward their urban neighbour. In

contrast, officials from London and Barrie found annexation much more challenging

because their desire to contain development clashed with the ambitions of officials from

adjoining rural and suburbanizing municipalities.

The next chapter examines planning issues. In this chapter, I establish a clear

comparison with regional government: municipalities in regional governments have the

ability to provide input in regional planning issues while separated cities do not. This

study examines three strategies for overcoming this challenge. First, this study details the

dispute over the extension of water services from London to its more rural neighbouring

municipality, Middlesex Centre. Officials from London have vociferously refused to

extend further servicing to their neighbour out of fear that this action may encourage

growth outside the City's borders. Second, the joint planning board in Elgin-St. Thomas

is explored. The board has recently seen its smallest member leave amidst concern that

all development was being directed towards the city. Finally, I explore the impact of the

provincial *Places to Grow* legislation on Simcoe County, which has sought to tightly

control the region's growth by directing development toward several "growth nodes".

This plan led to some divisions between areas identified as growth nodes and those that

were not, creating divisions in the county where they previously did not exist.

The sixth chapter examines social service delivery; specifically, the province's

Consolidated Municipal Service Managers (CMSM) initiative and its effect on

cooperation in London-Middlesex, Guelph-Wellington and Barrie-Orillia-Simcoe. The

CMSM forced separated cities and counties to reach an amicable funding arrangement for

social services. Reaching an agreement resurrected many of the old tensions between rural and urban areas: officials from separated cities largely wanted to share the financial burden, while officials from county lower-tier municipalities generally saw CMSM services as "urban" in nature. In some cases this disagreement led to arbitration. In Guelph and Wellington County, this disagreement caused long-term damage to their relationship.

The seventh chapter examines the 275 formal agreements created in every county with a separated municipality across the province. I find that the majority of the agreements signed between separated cities and counties concern emergency or social services, areas largely mandated and regulated by the provincial government. Only a minority of the agreements between separated cities and counties are genuinely voluntary. However, as case studies in Guelph-Wellington, London-Middlesex and Barrie-Orillia-Simcoe suggest, the use of informal agreements varies. London and Middlesex County report having dozens in place, while Guelph-Wellington and Barrie-Orillia-Middlesex tend to avoid using informal agreements.

The final section of this thesis discusses some of the trends identified in the previous chapters and attempts to draw conclusions about the nature of cooperation between Ontario's separated cities and counties. I argue that increased suburbanization has fundamentally challenged the system of city-county separation. Without mechanisms to control planning and development outside of their borders, separated cities have clashed with neighbouring county municipalities in several areas. Consequently, city-county separation finds continued success in areas where officials from county municipalities are content to remain primarily rural. The province has continuously

allowed the expansion of separated cities and helped facilitate annexation, which has

prolonged the lifespan of an institution that is now ill fitting and ill-equipped to address

the challenges of suburbanization in many areas.

Chapter 2: Municipal Organization in Ontario

2.   Introduction

Municipal organization in Ontario has undergone vast changes since the first European settlers arrived and demanded the establishment of local institutions. Over time, central governments slowly ceded more power to local governments, culminating in the passage of the *Baldwin Act* and the establishment of basic municipal institutions that mostly remain intact today. One such institution was the introduction of counties with the provision that urban areas should be allowed to separate from these two-tiered governments once they became classified as a city. Over time, numerous jurisdictions separated with the prevailing logic that rural and urban areas were so distinct that their separation was mutually beneficial.

Since the introduction of the *Baldwin Act* in 1849, the province's local governments have experienced various rounds of institutional change. This change began in the 1950s with the creation of Metropolitan Toronto. Soon after, the idea that urban areas required some modicum of control over their surrounding rural and suburban areas in order to promote growth and control development led to the creation of ten regional governments in the province. These same growth pressures were identified in Ontario's counties and, as a result, a number of reports in the 1980s and 1990s recommended the re-integration of separated cities into their counties. However, little change came from this and the province's county system remains largely intact. Despite further rounds of restructuring in the 1990s, the county system and their separated cities went unaddressed.

Consequently, city-county separation is an enduring part of Ontario's municipal system. While the practice of city-county separation has since been effectively

discontinued, eighteen cities and towns remain separated from counties across the province. What follows is a discussion about the evolution of Ontario's municipal system with a focus on counties and the provinces separated cities.

2.1.   Early Institutional Organization

The majority of Ontario's early townships were created when the Loyalists arrived in Upper Canada in 1783-84 (Armstrong 1985, 137). Eventually, early settlers demanded a voice in local affairs. Central governments responded to these claims by appointing local magistrates to hear and settle minor disputes and generally preserve the peace (Ross 1949, 6). In 1785, the government passed an ordinance allowing for the "granting of a limited civil power and jurisdiction to His Majesty's Justices of the Peace in the remote parts of this Province" (Ross 1949, 6). The aim of the ordinance was to provide consistent administration throughout the colony, rather than only its more urban parts.

Despite the strengthened role of Justices of the Peace in local administrations across the colony, central authorities retained control over many aspects of local life (Careless 1990, 265). Calls for greater local powers continued, and the government eventually responded with the creation of districts and the appointment of special officers for their administration (Ross 1949, 6). In 1788, eight districts were created across the colony: Western, London, Niagara, Home, Newcastle, Midland, Johnstown and Eastern (Armstrong 1985, 138). In 1836, Bathurst, Dalhousie, Ottawa, Wellington, and Gore districts were added to the existing district system (Armstrong 1985, 139). Each of these districts was appointed a set number of officials: judges of the Court of Commons Pleas,

justices of the peace, coroners, a sheriff and a clerk of the Court of the Common Pleas and of the Sessions of the Peace (Ross 1949, 6). This system also established Courts of the Quarter session across the province that, until 1793, constituted the only form of local administration in many parts of the colony (Ross 1949, 6).

The colony's counties were originally established for two main functions: to act as organizing units for the militia and to elect members to the Legislative Assembly (Careless 1980, 29). Of these two tasks, the most dominant was military organization. Writing in 1887, early historian John George Bourinot recounts the Duke de la Rochefoueault-Liancourt referring to Canada's counties as, "purely military, and related merely to the enlisting, completing and assembling of the militia" (Ontario 1987, 9).

J.M.S. Carless contends that the limited amount of power afforded to local administrators at this time resided with the district administrations (1980, 29). Each county contained locally appointed magistrates, or Justices of the Peace, who met in the district Court of Quarter Sessions to perform both administrative and judicial functions (Careless 1980, 29). Central governments directly controlled districts, providing directives for their operations (Ross 1949, 23). Much of their autonomy involved providing administration for the district grammar school, courthouse and jail located in each district's capital town (Careless 1980, 29). In 1793, Governor Simcoe reluctantly permitted the passage of the *Parish and Town Officers Act*, providing for the limited election of local officials (Ontario 1987, 9). This *Act* enabled the Justices of the Peace to assemble the inhabitants of any "parish, township, reputed township or place" to meet and elect certain parish and town officers, including a clerk, two assessors, a collector,

two to six overseers of highways and roads, one or more pound keepers and two town

wardens (Ontario 1987, 9).

Despite limited local elections, colonial governments continued to control local

affairs. There was, however, a strong push for more local control during this period as

certain communities began to receive special powers and authorities. Kingston, York and

Niagara received special police acts from their Courts of the Quarter Session in 1816,

1817 and 1819, respectively (Careless 1990, 266). In 1816, the legislature passed the first

public school act for Upper Canada, giving citizens in each local jurisdictions the right to

meet, free from the interference of magistrates of the local Court of Quarter Sessions,

make arrangements for common schools and appoint school trustees (Ross 1949, 10).

After Brockville received an elected Police Board in 1832, Hamilton followed suit in

1833 along with Belleville, Cornwall and Port Hope in 1834 (Careless 1990, 266). York

took perhaps the greatest step forward towards achieving incorporation as Toronto in

1834, when it received its own elected council and mayor (Careless 1990, 266).

The Rebellion of 1837 halted the evolution of municipal organization in the

province, but the Durham Report, written the wake of the rebellion, began the process of

creating truly representative local institutions (Ross 1949, 13). In his report, Durham

wrote the following about local government in the colonies:

> The establishment of a good system of municipal institutions throughout these
> Provinces is a matter of vital importance. A general legislature, which manages
> the private business of every parish, in addition to the common business of the
> country, wields a power which no single body, however popular in the
> constitution, ought to have…the power of local assessment, and the application of
> the funds arising from it, should be entrusted to local management (Ross 1949,
> 13).

The introduction of the *District Councils Act* in 1841 provided for the election of district

councils and gave more power to local officials, while ensuring that central authorities

retained a significant amount of control over local affairs (Careless 1990, 266). The *Act*

reorganized local administrations by creating a district council composed of a warden,

appointed by the Governor of the province, and councilors elected at-large (Ross 1949,

14). The districts incorporated under the *District Councils Act* also took over some of the

functions previously administered by the Courts of the Quarter Session, such as the

responsibility for certain roads and bridges, supporting local schools and raising funds for

"district purposes" (Ontario 1987, 9). Each council was allowed to pass by-laws,

although each by-law still required approval from the Governor in Council (Ross 1949,

14).

While central authorities continued to hold a significant amount of power under

the *District Councils Act*, Romaine Ross argues that this act signaled a change in the

province's outlook towards local administrations: "it was apparent that Lord Durham's

inquiry into the affairs of the colonies was already producing an effect upon the minds of

legislators, and the astute political observer could foresee a complete change in British

colonial policy…the [District Councils] *Act* was but preparing the way for complete local

self-government in the not too distant future" (Ross 1949, 14).

From the unorganized demands of early settlers for local administration to the

slow easing of power away from central governments, citizens began managing more of

their own affairs locally. Local governments took on more responsibility during this

period, evolving from units of military organization and electoral districts for the

Legislative Assembly. Over time, the colony's counties and districts assumed the

responsibility for many local tasks and the delivery of certain services and, in the process, entrenched themselves in the province's early governance structure.

At this point, municipal organization in Upper Canada closely resembled local institutions in Great Britain. The most obvious difference between the two systems was that the British utilized the county as the basic unit of municipal organization while Upper Canada used the district. Despite this difference, the district in Upper Canada had many of the same functions as the English county (Aitchison 1949, 107). The Upper Canada districts were much larger—mainly because of the sparse early settlement in the colony—but, like the early British county, were nevertheless controlled by central authorities (Glazebrook 1974, 36). As Glazebrook documents, only "pockets of democracy" existed in the British county system during this period (1974, 36). County officials, all drawn from the landed gentry, were appointed (Glazebrook 1974, 36). Consequently, Justices of the Peace—who presided over the Courts of the Quarter Sessions—assumed administrative responsibilities (Glazebrook 1974, 36). In Upper Canada, the same appointed officials and Justices of the Peace administered early local affairs with the district serving as the boundary of their jurisdiction.

Over time, in Upper Canada—as in Great Britain—local administrations received more powers although central authorities retained significant control over local affairs. Nevertheless, the creation of a locally-appointed administrator would eventually make way for the adoption of elected town councils and leadership. Following from the British *Municipal Corporations Act* of 1835, which created major advances for local democratization in British municipalities, Robert Baldwin initiated similar measures with the introduction of the 1849 *Municipal Corporations Act*. Baldwin's efforts created the

basic structure of municipal government in Ontario and provided local populations with

the right to govern their own affairs.

2.2.   The Baldwin Act and Beyond: The Introduction of City-County Separation in Ontario

Robert Baldwin's insistence in creating a more complete organization for Upper

Canada's municipalities stemmed from his passionate belief in responsible government.

Chief among Baldwin's beliefs was that local affairs should be handled directly by local

authorities that are elected by the people they intend to serve (Wilson 1933, 260).

Importantly, this concept runs counter to the institutional designs of early colonial

administrations and, notably, even to the central tenets of the *District Councils Act*.

Baldwin opposed earlier attempts at municipal organization in Upper Canada. For

many years, there were calls to create municipal institutions in the colony, supported by

figures such as Lord Durham and Lord Sydenham (Wilson 1933, 134). The summarily

introduced *District Councils Act* was met with resistance from the legislature, with Sir

Allan MacNab and the Tories criticizing it for creating small republics in Upper Canada's

rural areas (Wilson 1933, 134). Similarly, Baldwin opposed the measure because he

believed that it was not democratic enough (Wilson 1933, 134). The *Act*, Baldwin argued,

gave too much power to the Governor General and too little to local authorities (Wilson

1933, 134).

Despite the measures that ultimately created locally elected councils in the

District Councils Act, local administrators desired even more control over their affairs. In

1843, Baldwin introduced a bill that would have created general municipal administration

throughout the province; however, despite being passed by the assembly, the bill was ultimately vetoed by the Governor in Council (Ross 1949, 14). In 1844, the Baldwin-Lafontaine administration failed in their re-election bid, temporarily stalling the issue of local self-government until Baldwin and Lafontaine returned to power in 1848 (Ross 1949, 15). Baldwin's bill was subsequently re-introduced and passed in the assembly; this time, however, Lord Elgin—the more progressive successor to Lord Durham who believed strongly in self-government, both centrally and locally—approved the bill (Ross 1949, 15).

The *Baldwin Act* defined the organizational status of local government along with the powers of municipal councils and their relationship with the central government (Ross 1949, 38). Furthermore, a central tenet of the *Baldwin Act* was the abolition of the districts created in the *Territorial Divisions Act* (Higgins 1986, 49). In place of districts, the *Act* created two categories of local government: local municipalities—which included cities, towns, villages, and townships—and counties (Higgins 1986, 49). Additionally, the *Baldwin Act* created population standards to classify each local government, defining villages as having less than two thousand inhabitants, towns as having two thousand people or more and cities as having a population of more than fifteen thousand (Ross 1949, 38).

The *Baldwin Act* also created smaller police villages, which were established with very limited powers and intended mainly to provide fire suppression and basic police protection services (Wilson 1933, 261). Townships and Towns were created as larger political units than the police villages, having larger populations and greater servicing responsibilities. The colony's three cities—Hamilton, Kingston and Toronto—held

additional powers and were effectively treated as counties (Baldwin and Baldwin 1969, 216). Consistent with Baldwin's passionate belief in responsible government, the *Act* specified how local officials should be elected and what powers they would hold. Every township was to elect five councilors who, from amongst themselves, would elect a reeve (Wilson 1933, 261). If townships contained more than five hundred taxpayers, they would elect a deputy-reeve (Wilson 1933, 261). The reeve of each township would also sit on county council (Baldwin and Baldwin 1969, 216).

Importantly, the *Baldwin Act* strengthened the ability of local governments to provide servicing to residents. Under the *Act*, counties became the key provider of local services and given distinct powers that were not transferred to townships, towns and villages. The county assumed responsibility for certain roads and bridges, the county court house and jail, the maintenance of shire halls, and some licensing powers, particularly in the field of transportation (Ontario 1987, 12). More significantly, no limit was placed on the taxation powers of counties—or other municipal levels—as the Governor General could no longer disallow local by-laws, which he could previously veto under the *District Councils Act* (Ontario 1987, 12). As counties gradually increased their service responsibilities, they eventually gained responsibility for local school superintendents (1850), social services—such as the creation of houses of industry and refuge (1866)—road maintenance for local roads intersecting with county roads (1896), the purchasing of toll roads (1901) and library services (1947) (Ontario 1987, 16).

Like much of Upper Canada's municipal development, Baldwin's 1849 *Municipal Corporations Act* followed trends and institutions from the United Kingdom. The 1835 *Municipal Corporations Act* laid the groundwork for increased independence for local

governments in the United Kingdom and provided Baldwin with a guide in his attempt at municipal reform in Upper Canada.

The 1835 *Municipal Corporations Act* had its initial roots in an 1833 Royal Commission that was established to investigate "the state of municipal government in England and Wales" (Chandler 2007, 42). The ensuing report found that many boroughs in the county were prone to maladministration, with ineffectiveness and corruption rife amongst appointed local officials (Chandler 2007, 43). The report's findings led Britain's Parliament to approve the *Municipal Corporations Act* of 1835. The *Act* established a uniform system of government in 178 incorporated towns, with the intention of reducing abuses found by the Royal Commission (Clarke 1955, 45). Additionally, the *Act* outlined a number of steps to help reduce the influence of corrupt officials, such as the extension of the franchise to more people—namely rate payers—which allowed for more control and accountability of local officials. The *Act* also separated administrative and judicial powers by removing appointed Justices of the Peace from key administrative positions (Clarke 1955, 45). Furthermore, the *Act* abolished trading monopolies, placed borough police forces under a special Watch Committee and introduced a borough audit system, giving further layers of accountability to the financial affairs of local administrations (Clarke 1955, 45). The *Act* maintained the right of the crown to grant municipal charters, but regulated the functions that local bodies could perform (Clarke 1955, 45)

Overall, the most important aspect of the 1835 *Municipal Corporations Act* was the replacement of appointed officials with elected officials in key local administrative positions. While the rampant corruption and maladministration discovered by the 1833 Royal Commission is often identified as the main impetus for re-designing the municipal

system in Great Britain, C.F.J Whebell argues that the rise of European liberalism and the belief in responsible governments was also a key factor in the establishment of more democratic local institutions (1974, 50). According to Whebell, this trend was "beginning to erode the very core of centralized authority in the British Empire" (1974, 50).

It was in the midst of the democratizing spirit, and in the shadow of the *Municipal Corporations Act* of 1835, that Robert Baldwin set out to reform the municipal government system in Upper Canada. While spending time in Great Britain during the introduction of the 1835 *Municipal Corporations Act* and the reform period, Baldwin appears to have met with Joseph Hume, one of the leaders of this movement (Baldwin and Baldwin 1969, 148). As such, it is not surprising that Baldwin's reforms mirrored those in Great Britain and upheld the trend experienced elsewhere in the British Empire to vest more control and authority in local decision-makers.

Since the establishment of the *Act*, only slight alterations to the system that Baldwin established have occurred. The most major change came with the 1866 *Municipal Act*, which changed the composition of county councils, and the *Act*'s 1896 amendment, which significantly reduced the size of county councils and prohibited local councilors from being elected to county council (Ontario 1987, 13). Over time, new counties were created. This process remained in place until the introduction of *The Municipal Amendment Act* of 1903, which made no provision for the formation of new counties, other than stating that the creation of new counties was "a matter for special legislation" (Ross 1949, 31). A 1930 amendment to the *Municipal Act* once again changed the composition of county councils, allowing communities with more than 1,000 inhabitants to have the reeve and deputy reeve sit on county council, as well as

introducing the multiple vote system whereby the reeve received an additional vote in municipalities with more than 2,000 electors. In municipalities with more than 300 electors, the deputy reeve also received an additional vote (Ontario 1987, 14).

Traditionally, when an Ontario municipality became urbanized— defined as having more than fifteen thousand inhabitants—it could be politically separated from its county. According to the *Municipal Corporations Act of 1849*, whenever any incorporated town reached a population of fifteen thousand through census returns, the Governor of the Province could, through an order in council, declare the town a "city" (Province of Upper Canada, 1849 [64]). As the *Act* itself states with regards to the relationship between these new cities and their former counties:

> LXXXV. And be it enacted, That each of the Cities which shall be or remain incorporated as such under the authority of this Act, with the liberties thereof, shall, for all Municipal purposes, and such Judicial purposes as are herein or hereby specially provided for, but no other, be a County in itself; (Province of Upper Canada, 1849).

As such, although these cities became independent, they nevertheless remained geographically attached to their former counties. Thus, while these areas were politically and judicially distinct, these new separated cities could not prevent officials from their former counties from meeting at existing county offices within their borders. Accordingly, many of these new separated cities remained as county seats. Additionally, while county Justices of the Peace had no authority within the new city itself, the city could not prevent county officials from holding Courts of the Quarter Sessions within its boundaries. Several other provisions in the *Act* defined the relationship between counties and their separated cities with the overall provision being that separated cities could not interfere with county property or mobility within its borders.

Over time, 38 cities and towns became separated from counties in Ontario, eighteen of which remain separated today. Table 2.1, below, lists the historical listing of separated cities and counties in Ontario:

Table 2.1: City-County Separation History			
City	**County**	**Year Separated**	**Notes**
Barrie	Simcoe	1959	
Belleville	Hastings	1860	
Brantford	Brant	1877	Brant county re-organized as a single-tier municipality in 1999
Brockville	Leeds and Grenville	1859	
Cambridge	Waterloo	1916	Galt was separated from Waterloo County in 1916 and returned as the City of Cambridge (after Galt was amalgamated with Hespler, Blair and Preston) with the creation of regional government in 1973
Chatham	Kent	1880	The Town of Chatham was separated from Kent County in 1880, declared a city in 1895, amalgamated in 1997
Cornwall	Stormont, Dundas and Glengarry	1945	
Eastview	Carleton	1963	Incorporated into the Ottawa-Carleton Regional Government with its inception in 1969. Eastview's name was also changed to Vanier during this time. Later amalgamated into

			the new City of Ottawa in 2001
Gananoque	Leeds and Grenville	1922	
Guelph	Wellington	1879	
Hamilton	Wentworth		Incorporated as a city in 1846. Hamilton was one of three jurisdictions proclaimed cities under the *Baldwin Act* and excluded from Wentworth County. Returned with the creation of regional government in 1973 and amalgamated in 2001
Ingersoll	Woodstock County	1913	Re-joined he County in 1975 under Bill 95, "An Act to Restructure Oxford County".
Kingston	Frontenac County		Incorporated into a town in 1838 and a city in 1846. Kingston was one of three jurisdictions proclaimed cities under the *Baldwin Act* and excluded from the County of Frontenac
Kitchener	Waterloo	1912	Returned with the creation of regional government in 1973
London	Middlesex	1855	
Niagara Falls	Welland	1904	Returned with the creation of the Regional Municipality of Niagara in 1970
Orillia	Simcoe	1969	
Oshawa	Durham	1917	Returned with the creation of the Durham Region in

			1974
Ottawa	Carleton	1855	Returned with the creation of the Regional Municipality of Ottawa-Carleton in 1969. Amalgamated in 2001.
Owen Sound	Grey	1920	Re-joined the county on January 1, 2001
Pelee Township	Essex		Created as a separated township in 1869
Pembroke	Renfrew	1971	
Peterborough	Peterborough	1850	
Prescott	Leeds and Grenville	1868	
Quinte West	Hastings	1998	Created as a separated city from Hastings County through amalgamation in 1998 of the City of Trenton, Sidney Township and Village of Frankford and Murray Township from Northumberland County
Riverside	Essex	1921	Annexed by Windsor in 1966
Sarnia	Lambton	1914	Sarnia re-joined Lambton County with the passage of Bill 35 on July 13, 1989, which amalgamated Sarnia with the Town of Clearwater and, together, both rejoined the county
Smiths Falls	Lanark	1902	
St. Catherines	Lincoln	1876	Returned as part of the creation of the Regional

			Municipality of Niagara in 1970
Stratford	Perth	1854	Incorporated as a village separate from Perth County in 1854
St. Mary's	Perth	1855	
St. Thomas	Elgin	1881	
Toronto	York		Incorporated as a city in 1834. Toronto was one of three jurisdictions proclaimed cities under the *Baldwin Act* and excluded from York County. In 1953, Metropolitan Toronto was created, which separated the area from York County. The county seat subsequently moved to Newmarket
Trenton	Hastings	1880	Was amalgamated in 1998 with Sidney Township, Murray Township and the Village of Frankford to create the City of Quinte West
Waterloo	Waterloo	1947	Returned with the creation of regional government in 1973
Welland	Welland	1917	Returned as part of the creation of the Regional Municipality of Niagara in 1970
Windsor	Essex	1853	
Woodstock	Woodstock	1901	Incorporated as a municipality separate from the county in 1901. Re-joined the county in

			1975 under Bill 95, "An Act to Restructure Oxford County".

Of these cities, four eventually returned to their counties and five were absorbed into new regional structures and eighteen cities and towns currently remain separated. Yet, while the relationship between separated cities and counties is administratively and politically clear, separated cities remain both absent from county life yet present within their borders, establishing a unique relationship from the time of separation.

Political scientist Warren Magnusson argues that the idea that the powers of a municipality should vary with its size and character was a key principle of the *Baldwin Act* (1983, 7). Magnusson suggests that the belief that rural and urban areas are distinct, and need to be treated as such, has always been an important consideration: "there was from the beginning a recognition that the governments of cities would be different from the governments of other polities at the municipal level – more complex, more ambitious, more powerful and certainly more expensive" (1983, 7). Consequently, cities require the administrative independence to provide the types of improvement and regulation required by their density whereas rural communities neither needed the same power and autonomy nor wanted to finance the type of projects and services that cities find necessary. Moreover, since many rural leaders were fearful of urban expansion and exploitation, the severance of formal relations with urban areas was, from a rural perspective, beneficial (Magnusson 1983, 7).

David Siegel provides similar justification for the creation of city-county separation in Ontario. Siegel, like Magnusson, argues that the interests of urban and rural

areas were considered so distinct that it would be inappropriate to combine them (1997, 134). Siegel provides an interesting dimension to this justification, however, in his argument that there were additional motivations for separating not only urban and rural areas, but also urban and rural people. Siegel argues that, "there was also a strong moralistic streak in old Ontario which held that urban dwellers were tainted in ways that people living in idyllic rural settings close to the soil were not…therefore it was beneficial to have this separation to prevent any contamination" (1997, 134). Urban and rural areas, then, were as different sociologically as they were administratively.

The logic behind city-county separation also fit with the urbanization trend in the mid-1800s. The urban population of Upper Canada increased by 4.5 percent in the 1850s and 4.1 percent in the 1860s (Careless 1980, 21). Shortly after Confederation, a fifth of the province's population lived in urban communities (Careless 1980, 21). Historian J.M.S. Careless argues that this was a persistent and lasting trend: "the urban segment [of the population] was thus already growing faster than the rural population, which in some areas had its peak by the early 1860s" (1980, 21).[6] The growing industrialization and commercialization not only attracted people from the farm to the city, but also deepened the distinction between urban and rural areas. These conditions created the perception that both areas would benefit from having separate political institutions.

The *Baldwin Act* not only established the foundations of modern local government in Ontario, but also established how policy makers viewed the distinctions

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[6] Despite these rapid rates of urban population growth, Canada was still a primarily rural nation. As late as 1851, only 13% of Canadians lived in cities. By 1900, this number had increased to 35%. This rapid increase, combined with the dominance of rural Canada, provided political motivation to separate the two areas. The majority rural population wished to remain distinct from a growing urban population. For more information, see Harris 2004.

between urban and rural parts of the province. As a policy tool, city-county separation was considered to be beneficial to both areas: rural areas would be free from urban expansion and urban interests would not dominate county councils. Moreover, rural areas would not be forced to meet the very different servicing demands that urban areas inevitably require, while urban areas would be free from the limitation of narrowly focused rural politics. This mutually beneficial system remained in place for many years, until the attitudes of provincial policy makers toward the relationship between urban and rural began to change.

2.3.   The Creation of Metropolitan Toronto

For more than one hundred years, the belief in urban and rural uniqueness perpetuated the continuation of a system of city-county separation in Ontario until an ideological and institutional shift began emerging with the creation of regional and metropolitan government. The main site for this shift was Toronto, which, in 1953, became the first Ontario city to be part of a two-tier structure (Sancton 2011, 118). After the Second World War, Toronto emerged as a metropolis. Marked by high rates of suburbanization, Toronto quickly became a major centre for inward migration (Robinson 1991, 113). In 1941, Toronto and its immediate neighbours had a population of approximately 925,000 residents; however, by 1961, that figure had more than doubled to 1.9 million (Nader 1975, 230).

This rapid suburbanization forced policy makers to address the infrastructure deficits and social demands that were accumulating within the Toronto region (Frisken 2007, 55). Consequently, many saw the creation of Metropolitan Toronto as the solution

to area-wide problems that crossed jurisdictional boundaries. Urban areas, in this case, needed more control over their surrounding rural and developing areas to maintain service continuity and plan on a regional scale.

Toronto grew slowly by annexing suburban territory. Neighbouring jurisdictions frequently petitioned the city to be annexed (Colton 1980, 53). This process was halted in 1912, when city administrators determined that proposals for annexation were too costly for the city (Crouch 1954, 85). By 1912, however, Toronto had legally absorbed thirty bordering communities (Colton 1980, 53). Although Toronto itself engaged in only marginal boundary adjustments after 1912, smaller suburban municipalities began to grow and serve outlying populations after annexation was halted (Colton 1980, 53). The village of Weston became a town in 1915; Mimico and New Toronto became towns in 1919; York was reorganized, creating the new municipality of North York; East York and Forest Hill were incorporated in 1924; and, in 1926, the village of Swansea was created (Crouch 1954, 85).

Toronto and its growing suburban municipalities used inter-local agreements to coordinate services and infrastructure development. Between 1915 and 1950, municipalities in the Toronto area made approximately 163 agreements (Crouch 1954, 86). Despite this cooperation, requests for annexation did not stop, with suburban towns, such as Forest Hill, making several requests for annexation during the 1920s and 1930s (Colton 1980, 55).

Attempts at creating a two-tier structure began in the early 1900s. In 1924, a member of the Ontario legislature, George S. Henry, asked cabinet to draft legislation that would have created a "metropolitan district" for the area (Frisken 2007, 55). Henry's

proposal called for a "metropolitan district" that would include representation from both

the city and its surrounding suburban municipalities and provide several major services to

the area, leaving the existing municipalities in the area intact to provide all other services

(Frisken 2007, 56).

However, Henry's colleagues rejected his proposal and, by the time he came to

power as Premier, his government was focused on combating the economic downturn of

the Great Depression (Frisken 2007, 56). As a policy issue, metropolitan government was

quietly removed as a priority since the majority of the municipalities around Toronto

were declared insolvent (Colton 1980, 55). Nevertheless, Henry continued to believe that

Toronto and its suburban area needed some type of regional organization. In October

1933, Henry commissioned a formal inquiry into Ontario's metropolitan problems

(Colton 1980, 56). The inquiry recommended the creation of a type of county system for

Toronto and its immediate area, which would perform regional services for the city and

its suburbs (Colton 1980, 56). Yet, when the Liberals came to power in 1934, they

dissolved Henry's inquiry before it had completed its work. Although the incoming

Minister of Municipal Affairs, David A. Croll, proposed a bill in 1936 that would

amalgamate sections of the area surrounding Toronto into the city, Croll left cabinet in

1937 and his bill was never subsequently introduced (Colton 1980, 56).

At the beginning of the post-war period, there were thirteen municipalities within

Greater Toronto (Rose 1975, 334). Despite the many failed attempts to coordinate the

area through institutional change, the area remained fragmented. James Milner describes

the general attitude towards the growing region:

> "the problems of local government in the Toronto metropolitan area…derived
> essentially from the inability of the thirteen existing municipal governments to

engage in concerted action to solve their obviously common problems, such as arterial road construction; from the financial inability of individual municipalities to provide obviously local services, such as schools; and from the widely recognized fact that many of the local services could be most efficiently supplied only on an area basis" (Milner 1957, 570).

The City of Toronto held a similar attitude towards its surrounding area. In a 1943 master plan, the city argued that future population growth "must largely be accommodated in the vacant land of adjacent suburbs" (Colton 1980, 59). The report continued by emphasizing that "the political boundaries of the City bear no relation to the social and economic life of its people" before proposing "a partnership of all the municipalities in the Metropolitan Area" (Colton 1980, 59).

Eventually, the City of Toronto applied to the Ontario Municipal Board (OMB) for an order that would amalgamate the thirteen municipalities within the Greater Toronto Area (Rose 1975, 334). While the OMB rejected the city's application for amalgamation, it did recommend a type of metropolitan federation that could allow for the expansion of services for the growing area (Frisken 2007, 70). This new metropolitan organization would be responsible for area-wide services while existing municipalities would be responsible for more local services (Frisken 2007, 70). The province obliged, and with the passage of Bill 80—the *Metropolitan Toronto Act*—Metropolitan Toronto was born in 1954 (Crouch 1954, 85).

Metropolitan Toronto was established with a twenty-four member council that consisted of the twelve suburban reeves, or mayors, and twelve members of the Toronto city council (Kaplan 1965, 538). The twelve members of the Toronto council comprised the mayor, the two controllers receiving the most votes and the nine aldermen who led the polls in their wards (Colton 1980, 71). The twenty-fifth member of the council was

the Chairman, who was originally appointed by the province, but thereafter elected by the members of council (Kaplan 1965, 538).

Metropolitan Toronto was established as a unique entity, with two key financial distinctions from traditional county governments; namely, it was able to assess real estate for taxation purposes and allowed to issue debentures on behalf of itself and all local governments within its territory (Colton 1980, 71). Metropolitan Toronto also had a large amount of service responsibility, as it was initially tasked with the construction and maintenance of arterial roads, major sewage and water facilities, regional planning, public transportation, the administration of justice, metropolitan parks and housing issues that council chose to address (Colton 1980, 71). The old City of Toronto and the twelve suburban municipalities would be responsible for police and fire protection, business licensing, public health and libraries (Colton 1980, 71). In other service areas, they would share jurisdiction with Metropolitan Toronto (Colton 1980, 71).

Albert Rose argues that the primary motivation for creating Metropolitan Toronto was to correct serious inadequacies in basic municipal services in order to accommodate the city's rapidly growing suburban population (1972, ix). Frisken, in a comprehensive political history of the region, concurs, arguing that the principal objective of pursuing Metropolitan government was, "to speed up the provision of infrastructure to support suburban population growth and industrial expansion" (2007, 81). As Toronto states in its 1943 master plan, not only would future population growth need to be accommodated in the suburban parts of the metropolitan area, but the city and its surrounding area were also becoming socially and economically intertwined, if still politically separated.

The logic behind bringing these areas together ran counter to traditional thinking about cities and their hinterland. In this instance, the city and its outlying areas were not so distinct that they required total separation, but were instead slowly growing together. The city needed its surrounding area to grow, making shared common political institutions necessary to facilitate outward expansion and growth. This same thinking soon found its way into the creation of additional provincial regional governments, as Ontario's other major urban areas also began growing into their once separate rural and suburban areas.

2.4.   The Creation of Regional Government in Ontario

The rhetoric used to justify the creation of further regional governments in Ontario throughout the late 1960s and 1970s relied on much of the same rationale as the creation of Metropolitan Toronto. Finding disparities in regional growth rates, the province identified the need for regions to be able to plan on a regional scale to better facilitate economic growth (Higgins 1986, 198). Consequently, the notion that urbanized centres required more control over their periphery was no longer isolated to Toronto. In order to sensibly grow, develop and address growing rates of suburbanization, other urban centres—principally around Metropolitan Toronto—also needed common political institutions.

Widespread suburbanization was occurring not only in Toronto, but also around major urban centres in Southern Ontario, such as Hamilton, Oshawa, Barrie, Newmarket and Brampton (Robinson 1991, 113). Harris (2004) points to the increase in automobile sales as a key factor in promoting suburban expansion and outward migration from urban

centres. In 1910, Harris agues that the majority of workers lived near their workplaces and either walked or took the streetcar to work (2004, 129). By the 1960s, however, the majority drove automobiles, allowing them to live considerably further distances away from their workplace (Harris 2004, 129). In 1945, just over 1.1 million cars were registered in Canada. By 1952, that number had doubled and, less than a decade later in 1961, had redoubled again, reaching 4.3 million (Harris 2004, 130). As a result, some municipalities on the outskirts of major cities experienced 20 percent - 40 percent growth rates in the post-war period (Robinson 1991, 113). This growth inevitably challenged the traditional system of city-county separation and forced the provincial government to examine the fitness of municipal institutions to address such a demographic challenge.

In the 1960s, two key reports highlighted the rapid urbanization in the province and recommended the creation of regional governments. The first was the 1965 report of the Select Committee on the Municipal Act and Related Acts, which found that Ontario's rapid urbanization required larger municipal units. The second was the report of the Ontario Committee on Taxation, which drew on the recommendations of the Committee on the Municipal Act and Related Acts and recommended a tiered system of regional government across the province with varying service and policy responsibilities. Shortly after the submission of these two reports, several individual regional studies assessed the viability of regional government in many of the province's most rapidly urbanizing areas. The result was the creation of ten regional governments and a permanent change in the way the province viewed urban areas in relation to their rural peripheries.

The Beckett Committee, named after its Chairman Hollis E. Beckett—then the Member of Provincial Parliament for York East—submitted the first major report

addressing the need for regional government in the 1960s. The mandate of the Select

Committee on the Municipal Act and Related Acts was to investigate the province's large

body of statutes and recommend solutions. While Beckett examined a number of

provincial Acts, his recommendations on the *Municipal Act* were the most intriguing.

The Beckett Committee began its discussion on local and regional government by

emphasizing that the character of separated cities and counties in the province had

changed dramatically since the introduction of the *Baldwin Act*:

> The combination of population growth and urbanization coupled with economic
> prosperity and futuristic thinking has created a need for greater forethought and a
> demand for community services never envisioned by the original authors of our
> municipal legislation. Not only have our cities developed a new vigour but
> population has spilled over into rural areas which were neither financially or
> politically equipped to deal with the resulting problems (Ontario 1965, 167).

The report further notes that steady—and, in some areas, rapid—urbanization was

changing the nature of certain communities. Rural areas slowly became more developed,

earning the moniker "dormitory municipalities" (Ontario 1965, 168). As these problems

intensified, local politicians struggled to find solutions since urbanization crept over

several jurisdictions. The Beckett Committee, therefore, recommended restructuring as

the only alternative: "in order to restore responsibility to the elected representatives and

increase the possibility of economical and efficient administration of municipal services,

larger units of government are necessary" (Ontario 1965, 168). The report presented

several reasons for this conclusion, which included: the growing complexity of local

government activities, the extent by which many functions were affected by

developments outside the local municipality, the need for more highly qualified staff, the

increasing cost of many services and the difficulty of dealing with some problems on the

basis of the smaller existing municipalities (Ontario 1965, 169).

The committee suggested that larger municipal units would correct these

problems. In fact, it laid out seven benefits of increasing the size of local governments. In

particular, it argued that larger municipal units would:

1. Facilitate the provision of services which require large areas

2. Facilitate agreement on common policies and the co-ordination of activities

3. Eliminate the justification of some special purpose bodies which had been

   created to deal with problems of extending beyond the limited area of local

   municipalities

4. Make it more feasible to employ more highly qualified staff and staff with

   specialized qualifications

5. Provide a more fiscally sound municipal unit

6. Reduce competition for commercial and industrial assessment

7. Enlarge the tax base, thereby reducing inequalities in the burden of taxation

To account for newly urbanizing areas, the committee saw a clear benefit in increasing

the size of local governments, essentially arguing that the functional scope of each area

needed to be increased.

Although defining the borders of new regions proved challenging, the report did

note that certain aspects— such as population, logical planning areas, watersheds, and

economic and social conditions—should be criterion factors (Ontario 1965, 173). The

report also found that Ontario's counties presented natural geographical units that could

be converted into regional governments. Separated cities would be included into the new

regional governments, with the report noting that their inclusion would create a "strong nucleus" and provide "added vitality" for the rest of the region (Ontario 1965, 173). The report also lists several other benefits for absorbing separated cities into new regional units: "the larger area would also give greater scope to planning through the natural extension and co-ordination of existing facilities, and would eliminate the constant threat and fear of annexation of amalgamation…in addition, many thousands of dollars are being wasted in the battles over boundary changes" (Ontario 1965, 173).

The committee did, however, note that the conversion of a county into a regional government may not always be ideal and that an examination of each area should be conducted prior to the implementation of any regional government, largely out of concern that the inclusion of a large separated city or town in the new region's political life would have negative effects (Ontario 1965, 173). Nevertheless, the committee was mostly unconcerned about this aspect and recommended proceeding with the implementation of regional government in spite of these concerns.

With respect to the new responsibility provided to new upper-tier municipal units, the committee noted that individual studies should be conducted for each new region in order to determine which services would be best handled by the upper- or lower-tier (Ontario 1965, 176). However, it did recommend that the new regional councils have the responsibility to assess, tax, plan, maintain arterial roads and administer public health, hospitals, welfare and policing (Ontario 1965, 185). The report also suggested that regional councils assume responsibility for storm and sanitary trunk sewers, sewage treatment plants, trunk watermains, water purification plants, "regional type" parks and fire services (Ontario 1965, 185).

The Beckett Committee acknowledged that the same trends in urbanization that occurred during the 1950s in Toronto were present throughout the province. Rapid suburbanization in certain areas was stretching the functional limits of the province's counties, while simultaneously blurring the distinction between urban and rural Ontario that had existed for nearly one hundred years.

The second report published in the 1960s by the Ontario Committee on Taxation also addressed a similar notion of regional government. Formed in 1963 under the chairmanship of Lancelot J. Smith, the committee extensively studied Ontario's taxation system, publishing their findings 1967 (Ontario 1967a, vii). It had one mandate, which was to produce a "tax and revenue system [that] is as simple, clear, equitable, efficient, adequate and as conducive to the sound growth of the Province as can be devised" (Ontario 1967b, 495). Published across three volumes, the committee's report examined all facets of taxation in Ontario, including retail sales taxes, income taxes, and even revenue from alcoholic beverages and motor vehicle sales. The second volume was dedicated to local revenue, specifically the property tax, which the committee described as "unpopular" and "vulnerable to criticism" (Ontario 1967b, 1).

Although the committee ultimately proposed major reforms to the property tax system, the report's major contribution to Ontario's municipal organization was its concerns about the relationship between municipal structure and finance. While it was reluctant to delve into the municipal structure, the committee nevertheless provided three reasons for doing so (Ontario 1967b, 495):

1. Efficiency in the raising of revenue by property tax demands assessment and collection on a regional basis

2. Equity in local finance can hardly be achieved under the structure of our present municipal institutions

3. Municipal capacity to develop non-property source of tax revenue, whether individually or in partnership with the Province, is severely circumscribed by limited territorial jurisdictions

Thus, although the focus of municipal restructuring in the past had largely dealt with lower-tier municipalities—generally leaving upper-tier units intact—the committee recognized an important exception to this trend: the 1953 creation of Metropolitan Toronto (Ontario 1967b, 498). The committee praised the new Metro model, noting that it has been "hailed throughout North America, and indeed much of the world," and that it had "achieved high standards of success" (Ontario 1967b, 499).

Desiring the replication of this success throughout the province, the committee proposed a regional government scheme that would enhance access and service across the entire province. Consequently, the report recommended the creation of twenty-two regions for Ontario with three distinct classes: metropolitan (the province's most densely populated areas), urbanizing (the province's rapidly growing areas, generally on the periphery of Ontario's "metropolitan" areas), and county (the province's more rural areas) (Ontario 1967b, 510). A fourth class—the district—was reserved exclusively for northern Ontario communities (Ontario 1967b, 512).

The distinctions between each classification—metropolitan, urbanizing, county and district—were primarily for servicing purposes since the committee believed that each classification would require differing responsibilities at the upper tier (Ontario 1967b, 514). Servicing, then, is perhaps best understood as a spectrum including all four

models, with metropolitan areas having more servicing responsibility at the upper tier and northern districts having less (Ontario 1967b, 535). However, this does not necessarily mean that lower-tier municipalities were to be strengthened in these areas. Instead, the committee suggested that the province maintain servicing responsibility in many remote and heavily rural areas (Ontario 1967b, 535); in these instances, responsibility for certain services would be shifted from the county or region to the province.

Overall, the report emphasized the need to reconcile municipal structure with financing. The Ontario Committee on Taxation recommended that the provincial government plan and schedule detailed studies of boundaries, functions and forms of municipal organization throughout the province (Ontario 1967a, 238). Additionally, the report also recommended that each of these new regional governments be responsible for assessment, tax collection and capital borrowing on behalf of their constituent municipalities (Ontario 1967a, 238). Finally, the report recommended that where it was impossible to include a community into a regional government, the province should provide regional services to the community on a contractual basis (Ontario 1967a, 238).

The reports of both committees set the stage for wide-ranging reform. Although the province did not implement all of the major reforms suggested by both reports, the government did follow the recommendation calling for in-depth individual reviews of Ontario's rapidly urbanizing areas. Following local reviews in the Ottawa area beginning in 1963, ten regional governments were created: Ottawa-Carleton, Niagara, York, Peel, Halton, Waterloo, Hamilton-Wentworth, Sudbury, Durham and Haldimand-Norfolk (Fyfe 1975, 360). Table 2.2, below, lists each of Ontario's regional governments along with the date of their review and the date of their eventual implementation.

Table 2.2: Implementation of Regional Government in Ontario		
Regional Government	**Review**	**Implementation**
Ottawa-Carleton	1963-1965	1969
Niagara	1964-1966	1970
Peel	1965-1966	1973
Halton	1965-1966	1973
Waterloo	1966-1970	1973
Hamilton-Wentworth	1967-1969	1973
Sudbury	1968-1970	1973
York	1967-1969	1970
Durham	1969 (Discontinued)	1973
Norfolk-Haldimand	1969-1973	1974

Although the reports that recommended creating these regions stressed the importance of bringing urban and rural areas together, they also argued that the eventual success of governments were regionally-dependent. For example, the Niagara Local Government Review Report argued that, "the separation of cities (and towns) from the county made good sense in an earlier age when the distinction between urban and rural was sharper" (Mayo and Moore 1966, 59). To allow separated cities to remain independent from regional governments was "disastrous" (Mayo and Moore 1966, 59), a sentiment shared by authors of many other studies such as the Hamilton-Burlington-Wentworth Local Government Review Commission (Steele, Jarrett and Morison 1969).

Conversely, the authors of the Waterloo Area Local Government Review argued that the differences between urban and rural within their study area remained significant and that the implementation of a regional government would have a negative effect on rural areas, including the dilution of rural voices on any re-organized regional council and the potential requirement to fund services for which rural areas had little use (Fyfe and Morrow 1970, 182). As such, the authors recommended the implementation of a re-organized city-county system that would create two large separated urban municipalities

through amalgamation (Kitchener-Waterloo and Galt) and five enlarged rural municipalities within the county borders (Fyfe and Morrow 1970, 178). Although the report reiterated its concerns about rural representation and servicing, the provincial government dismissed these concerns in their charge toward regional reform.

Instead, the provincial government believed that the distinction between rural and urban was eroding and, in some cases, non-existent. The government also held the belief that the economic benefits of urban life could only be extended to the surrounding area through common political institutions (Fyfe 1975, 362). John Robarts, Ontario's premier from 1961-1971, argued that the organization of local government was directly related to regional economic development; thus, for a region to grow economically, Roberts argued that urban and rural areas needed to be linked through a shared political life (Robarts, Ontario Legislature 1968). Believing that the conditions were right for the implementation of regional government, Robarts argued the following in the Ontario legislature (Ontario Legislature, 1968):

1. There is a general realization that society now lives on a regional scale

2. There is a genuine willingness to study development problems objectively

3. That the sharing of assessment and dormitory expenditures will bring about regional thinking and budgeting faster than any other single influence

4. That urban areas should not be separated from their surrounding rural areas

5. That annexation as an adjustment factor in territory is of limited value today

Similarly, Darcy McKeough, then the Minister of Municipal Affairs, outlined some of the criteria necessary to create a region (McKeough, Ontario Legislature, 1968):

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1. A sense of community identity based on sociological characteristics, economics, geography and history

2. A balance of interests

3. An adequate financial base

4. A large enough area to take advantage of economies of scale

5. Boundaries that facilitate maximum interregional cooperation

6. Community participation

7. Community acceptability

These criteria guided the establishment of the regions that McKeough and Robarts created. Each had an upper tier unit created for a large urban centre while its hinterland, commonly—although not universally—followed the old county boundaries, thereby reducing the number local municipalities within the region to provide the urban centre with more control over its surrounding area (Fyfe 1975, 362)

The introduction of regional government in Ontario marked a shift in how provincial policy-makers viewed urban and rural areas. The reports of both the Select Committee on the Municipal Act and Related Acts and the Ontario Committee on Taxation identified the changing nature of urbanization in the province's counties. Counties were becoming more urbanized and, as such, the vast differences previously identified between the two areas were quickly diminishing. This logic brought about ten regional governments and the re-introduction of several once separated cities into its surrounding areas. As a result, focus then shifted back to the county system where the same forces of urbanization identified as the rationale for creating Ontario's new regional governments were still at work.

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2.5.   The County Reform Era

Following its creation, the county system proved resilient. For more than one hundred years, the county system remained largely unchanged until the formation of Metropolitan Toronto and, subsequently, the establishment of regional government. The creation of regional government created new political problems for the province and the government soon shifted its focus to the reorganization of the county system (Williams and Downey 1999, 163). In October 1973, John White, then Minister of Treasury, Economics and Intergovernmental Affairs, ushered in, "a new phase of local government reform – a phase in which the initiative will come, not from Queen's Park, but from the counties themselves" (Williams and Downey 1999, 163).

The first of these reform proposals came from the Association of Counties and Regions of Ontario (ACRO), which proposed four specific calls for reform (Williams and Downey 1999, 163):

1. Consolidate local municipalities

2. Strengthen the second tier in counties by including separated towns and cities

3. Ensure equitable representation on county councils

4. Enlarge and update the responsibility of county units

Many of these recommendations reflected long-standing concerns of mayors, council members and representatives of the counties themselves, especially with respect to equitable representation on county councils. As a result, many of these proposals were included in various provincial reports on the county system throughout the decade.

Three successive provincial reports investigated Ontario's county system and subsequently made recommendations intended to strengthen the province's counties. The

first report, *Patterns for the Future* (1987), called for greater flexibility in service delivery and adjustments in county representation. The second, *County Government in Ontario* (1988), emphasized a strengthened upper-tier through the inclusion of separated cities and towns. The final report, *Toward an Ideal County* (1990), provided a set of principles intended to ensure consistency in policy-creation and service delivery across the province.

Patterns for the Future was the result of a task force formed in February 1987 by then Minister of Municipal Affairs, Bernard Grandmaitre (Ontario 1987, i). The report clearly stated that it was a proactive attempt to improve governance in Ontario's counties and was not responding to any identified need for reform (Ontario 1987, i). The Minister tasked the committee—headed by MPP Ray Haggerty and composed of three mayors of lower-tier municipalities, two from counties and one from the Ottawa-Carleton regional government—to examine "retooling and reshaping" the county system, but not restructuring (Ontario 1987, i). In fact, the terms of reference for the review were quite narrow: accountability, representation and the distribution for responsibility for services (Ontario 1987, 4).

The report began by identifying some of the potential problems in the county system: disproportionately growing populations, growing representation inequity, and evolving service demands (Ontario 1987, 2). Much of this, the report noted, was due to the pressures of suburbanization and growth:

> Urban development has placed a continuous pressure on local municipalities and their counties…Few municipalities are now predominantly rural in nature. Suburban development has created a climate for annexation disputes. Some townships are now larger than towns; some could qualify for city status, which would mean separation from the county system. The disparity in size among municipalities has placed strains on representation, which become particularly

contentious as pressures for new services at the county level are felt (Ontario 1987, 19).

The committee's main concern with regard to these pressures was representation at the county level. As such, they recommended a series of reforms to the county council system, such as a higher population base for a second municipal representative on county council (Ontario 1987, 45), and a rebalancing of service responsibilities, such as the delivery of general social services (Ontario 1987, 61).

Although the report made several other recommendations, perhaps most important to this discussion are the two items that fell outside of the committee's terms of reference: small municipalities and separated cities. The committee felt that smaller municipalities, specifically those with fewer than 2,500 electors, were skewing the balance of representation at the county level (Ontario 1987, 24). While the report stops short of recommending structural change to correct this imbalance, it does recommend that a future report examine the issue more closely (Ontario 1987, 24).

Separated cities were also a problem for the committee. From their meetings with county officials, the committee learned that many areas feared that a large number of city separations would occur in the near future, primarily due to the quickening pace of population growth in certain regions (Ontario 1987, 24). Since an area would be automatically removed from the county system once the Ontario Municipal Board approved their application for city status, the report argued that this process could have detrimental effects for counties: "when a municipality separates from the county, the county system not only loses part of its resource base, but also the ability to provide services on a county-wide basis….representation and accountability are similarly

impaired as area-wide services must then be provided by joint committees or special purpose bodies" (Ontario 1987, 24).

The report then suggests that inter-local agreements can be problematic. Noting that inter-local agreements can be "time-consuming to negotiate, can foster dispute, and can create confusion about accountability", the report argues that these agreements create uncertainty about the county's role as a policy-maker (Ontario 1987, 62). Furthermore, this causes public uncertainty about what level of government is responsible for what service (Ontario 1987, 65). Inter-local agreements, the report continues, do not necessarily provide stable administration since their terms and conditions are subject to periodic re-negotiation, thus detracting from a serious consideration of the county's assumptions of a service (Ontario 1987, 65). Yet, despite its resistance to inter-local agreements, the report recommended that counties continue to be allowed to enter into such agreements (Ontario 1987, 66).

The committee recommended a future study on the impact of city-county separation (Ontario 1987, 24). Unapparent in their discussion of smaller municipalities, the committee expressed alarm over the potential rate of city separation in the future. Consequently, the committee proposed that separated cities should be encouraged to rejoin the county system and that no further separations should be allowed (Ontario 1987, 25). Further, they suggested that the minimum population required to grant city status be increased above the current rate of 25,000 (Ontario 1987, 25). Additionally, given the number of cities that could be separated in the near future, the report also stated that, "consideration should be given to providing incentives for larger municipalities to stay in

the county system, and that disincentives be eliminated" (Ontario 1987, 25).

Unfortunately, the committee did not state what it believed such "disincentives" were.

Patterns for the Future identified many of the same problems with the county system that both the Ontario Committee on Taxation and the Ontario Committee on the Municipal Act and Related Act found: rapid urbanization of the rural landscape requiring a re-evaluation of Ontario's county system. Unlike previous reports, however, *Patterns for the Future* added a different sense of urgency, adding that a further repercussion of this rapid urbanization could be the wide-ranging separation of newly created cities.

The second major report of the county restructuring era, *County Government in Ontario,* resulted from a taskforce chaired by MPP Charlie Tatham. This taskforce was established specifically to examine three separate items identified by *Patterns for the Future* (Ontario 1988, i):

1. Issues of representation and functions

2. Problems related to small and separated municipalities

3. Commissioning of separate investigations into each county

County Government in Ontario begins by discussing how Ontario's demographics and economy have shifted since the creation of the county system in 1849. Importantly, this discussion signals a further departure from the original impetus for the creation of Ontario's counties and indicates that much of the institutional logic that created the province's regional governments remained very much still intact:

> The face of Ontario has changed significantly since the introduction of county government through the Baldwin Act of 1849. While substantial alterations have been made to the structure and functions of other local governments in Ontario since that time, the county system remains much the same today as it was 140 years ago.

Although county governments have not experienced major reorganization, the society within counties has changed over the years. Ontario in the twentieth century has been shaped, and will continue to be shaped, by changes in settlement and commuter patterns, in the nature of traditionally rural areas, in the mix of people living in counties, and in the expectations which residents have of their local government. The distinction between the rural and the urban communities in counties is no longer as clear as it once was. This change has placed new requirements and demands on a government system designed for a primarily agricultural society

The part of the province currently covered by county governments is distinct from the more urban areas of regional municipalities and from the less densely populated districts in the north. The county form of government must remain specially suited to the communities, which combine urban and rural interests, traditional stable communities and new growth areas. However, counties, like all other governments, represent a dynamic and often increasingly demanding population. This constantly changing society must be recognized and accommodated if counties are to remain important units of government (Ontario 1988, 1).

Herein lay the task force's challenge: although Ontario's counties are growing, thus blurring the once-clear distinction between a county's rural areas and their more urban portions, these areas were not growing at the same pace as the areas within the province's newly created regional governments. Noting that Ontario's counties were no longer primarily agricultural communities, the committee found that most of the labour force in the province's counties was commuting to different areas for work, particularly in the Greater Toronto Area (Ontario 1988, 2). Accounting for these changes would be challenging, especially for disproportionately growing counties (Ontario 1988, 3)

To address and strengthen the unique position that counties play in Ontario's municipal system, *County Government in Ontario* made 41 recommendations. While the bulk of these recommendations deal with county council representation, some did address restructuring. Since the viability of each lower-tier municipality is one of the main focuses of *County Government in Ontario,* the report suggests that each municipality rely

on a population base to support itself. Thus, the report recommends that each

municipality have a population minimum of 4,000, unless issues such as population

density and geographic isolation warrant a smaller size (Ontario 1988, 18). The report

also suggested that police villages be eliminated and annexed or amalgamated into the

nearest municipality (Ontario 1998, 19). Both of these recommendations helped satisfy

shared concerns in *Patterns for the Future* about small municipalities within counties. By

eliminating small municipalities, the report hoped to solve some of the representation

inequities in county councils during this period.

Importantly, however, the largest structural recommendations in *County*

Government in Ontario does concern separated cities with the proposal to integrate

separated cities back into county life. The report argues that:

> The Committee feels it is crucial to the future of the county system that there be
> more integration with and coordination between the county and any separated
> municipalities located within the county. At present, there is a dissipation of
> resources, energy and creativity in disputes between separated municipalities and
> counties (and local municipalities in counties) over boundaries, negotiation and
> renegotiation of agreements and competition for new assessment. In the
> Committee's vision of a strengthened county system, this energy would be
> redirected into cooperative efforts recognizing the shared municipal interests and,
> more importantly, the common interests of the residents and workers of these
> larger communities (Ontario 1988, 34).

Despite their insistence that separated cities shall be re-integrated back into the county,

the committee acknowledges that this may not be always possible and that the re-entry of

a separated city may cause more harm than good (Ontario 1988, 34). While the

committee did not specify under what conditions such a re-entry of a separated city into a

county would be harmful, it did recommend that greater cooperation between both

communities occur on boundary issues and the reversal of competition for assessment

and growth (Ontario 1988, 34). The committee also recommends that, where a separated

city cannot be brought back into the county, a city-county liaison committee be

established with no more than eight members and equal representation from both the

county and the separated city (Ontario 1988, 35). Finally, the committee recommends

that the Ministry of Municipal Affairs and Housing not approve future separations of

municipalities from counties (Ontario 1988, 44).

The third report on county governance, *Toward and Ideal County,* was intended to

summarize the findings of the other two most recent reports on Ontario's county

system— *Patterns for the Future* and *County Government in Ontario*—and provide a list

of principles required for strong county governance. The report, authored by then

Minister of Municipal Affairs John Sweeney, identified the same three main problems as

Patterns for the Future and *County Government in Ontario* (Ontario 1990, i):

1. Unfair representation of municipalities on county council

2. A proliferation of boundary disputes and inter-municipal agreements within

    counties and between counties and neighbouring separated municipalities

3. The inability of many small municipalities to deal effectively with growth

    pressures and increasingly complex and expensive service demands

To address these problems, *Toward an Ideal County* proposed sixteen principles for good

county government.

The first eight principles are described as "general" in nature and outline the

essential features of county governance, such as a clear division of responsibilities and

accountability and accessibility mechanisms (Ontario 1990, 1). The tenth principle

addresses local municipalities, with the recommendation that all lower-tier municipalities

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have a minimum population of 4,000 in order to remain "viable" (Ontario 1990, 2).

Principles eleven through fourteen address the composition of council, with the recommendation that county councils be no larger than twenty members and that no single municipality be able to constitute a majority of the votes on council (Ontario 1990, 3).

Although the bulk of these recommendations address the concerns in *Patterns for the Future* and *County Government in Ontario* about small municipalities and inequity on county councils, the final two principles focus on the issue of separated cities. *Toward and Ideal County* recommended the integration of separated cities back into the county system, which, according to the report, had the following substantial benefits (Ontario 1990, 3):

- Removes competition for assessment through the pooling of costs and benefits
- Eliminates the duplication of administration of certain services, thereby providing more effective and efficient services and fostering economies of scale
- Reduces the number of special purpose bodies established for joint service delivery, thereby reducing the number of joint service agreements and improving accountability and accessibility
- Redirects the resources, energy and creativity of the involved municipal units to promote the shared interests of the area
- Creates a strong focus of local government in the area

While many of these benefits are vaguely stated, it was clear that the province was looking for a way to better integrate separated cities with their original counties.

However, this report—like *County Government in Ontario*—acknowledges that this re-integration would not always be advantageous for a county, such as when a returning city held so much of the area's population that it would dominate a restructured county council (Ontario 1990, 4). In these instances, the report urged separated cities and counties to form liaison committees and joint service boards.

Despite being the culmination of a series of examinations into county governance, *Toward an Ideal County* is surprisingly light on its recommendation for concrete legislative changes. In fact, the only real commitment in the report offers is the need for the province to fund for county reform studies (Ontario 1990, iv). However, what the report does do successfully is present the province's vision for these communities and lay out a path for future reforms, even though the impetus for these reforms was expected to come from the counties themselves.

Despite the amount of concern raised during the county reform era about the continued existence of city-county separation and the insistence that separated cities be re-introduced to their counties where possible, only two counties were re-organized during this period. Guided by the province's new outlook on their county governments, the separated cities of Woodstock and Sarnia and the separated town of Ingersoll rejoined Oxford and Lambton counties with revised representation at the county level.

The re-organization of Oxford County was intended to avoid the imposition of regional government (Beecroft 1983, 11). Officials in the county, along with the separated City of Woodstock and the Town of Ingersoll, were concerned that if the province decided to implement regional government within the region, the county's external borders may be altered. This could see parts of Oxford County split and added to

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surrounding regional governments, such as the Region of Waterloo and Haldimand-Norfolk (Beecroft 1983, 12). To avoid this situation, the county and its separated municipalities began studying various options to improve county governance.

To overcome concerns about the dominance of the urban areas on the re-constituted county council, the Oxford County council was initially created with 20 members and a balance of representation from both urban and rural. Woodstock received six members and afforded one to each other municipality. This gave the urban areas (Woodstock, Ingersoll and Tillsonburg) and the rural areas of the county ten members each (Beecroft 1983, 75).

While Oxford County was re-organized to avoid the imposition of regional government, the second county to be re-organized during the county reform era—Lambton County—was restructured to avoid a potentially devastating loss of assessment. From 1950 onwards, the City of Sarnia sought to annex territory from its surrounding neighbours, namely from the Township of Sarnia, believing that growth was necessary to further economic development and expansion (Montgomery 1990, 1). Lambton County had always resisted these efforts, mainly because they believed that loss of the Town of Sarnia's assessment would be financially crippling for the sparsely populated county (Montgomery 1990, 81). Although Lambton County successfully resisted Sarnia's efforts for nearly forty years, in the late 1980s, the dispute over annexation came to a head when the province forced both governments to find a resolution (Montgomery 1990, 81). In 1989, the province formed a restructuring committee, which declared that the City of Sarnia should be amalgamated with the Township of Sarnia (then renamed Clearwater) to provide the city with more land to expand. There was, however, an additional caveat that

the new city should become part of the county, largely so that Lambton County would not

be financially depleted by the loss of assessment base (Montgomery 1990, 61). By

enhancing the county's assessment base, Lambton County officials' concerns finally

eased; yet, if the county had been able to secure a more stable assessment base, it is very

plausible that Sarnia would have been able to remain separated indefinitely.

While the restructuring committee felt that it was important for the new city to re-

join the county, they also held concerns regarding the revised county council. To ensure

that the city would not dominate county council—a concern also addressed by the

province in *Patterns for the Future* and *County Government in Ontario*—the committee

proposed that the new council be composed of 24 members comprised of five members

from the city and nineteen from the county municipalities (Montgomery 1990, 69). To

add additional security for the city, the committee added a provision that transferring any

service to or from the county level required a majority of votes from the majority of

municipalities (Montgomery 1990, 69).

According to Williams and Downey, the era of county reform "ended quietly"

(1999, 166).[7] This assessment is quite apt. Despite numerous calls for reform and the

even more bold calls for restructuring contained in *County Government in Ontario*, very

little came to fruition. Only ten counties requested individual studies as recommended in

each report (Williams and Downey 1999, 166). Moreover, only a small proportion of

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[7] Although not occurring within the county reform era, Owen Sound re-joined Grey County in 2001, as part
of a wide-scale consolidation of municipalities within the county. The end result of this restructuring saw
the number of municipalities in the county reduced from 27 to 9, with Owen Sound re-entering the county
structure, largely to facilitate an expansion of its borders that would have financially impacted the county's
assessment base. In this sense, there are number of parallels between the re-entry of Owen Sound and that
of Sarnia back into their counties. As of writing for this project, Owen Sound is the last separated city to re-
join its county in Ontario. For more information, please see County of Grey/Owen Sound 2000.

Ontario's counties—most notably, Oxford County and Lambton County—went through any significant changes during this period. Despite long-standing concerns with county organization, especially the presence of small municipalities and separated cities, very little was done to solve these issues aside from recommending the consolidation of smaller municipalities and the stoppage of any further city separations.

The series of reports in the 1980s and 1990s were quite effective at outlining the challenges that the county system faced. Despite very little institutional variation since the inception of counties, these reports recognize the importance of addressing the changing environment around and inside Ontario's counties. Consequently, each report outlines three issues that were near-universal to all of the province's counties: increasing populations, a shifting internal economy and labour force, and steady—if not rapid—urbanization. These issues were creating problems for Ontario's counties, the most important being inequities in representation, increasing disparities in the size of lower-tier municipalities and the possibility of widespread separation of newly urbanized areas of the province's counties.

Yet, despite the identification of these problems and their potential ramifications, very little structural adjustment was completed. There were some changes to the composition of council, but wide-scale consolidation of smaller municipalities within counties and the reintegration of separated cities did not occur. While city-county separation as a practice was halted, only two counties were re-organized to see their separated cities integrated back into their structures during this period.

Additionally, although each report clearly stated that the provincial government would prefer more integrated county structures, there was also a clear detriment to this

practice, particularly in the inevitable domination of the city on county council. In the absence of a clear plan to re-integrate the city back into the county, the province favoured city-county liaison committees and joint servicing and planning boards over inter-local agreements, believing the latter to be volatile and difficult to negotiate. The province was effectively searching for common bodies to guide service delivery in the absence of common political institutions.

Unlike the county reform era, Ontario's next phase of re-organization would result in significant changes. During the county reform era, the province largely sketched out a vision of how counties would be organized in the future leaving the counties themselves to implement their vision of an "ideal county". Repeatedly, reports and committees implied that change would have to come from municipalities themselves rather than Queen's Park. However, the next provincial government to address restructuring in Ontario would not be so patient.

2.6.   The Era of Amalgamation

Until the election of Mike Harris as Premier in 1995, the province had never undergone wide-scale municipal restructuring. When Harris and his Progressive Conservatives were elected, there were 850 municipalities in the province; by 2000, that number was reduced to 444 (Siegel 2005, 129). Through a series of voluntary and non-voluntary amalgamations, the Harris government contributed to municipal restructuring in both highly urbanized and rural communities across the province, including Ontario's counties.

Harris came to power with an agenda of reducing government waste and cutting taxes—a program clearly stated in his election document, *The Common Sense Revolution*. While *The Common Sense Revolution* made some specific pledges, such as reforming legal aid, cutting government grants and subsidies and reducing taxes, the document is quite vague regarding municipal restructuring. The Progressive Conservative platform argued that the province had too much government: "Canadians are probably the most over-governed people in the world…we do not need every layer—federal, provincial, quasi-governmental bodies, regional, municipal and school board—that we have now" (Ontario Progressive Conservative Party 1994, 17). The document continues by stating that, "we must rationalize the regional and municipal levels to avoid the overlap and duplication that now exists" (Ontario Progressive Conservative Party 1994, 17). Yet, despite these two claims, the platform did not describe any specific action it would take to achieve the "rationalization" of regional and municipal government in the province. Rather, the *Common Sense Revolution* only states that, "we will sit down with municipalities to discuss ways of reducing government entanglement and bureaucracy with an eye to eliminating waste and duplication as well as unfair downloading by the province" (Ontario Progressive Conservative Party 1994, 17).

Despite these initially vague claims, the Harris government did, in fact, engage in a major restructuring of municipal government in Ontario. One of the Harris government's major legislative tools to achieve this end was Bill 26, the *Savings and Restructuring Act.* Bill 26 described its purpose "to achieve fiscal savings and promote economic prosperity through public sector restructuring, streamlining and efficiency and to implement other aspects of the government's economic agenda" (Ontario, 1995).

While the Bill's main purpose was to find efficiencies and amend multiple existing *Acts* and provincial departments, the amendments to the *Municipal Act* and various other statutes related to municipal operations contained some of the most dramatic changes.

According to David Siegel, the *Savings and Restructuring Act* contained both permissive and mandatory elements. Permissive, Siegel argues, in that it allowed any group of municipalities to devise its own voluntary restructuring proposal, yet mandatory in that it also permitted municipalities to ask the Minister of Municipal Affairs and Housing to appoint a commissioner who could impose a binding agreement (Siegel 2005, 131). Municipalities were strongly encouraged by the Minister of Municipal Affairs and Housing to amalgamate voluntarily (Siegel 2005, 131). Any voluntary amalgamation, however, required the approval of what was described as a "triple majority"—the majority of the affected municipalities containing the majority of the affected population and the approval of the county council (Siegel 2005, 131).

More than a year after the implementation of Bill 26, very few municipalities had engaged in the intended government restructuring. By 1997, the Minister of Municipal Affairs and Housing had approved only 21 restructuring plans, reducing the number of municipalities by 50 (Sancton 2000, 106). Although the process seemed to be proceeding slowly, Andrew Sancton (2000) argues that two key developments sped up the restructuring process: first, the provincial government announced that it would amalgamate the municipalities within Metropolitan Toronto in December 1996; and, secondly, Chatham and all the constituent municipalities of Kent County were amalgamated at the order of provincially appointed commissioner Peter Meyboom (Sancton 2000, 106).

Although these twenty-one municipalities had been considering restructuring proposals for close to a year after the passage of Bill 26, they had been unable to reach agreement (Siegel 2005, 132). When provincial commissioner Peter Meyboom was appointed on February 6, 1997, he held five days of meetings in Chatham and Kent and gave each municipality one hour to provide recommendations (Downey and Williams 1998, 225). At the end of this series of meetings, Meyboom presented a draft report to local councils providing them with two options: a streamlined two-tier county system or a "unicity" model, which called for the complete amalgamation of all lower-tier municipalities and the dissolution of the county government (Downey and Williams 1998, 225). Of the twenty-two municipalities who received the report, twenty-one rejected total amalgamation (Downey and Williams 1998, 225). Yet, despite the affected municipalities' clear choice, Meyboom selected complete amalgamation for Chatham-Kent.

The amalgamation of Chatham with Kent County was significant in that it signaled to the rest of the municipalities in the province that there were consequences for not quickly pursuing voluntary restructuring. Robert J. Williams and Terrence J. Downey argue that numerous municipalities wanted to avoid "the Chatham-Kent experience" (1999, 187). Further, for many municipalities, "the strategy was to find a local solution among the county participants as a way to stave off being forcibly merged with a dominant urban municipality" (Williams and Downey 1999, 187).

Arriving at a similar conclusion, Andrew Sancton argued that the fear of forced restructuring provoked municipalities find suitable partners for amalgamation. He suggests:

From April 1997 onward, Chatham-Kent became the horrible example that no one else wanted to follow. Counties scurried to get on with restructuring so that they would avoid a commissioner. For many, the main object was to devise a plan that would not involve becoming linked with a populous urban centre whose residents could dominate the local political process (2000, 108).

Certainly, the "Chatham-Kent" experience provided many municipalities with the incentive to pursue restructuring, primarily in Ontario's rural communities. While rural areas were the primary sites of restructuring, the most highly publicized amalgamations occurred in some of Ontario's largest urban centres. In December 1996, the provincial government introduced Bill 103—the *City of Toronto Act*—that amalgamated all of the municipalities within Metropolitan Toronto (Friskin 2007, 251). The provincial government then turned its focus to regional governments with 1999's *Fewer Municipal Politicians Act*, which amalgamated the regional municipalities of Hamilton-Wentworth, Ottawa-Carleton and Sudbury and separated the regional municipality of Haldimand-Norfolk into two municipalities, Haldimand and Norfolk (Sancton 2000, 142).

The guiding rationale for the Progressive Conservative government to pursue restructuring was to reduce the number of politicians and municipal staff, lower taxes, remove levels of government and create more efficient municipal structures. The provincially published *Guide to Municipal Restructuring* sets out principles that municipalities should follow when pursuing restructuring, including less government, effective representation, and the "best value for taxpayer's dollar" (Downey and Williams 1998, 215).

While the Progressive Conservative government did proceed with a number of high-profile amalgamations in some of the province's largest urban areas—such as Toronto, Hamilton and Ottawa—Williams and Downey (1999) argue that, in fact, much

of the restructuring that occurred under the Harris government took place in rural Ontario. For example, in counties with a separated city, there were 283 lower tier municipalities prior to 1995 and 131 after 2000—a 53.7 percent reduction. While separated cities did absorb some of these municipalities, much of this restructuring involved consolidating small rural municipalities. Table 2.2 illustrates these restructurings in each area. The total number of municipalities listed in both columns includes the cities and towns separated from each county.

Table 2.3: Municipalities in Counties with Separated Cities		
County	Municipalities Prior to 1995	Municipalities in 2000
Elgin	16	8
Essex	22	8
Frontenac	15	5
Hastings	30	14
Lanark	19	9
Leeds and Grenville	25	13
Middlesex	22	9
Perth	16	6
Peterborough	20	9
Renfrew	37	18
Simcoe	16	16
Stormont, Dundas and Glengarry	21	7
Wellington	24	9
Total	283	131

In an examination of restructuring in four rural counties -Victoria, Dufferin, Wellington, and Perth - Williams and Downey found that, "the strategy was to find a local solution among the county participants as a way to stave off being forcibly merged with a dominant urban municipality" (1999, 187). As a result of this desire, much structural reorganization across rural Ontario was "hastily concluded" in an effort to avoid the experience of Chatham-Kent (Williams and Downey 1999, 187).

While previous sets of municipal reforms—such as the introduction of county and regional government—centred on re-defining the relationship between urban areas and their rural peripheries and addressing the challenges stemming from rapid urbanization, the restructuring of the 1990s primarily sought to achieve fiscal savings and reduce government. Despite this, the Mike Harris government dramatically reduced the number of lower tier municipalities in Ontario's counties, a key recommendation of reports during the county reform era, while placing larger municipal governments along the borders of the province's separated cities.

2.7.   Summary: The Current State of Ontario's Municipal Organization

Municipal organization in Ontario has proceeded in several phases. Early organization saw the province separated into administrative districts before being divided further into smaller units that still exist today in the form of counties. When a jurisdiction was urbanized within these constructs, its political separation followed an institutional logic that suggested that cities were too important to be entrenched within the more narrow politics of county life. They were, in essence, a different entity that needed a certain amount of institutional freedom in order to provide necessary services to their citizens and grow progressively.

Increased suburbanization gradually replaced this institutional logic with the idea that cities needed more control over their hinterland for growth, economic expansion and regional coordination through the development of common political institutions to guide these regions. Each institutional shift was accompanied by a change in the relationship

between our urban and rural areas. Over time, policy-makers came to view urban and rural areas as connected—a view that found itself intertwined in the institutional evolution of municipal organization in Ontario.

In light of these organizational shifts, city-county separation seems like an anachronism compared to its institutional counterparts. Several reports submitted to the provincial government during the 1970s and 1980s identified rapid urbanization as a key problem within Ontario's existing county system. As a result, two key reports—*County Government in Ontario* and *Toward an Ideal County*—recommended the re-integration of separated cities into their counties. Yet, despite these committees' convictions that separated cities should rejoin county life, the government did not take action to force separated cities back into county structures. When restructuring orders came from Queen's Park in the 1990s, Ontario's separated cities largely fell outside their purview, with smaller municipalities within the county system bearing the brunt of provincially initiated amalgamation. Once again, the government took little action to force separated cities back into county structures, mainly because the Harris Progressive Conservatives were more interested in eliminating governments than re-balancing the relationship between urban and rural Ontario.

Separated cities currently fall outside the prevailing logic of municipal organization in Ontario: they do not have formal institutional linkages with their hinterland and they do not have any formal mechanisms to provide for regional planning and coordination. Similar systems can be found in a number of jurisdictions in North

America. In the United States[8], Virginia[9] is the only state with a formal system of city-county separation, but several cities, such as Baltimore (1851) and St. Louis (1876), were separated from their counties, while several other jurisdictions, such as San Francisco (1856), Denver (1902), New Orleans (1813), Philadelphia (1854), Baton Rouge (1949) and Nashville (1962) have become coterminous with their counties (Bain 1967, 34).[10] In Canada, most provinces have urban centres that are separated politically from their surrounding rural areas. Only Quebec and British Columbia do not currently engage in this practice. Quebec, however, did participate in city-county separation until the introduction of provincial legislation in 1979 that abolished the province's 71 upper-tier rural counties and replaced them with 95 municipal regional counties that re-integrated previously separated cities (Sancton 2011, 125). All other provinces make a distinction between urban and rural areas, creating institutional structures that distinguish them both administratively and legally.

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[8] The power and responsibility of American counties varies significantly, with some counties–largely those in New England–having a very minimal functional scope and acting mostly as geographic designations. In other areas of the United States, counties provide a variety of services, such as courts, public utilities, libraries, hospitals, public health services, parks, roads and law enforcement. American counties have their broadest functional scope in western and southern states, where some counties also have responsibilities for social services, such as mental health services, welfare, and family and elder services. For more information see Menzel 1996; Duncombe 1977; Johnson, Ogden, Castleberry and Swanson 1972.

[9] In the Virginia municipal system there are several different classifications for municipal corporations. Municipalities having less than five thousand residents are classified as towns, while municipalities having more than five thousand residents are classified as cities. Cities are distinguished on the basis of population between second-class cities (those with five to ten thousand inhabitants) and first class cities (those with more than ten thousand inhabitants). First class cities are independent of any county structure while second-class cities retain some linkages to their counties, namely sharing the same circuit court and certain attendant officers. For more information, please see Bain, 1967.

[10] Virginia presents a unique case, as their statewide system of city-county separation appears to have evolved organically and, as some have suggested, had little influence from Great Britain. Chester Bain (1967) argues that Virginia's system was not imported directly from Great Britain, but evolved over time through state legislation. He also notes the system's complete absence from neighbouring states, such as West Virginia, indicating that it is a phenomenon unique to Virginia. Author E. Lee Sheppard holds a similar belief, arguing in 1977 that the Virginia General Assembly had created so many individual distinctions between their counties and their urban areas that city-county separation was already an established practice by the 1800s.

While forms of city-county separation exist elsewhere, it is Ontario's shift to regional government and new organizational thinking that makes this project interesting. Numerous counties in Ontario, in various states of suburbanization, still have separated cities in Ontario. Although the province has, since the 1950s, largely favoured the use of regional government, there has yet to be a study that assesses how city-county separation affects real world policy-making and service coordination. As described in Chapter 1, institutional variation continues to have an impact on the everyday lives of residents. The second part of this thesis focuses on identifying precisely what this impact is. What follows next, however, is a discussion of how existing academic literature has tended to view the evolution of municipal organization and the concept of regionalism.

Chapter 3: Regionalism – New and Old

3.   Introduction

As cities grow, suburban communities inevitably grow around them, creating metropolitan regions. This growth creates difficulties in area-wide policy coordination and planning as these regions often have dozens of municipal governments intertwined with other institutions, such as school boards. Finding common ground amongst so many institutionally distinct actors repeatedly proves challenging.

Determining how best to manage metropolitan areas has sparked a debate amongst academics, who have developed three main sets of theories: consolidation and reform perspectives, public choice theory and new regionalism. Each differs in how they view the role of government in metropolitan areas and the solutions they prescribe for the "metropolitan problem". Consolidationists believe that metropolitan areas are best linked through institutions. They favour policy tools such as annexation and amalgamation, believing that the institutional fragmentation that exists within metropolitan areas is inherently negative and harmful. Public choice scholars take an opposing view, believing that the institutional fragmentation within metropolitan areas is functional. These jurisdictions, they believe, engage in competition, which inevitably benefits the public. They advocate for little, if any, institutional change in metropolitan regions.

While these two paradigms consumed the debate around metropolitan organization for decades, a new perspective emerged in the 1990s: new regionalism. Proponents of new regionalism emphasize the use of governance—which they describe as the creation of flexible networks that address regional problems through principally

voluntary means—as opposed to government, which new regionalists see as the traditional, hierarchical structure of formal institutions. As such, new regionalists advocate for the use of voluntary linkages between jurisdictions to address the "metropolitan problem". They also emphasize the inclusion of non-governmental actors—such as the voluntary and private sector—into regional governance, creating complex networks of linked functions.

Many scholars have attempted to place these positions onto a spectrum of centralization versus decentralization (Walter-Rogg 2004; Norris 2001; Bourne 1999). On such a spectrum, "old regionalism" strategies of centralization—including amalgamation and annexation—are located at one extreme, while "new regionalism" and public choice strategies are located at the other end of the spectrum. This creates an array of institutional options that variously adhere to each model. In one example, Savitch and Vogel (2000) address various structural and non-structural approaches and place them on a spectrum ranging from governance to the government. They find that consolidation and multi-tiered approaches are closer to the centralized, "regional government" approaches and identify linked functions (inter-local service agreements), complex networks (functional, overlapping jurisdictions) and public choice (fragmentation) as examples of "regional governance" (161-164).

Figure 1.1, below, represents an example of this spectrum from governance to government:

Figure 3.1: Spectrum of different approaches to governing[11]

GOVERNANCE   GOVERNMENT
Fragmented   Consolidation

Pluralist/Public Choice   Regionalism
                          (New)   (Old)
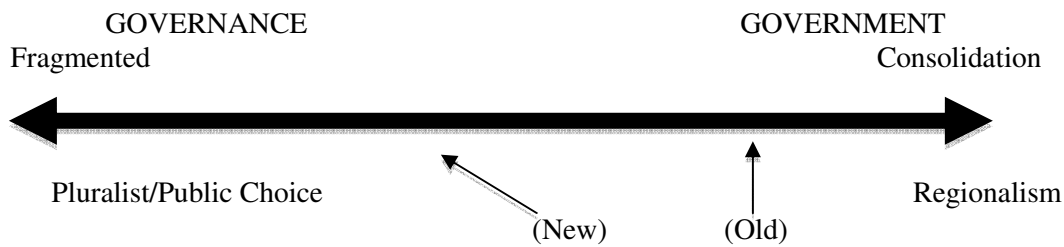
Within this particular conceptualization, fragmented and public choice approaches exist

at one end of the spectrum, whereby a market determines the pattern of local

governments and favours multiple, overlapping units over centralization. At the other end

of the spectrum are consolidation or "old regionalism" approaches, which favours

government re-organization as a solution to the "metropolitan problem". New

regionalism exists in the middle of the spectrum between these two positions. Much like

consolidationists, new regionalists acknowledge the need for regionally coordinated

policies and development, but similarly resist structural or institutional changes to bring

about such coordination—a position also shared with public choice proponents. Instead,

new regionalists opt for flexible, primarily voluntary networks that include both

traditional governments and non-governmental actors.

Since the introduction of the *Baldwin Act* in 1849, the governance of multi-

municipal regions in Ontario has found a place at different points of the spectrum

depicted in Figure 1. During the creation of metropolitan and regional government in the

1950s, 1960s and 1970s and the wide-scale use of consolidation techniques in the 1990s,

"government" was emphasized. This project, however, focuses on institutionally distinct

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[11] Adopted from Nelles (2009)

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multi-municipal regions. A standard form of municipal organization in the province for many years—city-county separation—has lost ground to metropolitan and regional government. Despite this, counties with separated cities remain as a significant governance structure. While parts of the county—namely, rural areas—fall under a traditionally tiered government model, the urban area of the county is institutionally distinct. The county government regulates many of the functions of the area, except for the relationship with its largest and most populated jurisdiction. This emphasized the need for "governance" models to link institutionally distinct rural and urban.

3.1.   Old Regionalism and the Reform Perspective

One of the traditional responses to multi-municipal fragmentation is consolidation. Groups of authors have viewed metropolitan areas as problematic, largely because the municipalities in metropolitan areas were seen as being in competition with each other. In this environment, policy coordination and continuity was challenging. Thus, to solve these issues, policy makers suggested bringing these jurisdictions together under a common government—whether it be a type of federation or a single government.

Three early authors were at the forefront of this reform movement: Paul Studenski, Victor Jones, and Luther Gulick. All three authors identified what they believed was a "metropolitan problem." To them, America's metropolitan areas constituted social and economic units, but not political ones. Consequently, metropolitan regions required some sort of coordinating mechanism that would provide for region-wide necessities and reverse the inequities that marked America's metropolitan experience.

Paul Studenski argues that each municipality in a metropolitan area is, "concerned with its own problems and interests and is inclined to regard its neighbours with a jealous eye" (1930, 10). Furthermore, Studenski believes that the fragmentation inherent within America's metropolitan areas is detrimental and required correction. Accordingly, he argues that, "proper community development means unification and coordination of metropolitan governments" (1930, 10).

To solve this "metropolitan problem", Studenski favours structural change, stressing that no single solution can be uniformly applied to metropolitan areas across the United States (1930, 388). However, Studenski suggests that a federated city model, whereby the municipalities within a metropolitan area are united under a single government devoted entirely to addressing regional issues, holds some promise. After examining a series of alternatives such as annexation and amalgamation, Studenski argues that a federated city is the only model that could, on one hand, provide the requisite amount of coordination between these areas, but, on the other hand, provide municipalities with the local autonomy they expected and refused to cede (1930, 389).

Writing in 1942, Victor Jones identifies structural problems within America's metropolitan regions. In *Metropolitan Government*, Jones describes how America's urban areas are politically fragmented between multiple municipalities, counties, school districts and special purpose bodies (1942, xix). To him, this represents a fundamental structural flaw: "Under the present system of local government there is no metropolitan coverage of essential functions and services…it is difficult and often impossible for the community to control its social and economic life" (Jones 1942, xx).

Much of this fragmentation, Jones argues, results from rapid population growth in the suburban areas that surround central cities (1942, 3). Since suburban areas outpace urban cores in terms of population growth, they eventually surround central cities and draw population away, creating fragmentation. This, Jones argues, is unsustainable if not chaotic: "co-ordination of policy and budgeting and popular control are difficult, if not impossible, when governmental power and responsibility are chopped up and the segments distributed to a larger number of agencies and authorities within the same area" (1942, 335).

Consequently, Jones favours three potential models: a reorganized city-county, a consolidated city-county and a federated city model. Jones suggests that these three models would result in a "giant municipality" that could provide servicing and planning for an entire metropolitan area (1942, 154). Annexation and amalgamation, Jones argues, "arouses too much opposition", while city-county separation is "more of a disintegrative than an integrative device" (1942, 154).

In *The Metropolitan Problem and American Ideas*, Gulick identifies many of the same problems with metropolitan areas in 1962 as Jones did in 1942. Gulick argues that the root of many of America's most pressing social problems at the time—poor education, poverty, high unemployment and crime—result from rapid urbanization in counties (1962, 9). This problem is difficult to solve, Gulick suggests, because structural solutions such as annexation and amalgamation were nearly impossible because of home rule and boundary guarantees (1962, 50). Instead, he argues that each "extension" of the government should be employed to correct the "metropolitan problem" (1962, 163). To this end, Gulick agrees that local coordination is necessary. While large counties could

help coordinate policy across metropolitan areas, a federated city model should be put into place to help those counties that are not (1962, 165).

Jones, Gulick and Studenski were some of the earliest American scholars to advocate for large-scale consolidation and structural reform in metropolitan areas. To solve the "metropolitan problem", all three argued that all municipalities—urban and suburban—should be brought into common political structures. Yet, while their solutions found some popularity, they were also, at times, challenged. Thus, while they remain three of the most prominent reform proponents, others—most notably David Rusk—have more recently advocated for consolidation and reform within metropolitan areas.

In a series of books, Rusk (1999; 2003) argues that central cities and their suburbs need to be viewed as single units. To account for growth, cities must be "elastic". Unlike Jones, Gulick and Studenski who view the "metropolitan problem" as multifaceted, Rusk focuses on racial and economic segregation. Consequently, Rusk advocates for the creation of metropolitan governments. For small and medium-sized metropolitan areas, Rusk recommends the expansion of the central city through "aggressive" annexation policies, city-county consolidation, or by simultaneously empowering county governments and weakening municipal governments (2003, 135). For larger metropolitan areas, Rusk notes, consolidation tools such as annexation do not work. Instead, Rusk advocates for greater regional cooperation, inclusionary zoning, regional land use and transportation planning and tax sharing throughout the metropolitan area (2003, 135).

To authors such as Jones, Gulick, Studenski and Rusk, the creation of common political institutions is the only way to achieve policy coordination and continuity in metropolitan areas. Since institutional fragmentation was the root cause of the

metropolitan disconnect, they believed that ending this fragmentation would inevitably end the problems that plagued metropolitan areas. These authors did not look favourably upon policy tools such as inter-local agreements, dismissing them as "stop-gap" measures. Structural reform, they argue, is necessary.

Similar ideas led to the creation of regional government in Ontario and put the existing system of city-county separation into question. While provincial policy makers in Ontario were less concerned about ending economic and social segregation than Rusk, they nevertheless shared the belief that common political institutions were the only way to extend the economic benefits of urban life to rural areas while providing central cities with control over immediate surrounding areas.

3.2. Public Choice and Fragmentation

Until the 1970s, the reform argument advanced by scholars like Jones, Gulick and Studenski dominated discussion about metropolitan governance. However, an economics-based approach soon rivaled this dominance. Beginning in the 1970s, another group of theorists argued that metropolitan areas were not the problem. Rather than viewing metropolitan regions as dominated by feuding, parochial interests, public choice scholars viewed them as functional (Ostrom, Tiebout and Warren 1961; Bish 1971; Bish and Ostrom 1974). Consequently, they suggest that these small local governments join a governmental marketplace in which a variety of bodies—including the volunteer sector and other special-purpose bodies such as school or public health boards—share responsibility on both large and small scales (Atkins, Dewitt and Thangavelu, 1999).

The public choice perspective rejects the notion that institutional consolidation is an answer to metropolitan problems. Instead, public choice theorists see institutional fragmentation as beneficial for effective and efficient service delivery. Two of the earliest proponents of this view were Robert Bish and Vincent Ostrom, whose 1973 book *Understanding Urban Government* makes a strong argument in favour of the public choice perspective. Bish and Ostrom insist that rather than being more efficient, big city governments are actually inefficient, unresponsive and cumbersome (1973, 5). They argue in favour of a governmental system of multiple, overlapping jurisdictions, which they contend will take advantage of diverse economies of scale for different public services. They further argue that competition is beneficial for a metropolitan region: constrained competition between multiple localities operating in different public service industries creates relatively efficient and responsive systems of government (1973, 6).

For Bish and Ostrom, metropolitan areas are akin to the private marketplace in which monopolistic providers are unhelpful and unwelcome (1973, 17). Multiple sources and multiple jurisdictions create competition leaving the citizen to act as a consumer and select the tax and services ratio that best suits them (Bish and Ostrom 1973, 20). Furthermore, Bish and Ostrom argue that there is not enough evidence to support the arguments of reform scholars such as Jones, Gulick or Studenski (1973, 91). Thus, because the public choice approach focuses on diversity of both individual preferences and the nature of public goods and services, it recommends no single institutional structure for urban government.

Many years after Bish and Ostrom's work, Ronald Oakerson (1999) continues the case for a public choice approach to local government. Instead of regarding metropolitan

areas as fragmented systems in need of organization and integration, Oakerson argues that it is more productive to view urban areas as local public economies, which he operationalizes as a set of relationships between the providers and producers of public goods and services (1999, 3).

As a rational choice based theory, public choice assumes that individuals are aware of the choices they have before them. This choice represents a simple dichotomy of voice versus exit: individuals can choose to vote or simply leave (voting with their feet) to a jurisdiction that better represents their favoured tax/services ratio. Similarly, Tiebout (1956) argues that the "consumer-voter" could select a community to live in that best reflects his or her desire for public good provisions. More governing units would inevitably result in more variation in public goods, thereby providing more choice for individuals. Although the proponents of public choice do, overall, emphasize "exit" over "voice" as a strategy for citizen-consumers, smaller governing units have demonstrated some increase in citizen representation and participation. A variety of participatory means, such as public meetings, hearings, elections and direct contact with officials, make government more accessible for individuals in smaller institutional settings (Bish 2001).

Public choice theory relies on a series of theoretical and empirical tenets. Theoretically, the public choice perspective relies heavily upon rational choice ideals and has the following qualities:

1. Individual behaviour should constitute the basic unit of analysis
2. Individuals are properly motivated by rationality and self-interest

3. Individuals adopt maximizing strategies to realize their private and public goals

4. The level of information a person has pertaining to a decision varies considerably from complete certainty to uncertainty

Additionally, public choice theory assumes that citizens and government are rational and, as such, the framework takes on following qualities when it is utilized:

1. A variety of local governments is more responsive than one, large government

2. Citizens can "vote with their feet"

3. Services can be achieved through a variety of government and private vendors to achieve economies of scale

4. The multiple number of governments and private companies providing services facilitates service delivery competition

5. Multiple governments allow for more citizens to participate in public affairs

6. The frequency of interaction between governments constitute a system of metropolitan governance that can successfully respond to metropolitan wide services and policy challenges.

Consequently, public choice theorists view metropolitan areas very differently than reformers. To reformers, fragmented metropolitan areas are marked by chaos; however, for the public choice group, they are efficient. Similarly, reformers view citizens in fragmented metropolitan areas as caught in the middle of feuding, parochial city councils and administrations, while public choice theorists view citizens as best positioned to exercise choice. Although the contrasts continue, the public choice theorists provide a

rationale for metropolitan area that imposes a semblance of order upon a system previously believed to be chaotic.

3.3. New Regionalism: Governance Versus Government

The consolidationist and public choice perspectives rest at opposite ends of the institutional spectrum. While one advocates for institutional change to bring coordination to metropolitan areas, the other advocates against institutional change and favours a governmental marketplace that increases citizen choice. In the 1990s, a middle ground emerged between these two positions. Referred to as "the new regionalism", this paradigm argues that effective metropolitan governance does not necessarily require consolidation. Instead, effective governance can be achieved through cooperative arrangements between governing units.

Over the past twenty years, new regionalist authors contend that cities have undergone tremendous changes and experienced patterns of activity that transcend political boundaries (Salet, Thornley and Kruegels 2003; Savitch and Vogel 1996; Vogel and Harrington 2003). Since population growth has gradually shifted from central cities to their surrounding suburbs, new regionalist authors cite corresponding issues such as urban sprawl, declining cities, growth concerns, and economic competition for the increased need of regional cooperation (Savith and Vogel 2000). Consequently, an integrated approach is necessary to address regional issues that transcend local boundaries. Moreover, the rise of globalization enhances the need for city-regions to be more cohesive and competitive (Kresl, 1992).

Frisken and Norris (2001) argue that new regionalists attempt to advance three

main goals:

1. Establish principally voluntary methods of promoting local government

   cooperation in metropolitan regions;

2. Address the negative externalities resulting from fragmented

   governmental structures; and

3. Provide fiscal and other forms of relief to impoverished central cities so

   that they can contribute more effectively to the economies of their regions.

To accomplish these goals, new regionalists place more emphasis on governance than

government. For new regionalists, government entails relying on formal institutional

structures to address policy problems (Phares 2009, xi). In contrast, governance addresses

metropolitan issues with a variety of means other than formal metropolitan structures

(Phares 2009, xi). Broadly defined, the new regionalists view governance as the inclusion

of non-political actors in the policy process, typically through networks as opposed to

hierarchies (Norris, 2001). Savitch and Vogel describe the distinction between

government and governance as follows:

> …whereas government is vertical and firmly institutionalized, governance is
> horizontal and flexible. Whereas government is formal and directed from above,
> governance is informal and self-regulating. Whereas higher level government (eg.
> states) connects to localities through demarcated procedures, lower level
> governance (eg. inter-local agreements) is looser and less confined by boundaries.
> Government reemphasizes the centralizing features of regionalism, whereas
> governance stresses the decentralizing virtues of local cooperation (2000, 161-
> 162).

Thus, new regionalists believe that a variety of voluntary means which include both

governmental and non-governmental private actors can effectively coordinate

metropolitan areas (Norris, Phares and Zimmerman 2009, 12). Through collaborative

networks, these actors can link a region.

The new regionalist paradigm emphasizes easily reached, voluntary means of

cooperation. Table 3.1, below, provides a summary of the tools utilized to provide

coordination within metropolitan areas:

Table 3.1: Regional Governance Approaches – Walker's Classification[12]	
Approach	**Summary Description**
Easiest	
Informal Cooperation	Collaborative and reciprocal actions between two local governments
Interlocal Service Agreements	Voluntary but formal agreements between two or more local governments
Joint Powers Agreements	Agreements between two or more local governments for joint planning, financing, and delivery of a service
Exterritorial Powers	Allows a city to exercise some regulatory authority outside of its boundary in rapidly developing un-incorporated areas
Regional Councils/Councils of Government	Local councils that rely mostly on voluntary efforts and move to regional agenda-definer and conflict-resolver roles
Federally Encouraged Single-Purpose Regional Bodies	Single-purpose regional bodies tied to federal funds
State Planning and Development Districts	Established by states in the 1960s and early 1970s to bring order to chaotic creation of federal special purpose regional programs
Contracting (private)	Service contracts with private providers
Middling	
Local Special Districts	Provides a single service of multiple related services on a multijurisdictional basis
Transfers of Functions	Shifting or responsibility for provision of a service from one jurisdiction to another
Annexation	Bringing an unincorporated area into an incorporated jurisdiction
Regional Special Districts	Region-wide districts providing services such as mass transit or sewage disposal

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[12] Adapted from Walker (1987)

Metro Multipurpose District	A regional district providing multiple functions
Reformed Urban County	Establishment of a charter county
Hardest	
One-Tier Consolidation	Consolidation of city and County
Two-Tier Restructuring	Division of functions between the local and regional
Three-Tier Restructuring	Agencies at multiple levels of government that absorb, consolidate or restructure new and/or existing roles and responsibilities

New regionalists advocate for the utilization of the tools listed in the "easiest" category, which are generally voluntary and flexible means. Of particular interest to this study are these types of cooperative mechanisms. The more structurally challenging mechanisms, such as those listed in the "hardest" and "middling" categories, would involve more "government"—the use of formal institutions to create policy—rather than "governance".

Despite the relative flexibility of the new regionalist approach, the paradigm does have its critics. The majority of these criticisms focus on the unlikelihood of cooperation among governing units (Frisken and Norris 2001; Norris 2001). To critics, new regionalists underestimate the nature of metropolitan politics. They argue that inter-jurisdictional conflict is rife within these areas and, as such, expecting voluntary cooperation between municipalities is wishful thinking. Cooperation, they note, achieves the same result as government (Norris, Phares and Zimmerman 2009, 12). As cooperation between governments is challenging on a variety of issues, government can be the tool to accomplish ends unreachable through voluntary means (Norris, Phares and Zimmerman 2009, 12). Additionally, they note that until there is a clear appetite for cooperation among the electorate and a clear incentive structure for local politicians, cooperation may be impossible on all but a handful of issues (Gainsborough 2001).

An examination of the Canadian context reveals similarly disheartening results for new regionalists. Exploring the validity of the new regionalist paradigm, Frisken (2001) examines Toronto and finds that the provincial government—not metropolitan or municipal government—was responsible for initiating or implementing most of the policies that helped to shape the region during the second half of the 20th century. These policies tended to be driven by provincial agendas that often had little to do with regionalist arguments and objectives. These findings lead Frisken to conclude that senior governments, even those with undisputed authority, have political and financial agendas that may not coincide with the tenets of regionalism (2001, 538). Sancton (2001) argues that while new regionalists could learn from the performance of Canadian regional institutions, their findings would not necessarily support new regionalist assumptions about the ability of regional structures to end city-suburban conflicts, contribute to regional economic development, or improve faltering urban cores.

The new regionalists view flexible, cooperative networks as the key to better integrating metropolitan areas. They favour primarily voluntary means of bringing policy continuity to areas that generally contain multiple, occasionally competing jurisdictions and look to both governmental and non-governmental actors to participate in the complex networks that facilitate governance within the metropolitan areas. Consequently, the Institutional Collective Action (ICA) framework represents an attempt to bridge the gap between the expectations of new regionalist scholars and governance reality. By providing variables that both positively and negatively affect the prospects of voluntary cooperation between jurisdictions, the Institutional Collective Action framework offers a

road map for cooperation that can demonstrate how different municipalities can work together if certain conditions are present.

3.4.   The Mechanics of Regionalism: Institutional Collective Action

American local government literature has used the Institutional Collective Action (ICA) framework—introduced by Feiock (2004, 6) as a "second generation" rational choice explanation for voluntary cooperation—extensively to explain cooperation, competition and policy variation within metropolitan areas.[13] As a rational-actor approach, the ICA framework ignores cultural or normative variables that may also affect cooperation. Instead, the framework is concerned with identifying factors that could tangibly affect the nature of cooperation between two (or more) municipalities.

The ICA framework has two main influences. The first is the pioneering work of Mancur Olson, who links the prospects of collective action with both perceived and realized benefits. According to Olson and subsequent researchers, if the conditions are right, cooperation can be achieved. Achieving balance between group and individual needs and wants is the challenge of collective action. The second influence is the ideas of new regionalists since the ICA framework emphasizes governance over government. To ICA scholars, governance encompasses more than city or county governments, but also

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[13] Ostrom (2005) argues that rational choices schools of thought can be divided into first- and second-generation models. She contends that first generation theories are based on "rational egoist assumptions", such as the assumptions that individuals have perfect information, consistent preferences regarding outcomes and seek to maximize material benefit (2005, 100). Second generation models, on the other hand, acknowledge the role that contextual factors, such as differing institutional structures and regional networks, play in shaping the incentives structures of agents. As such, the assumptions of perfect information, consistent preferences and the maximization of material benefit are relaxed and the idea of cost-benefit pay-off structures are examined within the institutional context of these areas (Vanberg 2002; Feiock 2007)

voluntary, non-for-profit, private organizations and intergovernmental linkages (Feiock, 2004). According to the new regionalists, cooperative agreements can link metropolitan regions, creating policy and servicing coherence throughout a region. In many respects, the ICA framework functions as the mechanics behind new regionalist ideas.

Cooperation results when two or more actors believe that the end result of cooperation is beneficial. Thus, cooperation is the most flexible alternative to formal institutional reform, as it allows local governments to decide which regional issues should be addressed collectively (Nelles 2009, 22). Additionally, cooperation is attractive to local governments because it allows partnerships to be formed generally without the intervention of senior levels of government. Hulst and van Montfort argue that local cooperation leaves the policy domains of local government intact and does not typically result in a permanent transfer or loss of local policy capacity, which they contend prevents local democracy from being "hollowed out" (2007, 8). Most municipalities practice some form of intercommunal cooperation.[14] When the benefit is clear or unreachable alone, cooperation is likely.

Individuals join groups for a number of reasons, but chief among their motivations include: 1) the desire to receive benefits they could not otherwise receive (Olson 1965); and 2) to advance common policy goals and preferences (Rothenberg 1992). Municipalities cooperate with each other after strict cost-benefit calculations. If the rewards of cooperation outstrip the costs, cooperation is likely. If they do not, cooperation is unlikely.

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[14] There are a variety of forms of cooperation between municipalities. The most basic being informal information sharing between municipal departments or municipal officials (either elected or staff) and ranging up to informal agreements over policy issues and formal inter-local service agreements. See also Hulst and van Montfort (2007).

In *The Logic of Collective Action*, Mancur Olson applies formal logic to group membership. Olson suggests that the purpose of all groups is the furtherance of their members' common interests (1965: 5). Thus, organizations that do not serve the interests of their members often fail (Olson 1965: 6). Additionally, Olson argues that purely individual interests are usually accomplished most efficiently through individual, unorganized action; however, when there are a number of individuals with a common interest, individual action will be insufficient (1965: 7). Yet, this does not mean that members must surrender their individual interests when joining a collective. In fact, Olson states members are often expected to pursue interests independently of the group (1965: 8). Consequently, the cost of joining a collective is a function of the rate or level of returns for members, while the advantage of joining a group is determined by the cost and aggregate value derived from group membership (1965: 22). Simply put, an individual enters a collective if the benefits of membership outweigh the costs while the advantages that the individual enjoys will determine whether or not they continue their membership.

Olson draws a distinction between large and small groups, arguing that larger groups often fail to provide group benefits to members because of their size (1965: 28). The more members a group has, the smaller the fraction of collective goods each member receives. As such, larger groups are less efficient in providing group benefits than smaller groups. Smaller groups, however, often provide a suboptimal amount of collective benefits to members. However, this sub-optimality depends on the fraction of benefits drawn by their largest members (Olson 1965: 28). What then constitutes an optimal group size? Olson states that a group composed of members of an unequal size (as measured

through a variety of factors, such as numerical size or importance), and therefore draw an unequal fraction of collective goods, demonstrate a reduced tendency towards sub-optimality (1965: 29). The breadth and depth of an organization matters: there cannot be too many members of disproportionate size to other members or no one will experience optimal benefits from the collective.

Dougherty summarizes Olson's major propositions as follows (2003: 18):

1. Free Rider Hypothesis: when actors benefit from collective goods, they are likely to free ride

2. Group Size Hypothesis: larger groups are more likely to fail than smaller ones

3. Exploitation Hypothesis: group members who receive larger benefits are more likely to contribute than group members who receive smaller benefits.

4. Asymmetry Hypothesis: groups with asymmetric benefits are more likely to succeed than group with symmetric benefits

5. By-Product Hypothesis: the successful provision of a collective good is often the by-product of selective incentives in large groups

These principles provide the foundation of the ICA framework. Following from his discussion of group size, Olson lists several factors that can both enhance or limit cooperation between municipalities: larger groups tend to distribute collective benefits to group members less efficiently than smaller groups, disproportionate member size can limit collective action, and groups with asymmetric benefits are more likely to succeed than those with symmetric benefits.

As a theoretical and conceptual tool, the ICA framework links the prospects for establishing cooperative agreements to transaction costs of which there are three

identifiable types: coordination problems resulting from information deficiencies, negotiation costs derived from dividing mutual gains and enforcement costs associated with monitoring any agreement (Maser, 1985). Consequently, cooperation between local governments increases when the potential benefits are high and the transaction costs of coordinating, negotiating, monitoring, and enforcing an arrangement are low (Lubell, Schneider, Scholz & Mete, 2002). Additionally, five groups of core variables influence cooperation between local jurisdictions: social capital, group composition, geographic density, power asymmetry and political leadership. While some studies have tested other variables, such as policy control and resource scarcity (Kanareck and Baldassare 1996; Williams 1967), careerism (Matking and Frederickson 2009; LeRoux and Pandey 2011), and business activity (Johnson and Neiman 2004), the variables listed above represent the core factors regularly represented in ICA work.

Social capital is a factor that positively affects cooperation (Ostrom, 1998; Gulati and Singh, 1998). Often, this is derived from social networks or patterns of interaction with others (Cook, Hardin and Levi 2005). Thus, consistent interaction between localities is more likely to result in a positive relationship between both political actors and city staff (Matkin and Frederickson, 2009). The increased interaction of these groupings of actors familiarizes them with each other, eventually leading to the reciprocation of trust, making the emergence of cooperative arrangements more likely.

The composition of any group is another important factor in reaching agreement. Two areas of group composition, in particular, exert particular influence over cooperation: group size and group homogeneity or heterogeneity. The size of the group determines how benefits can be distributed to members and the transaction costs

associated with negotiating and monitoring an agreement. Smaller groups are easier to form and have fewer problems associated with determining the allotment of benefits and monitoring agreements (Post 2004, 74). Larger groups are harder to organize, produce smaller benefits to members and create opportunities for some jurisdictions to free ride, which is why research demonstrates that the increased number of actors in any particular region will limit cooperation (Visser 2004). Additionally, the homogeneity of the actors is important in reaching a cooperative agreement. Post (2004, 84) argues that a decrease in the heterogeneity of the populations served by local governments entering new agreements is positively related to collective action. As such, a smaller group with a homogenous population will achieve cooperation more easily than a larger group with a more heterogeneous population.

Closely associated with group size is the government's geographic density. For several reasons, geographic density increases the likelihood of cooperation between local governments (Bickers and Stein 2004; Post 2002). For one, the relative closeness of local governments within an area increases the likelihood that residents of one jurisdiction may work in the other and vice versa. Individuals see themselves more as regional citizens and less isolated into one jurisdiction, increasing the pressure on politicians to similarly cooperate with other areas (Post 2004, 73). Secondly, a higher density of local governments implies greater spillover effects between jurisdictions. Consequently, externalities and economies of scale gradually motivate governing units to cooperate (Shretha and Feiock 2007).

A differential of power is another important variable in determining whether governing units can reach cooperative arrangements. The degree by which partners vary

in their power affects the motivation of actors and ultimately determines whether or not the relationship is coercive (Steinacker 2004). In any situation where power asymmetry is great, the stronger actor may exploit the weaker and coerce them into participating in an agreement. Additionally, the relative position of weaker actors may make cooperation a virtual necessity if the stronger actor holds more resources, especially if those resources are relatively unattainable for the weaker actor without cooperation.

Political leaders also have a large role in initiating and formalizing agreements. Where political leaders have more autonomy to make decisions—and, consequently, are stronger—cooperation is much easier to achieve; however, where a municipal government has very few autonomous areas of jurisdiction, its political leadership may be wary of ceding authority through cooperative arrangements (Alcantara and Nelles 2009). Nevertheless, research generally demonstrates that strong political leaders can overcome resistance to cooperation from council and various stakeholders (Post 2004). In general, the presence of strong political leadership in a municipality increases the chances for cooperation.

Listed below, in Table 3.2, are various factors that either positively and negatively affect cooperation:

Table 3.2: Factors Identified as Influencing Cooperation	
Social Capital and Interaction	+
Group Composition	
Larger Groups	-
Smaller Groups	+
Group Homogeneity	+
Group Heterogeneity	-
Geographic Density	
More Local Governments	+
Fewer Local Governments	-
Power Asymmetry	+
Political Leadership	

Strong Political Leadership	+
Weak Political Leadership	-

Transaction costs also affect the formation and outcome of cooperative agreements. Ugboro, Obeng and Talley define the transaction costs involved with inter-local cooperation as, "the costs of extensive decision making for negotiating, operating and enforcing the provisions of the system" (2001, 83). As Fieock (2007) reminds us, cooperative arrangements are most likely to arise when the benefits are high and the transaction costs of negotiating, coordinating, monitoring and enforcing agreements are low.

Existing research demonstrates four different and identifiable types of transaction costs: information and coordination costs, negotiation and division costs, enforcement and monitoring costs and agency costs (Feiock, 2007: 51). Coordination costs refer to the process of identifying opportunities for mutual gain and potential policy partners. Once a potential partner establishes a connection, a negotiation of formulas or procedures to allocate costs or benefits ensues. This can sometimes be a challenging process. As a result, the conditions under which the agreement was first established can change over the lifespan of an agreement, affecting each partner's perceived value and possibly increasing the incentive for either municipality to renege. Enforcement costs derive from efforts to maintain and adhere to the original content of the agreement, making community support a key in the ICA paradigm. And, finally, agency costs arise when the preferences of public officials negotiating agreements depart from the preferences of the citizens they represent (Feiock 2002).

These transaction costs are not mutually exclusive, as a number of transaction costs problems can affect one cooperative arrangement or potential cooperative arrangement. Feiock (2007) outlines each category of transaction costs which is represented below, in Table 3.3:

Table 3.3: Transaction Costs	
Transaction Cost	**Description**
Information/Coordination Costs	Information on the preferences of all participants over possible outcomes and their resources must be common knowledge
Negotiation/Division Costs	The parties must be able to agree on a division of their mutual gains
Enforcement/Monitoring Costs	There can be at most low costs associated with monitoring and enforcing the agreement
Agency Costs	The bargaining agents must effectively represent the interests of their constituents

Ultimately, in order for inter-local agreements to be of value for participating governments, transaction costs must be overcome. If either government cannot recognize a benefit to entering an agreement, they will not cooperate.

3.5.   The Limits of the ICA Framework

While the ICA framework is successful in uncovering factors that both help and hinder cooperation between municipalities in a number of jurisdictions, the application of the ICA framework for this project poses two challenges. First, the ICA framework has been primarily utilized in the study of large, American metropolitan areas. These areas are typified by urban-suburban relationships. In contrast, this project examines urban-rural relationships. This contextual change may alter the applicability of traditional ICA

variables. Secondly, the difference in institutional structures between Canadian and American municipalities may also alter the explanatory power of the framework.

As previously stated, researchers have used the ICA framework to test relationships in large American metropolitan areas. By their nature, these regions are typified by a large urban core surrounded by suburban municipalities. By contrast, separated cities and counties are areas that have an urban centre surrounded by rural municipalities. As a result, there is a stark difference between an urban-suburban relationship and an urban-rural one. Both relationships present actors with different interests and ideological preferences, as well as municipalities with differing amounts of resources and governing capacities. Due to these asymmetries, the application and testing of ICA variables may be challenging in regions with separated cities and counties.

The institutional distinctiveness between American and Canadian local government may also hinder the easy adoption of the ICA framework for two further reasons. First, the size of Canadian regions with separated cities pales in comparison to American metropolitan regions, creating much smaller policy networks. Secondly, and perhaps most importantly, provincial governments in Canada exert much more influence over their municipalities than do state governments in the United States. This discrepancy may greatly impact the nature of cooperation in the cases selected for inclusion in this study.

As a primarily American framework, ICA was created with several institutional assumptions in place, chief among them that metropolitan areas are comprised of municipal structures with little, if any, regional institutional linkages. This is not the case in Canada. While American metropolitan areas can contain hundreds, if not thousands, of

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governing units, Canadian regions with separated cities—especially those included in this study—number in the dozens, if even that high. In fact, the entire universe of cases included in this study is only 136, a wide range of observations for a Canadian study, but atypical of most American metropolitan areas. In the United States, ICA scholars have the ability to study hundreds of agreements between institutional actors, while Canadian studies must adjust any particular study of regional cooperation to a much smaller number of observable jurisdictions.

A second—and perhaps the more important—factor is government control and influence. In the United States, state governments are much less interventionist than in Canada, where provincial and regional governments have a wider influence over the activities of local governments. Nevertheless, existing American ICA literature does provide some information on the effect of intervention from senior levels of government. In the few cases in which it is addressed, ICA scholars argue that, on the one hand, increased regulation of local government behaviour by senior levels of government may negatively influence cooperation through increased expectations of central government intervention; however, on the other, incentives from senior levels of government may positively influence cooperation (Post, 2004). While some research (Morgan and Hirlinger 1991; Krueger and Bernick 2010) demonstrates promise in connecting state regulation to a decreasing likelihood of cooperation, Post (2004) argues that more research is necessary in order to fully assess the impact of central government influence and control on inter-local cooperation.

Conversely, initial research in Canada suggests that municipalities under threat of intervention from senior levels of government are more amenable to reaching a

negotiated settlement with neighbouring municipalities (Alcantara and Nelles 2009). However, initial research also shows that municipalities are self-interested actors. While central governments may regulate some behaviour, most municipalities do not want to surrender policy or process control to central authorities. To reach an agreement, most municipalities will want to independently dictate the terms of this agreement. In spite of this, it remains unclear whether or not the direct threat of intervention influences governments to cooperate or whether the general threat of intervention is sufficient enough to draw cooperative results.

Although the application of the ICA framework for this project is challenging, I hypothesize that the framework's variables can overcome the changes in the institutional context between American metropolitan areas and Ontario's counties with separated cities. While there are many differences between separated cities and counties and the areas that the ICA framework generally studies, there are also common factors will help this study produce tangible insights. For instance, ICA relies on processes and outcomes—mainly cooperative agreements—that are similar in Canada. The attitudinal inputs that the ICA framework utilizes are also similar in Canada. And, finally, the common link between the two nations are cooperation and several other ICA variables, such as leadership, that defy institutional context.

3.6. Summary

Examining the different theoretical approaches to metropolitan governance is important for a number of reasons. While American metropolitan regions are much different than the multi-municipal separated cities and counties found in Ontario, they nevertheless do share some similarities, such as the lack of institutional linkages between central cities and their suburban and rural peripheries. This system, as described in Chapter 2, was intentionally designed this way to allow both areas to develop independently without imposing on the other any of the unique challenges that rural and urban areas independently experience.

However, this arrangement has ultimately created a situation in which the rural and suburban municipalities surrounding the area's urban core are subject to a degree of institutional regulation by the county while the central city remains institutionally free from its surrounding jurisdictions. Since policy coordination and development must come from the use of informal and formal governance agreement, the ICA framework provides factors that both positively and negatively influence cooperation within these regions. In the following chapters, this study will examine four policy areas—planning, boundary expansion, social service delivery and the creation of formal agreements—through an ICA lens to provide an in-depth examination of the relationship between separated cities and counties.

Chapter 4 – Border Issues and Expansion

4.   Introduction

In the past twenty years, nearly every separated city or town in Ontario has undergone some form of boundary extension, whether through annexation[15] or amalgamation.[16] The ICA framework views border expansion as another method of facilitating service delivery through a wide geographic area. Annexation, amalgamation and even the use of special districts are all alternative methods of cooperation (Carr 2005, 235). Flexible boundaries facilitate cooperation as municipalities seek optimal institutional arrangements for service delivery and policy creation (Feiock and Carr 2001). Research demonstrates that boundary expansion may reduce more ad hoc forms of cooperation—including signed informal or formal agreements—mainly because expansion secures a permanent market for the production or provision of public goods and reduces the need of selling excess capacity (Mullin 2007).

The ICA framework is grounded in rational choice perspectives, which is to say that it generally ignores cultural or societal variables. Boundary expansion is a delicate endeavour; thus, in many cases, smaller municipalities are reluctant to relinquish territory and its corresponding assessment base. Moreover, boundary expansion can result in very public disagreements that may require provincial intervention. These types of conflicts

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[15] The notable exceptions are Brockville, Prescott, St. Mary's and Orillia, whose borders remained fixed during this time period.

[16] The only current separated city in Ontario created through amalgamation is the City of Quinte West, which was created in 1998 through the consolidation of the separated city of Trenton, the village of Frankford and the townships of Sidney and Murray. Although the province was beginning to phase out city-county separation in the late 1980s (as discussed in Chapter 2), Quinte West was created separately from Hastings County mainly because its largest component, the City of Trenton, was already separated from the county. While Hastings County initially objected to the separate creation of Quinte West, representatives from each municipality undergoing consolidation agreed that the new city should not be part of the county's structure. Having a strong desire to see consolidation occur across the province, the government of Ontario relented and allowed Quinte West to be created as a separated city.

can harm the relationship between both municipalities if they are not handled carefully. Due to this reaction, municipalities do not seek boundary expansion to facilitate service extension; rather, municipalities seek alternative means to achieve servicing in an effort to avoid boundary expansion. Consequently, the ICA framework suggests that boundary expansion can harm the relationship between two municipalities and lead to less cooperation.

This chapter reviews three case studies in order to explore how boundary expansion has been used across the province and what effect these border adjustments have had on cooperation in each area. Specifically, I will analyze the most recent boundary expansions in Guelph, London and Barrie.

4.1.   Boundary Expansion in Regional Government

In Ontario's counties with a separated city, there were 283 lower tier municipalities prior to 1995 and 131 after 2000—a 53.7 percent reduction. Much of this results from the province's push towards amalgamation, as discussed in chapter 2. However, during this period there were also 115 individual boundary expansions in Ontario's counties with a separated town or city.[17] By comparison, only 8 boundary changes occurred in Ontario's regional government during the same time period. Many of these changes include the wholesale consolidation of the Region of Hamilton-Wentworth,

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[17] I obtained this information from the Ministry of Municipal Affairs and Housing's Municipal Restructuring Activity Summary Table.

Metropolitan Toronto, the Region of Ottawa-Carleton, and Sudbury Region and the separation of the Region of Haldimand-Norfolk.[18]

Aside from these larger conversions of regional governments into single-tier municipalities, there have been very few boundary changes in Ontario's regional governments from 1995 onwards:

- <u>Region of Peel and Halton Region:</u> In January of 2010, Mississauga and the Region of Peel agreed to an annexation plan with the Town of Milton and Halton region that saw close to 1,000 acres in the "Ninth Line" community transferred from Milton to Mississauga so that the city's borders adjoined Highway 407 (City of Mississauga 2009). Mississauga and Peel paid $3,290,000 in compensation to Milton and Halton in exchange for the land (City of Mississauga 2009).

- <u>Region of Waterloo:</u> On September 1, 2008, the province approved a very minor annexation of 29 hectares from North Dumfries to the City of Cambridge in order to bring consistent zoning to a proposed housing development (Minister of Municipal Affairs and Housing 2008).

- <u>York Region:</u> In July of 2001, a minor annexation of half an acre was approved that transferred land slated for a subdivision in the Town of Aurora to the City of Richmond Hill to ensure consistent zoning for the proposed project (Minister of Municipal Affairs and Housing 2001).

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[18] Some authors, such as Williams and Downey (1999), argue that much of the restructuring during this period occurred in Ontario's rural areas, where smaller towns and villages were consolidated to eliminate what politicians perceived as inefficiencies. This may partially explain the large differences in the number of boundary changes between county and regional government in the province.

Each of these annexations was relatively minor, with the largest transfer occurring between Mississauga and Milton. This particular annexation was challenging primarily because it involved transferring land from one regional government to another. The two other annexations were also very minor and involved land transfers that were already enclosed within the same regional government. In comparison to Cambridge and Richmond Hill, North Dumfries and Aurora are more rural municipalities. In both cases, it was sensible from a zoning perspective to make the development projects within each municipality consistent.

This prompts an important question: why have so few boundary expansions occurred in Ontario's regional governments? Upper tier government assumes the responsibility for regional planning matters and transportation. As Fyfe (1975) argues, regional government is designed to provide urban centres with more control over their immediate hinterland. In regional governments, urban areas are able to express their opinions about the development that occurs around them, mainly through their participation on regional councils.

This is not the case in areas with separated cities and counties. Since there are no institutional ties linking a separated city to its county, there is no connection between the growth that occurs within the city's boundaries and the growth that occurs outside its borders. Any development in the county falls outside of the city's borders and, consequently, remains inaccessible to the city in terms of assessment. The county provides no regional planning to ensure that there is an equitable division of costs for the maintenance of roads or infrastructure. This explains why separated municipalities tend

to be more proactive in ensuring that they control new development and potential
employment lands.

4.2.   Boundary Expansion in London

London grew slowly through a number of annexations early in its history.
Following incorporation, London underwent 15 major boundary changes, with the first
coming in 1885. Further major annexations followed in 1897, 1912, 1950, 1954 and
1960. In 1979, London again saw the need to expand. Very little, however, was done to
enlarge the city's borders and meet these needs until 1988. Citing a lack of available
industrial land, the city informed the province that it wanted to annex 4,339 hectares of
land from London Township and 2,792 hectares from Westminister (Sancton 1998, 166).
In January 1988, the city formally approved an annexation by-law, although the extent of
the land in question was not disclosed (Sancton 1998, 167).

In a statement to the Ministry of Municipal Affairs, the City of London argued
that rapid growth was occurring in Westminister and London Township. City officials
noted that Westminister had "aggressively" moved to develop Lambeth and its
surrounding area to accommodate 7,000 to 8,500 more residents over the next ten to
fifteen years (City of London 1988, 2-2). They continued by arguing that the same
activity was occurring north of its borders in London Township, but that this growth was
constrained by a lack of water supply and sewage disposal (London 1988, 2-2). East of
the city, London officials noted their concern about development in West Nissouri and
North Dorchester townships, areas mostly to the south of the London airport (City of
London 1988, 2-2).

In 1989, the province appointed a "fact finder" to investigate the proposed annexation and report back. Published in April 1990, the report recommended the appointment of a negotiating team that would include representatives from the City of London, Westminister, the Township of London, West Nissouri, North Dorchester, Delaware and the County of Middlesex (Ministry of Municipal Affairs and Housing 1990, 80).

While the recommendations of the "fact finding" report were fairly straightforward, it nevertheless reached a number of interesting conclusions. Chief among them was that Westminister would have no additional debt capacity for future projects after the construction of a new sanitary sewer system. Specifically, the report argued that, "an annexation of the Town of Westminister and the Township of London would threaten the viability of the County of Middlesex" (Ministry of Municipal Affairs and Housing 1990, iii). Secondly, the "fact finder" noted the presence of 11 different inter-local agreements between the City of London, its immediate neighbours and the county for a variety of service areas including water servicing and treatment to Westminister, London Township and Delaware Township (Ministry of Municipal Affairs and Housing 1990, 78).

After a lengthy negotiation and arbitration process, the province passed the *London-Middlesex Act*, effective January 1, 1993, allowing the City of London to finally acquire portions of land from the Town of Westminster and the Townships of Delaware, London, West Nissouri and North Dorchester (Ontario 1992, 1). The Town of Westminster was dissolved, with the majority of its territory transferred to the City of London and the remaining parts transferred to the Townships of Delaware and North

Dorchester (Ontario 1992, 1). Portions of the Township of London were to be annexed to the Township of West Nissouri, while the Village of Belmont received portions of both North Dorchester and the Town of Westminister (Ontario 1992, 1).

Interestingly, it was concern about development occurring on its periphery that spurred London's most recent border extension. The province intervened and legislated a conclusion, leaving many in the county to believe that the government was more interested in urban expansion than rural preservation (McCool 1992). In this instance, however, the province was adhering to the plan originally developed when London was first separated from Middlesex County: urban development would be largely contained within city borders, while the county's lower-tiers remained rural. By allowing London to extend its borders into the suburbanizing areas in the county, the province was ensuring that the institution of city-county separation would continue in the London area. While the county did not insist on changing this system, some county lower-tier municipalities were no longer comfortable remaining rural. Consequently, some county lower-tier municipalities want to embrace development and expand their assessment base, an aspect of London development that I will explore further in the following chapter.

4.3. Boundary Expansion in Barrie

Since 1954, Barrie's borders have been changed nine times through annexation of lands from neighbouring townships in order to accommodate the city's rapid growth (Birnbaum, Nicolet and Taylor 2004, 19). Over the past decade, Barrie's population has increased by over 65 percent, leading municipal officials to seek new land for commercial and residential expansion. As a result of these growth pressures, Barrie

recently pursued a large annexation of territory to its south, causing tension with its neighbours and within the county.

In 2002, city planners informed Barrie city council that the city was quickly running out of employment land and required additional land to sustain internal employment (Personal Interview – June 14, 2012). Since city planners had previously encouraged a policy of density to avoid further suburban expansion within the city's boundaries, they argued that this should continue for residential housing and development although additional industrial land was necessary (Personal Interview – June 1, 2012).[19] Expansion offered the best opportunity to fulfill this future growth.

The city commissioned the Greater Barrie Local Government Review, which ultimately called for Barrie and its neighbouring community of Innisfil to form a single city separate from the county (Birnbaum, Nicolet and Taylor 2004, 19). The report also looked at more realistic proposals, arguing that annexation was inevitable and the "moratorium lands" established in the wake of Barrie and Innisfil's 1981 annexation provided the best opportunity for Barrie's expansion (Meridian Planning Consultants 2002, 4). Innisfil, predictably, rejected this proposal in a report released in response to Barrie's commission later in 2002 (Innisfil 2002, ii). Deflecting Barrie's advances, the report recommended that Barrie pursue densification in its planning and concluded that, "the City of Barrie needs to look at opportunities for managing growth within its current boundaries before it looks outwards" (Innisfil 2002, ii).

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[19] A report by Meridian Planning Consultants, commissioned by Barrie in 2001, echoed the predictions of city planners. The report argues that, "The City of Barrie will continue to be the major centre of population and economic growth in the region…it lacks a sufficient land base to meet growth requirements in the short terms". It continued by arguing that, "combining the city's additional land need for both residential and employment uses, a minimum of 750 hectares of land beyond the current boundaries is required to meet growth needs to 2021" (Meridian Planning Consultants 2002, 4).

In 2008, the City of Barrie introduced a proposal to annex 518 hectares of industrial land in Innisfil. Illustrated below is the land proposed for annexation:

Image 4.1: Boundaries of Barrie-Innisfil Boundary Adjustment
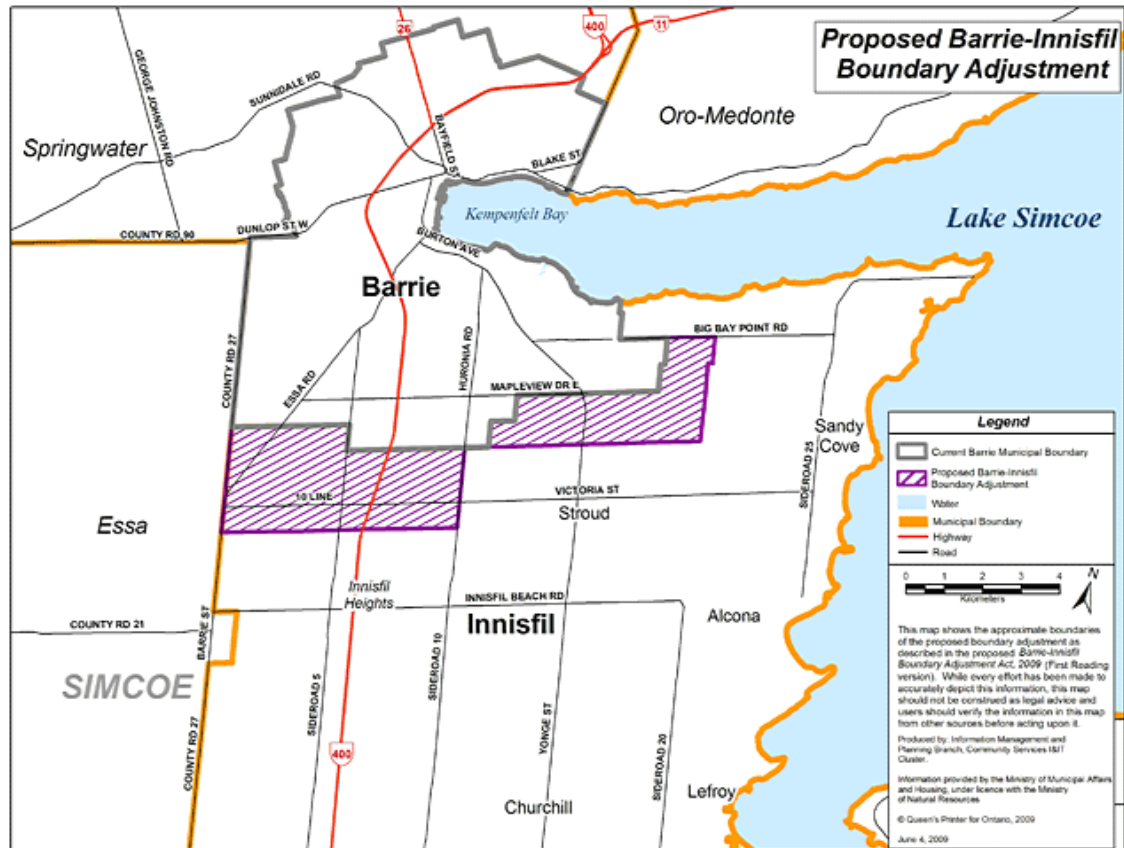
(Source: City of Barrie)

With a 2008 population of 180,000, Barrie wished to accommodate a population of 220,000 in order to make upgrades to its sewage treatment plant more affordable (Watt 2008a). In exchange for the land, Barrie proposed to extend servicing to approximately 188 hectares of the Innisfil Heights community (Watt 2008a). Innisfil initially rejected the proposal, with Mayor Brian Jackson arguing that, "we found it not acceptable for the following reasons: the development charges would result in us having a development charge 50 per cent higher than Barrie, which would make us uncompetitive; there was an

imbalance in the exchange of lands, with Barrie receiving twice as much land as it would service; there was no commitment when we could have the additional 188 hectares serviced" (Watt 2008a). Although Alan Wells, the provincial development facilitator, attempted to resolve this impasse, talks soon broke down (Watt 2008b).

When Simcoe County released a revised growth plan that envisioned industrial growth along the Highway 400 corridor south of Barrie, the city criticized it for misplacing regional priorities (Watt 2008c). Barrie councilor Barry Ward argued that, "the plan encumbers the City of Barrie's ability to achieve the expectations set out for it as an urban growth centre" (Watt 2008c). The plan envisioned 228,000 more area residents over the next 25 years, of which Barrie would receive only 10,000 (Watt 2008c). The majority of this population growth would occur along Highway 400 outside of the city, in growing population centres such as Alliston where an expanded Honda plant was expected to increase the population and create economic nodes along provincial highways in Bradford West Gwillimbury and Innisfil (Watt 2008c). Barrie argued that these projections were unsupported by current growth trends and that population growth should be directed towards the city itself, where density could be better achieved and public transportation more easily provided.

While the county's growth projections intensified Barrie's desire to annex industrial land in Innisfil, a report by the bond-rating agency Standard and Poor's added additional urgency to their expansion plans. In the summer of 2008, Standard and Poor's released a report arguing that Barrie's economic future was directly linked to its ability to expand (Watt 2008d).

During this 2006 debate, the province released a growth report under the title *Places to Grow*, a plan intended to better control the development in the Greater Golden Horseshoe (Ontario 2009, 1). Finding rapid rates of development in the Simcoe area, the province decided to examine the region's growth trends in more depth to better accommodate future development. Simcoe County was, according to the report, under "intense development pressures," (Ontario 2009, 1).

Places to Grow is an expansive plan, of which Simcoe is only one part. Left unchecked, the report suggests that growth in the Simcoe region could increase the population to over one million people by 2031 (Ontario 2009, 5). Utilizing proper planning practices, the report projects a healthy estimate of 667,000 inhabitants and an employment forecast of 254,000 jobs (Ontario 2009, 5). To achieve these development goals, the province focused on the creation of "urban nodes" in the five largest communities in the Simcoe area: Barrie, Orillia, Collingwood, Alliston and Bradford West Gwillimbury (Ontario 2009, 9). By directing growth to these areas and encouraging density, the province hoped to avoid unrestrained growth and sprawl into the more rural parts of the county.

Of the portion of the report focused on the Simcoe area, much of it was centred on Barrie. Specifically, the report argues that Barrie had the greatest opportunity to bring density to the area, noting that, "Barrie will be recognized as the anchor node of the Simcoe area, and will continue to function as the primary location for new population and employment growth and regional services…Barrie will also have the strongest focus in the Simcoe area on intensification and higher density development, and should achieve transit and pedestrian-friendly urban form in all of its communities" (Ontario 2009, 9).

To reach its growth targets, the plan required the city to achieve or exceed a downtown density of one hundred and fifty combined residents and jobs per hectare, a greenfield density of fifty combined residents and jobs per hectare, and intensification of at least 40 percent of annual development inside the existing built-up area (Ontario 2009, 9). To match these goals, the report noted, Barrie would require "a sufficient supply of land to accommodate future growth"—a notion that undoubtedly did not sit well with opponents of Barrie's proposed annexation in Innisfil (Ontario 2009, 9).

The other areas designated as "urban nodes" were not afforded the same amount of attention, although the report did note that they were part of a "hierarchy of settlement" within the area. As such, these areas were prioritized for growth over other, more rural communities, which the province wanted to remain available for farmland and agricultural production (Ontario 2009, 10). The report's final priority was the development of land along the Highway 400 corridor for manufacturing, another key aspect of Barrie's internal growth plans (Ontario 2009, 18).

In February 2009, Barrie's Member of the Provincial Parliament (MPP), Aileen Carroll, wrote a letter to her cabinet colleague, Jim Watson, the Minister of Municipal Affairs, arguing that it was time for the province to intervene and complete the annexation process. In her letter, Carroll states that, "the viability of Barrie's future as an urban growth designate in Central Ontario is at play…with the importance of Barrie's future growth at stake, and with the option of a local solution completely exhausted, I urge the Province to intervene to resolve this matter" (Watt 2009a).

Innisfil and county politicians negatively received Carroll's letter. Following a joint meeting hosted by Municipal Affairs Minister Jim Watson, the county came to

support Innisfil's position that an annexation was unnecessary (Watt 2009b). Believing

that the province was supporting Barrie's position, Innisfil refused to resume discussions.

Innisfil mayor Brian Jackson confirmed this sentiment, arguing that, "Barrie has gotten

the ear of the province…we're trying to do the same thing, but it's troublesome" (Watt

2009b). County warden Tony Guergis also echoed Jackson's feelings regarding Carroll's

letter, stating that, "Aileen Carroll's message is clearly not respective [sic] of the fact that

the province asked us to work together – and Barrie did not" (Ward 2009c). Guergis also

felt that Barrie's criticism of the county's growth plan was unnecessary, arguing that

Barrie had been invited to provide input into the plan's creation but chose not to

participate, creating the impression that the city was uninterested in actively cooperating

with its neighbouring municipalities and the county (Ward 2009c). Guergis continued by

arguing that, "this is about a bad political decision – rewarding the only municipality that

does not co-operate with its neighbours" (Ward 2009c).

After waiting one year to discuss the proposed annexation with provincial

officials, Innisfil mayor Brian Jackson got an opportunity to meet with Municipal Affairs

Minister Jim Watson in February of 2009 (Vanderlinde 2009a). Jackson's main goal was

to convince Watson that the current agreement did not mutually benefit both

communities, declaring, "I'm not about to sell out my municipality…this needs to be a

win-win situation" (Vanderlinde 2009a). Jackson also stated his belief that Barrie was

waiting for the province to unilaterally change the city's boundaries, to the detriment of

Innisfil, and that Carroll, along with other Barrie politicians, did not want to find a local

solution (Vanderlinde 2009a). Jackson publicly proposed an alternative agreement that

would see one acre of its employment zone in Innisfil Heights on the Highway 400

corridor serviced by Barrie for every acre that it gave the city through boundary adjustment (Vanderlinde 2009a).

During their meeting, Watson stated that the province wanted to see a resolution within a timely manner and would not allow the situation to drag on for another year. Moreover, if both sides were unable to reach a compromise, the province would "do it for them" (Vanderlinde 2009b). Watson reiterated his desire to see a local solution to the boundary dispute in a March 5th letter addressed to Barrie mayor Dave Aspden, Innisfil mayor Brian Jackson and Simcoe County warden Tony Guergis (Watt 2009d). Within this letter, Watson stated that, "based on our discussions, I believe we all share the view that there is a need to address this issue in a timely manner and that a resolution is required to allow all parties to move ahead with important planning, investment and governance decisions" (Watt 2009d).

Despite Watson's insistence in finding a local solution to the boundary dispute, Barrie continued to lobby the provincial government to solve the disagreement (Watt 2009e). In response, Simcoe County council passed a resolution urging the province not to "reward" Barrie for refusing to work with its neighbours and plan for growth (Watt 2009e). Innisfil summarily passed two resolutions criticizing the proposed boundary changes (Watt 2009e). In response to the two resolutions, Innisfil mayor Brian Jackson stated that, "it's time we stand up…taking a significant portion of lands away would cripple the town for future development" (Watt 2009e). County warden Tony Guergis was equally pointed in his comments, stating that, "the message Barrie is sending out is that they know better…that's really scary" (Watt 2009f).

Innisfil began a public relations campaign in May 2009 to persuade Barrie to re-enter discussions (Watt 2009g). Naming their efforts the "Fair Growth" campaign, Innisfil officials contracted a Toronto public relations firm to design radio, print and web advertisements publicizing their position in the dispute (Watt 2009g). Their first radio advertisement had a clear message, asking: "What are the politicians in Barrie up to? Did you know they want to double their population and take thousands of acres from Innisfil to do it?" (Watt 2009g). As a result of the campaign, Barrie councilors received hundreds of angry emails from county and city residents (Watt 2009h).

On May 28th, the Fair Growth campaign culminated with a demonstration at Queen's Park. The campaign bussed more than two hundred demonstrators to the provincial legislature while representatives from the town and county held a press conference. County warden Tony Guergis argued that, "we're asking the province to insist Barrie come back to the table and bring forward realistic expectations as to where growth will go…we're asking for a local solution" (Hain 2009).

Barrie MPP Aileen Carroll was critical of the demonstration and press conference, arguing that the impasse and the "antics" of Simcoe County politicians were costing the area jobs and slowing its economic progress (Watt 2009i). Carroll again called on her provincial colleagues to impose a solution while denouncing the Fair Growth campaign, arguing that, "they're deliberately and wildly inflating numbers to position themselves politically for an inevitable outcome – the province finding a remedy…it's regrettable it's come to this" (Watt 2009i).

On June 3rd, the MPP for York-Simcoe, Julia Munro, introduced a petition calling on the government to allow a local solution to emerge (Hansard, June 3, 2009). Munro,

whose riding covers Innisfil and large parts of southern Simcoe County, argued that, "a locally negotiated solution that fairly distributes population and employment growth ensures everyone wins" (Munro: Hansard, June 3, 2009).

On June 4th, the province eventually proposed a solution that awarded Barrie nearly 2,300 hectares of land, enlarging its land base by approximately 30 percent (Vanderlinde 2009c). While introducing the *Barrie-Innisfil Boundary Adjustment Act*, Jim Watson argued that, "all local options have failed and this government is prepared to act, and to act decisively, because this issue has dragged on for too long" (Watson: Hansard, June 4, 2009). In a later debate, Watson re-iterated the need for the province to act immediately:

> This has been going on since 1981: almost 30 years of bickering back and forth. The time to act is now because there was clearly a polarized position between Innisfil and Barrie. Simcoe was not able to resolve it; the province was not able to resolve it. We actually brought in the provincial facilitator to help, and he was not able to resolve it….so this bill has not been rushed. In fact, if anything, previous governments should have dealt with this sooner. We're taking a leadership role. We're moving on it after 30 years. Enough is enough. Let's get back to economic development, smart growth, good planning and creating the jobs of tomorrow for the people of Barrie, Innisfil and all of Simcoe County (Watson: Hansard, September 23, 2009).

On December 8th, the provincial legislature approved the *Barrie-Innisfil Boundary Adjustment Act*.[20] Importantly, the decision did not provide Barrie with all of the land that its officials had initially requested, an aspect that Innisfil mayor Brian Jackson credited to the town's Fair Growth campaign: "I think the campaign has been effective…it sent a clear message to the province, a clear view of what we expected" (Vanderlinde 2009c).

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[20] The Act passed with 59 members–mainly Liberals–in favour, and 27 members–mainly opposition party members–opposed.

While Barrie was awarded a significant amount of land from Innisfil, it did not receive the Innisfil Heights area—which the province recognized as a clear growth area for Innisfil, designating it an enterprise growth zone—a victory in the eyes of Innisfil and county politicians (Vanderlinde 2009c). The land that Barrie was awarded was primarily rural and located around the Highway 400 corridor south of the city, affecting approximately three hundred residents (Vanderlinde 2009c). Ironically, one of the three hundred residents affected by the boundary change was Innisfil mayor Brian Jackson, an ardent critic of the annexation proposal. Commenting to the press, Jackson expressed that he was "sad" that he would be a Barrie resident at the beginning of the new year, when the *Act* took effect (Vanderlinde 2009c).

In December of 2009, county councilors passed two resolutions that effectively ended the dispute and attempted to reconcile its relationship with Barrie (Watt 2009j). Despite the long process, both groups ultimately decided to attempt repairing their relationship. Their efforts resulted in the creation of a growth nodes committee, which included not only county growth nodes of Bradford, Alliston and Collingwood, but also Barrie and Orillia. This committee was intended to communicate and coordinate growth goals and strategies in an effort to avoid the same type of confusion and hostility that had resulted from the divergent growth strategies of the county and Barrie two years earlier (Watt 2009j). County politicians were mostly willing to put the dispute behind them, with Tiny Township mayor Peggy Breckenridge blaming the province for dividing both communities: "it's the province that pitted us against each other…it's the province that pitted us against the City of Barrie" (Watt 2009j).

Much like London, Barrie officials were concerned about development; namely, the City's supply of good quality industrial land and its ability to create jobs within its boundaries in the future. However, unlike London, the land Barrie officials sought was from a municipality that was no longer rural. Although the municipalities around Barrie were primarily rural with agriculturally focused economies when Barrie initially separated from Simcoe County, these municipalities—including Innisfil—had gradually become suburban. Due to its location south of the county, residents slowly migrated to these areas with the intention of commuting during the week to areas within the Greater Toronto Area (GTA) for work. No longer was there a clear distinction between urban Barrie and its neighbouring rural communities.

When the province intervened to bring a resolution to the dispute, it did so in a very different environment than in London. While the province used similar logic to approve an urban boundary expansion—namely the promotion of an urban economy and its development—it also explored the promotion of several other urban nodes throughout the county with its *Places to Grow* legislation. Although Barrie was established as an "anchor node", the remainder of the county was not designated as being solely rural. In fact, certain parts of the county were being allowed—and, in some cases, even encouraged—to become more suburban. Currently, Innisfil is now larger in terms of population than the county's other separated city, Orillia. Two other southern Simcoe municipalities—Bradford West Gwillimbury and New Tecumseth—are also slowly rivaling Orillia's population figure.

The rapid rate of suburbanization in Simcoe County is blurring the distinction between the criteria that once led to city-county separation. Certain areas within the

county have become suburban communities, with many in the south now key destinations for commuters in the Greater Toronto Area. The province helped facilitate this expansion and even encouraged certain areas to grow rapidly through their *Places to Grow* legislation. This is largely why the boundary dispute between Barrie and Innisfil intensified so quickly, since both had designs to develop and further attract industry and residents. Innisfil is no longer content to be rural and the ambitions of both communities now conflict, resulting in a very public, drawn out dispute over land primed for future industrial and commercial expansion.

4.4.   Boundary Expansion in Guelph

Guelph's rapid growth has been the impetus for several boundary extensions throughout its history. The city experienced two early boundary expansions in 1840 and 1854, respectively. Its borders remained largely unchanged until a series of annexations began in the 1950s, with expansions following in 1952, 1959, 1966, 1968 and 1971. During the 1970s, Guelph and Wellington found themselves drawn into the province-wide shift towards regional government, mainly because of the growth of four new regional governments on their borders—Peel, Halton, Hamilton-Wentworth and Waterloo. Officials from Guelph and Wellington began to believe that they might find themselves within a regional government when the Waterloo Area Local Government Review, chaired by Stewart Fyfe, did not preclude an examination of the boundaries of the former County of Waterloo, which previously included Guelph and Wellington (Ontario 1970, 22). However, Fyfe's report stated that there was little interest in undertaking regional reform in the Guelph-Wellington area (Ontario 1970, 21).

After this experience, the county and city created the Wellington-Guelph Area Study Committee to review existing institutions within the region. Submitted in January 1971, the report offered five alternative structures for the county ranging from the status quo to the creation of a new single tier county which incorporated Guelph into its structure (Williams and Downey 1999, 179). The final proposal called for the establishment of a regional government (Williams and Downey 1999, 179). However, after provincial pressures "cooled out", no action was ultimately taken (Williams and Downey 1999, 179).

In 1990, Wellington County initiated an examination into their governance structure. The interim report, released in 1990, laid out two options for restructuring: 1) a partnership model and 2) ending the separation of the City of Guelph from the county (County of Wellington 1990, 28). The first option, a partnership model, would see the creation of a joint management board, with equal representation from both Guelph and the county, that would oversee the delivery of a number of services (County of Wellington 1990, 28). The report, however, did not specify which services would be under the purview of the joint services board. The second option, re-integrating Guelph back into the county system, was ultimately determined to be untenable because Guelph would not agree to reduce its possible representation on a reconstituted county council (County of Wellington 1991, 64).

While there were no significant changes to the county structure that emerged in the wake of the county's final report, the City of Guelph again engaged in boundary expansion to facilitate future population growth. The rationale for the expansion centered on water supply, specifically the Arkell Springs Water Supply Area located within

Puslinch Township (Proctor and Redfern Group 1988a, 1). Since the Arkell Springs supplied between 30 and 70 percent of the city's daily water needs, Guelph officials sought to "protect" the supply source by bringing the area into the city's boundaries (Proctor and Redfern Group 1988a, 1). Guelph dramatically expanded its boundaries in three large annexations in 1990, 1991 and 1993 after the completion of several studies.

The need to annex this water source was highly dependent on projected growth figures for Guelph. In one report, the consulting firm Proctor and Redfern Group estimated that the city's population would reach 112,000 residents by 2011, a sharp increase from the 85,000 that then resided in the city (Proctor and Redfern Group 1988a, 4). The report argued that Guelph was growing at a quicker pace than the rest of the province (Proctor and Redfern Group 1988b, 1).

The Proctor and Redfern report concluded that Guelph had adequate residential land for population growth until 2011, but needed an expanded supply of industrial land. The report argued that density was key to the city's residential growth, stating that, "historic evidence suggests that not all additional housing units are built upon the vacant land inventory…Guelph, like most of Ontario's cities, has many more potential apartment sites than market demand warrants " (Proctor and Redfern 1988b, 17). Although the report suggested that downzoning certain lands may be required to accommodate future residential demand, the greater concern was the lack of industrial land that was available within the city's limits (Proctor and Redfern 1988b, 20). Thus, the report concluded that Guelph would require a maximum of 964 additional acres of industrial land to meet growth demands by 2011 (Proctor and Redfern 1988b, 21).

While the report began as an examination of the city's water needs, it quickly became dominated by Guelph's need to absorb more industrial land. In fact, the report even took a near alarmist tone towards the situation, arguing that, "while the market and flexibility arguments for the additional lands suitable for residential use are oriented towards potential future needs, the industrial land market has an immediate need for additional lands…the additional land is necessary for Guelph to maintain a competitive position" (Proctor and Redfern 1988b, 27). If Guelph did not secure new industrial land, the report concluded that it would be unable to remain "in the industrial lands business" (Proctor and Redfern 1988b, 28).

The report determined that Guelph required an immediate additional 600 acres of land to meet industrial requirements (Proctor and Redfern 1989, 10). County officials wanted assurance that there were no such lands available within the city already, arguing that even by re-developing and re-zoning current lands, the city would still be short of the required amount of land (Proctor and Redfern 1989, 10). The report found that suitable lands for Guelph's expansion existed to the south of the city and along its north and northwest boundaries (Proctor and Redfern 1989, 10). After examining several possibilities, the report concluded that a parcel of land to the south of the city—adjacent to the Hanlon Parkway—offered the best chance for the city's industrial expansion, with a second set of lands to the west—in the Hanlon Business Park—offering the next best solution (Proctor and Redfern 1989, 22). In the short-term, the report concluded that it might be desirable for the city to annex lands adjacent to its Northwest Industrial Park for immediate expansion (Proctor and Redfern 1989, 22).

A report prepared by Wellington County planning staff in response to Proctor and Redfern, largely agreed with the position that Guelph required additional lands to expand. The report reassured Guelph that the county "intends to ensure that urban areas have adequate lands to support growth for the next 20 to 25 years" (Cousins 1990, 1). Wellington was willing to provide the city with the lands it needed to expand, but had concerns about the viability of the county and its municipalities in the future. The county wanted to see Guelph take on a more "compact urban form" in its future planning and "discourage a land use pattern on [its] fringe" (Cousins 1990, 2).

The Wellington report argued that Guelph required 1,400 to 1,500 additional acres of industrial land to expand until 2016 (Cousins 1990, 6). However, the county recommended that Guelph receive as much as 3,000 acres so that it had the necessary "flexibility" to allow for more rapid growth (Cousins 1990, 7). As the county explained, "flexibility" was behind its decision to recommend a larger than required annexation area:

> Projections are only our "best guess" at what the future will bring. If growth is slower than predicted, the urban areas will have a surplus of land at the end of the planning period, which it can simply use in the future. If growth is more rapid than predicted, the urban area will have a shortfall of land before the end of the planning period. This will cause the annexation process to be opened up at an earlier date than expected. One method of providing flexibility for the City of Guelph would be to provide more land than is needed for 125,000 people and try to accommodate, to as great an extent as possible, the high population forecast of 140,000 people (Cousins 1990, 6-7).

Since the county wanted to remain rural, its concern with the annexation process lay primarily in the preservation of quality farmland. Consequently, the report recommended that the area south of Guelph be annexed over the areas to the north and west of the city since these lands were poorer agriculturally, as compared to the north and west areas

(Cousins 1990, 9). Additionally, areas to the south were closer to Highway 401 and the Hanlon Parkway, which Wellington County felt were more "attractive to both business and resident[s] who commute to work in the Toronto area" (Cousins 1990, 9).

While the report found lands to the south more desirable, it also argued that annexing lands in this area would have a negative impact on the community of Puslinch. The areas that the city wanted to annex—primarily for access to the Arkell Springs and for industrial expansion—represented 64% of Puslinch's commercial and industrial tax base, which in turn represented 10% of the county's tax base (Cousins 1990, 10). Additionally, the proposed area also contained the town office, a fire hall, a community centre, a sportsfield, a library, the town roads garage and a county roads garage—all of which were recently constructed (Cousins 1990, 10). County officials worried expanding into this area would sever Puslinch's connection to these facilities.

Consequently, the report concluded that while areas to the east and west were not favoured for annexation because of their value as prime agricultural lands, expanding to the south would have a "devastating effect" on the viability of Puslinch as a community and would "weaken" the county (Cousins 1990, 10). Furthermore, there was no plan for expansion past 2016 and further annexation of rural land was undesirable (Cousins 1990, 11). Since the Wellington County official plan discouraged development along the city's boundaries in the hope of creating viable rural communities, the report recommended the creation of a cooperative planning mechanism within the area to ensure the increased density of Guelph and protection of rural communities well into the future (Cousins 1990, 11).

Ultimately, Guelph annexed 4,420 acres from the county (County of Wellington 1994, 1). 742 acres came from Guelph Township, while the bulk—3,678 acres—came from Puslinch (County of Wellington 1994, 1). The annexation greatly expanded the city's southern and northern borders, providing additional lands for industrial expansion well into the future.

Guelph's most recent annexation was significantly different than in London and Barrie. To provide the city with enough room to grow well into the future, Guelph negotiated with the county. Although the county was unenthusiastic about losing land and held concerns about the continued health of Puslinch, they recognized the need for the city to grow. The county also wanted to remain rural, believing that the sustainability of their communities relied upon the maintenance of their rural culture. Therefore, directing urban growth towards Guelph was in their best interest. Unlike the communities surrounding London and Barrie, their lower-tier municipalities held no aspirations to become suburban enclaves adjoining their larger urban neighbour, which facilitated a smoother annexation and adhered to the original logic of city-county separation.

4.4. Impact on Cooperation

London, Barrie and Guelph made an effort to annex additional land out of shared concerns regarding development outside of their borders and the future availability of commercial and industrial land. Allowing this potential development to occur outside of their borders was a prospect each city refused to accept. Since Barrie and London's counties opposed expansion, the provincial government was forced to intervene. In both cases, the province largely sided with the cities and boundary changes did occur.

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Guelph's situation, however, was much different. The county worked alongside the city to identify potential land for Guelph's expansion while maintaining the integrity of the county's rural character.

Once annexation was complete in London, attention turned to organizing the details of the new municipal structure. This involved staffing change and transfers of assets and debts. Within this environment, London officials interviewed for this project indicated that there was some lingering tension (Personal Interview – February 6, 2012). Nevertheless, officials on both sides eventually began accepting what had happened and moved on from the annexation, with one London official stating that "it started very quickly….we had to sit down and work things through" (Personal Interview – February 6, 2012).

In both areas, there were few direct efforts by either side to repair the relationship. Instead, respondents indicated that this happened over time, as both sides worked through the processes of annexation. Joint meetings and discussions, however, acted as a "release valve" for lingering tension (Personal Interview – February 6, 2012). Nevertheless, these tensions eventually receded with one Middlesex County politician noting that as politicians changed—through election and retirement—the ordeal was not as fresh in people's minds and stopped hanging over city and county politics (Personal Interview – March 2, 2012).

Similarly, tensions eventually subsided in the Barrie-Simcoe region as they did in London and Middlesex County. Respondents in Barrie and Simcoe indicate that there is very little lingering animosity regarding the dispute and that the relationship has largely returned to where it was before the annexation fight began. Once again, Simcoe and

Barrie respondents feel that this is largely because of the amount of new politicians in leadership positions within both areas. In the county, fifteen new county councilors were elected during the 2010 election. The mayor of Barrie lost his bid for re-election, as did county warden Tony Guergis, who did not return to his post as mayor of Springwater. With a new mayor of Barrie in place along with a new county warden, the dispute was largely put aside, as many of the strong personalities involved did not return to office. The Mayor of the City of Barrie agreed that this dual change in leadership was valuable, noting that "when there was a change in leadership here in Barrie and a change of leadership in the county the attitudes changed with the people and I think that's improved things…the attitude is much more collegial and supportive than it has in the past" (Personal Interview – June 14, 2012).

A change in staff also occurred in both Barrie and Innisfil, a second contributing factor in putting aside the dispute. Many senior Innisfil officials left the town's employment when the dispute concluded and Barrie's CAO retired shortly after the introduction of the *Barrie-Innisfil Boundary Adjustment Act*.[21] The change in staff and politicians enabled the two communities to receive a fresh start after the dispute.

Former Innisfil mayor Brian Jackson, who fought adamantly against any boundary expansion into his town but nevertheless became a Barrie resident himself once the new boundaries were set, campaigned and won a seat on Barrie city council for the reconstituted Ward 9 constituency that was formerly Innisfil land.[22] In press reports,

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[21] While it is unknown why many Innisfil staff left, Barrie's CAO was scheduled to retire and his departure was unrelated to the city's role in the boundary dispute.

[22] The *Barrie-Innisfil Boundary Adjustment Act* included a clause that current Innisfil politicians who were Barrie residents after the annexation were allowed to run in Innisfil during the 2010 election, despite not residing in the municipality. While two Innisfil councilors did take this step and ran for a spot on Innisfil

Jackson argued that, "I consider (the annexation) history…it's time to move forward for the betterment of both municipalities" (Simon 2010). Councilors from Barrie report that Jackson's presence is appreciated; moreover, as a former mayor, he brings a unique perspective to council (Personal Interview – June 1, 2012).

Barrie mayor Jeff Lehman also increased his efforts to reach out to the county on a regular basis. Following his inauguration, Barrie's mayor appeared before Innisfil's council to argue that the two communities shared much in common and put the incident behind them (Personal Interview – June 14, 2012). Early in his term, Barrie's mayor also called the newly elected county warden and placed himself on the Human Services Committee, a committee previously lacking Barrie representation (Personal Interview – June 14, 2012).[23] Many county councilors appreciate Lehman's gestures, believing that he is sincere in wanting to promote cooperation between both sides (Personal Interview – May 30, 2012; Personal Interview – May 31, 2012).

Thus, the dispute seems to be over, with both the county and Barrie in general agreement that Barrie has the land it needs to expand well into the future. The mayors of neighbouring municipalities, such as Oro-Medonte and Springwater, report that where they once felt a threat of annexation from Barrie, the boundary expansion into Innisfil has allowed them to "breathe a little easier" (Personal Interview – June 1, 2012). Nearly three years after the dispute, both city and county respondents report that they are moving on with other priorities.

council despite now being Barrie residents, Jackson did not. He justified his decision to run in Barrie in the local Innisfil press: "The province made the decision for me when they annexed my home to the city…we live there and I work in the city; I thought it was appropriate to run in that particular ward". For more information, see Simon, 2010.

[23] More information on the Human Services Committee, the significance of Lehman's gesture and the Consolidated Municipal Service Manager program in Ontario is provided in Chapter 6.

The annexation process in Guelph and Wellington took a different path than the border expansions in London and Barrie. By including the county throughout the process, Guelph's expansion caused very little tension with the county. However, Guelph continues to raise a number of concerns about development along its borders, causing the county—particularly the county's lower-tier municipalities near the city's borders—some apprehension. It is believed that Guelph officials are planning another round of boundary expansions, which respondents from the county intend to challenge.

With the region's borders relatively set and designed to allow growth where necessary, few border conflicts have emerged between Guelph and Wellington County over the past decade. However, respondents report that Guelph officials have been very cautious about the type of development that occurs immediately outside the city's border. Two recent planning issues have pitted the City of Guelph against neighbouring Puslinch at the Ontario Municipal Board. In the summer of 2010, the Ontario Municipal Board (OMB) heard a case from Guelph regarding the severance of a residential lot. While Wellington County, Puslinch and the Grand River Conservation Authority supported the application of the landowner, Guelph officials objected, arguing that the proposed severance did not constitute good land use planning (Ontario Municipal Board 2010[a]).[24] The second case involves the relocation of an automobile dealer from southern Guelph to Puslinch on a location on Brock Road, only 2.5 kilometres from the border between the two communities (Ontario Municipal Board 2010[b]). Once again, Guelph officials argued that the development constituted poor planning (Ontario Municipal Board

[24] For more information on the case, please see OMB Case Number PL100035.

2010[b]).[25] Puslinch officials argued that Guelph's repeated objections to development within its borders "doesn't build strong relationships" (Personal Interview – April 16, 2012). In both cases, the OMB ruled that Puslinch and the county were adhering to good planning principles.

For the most part, Puslinch officials contend that Guelph politicians do not object to development well inside the township's borders, but development on or near Guelph's boundaries causes city officials to take notice (Personal Interview – April 13, 2012). Officials believe that Guelph wants to control the type of development that occurs in the area because it has plans to annex this area in the future (Personal Interview – April 13, 2012). Guelph officials admit that they do see this development as somewhat problematic since Guelph would like to see development occur within its borders. Consequently, outlying development poses a challenge to the city's long-term goals. While only a handful of OMB challenges have resulted from these concern, one former Guelph councilor argues that any future development close to the city is "a conflict in the waiting" (Personal Interview – May 2, 2012).

The boundary expansions in London, Guelph and Barrie have all had lingering effects. In some cases, these border changes created a negative effect on the relationship between the city and the county; in others, this process left very few scars. In all cases, however, the way that the city addressed and worked through the proposed expansion helped set the tone of the post-consolidation relationship between the city and the county.

As the ICA framework suggests, leadership and social capital are key variables in fostering strong relationships. Yet, as this analysis of boundary expansion demonstrates,

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[25] For more information on the case, please see OMB Case Number PL091041.

there are mixed results for both of these variables. While Barrie's officials made direct efforts to repair their relationship with the county, London took the opposite approach and let the relationship heal over time. Conversely, Guelph had to make very little effort to repair its relationship because its approach toward expansion included the county and left few lingering tensions. Thus, although each city used vastly different approaches, they nevertheless yielded very similar results: ultimately, the relationship was restored. As such, ICA literature on leadership and social capital appears unhelpful in this instance.

Whether an effort to restore a relationship after annexation occurs or not, relations generally tend to stabilize. Respondents argue that this is because most of those involved in the expansion on both sides—politicians and staff—generally tend to re-locate or avoid seeking re-election. As these key players no longer have a prominent role, new officials come into place with little knowledge—or, more precisely, few emotions—of the annexation which enables the relationship to return to normal.

4.5.   Conclusion

Institutional Collective Action scholars view boundary change as another avenue in ensuring service delivery through metropolitan areas. Annexation, amalgamation and even the use of special districts can facilitate the delivery of certain services throughout a wide geographic area (Carr 2005, 235). Flexible boundaries, then, constitute another form of cooperation whereby municipalities seek optimal institutional arrangements for service delivery and policy creation (Feiock and Carr 2001). Some research suggests that boundary expansion may reduce more ad hoc forms of cooperation, including the signing of informal or formal agreements, mainly because expansion secures a permanent market

for the production or provision of public goods and reduces the need of selling excess

capacity (Mullin 2007).

The impetus for boundary expansion in each of the case studies described above

was not service delivery to other communities. Rather, London, Guelph and Barrie

sought additional lands for their own development. As such, the ICA framework is

unhelpful in this instance. Moreover, as previously discussed, boundary expansion can

reduce cooperation. Although this is consistent with ICA research into border changes,

cooperation decreased in some of the above case studies for different reasons than the

ICA framework posits. Instead of reducing the need for cooperation by creating

permanent internal markets for goods, boundary expansion can sour the relationship

between a county and its separated city because the development goals of each

community fundamentally clash.[26]

Urban municipalities will always be concerned about development and expansion,

which incites them to attempt controlling growth outside of their borders. Further, since

growth results in a loss of assessment, there is a strong desire to ensure that new

development occurs within city boundaries so that it can be taxed for the benefit of local

residents. Regional government provides central cities with some level of control over the

development occurring around them although separated cities have no control over the

growth occurring outside of their borders. In London, Guelph and Barrie, officials from

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[26] Some ICA research has considered this aspect, but since it has been primarily concentrated in economic development, it is not entirely analogous. What is interesting about existing literature is how municipalities perceive competition. Johnson and Neiman (2004) find that as the number of municipalities within a metropolitan area increases, so too does the perception of competition. Municipalities within these areas hold the belief that their neighbours are attempting to gain economic development opportunities at their expense. The authors suggest that a great deal of consolidation is necessary to contain these competitive pressures. These same pressures could be at play with urban growth within separated cities and counties, although more research is necessary to establish a clear link.

each city sought to extend their municipal boundaries in an effort to control the growth occurring outside of their borders and to provide their cities with enough land for future industrial and commercial expansion.

In London and Barrie, the desire for expansion resulted in public feuds that caused tension between the city and the county. In both instances, the province needed to intervene. However, this intervention also ensured the preservation of city-county separation. By allowing several rounds of progressive outward expansion, the province was ensuring that separated cities remained primarily urban, while their surrounding neighbours remained primarily rural, thereby maintaining the balance in these areas that was envisioned in the Baldwin Act.

Officials from each city took different approaches to overcome the resulting tensions from their annexations. Barrie politicians made efforts to reach out to the county to repair their relationship while officials in London did not. In both cases, the relationship returned to normal, but, arguably, this process took longer in London. Nevertheless, respondents note that boundary expansion did not seriously harm any efforts to form cooperative agreements immediately afterwards.

For the most part, county respondents understand the desire of central cities to expand and control their assessment base—which explains why Wellington County was so eager to help facilitate Guelph's expansion—and county municipalities are generally content to remain rural. Boundary expansion in Guelph and Wellington proceeded as intended under the city-county separation model imported to the province: the county wanted to remain rural, the city wanted to remain urban and both sides were willing to make concessions to maintain this relationship.

This did not occur in London and Barrie. The communities around both cities were expanding, attracting new residents and business. London officials saw the growth around the city as a threat to their development plans, while Barrie councilors feared that any further development around the city's borders would leave it without any new lands for employment. Officials from both municipalities wanted to ensure that growth occurred within their borders, rather than outside of it, because they did not want newly suburbanizing communities to rival them.

Expansion disputes tend to occur when the ambition of the central city impacts the ambition of certain neighbouring municipalities. Innisfil officials, for example, had designs to expand and develop industrially. Officials from municipalities around London harboured the same desire and continued to explore scenarios to achieve this growth. By agreeing to the demands of central cities for additional land, these municipalities jeopardized their own plans for expansion and development. As such, the amicability of annexations depends on the degree of development in the county. Regional government became a priority for the provincial government when the rural areas around cities became increasingly urbanized because the province saw them as a way of regulating and directing this growth.

Regional planning was an important component of the province's scheme to implement regional governments across the province. Since central cities wanted more control over their neighbouring suburban municipalities, developing a central planning authority constituted one step towards that goal. The types of long, drawn-out boundary extension disputes detailed above likely could have been avoided if central cities had the opportunity to provide some input in the development occurring outside of their

immediate borders. In the next chapter, I explore three planning arrangements in St. Thomas-Elgin County, London-Middlesex and Simcoe County. The planning experience of these three areas is vastly different than municipalities included in regional governments and each took a dissimilar path. London has no regional planning institutions, which has led to disputes between the city and its rapidly growing neighbouring towns; St. Thomas participates in a joint-planning board with its closest lower-tier neighbour in the county; and, finally, the provincial government has capped and regulated the growth in Simcoe County.

Chapter 5 – Planning

5.   Introduction

As explained in the previous chapter, development outside of urban areas can lead to boundary expansion and, in certain cases, increased tension between affected municipalities. In counties with a separated city, there are no institutional linkages between both areas, which can lead to a desire from urban areas to control development and ensure that it is within their borders. Conflict can result when the county and the city's desire for growth and expansion clash. This tension stems from the lack of common political institutions: development in urban areas does not directly benefit the county, while development in the county does not necessarily benefit urban areas.

Regional government creates linkages between rural and urban areas previously unseen in counties with separated cities. This creates mutually beneficial growth and development plans for all areas within the region's borders. The type of competition described between London, Barrie and their rapidly growing neighbours in the last chapter is not present in regional government which can likely be attributed to the presence of common planning mechanisms.

In regional government, the upper-tier assumes responsibility of regional planning. During early examinations into the feasibility of regional government in Ontario, several reports noted that one of the main benefits of implementing a two-tier government was the creation of bodies with a large scope for planning functions, which provide more coordination between the urban and rural components of each region, thereby reducing competition for assessment and industry (Ontario 1965, 173). When

regional government became a reality in Ontario, upper-tiers were given responsibility for regional planning in addition to other related services, such as arterial roads, sewage disposal and bulk water treatment (Fyfe 1975, 362).

Formal regional planning does not exist in counties with separated cities. While both the county and the city have planning offices, there are usually no formal efforts to provide planning mechanisms for the entire region. While there is a connection between the local, lower-tier planning efforts and the county planning efforts through county council, the city's planners are generally not consulted and vice versa. The lack of institutional connection between separated cities and counties can have a negative effect on planning within the region and has historically led to disputes between both sides.

Existing ICA studies say little about cooperative planning institutions. American studies of cooperative agreements find few areas of cooperation in planning (Andrew 2008). This could very well be because planning arrangements are hard to negotiate and difficult to enforce. While there are certainly municipalities that benefit from the byproduct of growth in another municipality, municipal officials are typically narrowly focused on the immediate benefits to their municipality (Swanstrom 1987; Basolo and Hastings 2003). As such, planning can be a narrowly focused exercise. Overcoming this barrier can be challenging for those hoping to cooperate on planning issues.

The ICA framework suggests that the impression that benefits are selective will harm the prospect for cooperation (Feiock 2007). If cooperation is not seen as being fully beneficial to both participants, cooperation is unlikely. Consequently, cooperation in planning can, at times, give the impression that growth is a selective benefit unless development is clearly regional in nature. Thus, the challenges in negotiating and

monitoring planning arrangements may ultimately prove too severe. Simply put, the transaction costs may be too high.

In this chapter, I explore three planning experiences in separated cities and counties. First, I analyze the relationship between London and Middlesex County. There are no common planning mechanisms in London and Middlesex County, leading to some disputes over water servicing extension from the city and the placement of settlement in towns adjoining London. In the second, I consider a unique arrangement in Elgin County, where the separated city of St. Thomas has entered into a cooperative planning arrangement with its neighbouring lower-tier municipalities from the county. Finally, I review the impact of provincially imposed growth and planning documents in Simcoe County, where the *Places to Grow* plan has applied strict conditions on growth and development in one of Canada's fastest growing communities.[27]

5.1.　Growth and Change in the London Area

For many years, London has experienced growth outside of its borders, resulting in a large annexation of adjoining county territory in 1993. Despite this large annexation, growth in the county continued. Much of this growth has occurred in the area north of London, in the community of Arva, which is part of Middlesex Centre. In February of 2011, London city council received a plan calling for London to expand Arva's access to the city's sewer system in order to facilitate growth within the area (Middlesex Centre 2011). In the 1990s, Middlesex Centre first approached London asking for access to the

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[27] Guelph was not included in this chapter because I covered much of their recent large-scale planning activities with their neighbours, mainly the Arkell Spring, in the previous chapter.

city's sewage treatment plant, in part because the sewage in Arva was polluting nearby Medway Creek (Sher 2011).

Even though the agreement was intended to avoid environmental contamination, the City of London was concerned about potential growth in Arva. A 2000 amendment to the original agreement limited the amount of residential and commercial development that could be brought onto the sewer system. Specifically, the amendment mandated that only ten new residential units could have access to the system per year (City of London and Middlesex Centre 2000). Commercial access was restricted to 1,000 square metres of new commercial floor space in any given year, without exceeding 4,500 square metres over a ten-year period (City of London and Middlesex Centre 2000).

London's former mayor explains that these housing limits were intended to control growth (Personal Interview – March 8, 2012). London's interest in extending servicing to Arva was limited to its desire to help solve an environmental problem with Medway Creek, explains the city's former mayor (Personal Interview – March 8, 2012). If the environmental concern did not exist, it is very possible that the agreement would not exist. The former mayor of London states that, "what we really wanted to be sure about was what we were doing then was to deal with the environmental issue, but not an issue that we'd be allowing growth that they'd reap the benefits of the growth, but we were going to have to pay for the service" (Personal Interview – March 8, 2012). London was willing to help to an extent, but remained wary about future growth along its border.

Following the correction of these early environmental concerns, the community no longer had enough capacity for future development. Middlesex Centre contended that this new proposal would facilitate growth, with Mayor Al Edmondson predicting that

expanded access to London's sewer system could allow the area to grow from 550 to 1,547 residents during the next two decades (Maloney, 2011[a]).

The idea of such rapid growth near London's borders created mixed opinions on city council. Councilor Joni Baechler became the most ardent opponent of the plan, arguing that the proposal was "astonishing" (Maloney, 2011[a]). Citing an estimated $45 million in assessment loss if the plan was approved, Baechler argued that, "from my perspective, being good neighbours to the tune of $45 million doesn't make sense to me" (Maloney, 2011[a]). Baechler found allies in the opposition to Arva's proposal. Jim Kennedy of the London Development Institute argued that Arva's development is, "in direct competition with lots in the city" and that, "London should look after London's growth" (Sher 2011).

Offering an opposing view, Councilor Joe Swan described the deal as "innovative", arguing that Arva would get sewage extension from somewhere and that by expanding service from London, the city would receive a portion of the community's expanded tax base (Maloney 2011[a]). Doug Weldon, a prominent developer who wanted to build 122 single-family homes and 66 townhomes in the expanding Arva area, supported Swan (Sher 2011). Weldon viewed the opposition to Arva's proposal as short sighted, arguing that annexation was inevitable and that, "in the fullness of time, Arva will become a north end village in London" (Sher 2011). In the end, Swan and Weldon's position lost out, with council voting against expanding sewer service to Arva.[28] Middlesex Centre mayor Al Edmondson expressed his disappointment with the decision,

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[28] Council voted against the motion 8 to 6, with Councilors Polhill, Swan, Orser, Van Meerbergen, Brown and White voting for and Councilors Armstrong, Baechler, Branscombe, Brown, Hubert, Henderson, Usher and Bryant voting against. The vote was taken on an August 29, 2011 meeting of council.

insinuating that the community would find ways to achieve future growth, with or without London's cooperation (Maloney and Van Brenk 2011).

The councilors who supported the motion believed that Middlesex Centre had a right to grow and just as much of a right to an assessment base as the City of London. Not expanding servicing to Arva would severely impede this right. More importantly, this group of councilors believed that it was important to be a good neighbour and allow them expanded access to servicing. Not following through with their request, they believed, sent the wrong signal to Middlesex Centre and the county; namely, that city officials were self-interested and unconcerned about the county's prosperity.

One councilor who voted against the motion to expand servicing argued that, "people would pay less tax in this area because they don't have all of the amenities that we have and in turn we would continue to see tax increases in the decline in assessment growth and it would go to Middlesex Centre" (Personal Interview – March 5, 2012). For councilors opposed to the expansion, the decision was financial in nature—they wanted any new residential development to occur within the city's boundaries, rather than on its exterior where new homebuyers could benefit from lower tax rates and still utilize city amenities.

Councilors from Middlesex Centre contend that Arva will get expanded servicing at some point (Personal Interview – March 7, 2012). Nevertheless, they remain unclear about where such servicing will come from. Some councilors speculate that developers will eventually fund the infrastructure necessary to expand sewer and waste water servicing into the Arva area, with some discussion about a developer building a sewage plant within the community already occurring. This step, they admit, would give London

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officials some concern if it came to fruition since this would inevitably increase the size

of the community, realizing the fears of London municipal councilors. Middlesex Centre

politicians indicate that they do plan to approach London city council again at some point

in the future to ask them to reverse their decision (Personal Interview – March 7, 2012).

Some London councilors believe that if Arva gets too large, annexation is a viable

option to protect the city's assessment base. According to a councilor present during the

August 29, 2011, council meeting that discussed the expansion of servicing to Arva,

some councilors brought up the issue of annexation.[29] One councilor noted that, "the

table is completely set for that annexation discussion", noting that the city will begin a

discussion about bringing Arva into the city's borders if it grows past a certain level

(Personal Interview – March 13, 2012).

This discussion of annexing Arva is not new. In fact, the issue was previously

addressed at a February 28, 2011, city council meeting. Prior to the meeting, Councilor

Sandy White discussed the possibility of annexing Arva in an interview with the *London

Free Press,* arguing that, "we need to talk about this…people are concerned that we

(would be) giving away our assessment base—so let's look at annexation" (Maloney

2001[b]).[30] London city councilors continue to discuss the issue of Arva's annexation,

with many expressing their belief that the expansion of the city boundaries northwards is

inevitable.

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[29] The issue of annexation is not found in the minutes for the August 29, 2011. The minutes, however, are not a complete transcript of the meeting and video footage of the meeting unavailable.

[30] While Councilor White did indicate publicly that she intended to introduce a motion to the same effect at Council, the minutes of Council meetings around this period do not show the motion being introduced. Officials from the City of London Clerk's Department have confirmed that the motion was not introduced at a committee meeting either.

In the wake of London's decision not to expand servicing to Arva, Middlesex

Centre altered its official growth plan for growth with a 2011 revision. This plan

projected 20 percent growth in Ilderton, just north of London, and Komoka-Kilworth,

which lies on the city's western edge. A map of the settlement areas within Middlsex

Centre is provided below. London is to the south of the municipality, the growing

communities of Arva and Ilderton along its northern border and Komoka and Kilworth to

the city's west.

Image 5.1: Settlement Areas Within Middlesex Centre
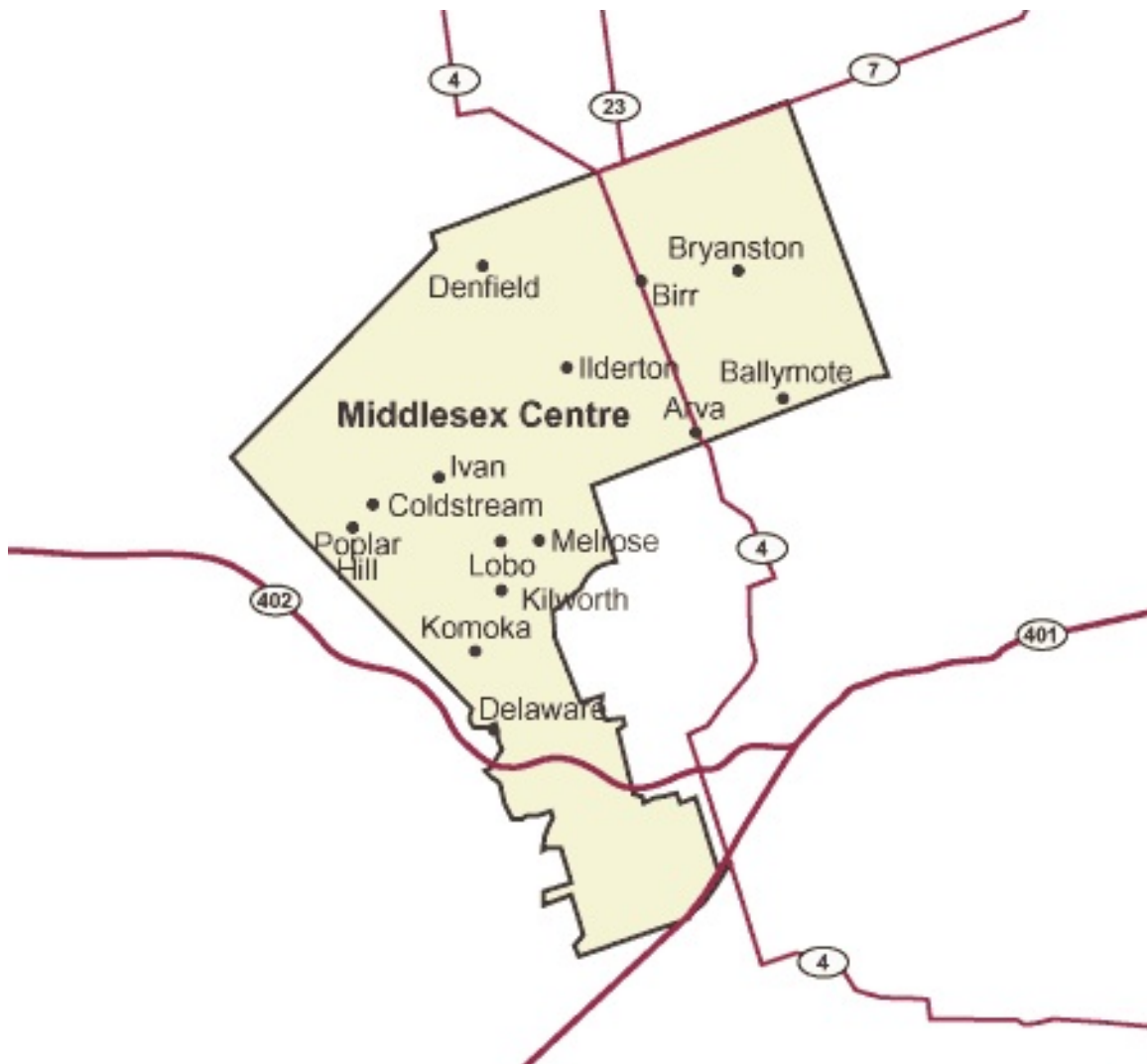
Middlesex Centre's original official plan, published in 2010, classified Ilderton and Komoka-Kilworth as "urban settlement areas" and designated Arva and Delaware "community settlement areas" (Middlesex Centre 2010, 28). In addition, the plan designated seven other communities—Ballymote, Birr, Bryanstone, Denfield, Lobo, Melrose and Poplar Hill-Coldstream—as hamlets (Middlesex Centre 2010, 28). As the official plan explained, only Ilderton, Komoka-Kilworth and Arva are generally serviced with municipal water and sewage (Middlesex Centre 2010, 28). Furthermore, the official plan noted that only the urban settlement areas—Ilderton and Komoka-Kilworth—either provide or have the potential to provide full municipal services (Middlesex Centre 2010, 29). Because of their ability to provide full servicing, the plan argues that growth would primarily come from these areas: "all new proposed development shall be fully serviced by municipal water and sewage disposal systems…urban settlement areas are expected to have the highest concentration and intensity of land uses, and will be the focus for future growth by accommodating a significant portion of expected growth" (Middlesex Centre 2010, 29).

Despite Arva's only partial access to the sewer and water services through previous contracting with London, the official plan did not designate the community an "urban settlement area". During the interview process, a Middlesex Centre politician explained that this was deliberate: "we would like to keep Arva the size it is…we want to make it a special place and keep it a quaint village" (Personal Interview – February 15, 2012). Middlesex Centre has consistently expressed this opinion and solidified it in their official plan, which is why they were baffled by the debate about growth that ensued on London city council. Councilors on both sides of the debate—both those in favour of

expanding servicing, such as Joe Swan, and those against expanding servicing, such as Joni Beachler—worked from the assumption that Middlesex Centre intended for Arva to grow.

Thus, despite Middlesex Centre's contention that they wanted Arva to remain small in comparison to other municipal communities, London politicians expressed their belief that this was untenable. One councilor who voted against the motion to extend servicing noted that, "there was no question in my mind that Arva would grow very fast because who wouldn't want to live on the doorstep of the City of London and pay taxes to someone else at a lower rate and have the full amenities that the city offers?" (Personal Interview – March 5, 2012). A Middlesex Centre politician places the blame for this attitude on developers: "They don't want 125 houses, they would like to see a whole lot more than this…they'd like to see development along the whole north end" (Personal Interview – February 15, 2012).

County officials did not object to London's decision, believing that London had every right to decide what to do with its resources and infrastructure. Further, they noted that Middlesex Centre did not raise the issue with county staff or politicians nor ask them to intervene in the matter to persuade London to reverse its decision. Middlesex County's CAO and warden indicated that even if they were asked to intervene on Middlesex Centre's behalf, they would not, stating that it is a purely local matter between London and Middlesex Centre and not the responsibility of the county (Personal Interview – March 2, 2012). Although the issue itself was not formally brought up during county council meetings, councilors discussed the issue among themselves before and after

meetings, provoking one county councilor to note that the other councilors did not fully understand the situation (Personal Interview – March 8, 2012).

In October of 2011, Middlesex Centre planners released an amendment (No. 28) to the municipality's official plan that dealt solely with the Ilderton and Komoka-Kilworth areas. The amendment essentially enlarged the urban settlement areas of Ilderton and Komoka-Kilworth and removed land from the settlement area boundaries in the communities of Arva, Kirr, Poplar Hill & Coldstream, Denfield and Melrose (Middlesex Centre 2011, 5). Areas in northern Arva, previously designated as residential, were converted back into an agricultural designation (Middlesex Centre 2011, 7). At the same time, the plan added new employment and residential lands to the settlement areas in Ilderton and Komoka-Kilworth (Middlesex Centre 2011, 7).

The amendment states that this change in focus resulted from the failure to gain adequate levels of servicing necessary from the City of London (Middlesex Centre 2011, 6). Instead, the amendment calls for the expansion of the Ilderton and Komoka wastewater treatment facilities, the latter of which would extend servicing to the Delaware area (Middlesex Centre 2011, 7). Additionally, the amended plan calls for the expansion of Ilderton to "accommodate both planned and future development"; however, the plan is unclear whether this growth is planned solely in Ilderton or would eventually be extended to Arva, an area in close geographical proximity to Ilderton (Middlesex Centre 2011, 7). In the *London Free Press*, Edmondson described this shift in focus from Arva to Komoka-Kilworth and Ilderton as logical, considering that Arva did not have adequate access to sewage services for future development (Van Brenk 2011).

This growth projection caused London some concern, as city politicians requested that the town explain how it expected such a rapid rate of development in comparison to London (Van Brenk 2011). A staff report presented to council raised concerns about the revised growth estimates in Ilderton and Komoka-Kilworth and how they may impact London's assessment growth, concluding that:

> Planning Staff support the intent of this policy to direct urban growth to areas where full municipal services are to be provided, however, the extent of new urban growth contemplated for both Komoka-Kilworth will result in significant opportunities for new residential development close to the City's boundaries. While the Official Plan Review also identifies new lands for employment purposes, it is anticipated that many of the future employment opportunities for residents of the Municipality will be in London. This will continue to put pressure on the City's transportation system, as well as potential pressure on the "soft services" such as libraries and community recreation facilities in London that may be used by residents of these areas outside the City…These concerns warrant further discussion between City and Municipality Staff (City of London, 2011).

Following this staff recommendation, city council voted almost unanimously to send Middlesex Centre a letter requesting clarification about the growth estimates.[31] This letter, dated August 30, 2011, and addressed to Middlesex Centre CAO Michelle Smibert, was simply a copy of a resolution passed at council during its August 29 and 30 sessions. Predictably, Middlesex Centre politicians received this request negatively, including Councilor Frank Berze, who noted in the *London Free Press* that, "if I showed up in the city of London and told them what to do, they would tell me where to go and how to get there" (Van Brenk 2011).

The letter essentially states that London had concerns about the revised growth projections in both Komoka-Kilworth and Ilderton areas, although the it does not state

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[31] The vote passed 13 to 1 at the August 29, 2011 City Council meeting, with only Councilor Usher voting against the motion.

why.[32] County staff interviewed for this project agree that the letter did not clearly state London's motivations for questioning the city's growth projections (Personal Interview – March 2, 2012). Although the letter requests council to direct their planning staff to meet with Middlesex Centre's planning staff, it did not formally request the town to establish a meeting time or place. The letter ends by stating that London intends to advise the Ministry of Municipal Affairs and Housing about the city's concerns.

London planning staff had previously spoken at a public meeting held by Middlesex Centre as part of the public consultation phase of the town's new official plan. At the meeting, John Fleming, London's Director of Planning, stated that the city had concerns regarding Middlesex Centre's projections for growth. Middlesex Centre politicians requested that Mr. Fleming thank London city council for their concern and relay that Middlesex Centre had their own planning staff whose judgment they trusted. Further, since London has no jurisdiction in their municipality, Middlesex Centre councilors asked Mr. Fleming to remind London city council that they did not owe them an explanation of their growth projections (Personal Interview – March 8, 2012).

London councilors interviewed for this project indicated that the growth in Komoka-Kilworth was more worrisome from the city's perspective than the growth in Ilderton. They attributed this to the proximity of Komoka-Kilworth and their fear that residents working in the city may migrate to this area believing that they remained close enough to the city to continue utilizing city services and facilities.

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[32] While the formal letter to Middlesex Centre did not state why London was concerned about the increased growth projections, Middlesex Centre officials interviewed for this project stated their belief that the city's concerns centered around losing assessment base to another municipality. Much of this was outlined in the staff report (quoted above), which is publicly available through the City of London's website. This information would have been available to Middlesex Centre officials as well, even though it was not directly listed in formal correspondence between both municipalities.

One county councilor noted that the issue was not discussed at any county council meetings, indicating that the senior county staff and warden primarily handed this issue. County staff noted their concern about the letter; while the county did not have a problem with London's decision not to expand servicing to Arva, they felt that London's letter was unnecessarily antagonistic. Believing the letter to be "offside", county staff noted that they would try to establish a meeting with city planners to explain their position (Personal Interview – March 2, 2012). Although the county would like to hold a meeting with London and Middlesex Centre officials to discuss the issue, they are waiting until London's new CAO is in place.[33]

Middlesex Centre politicians agree, with one official commenting that London, "overstepped their boundaries" by sending the letter (Personal Interview – February 15, 2012). They continued, however, saying that "we can't get too upset about it, but we're still going to go ahead" (Personal Interview – February 15, 2012). Another Middlesex Centre official described London's stance as, "myopic" and stated that council was "taken a back" by London's position (Personal Interview – March 5, 2012). London's letter seems to have genuinely surprised Middlesex Centre staff and politicians, especially considering that London traditionally minimizes contact with the municipality.

The *London Free Press* attempted to draw parallels to the growth in Middlesex Centre with the growth of Lambeth and Glanworth —then called "parasitic" by London politicians – prior to the 1993 annexation (Van Brenk 2011). Middlesex Centre mayor Al Edmondson, however, rebuffed these suggestions, arguing that both jurisdictions had a

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[33] Jeff Fielding, London's former City Manager, resigned in December 2011 to take the position of City Manager with the City of Burlington. In May 2012, the city announced the hiring of Art Zuidema as the new City Manager after a lengthy search process. Interviews for this project were completed before Zuidema's hiring.

good working relationship and that growth in Middlesex Centre was beneficial to London (Van Brenk 2011). "I don't see the problem", commented Edmondson in the *London Free Press* (Van Brenk 2011).

While Middlesex Centre politicians seem unconcerned about the possibility of annexation, other politicians throughout the county believe that Middlesex Centre may be unintentionally inviting London to expand its boundaries into their territory. Those who have been involved in county politics for many decades see a number of parallels between the growth in Komoka-Kilworth and Arva with the growth in Byron that prompted London to expand its borders in the 1960s (Personal Interview – March 16, 2012). These politicians suggest that if the area comes under review, the province will inevitably determine that urban areas should be under London's purview, an argument consistent with the original aims of city-county separation. One county politician noted that, "if you keep expanding the urban area around London it's just going to naturally lead to an attempt by the city to move its boundary out" (Personal Interview – March 16, 2012).

Generally, Middlesex County politicians tend to believe that while annexation may not be imminent, it is certainly inevitable if areas such as Arva and Komoka-Kilworth continue to expand. Thus far, Middlesex County politicians have discussed annexation only informally. The issue has not been raised in county council nor do county staff seem concerned about the possibility of London's expanding its boundaries into county territory. Informally, however, Middlesex Centre officials have been receiving some advice from some Middlesex County politicians. One county politician

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notes that, "it would be wise for them to put the brakes on their urban development, but its probably too late to do that now" (Personal Interview – March 16, 2012).

A second Middlesex Centre official similarly expressed their belief that London does not want to see growth along its borders, adding that, "I think they've kind of sat up and taken notice of our growth strategies…I think they're kind of looking over the fence now and saying 'oh oh, what's going on over there?'" (Personal Interview – February 21, 2012). Another official suggests that the municipality's lower property tax rates are attractive to younger families hoping to receive a break from higher London property tax rates (Personal Interview – February 21, 2012).[34]

Thus, the concerns from London officials about this growth may be justified. Amendment 28 of Middlesex Centre's official plan calls for the construction of more compact housing units in the Komoka-Kilworth area. Specifically, the new residential designations in the amendment call for 60 percent low density residential (single homes, semi-detached homes) and 40 percent medium density residential (townhouses) (Middlesex Centre 2011, 14). During the interview process, I confirmed with municipal officials from Middlesex Centre that this was intended to attract younger families to the areas, whom they hoped would migrate from the city in order to buy their first home and take advantage of lower property taxes and home values (Personal Interview – February 15, 2012). Building up the Komoka-Kilworth areas, then, would not only provide

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[34] The total residential property tax rate for London is 1.4%, while it is 1.1% in Middlesex Centre. A 2012 *London Free Press* demonstrated that the property tax on an average London bungalow is $3,079 and $2,556 in Middlesex Centre. However, the *London Free Press* also found that the per capita assessment for Middlesex Centre is $142,300, much higher than the $84,000 for London. The average per capita assessment for Ontario is $122,000. For more information, please see DeBono 2012.

housing, but also a community setting close to London that takes advantage of the city's amenities, such as its shopping centres and entertainment features.[35]

Much of this anxiety about growth comes from recent disparities in population growth rates between London and some of its surrounding communities. Table 5.1, below, demonstrates this growth disparity using population figures from both the 2006 and 2011 census for London and Middlesex County:

Table 5.1: Comparative Population Figures for London and Middlesex County			
Community	2006 Population	2011 Population	Difference
Adelaide Metcalfe	3,135	3,028	-3.4%
Lucan Biddulph	4,187	4,338	3.6%
Middlesex Centre	15,589	16,487	5.8%
North Middlesex	6,740	6,658	-1.2%
Southwest Middlesex	5,890	5,860	-0.5
Strathroy Caradoc	19,959	20,978	5.1%
Thames Centre	13,085	13,000	-0.6
Newbury	439	447	1.8%
London	352,395	366,151	3.9%

(Source: Statistics Canada)

Population data from Statistics Canada show a steady increase in London's population, with the city experiencing a growth rate of 3.9 percent between 2006 and 2011. This is below the provincial growth rate of 5.7 percent, but fairly consistent with comparable municipalities with similar employment and resident bases, such as Hamilton, which experienced a 3.1 percent growth rate during the same period.

The data also show a variety of growth rates amongst the lower-tier municipalities in the county. Some municipalities, such as Southwest Middlesex, Adelaide Metcalfe and

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[35] Middlesex County planners recently estimated the driving times from many communities within Middlesex Centre to the city centre of London. Komoka-Kilwort, only 20.3 kilometers away from the city core of London has an estimated drive time of 24 minutes, which proves ideal for commuting for work or coming into the city for shopping or entertainment. Other drive times for communities in Middlesex Centre are as follows: Arva: 8.8 kms, 14 minutes; Ballymote: 11.6 kms, 17 minutes; Birr: 17.3 kms, 21 minutes; Bryanston: 18.5 kms, 22 minutes; Delaware: 20.4 kms, 29 minutes; Denfield: 28.2 kms, 30 minutes; Ilderton: 28.2 kms, 30 minutes; Lobo: 14.3 kms, 22 minutes; Melrose: 17.9 kms, 25 minutes; and Poplarhill Coldsteam: 25.7 kms, 32 minutes.

North Middlesex—communities on the peripheries of the county—experienced negative growth rates. Other municipalities within the county—namely Strathroy Caradoc, Middlesex Centre and Lucan Biddulph—experienced growth rates greater than London. Two of these municipalities—Middlesex Centre and Lucan Biddulph—are situated north of the city, with Middlesex Centre directly on London's border and Lucan Biddulph on Middlesex Centre's northern border. This sort of rapid growth, however, is not a new phenomenon. Between 2001 and 2006, the population of Middlesex Centre increased by 9.5 percent, while London's population only grew by 4.7 percent. Although both communities have since slowed in growth, Middlesex Centre's population has consistently grown at a faster rate than London for over a decade, which perhaps justifies London's unprecedented interest in the community.

London's growth concerns, however, do not seem to affect outlying communities, such as Strathroy Caradoc, that are also experiencing rapid growth. In fact, London has neither spoken with officials in communities like Strathroy Caradoc nor expressed concern about their growth rates. Accordingly, officials from Strathroy Caradoc believe that London is concerned only about growth occurring along its borders, suggesting that London does not view outlying growth as a grave concern (Personal Interview – March 21, 2012).

Much like the process that led to London's last annexation in 1993, rapid growth on the city's periphery is once again occurring. Furthermore, officials from communities such as Middlesex Centre have not been shy about their own respective ambitions either. These communities hope to create an alternative to city living for residents in the region by developing infrastructure that will draw London residents to their communities.

Finding the situation untenable, London officials have, thus far, denied the requests Middlesex Centre's council for expanded access to their resources. London's planning staff openly question the town's planning decisions and have offered assistance in creating a planning document that is more inline with the city's view of the region. When Middlesex Centre politicians rebuffed these overtures, some city councilors openly mused about annexing the Arva area so as to include any future development in the region within their borders.

Furthermore, officials from communities around London are no longer content to remain rural. Some, such as Middlesex Centre, are actively pursuing development and are openly presenting themselves as a suburban alternative to the city. This contravenes much of the rationale behind city-county separation, which specifically envisions the city as urban and its surrounding area as rural. Although regional government perhaps represents one way of managing growth in rapidly urbanizing counties—a process in which once rural areas have become suburban enclaves—London has largely avoided this situation throughout its history through regular rounds of annexation, creating a situation wherein the city is geographically dominant within the county's borders. This expansion is perhaps one reason why London and Middlesex County avoided being converted into a regional government in the late 1960s and early 1970s (Sancton 1998, 163).

In the absence of regional planning mechanisms, London has attempted to control expansion around its borders by restricting the expansion of its water and sewer infrastructure. City officials argue that if areas such as Arva do not have access to the City's water system, they will be able to restrict development along its border. Unfortunately for London, politicians in Middlesex Centre have recently pledged to find

alternative sources to facilitate municipality's expansion, which has made London's strategy appear temporary and perhaps flawed. Without any formal control over planning outside of their borders, London officials are left with few alternatives if they hope to direct growth within the City's boundaries.

5.2.   The Central Planning Board in Elgin-St. Thomas

A unique planning arrangement exists between the separated city of St. Thomas and its surrounding lower-tier municipalities in Elgin County.[36] Despite its separated status, St. Thomas has been included in joint planning functions with the county for nearly fifty years. Unlike other separated cities, St. Thomas has some degree of control over development outside of its borders. The city's planning staff, then, takes into account the demand on the city for servicing and growth, along with the demands on adjoining communities. Decisions over land use planning are made by a joint board with representation from each municipality, established to administer planning activities. The board's municipal membership has been relatively stable since its inception, but recently one of the three partner municipalities has removed itself from the arrangement, making it impossible for the board to plan for the whole area.

Joint planning boards have existed in Elgin County since the 1960s. Despite St. Thomas being a separated city since 1881, it has always been included in the county's joint planning exercises. In 1966, the "Elgin County Planning Area" was established,

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[36] Elgin-St. Thomas was included as a case study in the preliminary stages of this research project. However, as this thesis progressed, I did not select it as a final case study. Primary interviews were conducted with 14 officials—politicians and staff—from St. Thomas, Elgin County and the county's lower-tier municipalities in April and May of 2011.

with St. Thomas included as a "subsidiary planning area" (Central Elgin Planning Board 2007). In 1969, the arrangement changed and the county was divided into three separate planning areas: west, central and east (Central Elgin Planning Board 2007). The City of St. Thomas was included in the Central Elgin Planning Board, along with the Villages of Port Stanley and Belmont, and the Townships of Yarmouth and Southwold (Central Elgin Planning Board 2007). Under the *Planning Act*, the Board was established as an incorporated body with decision-making responsibility for planning matters (Central Elgin Planning Board 2007). Its five constituent members were jointly responsible for its funding.

A new *Planning Act* introduced in 1983 dissolved all of the joint and subsidiary planning boards and areas across the province, calling instead for local councils to be directly responsible for planning matters (Central Elgin Planning Board 2007). The five members of the Central Elgin Planning Board wished to continue their arrangement and therefore entered into an inter-local agreement that formed the Central Elgin Planning Advisory Committee (CEPAC) (Central Elgin Planning Board 2007). Planning staff became employees of the City of St. Thomas with the understanding that they would comply with the vision of the CEPAC, which composed representatives from each of the member municipalities (Central Elgin Planning Board 2007). In accordance with the new *Planning Act*, participation in the CEPAC was voluntary (Central Elgin Planning Board 2007).

In the 1990s, the province embarked on a program of wide-scale amalgamation. Elgin County was not immune from this consolidation and saw its 16 municipalities consolidated into eight. When Yarmouth, Belmont and Port Stanley were amalgamated to

form the new town of Central Elgin, the new municipality decided to continue its

planning relationship with the remaining three municipalities (Personal Interview – May

4, 2011). As a result, the new central planning area included St. Thomas, Southwold and

the newly amalgamated town of Central Elgin (Central Elgin Planning Board 2007).

Traditionally, the funding for CEPAC has been based upon population and actual value

assessment. Each municipality's contribution is based 50 percent on their population and

50 percent on their actual value assessment (Central Elgin Planning Board 2007).

The CEPAC is unique in Ontario and, by most accounts, been relatively

successful. In the long history of the joint planning board, staff recall only one major

planning dispute that required the intervention of the Ontario Municipal Board (Personal

Interview – May 4, 2011). This dispute centered around the construction of the Elgin

Mall, a case in which rival developers could not agree about the new mall's placement;

one developer wanted to place the mall in St. Thomas, while another wanted to place it in

nearby Yarmouth (Personal Interview – May 4, 2011).[37] For the funding for CEPAC,

each municipality's contribution is based 50% on their population and 50% on their

actual value assessment (Central Elgin Planning Board 2007)

In 2006, Southwold gave notice that it would no longer participate in CEPAC.

Planning staff indicate that this decision was given without explanation, surprising many

in the organization at the township's decision (Personal Interview – May 4, 2011).

Southwold was an original member of the planning collective and previously agreed to

continue to maintain a voluntary agreement with CEPAC after changes to the *Planning*

Act in 1983 and following the amalgamation of 1998 that changed the group's

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[37] In the end, only one site—the one in St. Thomas—had full access to services, which led to the eventual approval of the mall's location in St. Thomas.

composition from 5 to 3 members. The timing of their departure provoked many CEPAC officials to question Southwold's motivations (Personal Interview – May 4, 2011).

Southwold politicians who participated in interviews for this project claim that the township was not receiving a "fair shake" from the planning arrangement (Primary Interview – April 22, 2011). They contend that in spite of the fact that the township was spending approximately $80,000 a year on the arrangement and that the planners were focused on development in St. Thomas and Central Elgin to the exclusion of Southwold, the smallest partner in the arrangement (Primary Interview – April 22, 2011).[38] One Southwold councilor argued that, "we thought the planners were looking more at St. Thomas and Central Elgin for development and we weren't getting our share of that and development is what you need to grow, so we thought we would go on our own and see how we would do on our own" (Primary Interview – April 22, 2011). In short, Southwold politicians did not believe that it was beneficial to continue the relationship.

Southwold originally contributed towards the city's economic development efforts, just as Central Elgin did, but St. Thomas' economic development officer reports that Southwold removed itself from this arrangement (Primary Interview – May 4, 2011). Much like the former, officials report that Southwold neglected to offer a formal explanation as to why they were opting to leave the arrangement (Primary Interview – May 4, 2011). Nevertheless, since their contributions were comparably minimal—in this

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[38] Records from the planning department indicate that Southwold was responsible for a contribution of $54,822.56 for 2007. For more information, please see Central Elgin Planning Board, 2007.

case, their contribution was $6,400—and officials note that this did not significantly impact St. Thomas' economic development efforts (Primary Interview – May 4, 2011).[39]

ICA scholars would be unsurprised by Southwold's departure from the planning collective. Coordination in areas such as planning or economic development require relatively homogenous populations to avoid coordination problems, such as dividing mutual gains that result from development (Indergaard 1998; Foster 2001). Municipalities form cooperative relationships when the costs and risks of doing so are low. However, in the case of planning and economic development, it is generally too difficult to divide mutual gains and evenly distribute benefits amongst members (Hawkins and Andrew 2011). The transaction costs for building these types of relationships is too high to form and—as demonstrated by Southwold's exit from the planning cooperative—often too high to sustain.

Although Southwold is, geographically, roughly the same size as Central Elgin, it does not have a similar population to either St. Thomas or Central Elgin. Central Elgin also has a number of urban settlement areas, such as Port Stanley. Conversely, respondents from Central Elgin feel that the planning collective does adequately direct growth and development towards their communities, mainly because Central Elgin's heavy focus on tourism in the south end of the municipality largely avoids conflict with St. Thomas' stated development goals. Since Southwold often views itself as a junior

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[39] Many of these joint ventures between St. Thomas and its neighbours seem to be in danger of collapsing. Not only has Southwold removed itself from the planning board and joint economic development initiatives, but St. Thomas itself has also approved a plan that would sever its financial relationship with the Elgin County tourism board. This can perhaps be attributed to the fact that St. Thomas requires a tourism focus geared towards the city rather than the more rural county. For more information see Lypaczewski 2013. Ending many of these arrangements could signal that the disparities in size between St. Thomas and its neighbours are becoming too vast for meaningful cooperation.

partner in many agreements, cooperating with the larger municipalities of St. Thomas and Central Elgin is often challenging. Thus, believing that their participation with the planning cooperative put them at a disadvantage, Southwold officials want to redress the balance of power. While it is currently unclear whether or not Southwold will eventually return to the planning collective, what is clear is that that participatory groups such as these struggle to continue with members of such uneven population and assessment size.

In the wake of Southwold's withdrawal from CEPAC, Central Elgin and St. Thomas created a new inter-local agreement that would re-create a planning authority.[40] The new agreement kept most of the same provisions from previous CEPAC arrangements, including the funding formula that saw Central Elgin and St. Thomas contribute proportionately to the net expenses of the new Central Elgin Planning Office based 50 percent on population and 50 percent on actual value (Central Elgin 2011). The agreement is set to expire on December 31, 2015.

The presence of a joint-planning board is perhaps one of the main reasons why boundary expansion has been so easily accomplished for St. Thomas. Respondents from both the city and county report that their relationship has been successful because both Elgin County and their lower-tier municipalities around the city have been able to give "each other room to breathe" and permit boundary changes that allow the city to grow (Personal Interview – April 14, 2012). The city has been able to accomplish several mutually beneficial land-for-servicing arrangements, the most recent of which occurred in 2010.

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[40] This agreement, was passed by both councils in December of 2011, but did not commence until January 1, 2012, which fell outside of the parameters of this study. As such, it is not included in the list of agreements in Appendix C and is not included for analysis in Chapter 7.

Thus, while the CEPAC has successfully managed growth in and around St. Thomas, it has also experienced steep challenges, the largest of which being Southwold's departure. The ICA framework is helpful in explaining this departure since, as previously discussed, the impression that planning arrangements only distribute selective benefits may make some potential participants wary about cooperating. Some ICA research suggests that rural municipalities are disadvantaged in dividing mutual gains with larger, more urban municipalities (Warner 2006).

These factors may well play a role in the St. Thomas area. The planning collective worked for many years because officials from the areas outside of St. Thomas were content for their municipalities to remain rural. Urban development was largely directed towards the city and small tourist communities along Lake Erie. Much of Central Elgin and Southwold remained rural through this process, thereby adhering to the original logic behind city-county separation. However, Southwold's view of this relationship gradually changed. Too much development was directed towards St. Thomas, ignoring Southwold's new council and administration's aspirations to see the community grow. In this case, common planning institutions between separated cities and their neighbouring rural areas seem feasible only when both rural and urban areas harbour similar objectives to remain rural and urban.

## 5.3.   The Impact of Provincial Growth Initiatives in Simcoe County

Few counties in Ontario have received more attention from the province over the past decade than Simcoe. Aside from its direct involvement in the Barrie-Innisfil boundary dispute, the province has taken a keen interest in the region's growth. Rapid

growth—mainly in the county's south—has caused the province to believe that unrestrained suburban expansion will inevitably occur unless strict growth restrictions are placed upon the region. These restrictions have been met with mixed responses and in the process, created new inter-governmental dynamics throughout the region.

Ontario's *Places to Grow Act* is the most recent example of provincial involvement in the region. The process, initiated in 2006, identified rapid growth rates in Simcoe County and created policies to re-direct growth to certain areas of the county in an effort to avoid unsustainable growth (Ontario 2009, 1). The first report on the Simcoe sub-area of the Greater Golden Horseshoe argued that, if left unchecked, Simcoe could have a population of over 1 million people by 2031 (Ontario 2009, 5). However, with proper planning practices in place, the province estimates that 667,000 inhabitants and an employment forecast of 254,000 jobs is a healthy estimate (Ontario 2009, 5).

To achieve these development goals, the province wants to focus on the creation of "urban nodes" in the five largest communities in the Simcoe area: Barrie, Orillia, Collingwood, Alliston and Bradford West Gwillimbury (Ontario 2009, 9). The Towns of Midland and Penetanguishene were later added as additional growth nodes in a 2012 revision of the *Places to Grow* plan (Ontario 2012, 65). By directing growth to these areas and encouraging density, the province hopes to avoid unrestrained growth and sprawl into the more rural parts of the county. A map of the county identifying these growth nodes is shown below:

Image 5.2: *Places to Grow* **Map**
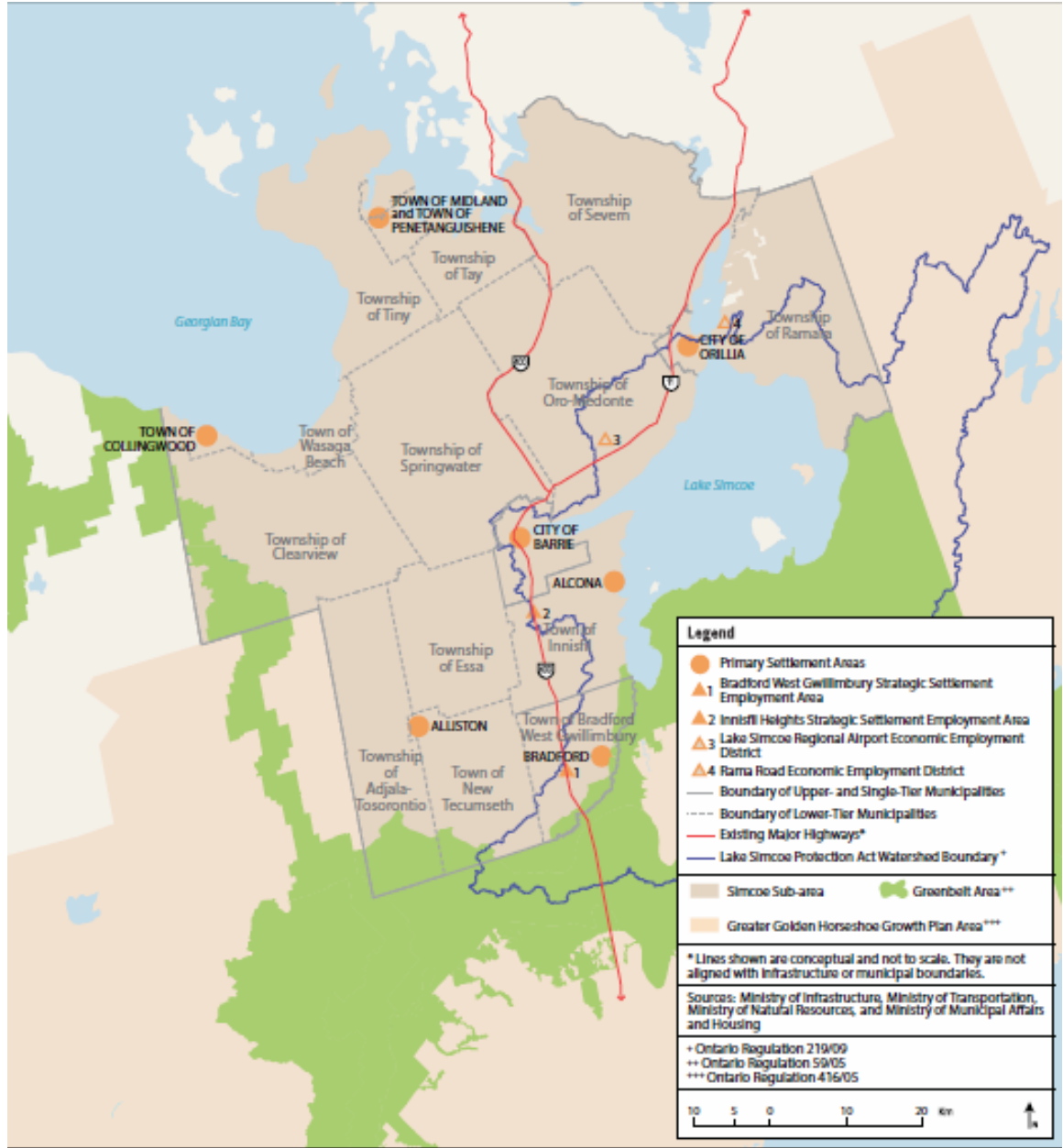
(Source: Places to Grow, Province of Ontario)

The identification of growth nodes within the county creates both challenges and opportunities for Simcoe municipalities. Areas not identified as growth nodes now find it challenging to live within the confines of the legislation because they have been offered

such a limited framework within which to grow. Much of the projected growth in the county must adhere to existing water and sewage servicing—areas referred to as "settlement boundaries"—which limit the amount of growth that more rural areas can establish. Table 5.2, below, lists the population distribution figures for the region:

Table 5.2: Summary of Population Distribution Under *Places to Grow* Plan			
Community	**2011 Population**	**2031 Projections**	**Percent Change**
Barrie	135,711	210,000	54.71%
Orillia	30,586	41,000	34.48%
Adjala-Tosorontio	10,603	13,000	22.60%
Bradford West Gwillimbury	28,077	50,500	79.86%
Clearview	13,734	19,700	43.44%
Collingwood	19,241	33,400	73.58%
Essa	18,505	21,500	16.18%
Innisfil	33,079	56,000	69.29%
Midland	16,572	22,500	35.71%
New Tecumseth	30,234	56,000	85.22%
Oro-Medonte	20,078	27,000	34.47%
Penetanguishene	9,111	11,000	20.73%
Ramara	9,275	13,000	40.16%
Severn	12,377	17,000	37.35%
Springwater	18,223	24,000	31.63%
Tay	9,736	11,400	17.09%
Tiny	11,232	12,500	11.28%
Wasaga Beach	17,537	27,500	56.81%
Total	443,911	667,000	50.25%

The plan specifies that some areas—such as those areas with growth nodes like New Tecumseth and Bradford West Gwillimbury—will intentionally grow at a rapid rate, while other areas—primarily in the north—will grow at a greatly reduced rate. Tiny is one example of a municipality expected to grow at a much-reduced rate, forecasted to grow only 11.28 percent over 30 years. Nevertheless, many view these figures as both unrealistic and unsustainable from a financial point of view.

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Many of the areas labeled as slower growth areas argue that the province has been inconsistent in the way that it has allocated growth. On one hand, the overall population figure of 667,000 is described as a final number; yet, on the other hand, the province has informed areas not identified as growth nodes that they will be able to grow beyond their allotted population distributions as long as growth remains in designated settlement areas, causing confusion about which restrictions affect which municipalities, according to one mayor from a county lower-tier municipality (Personal Interview – May 31, 2012).

Areas not identified as growth nodes believe they are being purposely disadvantaged through the *Places to Grow* legislation. Some county officials question how their municipalities will be able to have a suitable assessment base if they are prohibited from growing (Personal Interview – May 31, 2012). One mayor from a rural Simcoe municipality commented that, "unless I can grow in a well planned out manner, I'm never ever going to be cost effective, I'm never going to be able to recover the cost of the infrastructure I've had to place in the ground because the province has said I needed to do it" (Personal Interview – May 31, 2012).

County officials and representatives from areas slated to grow have been sensitive to this aspect and worked to find a solution. One mayor from a southern municipality in the county, argued that, "when the province says you can only grow to 667,000, including Barrie and Orillia, who gets that population [will lead] to an inevitable dispute" (Personal Interview – May 31, 2012). Another lower-tier official agreed, noting that, "it's hard to satisfy so many people…of the 16 municipalities, some of them are very happy with the way things are going, many aren't and they [the province] are saying that only so many

people can come up and grow, so it makes some competition to get those numbers"
(Personal Interview –June 8, 2012).

County politicians contend that if all of the official plans from the county's lower
tiers were looked at collectively, their population figures would add up to 707,000
people. However, since the province was unwilling to adjust the *Places to Grow* plan to
this figure, each area was forced to fight over future population distribution. Many
municipal officials in the county argue that the *Places to Grow* legislation creates
winners and losers; consequently, slower growing municipalities will be forced into
financial strain because of the province's restrictions (Personal Interview – May 31,
2012). Furthermore, other officials express doubt that they will be able to maintain their
assessment base, creating a "financial burden" for their taxpayers. County officials note
that this decision led to "a lot of grief and anxiety" within the county (Personal Interview
– May 31, 2012).

The county was not highly involved in the process that ultimately created the
Places to Grow plan. In fact, county respondents note that despite the county having
some responsibility over planning functions, much of the consultation was conducted
directly with their lower-tier municipalities with little input from the county itself
(Personal Interview – June 8, 2012). There was also very little input from the county's
MPPs, who report that much of the government's action on this initiative was unilateral
(Personal Interview – June 15, 2012).

However, the *Places to Grow* plan did create alliances among areas intended to
grow more heavily. Municipalities established as urban growth nodes have come together
to hold regular meetings discussing common issues. The mayor of one growth node

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municipality noted that during their initial meeting, the urban nodes agreed to invite the county warden to be part of the group since the county felt isolated from the group and hoped to be a part of it (Personal Interviews – May 30, 2012). Barrie and Orillia, however, initially expressed concerned about including the county in the group, although they eventually relented under the provision that the county warden "did not control the group" (Personal Interview – May 30, 2012). Nevertheless, officials from these rapidly growing areas indicate that they have more in common with each other than more rural areas of the county (Personal Interview – May 31, 2012). One mayor from this group stated that these new designations as a growth nodes have also increased the interaction between these areas and the separated cities of Barrie and Orillia (Personal Interview – May 30, 2012).

The identification of the county's growth nodes and the creation of the growth nodes group have increased cooperation among these communities. When Alcona—a community within Innisfil—was added as a growth node to the *Places to Grow* plan, Barrie officials contend that they began discussions with the town to extend municipal transit service to the area to help facilitate its objectives under the provincial plan (Personal Interview – June 14, 2012). Additionally, Barrie officials note that they are beginning to discuss the extension of utility services to the Collingwood area (Personal Interview – June 14, 2012).[41] Many of these areas identified as growth nodes are not natural partners for cooperation—particularly Barrie and Collingwood, which are

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[41] The discussion of extending utilities primarily centred on PowerStream servicing Collingwood. PowerStream is the second largest municipally owned electricity distribution company in the province and is jointly owned by Barrie, Markham and Vaughan. PowerStream already provides electricity to other Simcoe communities, such as Alliston, Beeton, Bradford West Gwillimbury, Penetanguishene and Tottenham

geographically distant—but have been brought together because of their common

identification as sites of growth and development.

In this sense, the formal classifications as "growth nodes" may have helped

facilitate discussion. The ICA framework is adept at studying these types of relationships,

as the municipalities involved have common servicing needs related to the pressure of

growth, such as transportation. Where the ICA framework encounters barriers in the

study of cooperation seems to be in urban-rural relationships, where there are no natural

servicing relationships.[42]

Much of the report's attention centred on Barrie which the province viewed as the

greatest opportunity to bring density to the area, referring to the city as the region's

"anchor node" (Ontario 2009, 9). Consequently, most of the growth within the region is

slated for Barrie, which does create some tension between Barrie and the county areas

slated for more moderate growth. Furthermore, some county officials believe that Barrie

has received undue attention from the province and been prioritized above other

communities within the county (Personal Interview – May 31, 2012).

In general, municipalities slated to grow under the *Places to Grow* plan generally

like the legislation, while municipalities not intended to grow generally dislike the plan.

Areas such as Barrie, Orillia, Bradford West Gwillimbury, New Tecumseth, Innisfil,

Collingwood, Penetanguishene and Midland will generally benefit from this growth

because they have the necessary infrastructure in place and have previously planned for

high levels of growth and development. These areas appreciate the newfound legislative

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[42] During the boundary dispute between Innisfil and Barrie, the county was surprised to see many of the growth node communities aligning themselves with Barrie. Respondents from these communities indicated that they did not believe that the boundary dispute should alter their relationship with Barrie. They also believed that their work as growth node communities trumped their loyalty to the county.

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authority behind their ambitions. However, more rural areas not identified as growth areas are generally resentful of the legislation, believing that they have been put in an unfair position by having their growth, and thus their assessment base, capped well into the future. Even though officials from slower growth areas have clearly stated their desire to remain rural and avoid large-scale housing or industrial development, they resent having to plan within the province's vision for their municipalities.

The provincial initiative has also created a new layer of inter-governmental relations within the region: urban and rural, rather than county and city. Communities identified as growth nodes have more reason to cooperate with each other than the more rural areas of the county because they have aligned interests that are nearly absent at the county level. They vote together at county council, generally to the detriment of the north, and have established independent growth nodes groups to discuss their newly elevated role within the region and in the eyes of the province.

By introducing *Places to Grow*, the province created a number of urban and suburban areas around Simcoe County. Its overall objective was to direct growth towards urban areas—with the goal of curbing sprawl—which was the original purpose of separating cities from their counties: to maintain the distinction between urban and rural areas. However, directing growth towards the county's two separated cites, Barrie and Orillia, has become increasingly challenging since the Simcoe region is one of the fastest growing in the province. In fact, between 2001 and 2006, Barrie held the distinction of the fastest growing municipality in the entire country. Within this type of environment, growth cannot be neatly contained within the borders of the county's separated cities. However, the *Places to Grow* legislation entrenched and legitimized Simcoe County's

rapidly growing suburban areas. As such, the province has moved away from the logic behind city-county separation and moved towards the same type of thinking that created regional government: managing growth throughout the area rather than solely confining it to urban areas.

5.4. Conclusion

Regional government was created, in part, to provide central cities with more control and more influence over their immediate hinterland. In regional government, the upper-tier addresses regional planning, ensuring that the urban areas of these regions have input into the planning decisions outside of their immediate borders. However, separated cities are hampered in regional planning on two fronts. First, separated cities lack institutional connections to their surrounding counties and generally have little say or influence over the development that occurs outside of their borders. Secondly, the ICA framework demonstrates that a perception that the benefits of cooperation will be unevenly distributed can hinder cooperative behaviour (Feiock 2007). Since planning is one area of potential cooperation where there may be such a perception of uneven benefits, thereby reducing the likelihood of cooperation on planning issues.

Due to these barriers, boundary expansions and provincial involvement are standard responses to rapid development outside of separated cities. London, Barrie and Simcoe are examples of cities that followed this route. In London, development to the south of the city forced a large annexation in the 1990s; more recent development has caused some city politicians to openly question whether it is time for another round of boundary expansion to prevent similar development on the edge of its northern border.

Two communities in the town of Middlesex Centre have experienced strong growth over the past decade, a growth rate that promises to grow even larger as residents move outside of London's border for more affordable housing prices and tax rates. London has rejected requests for water and sewage extension to these areas and sharply criticized Middlesex Centre's response of redesigning its official plan in retaliation.

The rapid growth in Barrie, Orillia and several other communities in Simcoe County attracted the concern of the province, which regulated land use and development in the region with its *Places to Grow* legislation. This plan identified seven communities, which it referred to as "growth nodes" that are slated for rapid growth over the next several decades. This plan to restrict growth in some areas of the county came under criticism from smaller communities that demanded less stringent regulation of their community development. This plan also created some new divisions between areas identified as growth nodes and those that are not.

St. Thomas took a different approach to growth. For nearly fifty years, the city has been part of a planning collective that includes their lower-tier neighbours in the county. Several changes have affected this joint planning board over time, but none more than Southwold's withdrawal, the most rural member of the planning board. Southwold politicians expressed their belief that they were no longer receiving a "fair shake" from the planning board, with all development being directed towards St. Thomas and its fast growing neighbour to the east, Central Elgin. They left the planning board in the hope of achieving their own development goals. These types of joint planning boards are rare, with the St. Thomas-Central Elgin agreement being the last in Ontario. They are similarly rare in American metropolitan areas (Andrew 2008). ICA scholars argue that this is

because they are hard to negotiate and even harder to enforce, creating a situation where it makes little sense for municipalities to enter into such agreements because the transactions costs are simply too high. Based on Southwold's withdrawal from such an arrangement, it would also seem that these transaction costs are too high to sustain this level of cooperation amongst members of vastly different size. The distinction between urban and rural is a further extenuating circumstance. No longer willing to remain as the rural periphery of the city, Southwold had its own ambition to develop, shirking the original logic of city-county separation.

These three case studies represented here demonstrate vastly different approaches to planning: London has no formal connections with its surrounding area, Simcoe County has relied largely on provincial regulation for regional planning and St. Thomas, in Elgin County, entered into a voluntary planning collective with its neighbouring lower-tiers in the county. Each have different experiences, but one common denominator seems to be the conflict between the aspirations of separated cities and their immediate neighbours. This is consistent with previously conducted ICA research in this area, which states that dividing selective benefits is challenging and poses a threat to cooperation. The perception that one area will win and another will lose poses steep negotiation and monitoring costs for municipalities thinking about participating in cooperative planning.

Additionally, some suburban and rural communities around central cities have similar aspirations as the urban areas they border. These aspirations often clash. Cities feel that the growth experienced outside of their borders occurs largely because of their own growth rates, rather than a concerted effort by suburban and rural neighbours to attract growth. Consequently, when suburban and rural areas want to expand their

assessment base and gain a sense of independence from their urban neighbours, conflict

between the areas over growth and development seems inevitable.

CHAPTER 6 – CONSOLIDATED MUNICIPAL SERVICE MANAGERS

6. Introduction

The province has been willing to deeply involve itself in the affairs of its separated cities and counties. In the previous two chapters, I have demonstrated how the provincial government has repeatedly intervened to settle border disputes and regulate planning and land use decisions. Provincial decision-making has not been isolated to these two areas, however. In addition, service downloading has created significant divisions between certain separated cities and counties. This chapter details the effect of mandated cooperation upon separated cities and counties and examines how downloading impacts other areas of potential cooperation between both jurisdictions.

American ICA literature provides some information on the effect of intervention from senior levels of government. ICA scholars argue that, in some ways, increased regulation of local government behaviour by senior levels of government may negatively influence cooperation through increased expectations of central government intervention; however, in other ways, incentives from senior levels of government may positively influence cooperation (Post, 2004). While some research (Morgan and Hirlinger 1991; Krueger and Bernick 2010) shows promise in connecting state regulation to a decreasing likelihood of cooperation, Post (2004) argues that more research is necessary to fully assess the impact of central government influence and control on inter-local cooperation.

In Canada, initial research suggests that municipalities under threat of intervention from senior levels of government will be more amenable to reaching a

negotiated settlement with neighbouring municipalities (Alcantara and Nelles 2009).

However, initial research also indicates that municipalities are self-interested actors; thus,

although central governments may regulate their behaviour, many municipalities resist

surrendering policy or process control to central authorities. If an agreement is to be

reached, most municipalities want to participate in the process and dictate as many terms

of the agreement as possible. Social service downloading in Ontario provides a good

venue to test many of these assumptions about central government regulation and

downloading.

The Consolidation of Municipal Services Management (CMSM) program was the

result of provincial downloading in 1997. Implemented through the *Local Service

Realignment Act* (Ontario 1998), municipalities across the province assumed increased

responsibility for Ontario Works, child care, social housing, land ambulance and public

health. To ensure that these services were delivered effectively and equitably, the

province established consolidated municipal service managers and districts. In total, the

province created 37 consolidated municipal service managers and 10 northern district

social services administrative boards, each of which roughly aligned with previously

existing jurisdictions.

For many communities across the province—such as municipalities with regional

or single-tier governments—it was clear from the onset who the CMSM would be: areas

with an upper-tier or single tier government that would automatically assume

responsibility for the services covered under the CMSM. However, for counties with a

separated city, it was much less clear. Unlike other municipalities in the province, the

government did not provide extensive guidelines for how separated cities and counties

would divide related costs and responsibilities. Instead, separated cities and counties were left to figure out their own funding and service formulas. This ambiguity led to difficult negotiations within each area, as municipalities struggled to find the financial resources to deliver CMSM services. In certain cases, separated cities and counties ended up in arbitration.

This chapter aims, first, to examine the CMSM process province-wide before exploring how the CMSM impacted the relationship between municipalities in Guelph-Wellington, Barrie-Orillia-Simcoe and London-Middlesex. While each region struggled to reach an agreement, the negotiations in Guelph and Wellington were particularly contentious. In fact, Guelph and Wellington found themselves in arbitration after the expiry of their original agreement, which, in turn, further complicated their relationship. This created an example that London-Middlesex and Barrie-Orillia-Simcoe have sought, and are continuously seeking, to avoid.

6.1.   The CMSM Process in Ontario

When it first introduced the CMSM, the province allotted a significant amount of freedom to each region to arrange funding responsibility when multiple jurisdictions were involved. Additionally, the province gave municipalities flexibility in determining service provision, even opening the possibility for private service delivery. The implementation guide that the province provided to southern Ontario municipalities, simply stated that, "the municipal service managers will be responsible for determining, within provincial policies, the most effective approaches to delivering services to clients in their areas…some delivery functions will be carried out directly by the service system

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manager, while others may be carried out by the service system manager and/or by non-government providers" (Ontario 1998, 2).

While the province offered flexibility in funding and service delivery, the province did prescribe a specific set of criteria for CMSM consolidation in southern Ontario municipalities. In regional municipalities and counties without a separated city, the upper-tier municipality was designated as the CMSM manager (Ontario 1998, 3). Counties with a population of less than 50,000—including any separated municipalities—would have to make arrangements to consolidate service management with another county or regional municipality (Ontario 1998, 3). For the third category, counties with one or more separated municipalities, the province provided additional flexibility not given to regional governments or smaller counties. For separated cities and counties, the province issued the following guidelines:

> In counties where there are separated cities, towns or a township, arrangements must be in place for either the county or one of the separated municipalities to manage services on behalf of the other municipalities. The same municipality will be the consolidated municipal services manager…The choice as to whether the county or one of the separated municipalities manages the services and the accountability arrangements among them, are to be decided locally (Ontario 1998, 3).

Thus, although the province was clear in demanding that some level of government be responsible for these services, but it did not specify which services nor how the funding arrangements within these areas ought to be established. This gave separated municipalities a tremendous amount of flexibility.

However, this flexibility caused a significant variation in service responsibility and funding for counties with separated towns or cities. Four main cost-sharing methods were utilized: actual cost, caseload, population and weighted assessment. Although there

is some variation in the cost-sharing methods introduced, weighted assessment is the

most frequently used. A summary of the cost-sharing methods for each region for core

CMSM social services is listed below, in Table 6.1:

Table 6.1: Summary of Core CMSM Cost-Sharing[43]			
Region	**OW & Child Care**	**Social Housing**	**Land Ambulance**
Elgin / St. Thomas	Caseload	Location of Units	Population
Essex / Windsor	60% Weighted Assessment and 40% Caseload	60% Weighted Assessment and 40% Caseload	Weighted Assessment
Frontenac / Kingston	OW Caseload Admin Costs based on Weighted Assessment. Child Care Fee Subsidy and Special Needs based on Location, Wage Subsidy and Admin based on Weighted Assessment	Location of Units and Admin Costs based on Weighted Assessment	Weighted Assessment
Hastings / Belleville, Quinte West	Weighted Assessment	Weighted Assessment	Weighted Assessment
Lanark / Smiths Falls	Caseload	Weighted Assessment	Weighted Assessment
Leeds and Grenville / Brockville, Gananoque, Prescott	50% Caseload and 50% Weighted Assessment	Weighted Assessment	Weighted Assessment
Middlesex / London	Caseload	Weighted Assessment	Weighted Assessment
Perth / Stratford, St. Mary's	Caseload	Weighted Assessment	Population
Peterborough / Peterborough	Caseload	Weighted Assessment	Population
Renfrew / Pembroke	OW: 80% Caseload and 20% Weighted Assessment. Child Care based on	Weighted Assessment	Population

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[43] Source: Colbourne, Douglas S. Ar*bitration Between the Corporation of the City of Guelph and the Corporation of the County of Wellington.* Toronto, 2010.

	Weighted Assessment		
Simcoe / Barrie, Orillia	OW: Caseload. Child Care: Based on Caseload where there is an Identifiable Recipient; otherwise Weighted Taxable Assessment. Child Care Admin based on Caseload	Weighted Assessment	Weighted Assessment
Wellington / Guelph	OW: Residence of Recipient. Child Care: Residence of Recipient for Fee Subsidy and Special Needs Resourcing and Location of Centre for Wage Subsidy.	Prior Residence of Recipient	Location of Call Codes

The CMSM implementation guide provides a significant amount of flexibility for counties with separated municipalities to determine which government is responsible for which services. The province indicated that it was not particularly concerned about which government emerged as a service manager and which government accepted responsibility for funding; rather, their goal was that each region had a specific framework in place. As previously demonstrated, the amount of flexibility gave most communities the ability to reach an agreement on appropriate funding formulas that best suited their local situations. The province did stipulate, however, that if counties with separated municipalities could not reach agreement, arbitration would be necessary (Ontario 1998, 5).

The province claimed the *Social Assistance Reform Act* and the *Services Improvement Act* gave them the authority to designate service delivery areas and delivery

agents for Ontario Works, child care and social housing (Ontario 1998, 8). The implementation guide also notes that lower-tier municipalities would not be involved in these negotiations, as they would be discussed solely between the county and the separated municipality (Ontario 1998, 5). The arbitration process would establish one municipality as the service manager and create a funding schedule, after which that municipality would be responsible for developing its own implementation plan (Ontario 1998, 5).

A number of separated municipalities were unable to reach a local agreement and entered into the arbitration process. Each dispute centered largely on finding an appropriate model for cost sharing. Four counties with separated municipalities had to enter arbitration in order to reach a CMSM funding formula or re-negotiate an agreement: Windsor and Essex County, Pembroke and Renfrew County, Kingston and Frontenac County and, finally, Guelph and Wellington County.[44] A summary of the major findings of each arbitration hearing is listed below, in Table. 6.2:

Table 6.2: Comparative CMSM Arbitration Decisions[45]		
Parties	**Arbitration Decision**	**Date**
City of Windsor, Essex County and Pelee Township	OW, Child Care and Social Housing be apportioned between all parties based on a formula of 60% weighted assessment and 40% actual costs.	March 9, 1999
City of Pembroke and Renfrew County	OW be apportioned between both parties based on a formula of 20% weighted assessment and 80% caseload (actual costs). The costs for Child Care and Social Housing be apportioned based on	January 2, 2001

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[44] Barrie, Orillia and Simcoe County initially entered arbitration but soon after arrived at a voluntary arrangement. As is evidenced below, Guelph and Wellington's arbitration had very little to do with the CMSM implementation itself. Guelph and Wellington are included in this table only for a comparison of the types of arbitration decisions delivered and the options exercised by arbitrators.

[45] Source: Colbourne, Douglas S. Ar*bitration Between the Corporation of the City of Guelph and the Corporation of the County of Wellington.* Toronto, 2010.

	weighted assessment.	
City of Kingston and Frontenac County	OW and ODSP program costs be on the basis of actual net program costs. OW and ODSP administration costs be on the basis of weighted assessment. The method for apportioning Child Care program costs, except the Wage Subsidy program, shall be on the basis of actual costs based on the resident location of the parent. Administrative costs for Child Care will be weighted assessment. Social Housing, Land Ambulance and Provincial Offences program costs will be on the basis of weighted assessment.	July 15, 2004
City of Guelph and Wellington County	OW and ODSP be apportioned based on the residence of the recipient. Child Care be apportioned on the residence of the recipient for fee subsidy and special needs resourcing and based on the location of the centre for wage subsidy. Social Service Housing will be apportioned based on the prior residence of the tenant. Land ambulance will be apportioned on the bases of the location of call codes	January 26, 2010

The policy areas mainly requiring arbitration were Ontario Works, Child Care and Social Housing. In a number of areas, land ambulance and public health were already apportioned. Some areas, such as Kingston and Frontenac, created initial or interim agreements in the wake of CMSM agreements in order to be compliant with the provincial legislation, but with the intention of re-negotiating a more permanent settlement at a later date. Furthermore, some areas were able to reach initial agreement on certain policy areas, but unable to agree on others. Renfrew and Pembroke, for instance, reached an agreement on OW and ODSP in 1997, but their inability to reach an agreement on Child Care and Social Housing forced them into arbitration.

Given that cost sharing was at the heart of each dispute, the cities and counties' respective positions brought many of the urban/rural divisions of county life to the surface. Below, in Table 6.3, is a summary of the assessment methods demanded by both the county and their accompanying separated city:

Table 6.3: Summary of Cost Sharing Requested by Region		
Region	County	City
Wellington/Guelph	Actual Cost	Weighted Assessment
Frontenac/Kingston	Case Load/Population	Weighted Assessment
Renfrew/Pembroke	Case Load	Weighted Assessment
Essex/Windsor	Actual Cost	Weighted Assessment

In general, the urban areas endorsed weighted assessment, while the more rural counties favoured either actual cost, case load or population cost sharing methods.

In the testimony given to the arbitrators in each case, both sides explained their rationale for requesting their chosen cost-sharing method. The counties stated their belief that a disproportionate amount of people in cities used the services outlined in the CMSM. Social service usage, they contend, was sparse in rural areas. Furthermore, county officials argued that urban areas were separated from the county for a reason and that this uniqueness needed to be maintained, even if it involved appropriating costs for social services. This position was, to some degree, apparent in each arbitration case.

Essex County viewed weighted assessment as a method of wealth redistribution between the county and Windsor, arguing that since both were "two separate economic and political decision units and it is not appropriate to redistribute wealth across them" (Rice 1999, 6). The county, it was maintained, was not a beneficiary of social service programming and that the actual cost should be utilized in order to, "avoid a windfall to the city and an increase in taxation in the County" (Rice 1999, 6). Similarly, Frontenac

County argued that it was a highly rural jurisdiction, with only 24,000 residents and no public water or sewer services outside of the Village of Sydenham (Rice 2004, 13). Furthermore, Frontenac officials argued that it had previously agreed to the absorption of the Township of Kingston and the Township of Pittsburgh into the City of Kingston—a 76% loss in its assessment base—to support the desire of Frontenac municipalities to remain rural, thereby creating a buffer between the two areas to guard against future annexation (Rice 2004, 15). Seeing the two areas as sociologically similar, officials contended, was unreasonable since both had vastly different policy needs and demands. The near-unanimous position of the counties was that the bulk of those who needed access to the type of social services covered in the CMSM were in urban, not rural, areas. Since those living in the counties rarely needed access to these services, it was unfair to ask their taxpayers to fund such services.

The cities disputed these claims. Windsor, for example, argued that both the city and the county constituted a single social and economic unit and, as such, both areas shared responsibility for social services (Rice 1999, 8). If the city had to bear a disproportionate responsibility for social services funding, Windsor argued, it would have to raise taxes, potentially forcing part of its population to relocate to the communities surrounding it, further eroding its tax base (Rice 1999, 8). Pembroke argued that it acts as a social service "catchment area" for a large portion of the county, provoking county residents in need of social services to relocate to the city in order to receive them (Allan 2001, 2). Guelph offered a similar line of argument, stating that county residents who needed social services often moved to the city, largely because of the difficulty involved with obtaining such services in more rural areas (Colbourne 2010, 9).

The urban position was largely that both rural and urban areas needed to share the cost of service delivery. Although they conceded that most individuals requiring social services did reside in urban areas, they argued that rural areas still needed to contribute. Additionally, urban areas argued while these areas did not constitute a common political unit, they did constitute a common economic and social unit. Despite their formal separation, cities argued that the county and the city were linked in a number of ways. Although several testimonies tried to dispute the validity of these claims, the arbitration agreements favoured some degree of weighted assessment in each case, with the exception of the Guelph and Wellington arbitration.

The arbitration demands in these four communities followed a predictable pattern and illuminated many of the divisions still present within counties with separated cities. Consistent with the original logic behind separating cities from their counties—that the two were distinct and required separate institutions—arbitration hearings presented a similar message: rural areas are rural and urban areas are urban. Consequently, both sides argued that the funding formula for social services should reflect this distinction, although they disagreed on what the formula should be. As a result, the argument that separated cities made tended to adhere very closely to the rationale for the creation of regional government in Ontario: although separated cities may represent a separate political unit, the fluidity between residents in urban and rural areas suggests that separated cities and their counties do constitute a single social and economic unit.

Despite the differences in how cities and counties view their role regionally and as a service delivery agent, some of the arbitrators found that there was spillover on both sides. As a result of this fluidity between county and city residents, arbitrators found

linkages between rural and urban previously thought not to exist. In fact, in searching for services from their local governments, residents themselves no longer seem to recognize the formerly clear distinction between rural and urban.

6.2.   The Financial Impact of the CMSM

The 1990s were a turbulent decade for municipal finances. This decade not only saw the implementation of the CMSM but, as Siegel (2009) describes, municipalities also experienced a decline in transfer payments, largely because of the Harris government's goal to increase municipal self-reliance by reducing dependence on provincial transfers (51). To offset some of this financial strain, education costs were partially uploaded by the province, allowing municipalities to use the tax room vacated by school boards. In the early 1990s, more than half of the total property tax collected went to school boards (Siegel 2009, 52). By 1998, school boards were no longer reliant on funding from property tax (Siegel 2009, 52).

Despite the increased taxation space given to municipalities, municipalities did not receive the CMSM warmly. Siegel (2009) found that costs for social services ballooned in the early 1990s because of poor economic conditions. When the economy gained strength, social assistance expenditures decreased. Because of this volatility, municipal officials found it hard to budget for social services, creating some resentment towards the province's decision to download this policy area.

The CMSM policy areas consume a significant amount of municipal budgets.

Chart 6.1, presented below, lists 2010 municipal expenses in the province:[46]

Chart 6.1: Municipal Expenses in Ontario
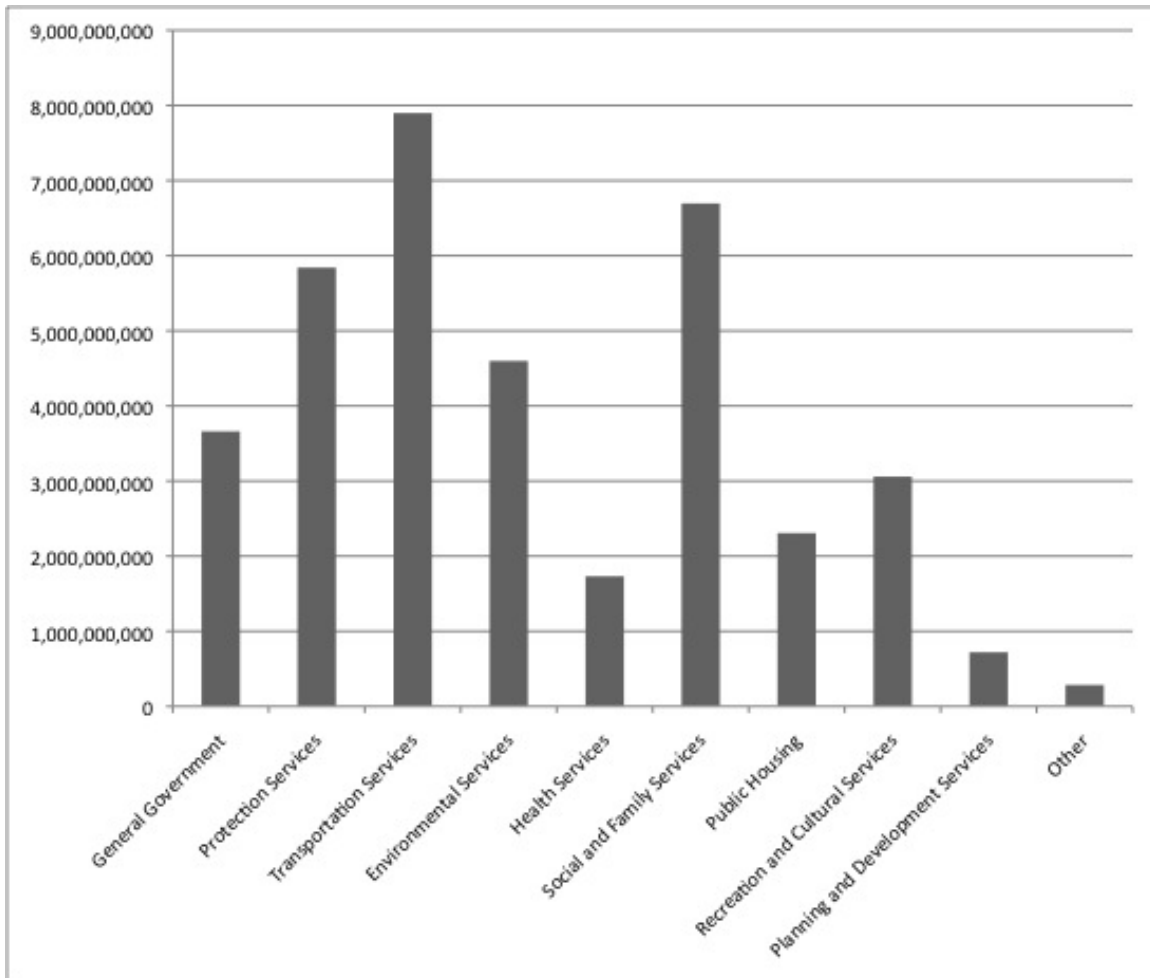
As evidenced in the chart above, social services and public housing command nearly $9

billion a year from municipalities, rivaled only from transportation services (which

encompasses roads and transit), protection services (which includes fire, police and

EMS), and environmental services (which includes water and sewage). Since social

services consume a vast portion of municipal budgets, the province has provided a great

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[46] Data for the chart below was gained from the Financial Information Return provided by the Ministry of Municipal Affairs and Housing

deal of transfers for social services, largely as a result of the McGuinty government's

commitment to upload many of the social service costs previously downloaded by the

Harris government. Similarly, these provincial transfers have also increased over time.

Chart 6.2, below, shows the same municipal expenses presented above, but subtracts

provincial and federal transfers from the original cost:

Chart 6.2: Municipal Expenses After the Federal and Provincial Transfers
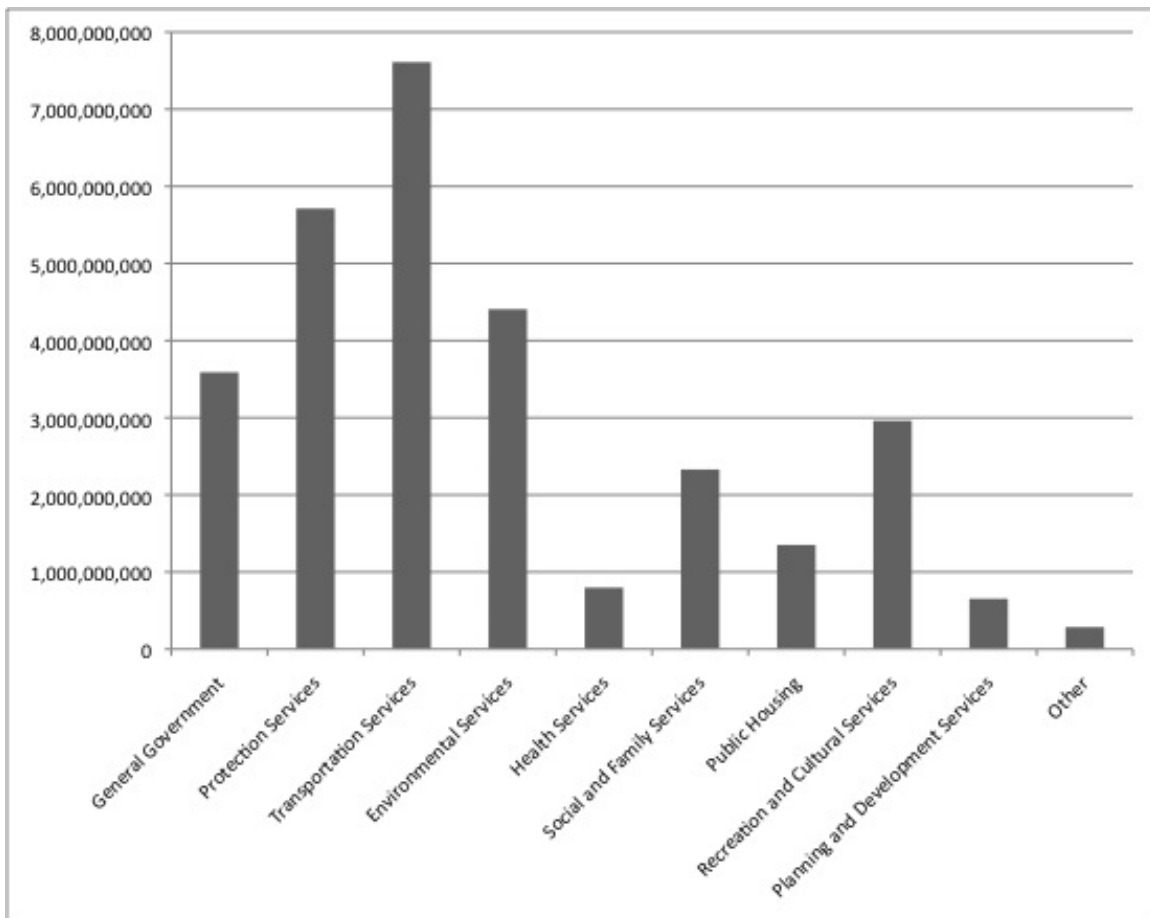
With provincial transfers included, social services and public housing account for

approximately $4 billion, nearly half of the unadjusted expense. Originally, without

transfers, social services and public housing accounted for 24.47 percent of municipal

budgets. However, with the inclusion of transfers, this figure drops to 12.39 percent.

Despite transfer payments heavily subsidizing social services, most officials interviewed for this project described their resentment in having to fund the service. The volatility aspect that Siegel touched upon is perhaps one component, but the primary factor is likely over the division in the concept of social services themselves. Many officials fundamentally believe that social services are "urban", not "rural". Consequently, many rural respondents believe that they do not have a responsibility to fund "city services", while many urban respondents believe that the responsibility is mutual.

Many of these feelings emerged during the previously described arbitration process. While rural areas largely see social service delivery as an urban responsibility, the arbitration process itself found linkages between both areas, namely in the migration of social service users from separated cities to counties and vice versa. Despite the arbitrations' finding that many social service users do exist in rural areas, many rural politicians continue to hold the belief that those utilizing social services are predominantly urban.

While the province did re-organize taxation space for municipalities with the introduction of the CMSM and increase subsidization through transfer payments, municipalities still have deep concerns about funding social services. In the following section, I continue examining the impact of CMSM downloading in Barrie-Orillia-Simcoe, Guelph-Wellington and London-Middlesex. In each, the process to reach, maintain and re-negotiate agreements have been fraught with challenges.

6.3.   The CMSM Process in Guelph, London and Barrie/Orillia

Of the thirteen counties with a separated city, only four have entered arbitration.
Although examining each side's arguments during the arbitration process, along with the
province-wide financial impact of social services delivery, has offered some insight into
the CMSM implementation process, gaining a true sense of how the CMSM affected
Ontario's separated cities and counties is necessary to explore how CMSM agreements
were developed, how both partners view social service delivery once an agreement is
reached and the long-term effects of provincial policy downloading on cooperation.
Below, I explore the CMSM process in Guelph-Wellington, London-Middlesex and
Barrie-Orillia-Simcoe.

Guelph-Wellington represents an unusual case because they previously had, for
many years, a cost-sharing agreement of some locally delivered social services.
Consequently, when the *Local Services Realignment Act* was first introduced, reaching an
initial CMSM agreement was relatively easy. The City of Guelph, however, formally
advised the county in February 2008 that they intended to terminate this initial agreement
(Colbourne 2010, 2).[47] Unable to reach a consensus, both parties entered arbitration in
2010 (Colbourne 2010, 2).

Guelph and Wellington County have a long history of cooperation on social
services. The first agreement between the two regarding social services was first struck in
1969. Within the agreement, the county was established as the administration and

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[47] Despite the notice to terminate, the social services committee continued to meet. The minutes from the
February meeting of the social services committee indicate that both parties continued to discuss matters
relating to CMSM services. There was only one in camera session during the February meeting, but the
minutes indicate that the this was used to discuss a land transfer issue on the city's behalf.

delivery agent for general welfare services. The agreement created a six-member

Wellington County Welfare Committee that had equal representation from the city and

county and was responsible for setting local policy and direction (County of Wellington

1969, 1). This agreement states that all costs for welfare services would be, "charged

back directly to the municipality responsible" (County of Wellington 1969, 2). The city

and county would split the administrative costs based on a percentage of the costs

incurred for welfare distribution in each municipality during the previous year (County of

Wellington 1969, 2).

This arrangement continued until 1983, at which time a new agreement was

reached. The 1983 agreement kept many of the main components of the 1969 agreement

with only minor alterations. The Wellington County Welfare Committee remained in

place but was enlarged to eight members, with the mayor of Guelph and the warden of

the county now serving on the committee along with the three councilors from each area

as specified by the 1969 agreement (County of Wellington 1983, 2). The cost-sharing

structure remained similar, with the agreement outlining that, "costs shall be charged to

the party in whose municipality the recipient of such social services resides" (County of

Wellington 1983, 1).

The 1983 agreement remained in place until 1995 when it was again re-

negotiated. In the revised agreement, the costs for assistance were now charged to the

municipality in which the recipient resided (County of Wellington 1995, 1).

Administration costs were charged to each municipality as a percentage of their

contribution towards assistance for that year (County of Wellington 1995, 1). A 1998

document entitled "Consolidation Arrangements" laid out the division of costs for the

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services covered in the 1997 CMSM implementation arrangement. This arrangement utilized a number of cost sharing methods: Ontario works would be apportioned based on the residence of recipients, Child Care would be based on the location of each centre, land ambulance would be based on population and Social Housing would be funded 75 percent by the city and 25 percent by the county (Colbourne 2010, 4).

As per the agreement, the city and county joined together to form a social services committee with equal representation. The warden and mayor each sat on the committee, along with three representatives from their councils, equating to four representatives from each jurisdiction. Those chosen to sit on the social services committee in the lead up to the 2008 termination of the CMSM agreement and the 2010 arbitration had a number of personal conflicts, which some respondents suggested continued outside of the scope of the committee.[48] One current Guelph city councilor noted that, "my recollection from the first meeting was that there was a problem there, people didn't like each other, there was no discussion…there was obviously something that was ready to ignite" (Personal Interview – May 2, 2012). Additionally, Guelph's representatives were not reporting the committee's work back to council, leaving many of Guelph's council members and staff unaware about the current state of social services delivery and funding, reports a county official (Personal Interview – April 26, 2012).

Guelph proposed a revision of the 1998 agreement's terms, suggesting that weighted assessment be used as the basis of apportioning both social services and land ambulance costs (Colbourne 2010, 5). Some of Guelph's councilors and representatives

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[48] According to minutes from the social services committee, those appointed to the committee during this period were County Warden Joanne Ross-Zuj, County Councilors Gord Tosh, Barb McKay and Brad Whitcombe, Mayor Karen Farbridge and City Councilors Bob Bell, Maggie Laidlaw and Leanne Piper.

on the social services committee felt that the county was not concerned about some social service issues that were unique to the city, such as homelessness. A current Guelph councilor argues that the situation came to a head when the county refused to continue funding to the "ChangeNow Youth Centre", which provided services for homeless and at-risk young people in Guelph (Persona Interview – May 10, 2012). Guelph councilors interviewed for this project contend that the county refused to fund the organization because it was not considered to be a county problem, thereby encouraging the city's belief that both jurisdictions were too divergent to agree on many social service issues (Personal Interview – May 10, 2012). Some councilors and staff believe the time was now right to "test the model" (Personal Interview – May 10, 2012).

Nevertheless, reaching the decision to go into arbitration was long. A city councilor reports that in early 2008 senior city staff began requesting meetings with councilors prior to service committee meetings in order to direct Guelph's councilors how to vote on certain items (Personal Interview – May 2, 2012). Councilors were told that county administrators and politicians—tasked to administer many of the services covered under the CMSM agreement—did not fully understand Guelph's position on many CMSM funding areas and, as a result, could no longer be trusted to competently deliver social services to Guelph's residents (Personal Interview – May 2, 2012).

Some city councilors on the committee began seeking out information on voting matters from other sources, even going so far as to avoid city staff and request information directly from county staff (Personal Interview – May 2, 2012). Additionally, one city councilor notes that staff began directing councilors to vote against county

positions, with certain councilors feeling that they were not being given enough information to support the CAO's position (Personal Interview – May 2, 2012).

Eventually, Guelph's CAO, Hans Loewig, and Lois Payne, Director of Legal Services, made a case for arbitration to city councilors. Both staff members argued that Guelph could win if they pursued legal action and receive a much more favourable funding arrangement that would prevent the expected financial shortfalls in upcoming years. Both Loewig and Payne were confident about the city's chances in arbitration. One former councilor argued that, "it was presented to us as being a strong case" (Personal Interview – May 2, 2012), while another current councilor stated that both staff members were convinced that the case was a "slam dunk" and the chances of losing were, at best, slim (Personal Interview – May 2, 2012). In fact, a former councilor reports that city staff even argued that any outcome would likely be more favourable than the current funding arrangement, with staff commenting that, "we have nothing to lose here" (Personal Interview – May 2, 2012).

When councilors questioned the city's position, they were reassured that the city had both the resources to win and a track record of success. Before entering arbitration with Wellington County, Guelph had previously won a legal judgment in which SUBBOR (Super Blue Box Recycling Corporation) unsuccessfully sued the city for breach of contract (City of Guelph 2009).[49] With the recent court victory, municipal staff touted the success of the city's legal department and promised city councilors that similar

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[49] SUBBOR, and its parent company Eastern Power Limited, originally sued the City of Guelph in 2003. The company launched a $32 million breach of contract motion against the city in relation to the construction and operation of an organic waste processing facility. In 2007, the Ontario Superior Court of Justice dismissed SUBBOR's claim and awarded full costs to the city. The Ontario Court of Appeal subsequently upheld the Superior Court's decision. In 2009, SUBBOR and Guelph reached a settlement agreement in which SUBBOR agreed to pay Guelph $2.5 million in legal costs in installments.

success could be achieved if they took the county to arbitration (Personal Interview –

May 2, 2012). A former Guelph councilor argued that some councilors remained

skeptical, noting that the city's solicitor, Lois Payne, had contracted the SUBBOR case

out to a Toronto law firm, but intended to complete this arbitration in Guelph using only

the city's legal team (Personal Interview – May 2, 2012).[50] Throughout much of the

process, certain city councilors expressed feeling uninformed about the proceedings, with

one councilor commenting that, "I thought we had little objective information on why we

were going to arbitration" (Personal Interview – May 2, 2012).

Once arbitration was filed, Guelph pulled its representatives from the social

services committee, despite the fact that the agreements remained in force until the

arbitrator's decision.[51] Guelph provided no notice prior to removing its representatives;

rather, Guelph's full delegation simply stopped attending.[52] While there is little public

record of Guelph's decision-making process in removing its representatives, respondents

provided two main arguments justifying their decision to walk away from the

committee.[53] First, councilors believed that—aside from receiving staff reports—little

was accomplished during committee meetings (Personal Interview – May 10, 2012).

Second, they believed that the proportion of representatives afforded to Guelph was too

low. As the jurisdiction with the higher population and, they believed, a higher

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[50] Respondents noted that city staff received little blame after the arbitration award was made. However, Guelph's Director of Legal Services, Lois Payne, left her position soon after Guelph lost its arbitration case with the county. Most blamed the arbitrator for the judgment..

[51] The last social services committee meeting that Guelph's full delegation attended was January 13, 2010.

[52] Ward 1 Guelph Councilor Bob Bell, a city appointee to the committee, continued to attend the March and April 2010 social services committee meetings, but was not recognized as a voting member. His presence was noted in the minutes, however. He was excluded from an in camera session at the March 17 meeting that discussed the subject of potential litigation with the city.

[53] Guelph's arbitration with the county and the joint social services committee was discussed in-camera at the December 15 and December 21, 2009 city council meetings.

percentage of social services users, Guelph wanted more representation (Personal Interview – May 17, 2012).

The city also disbanded the land ambulance committee, which county officials argue left them without information on land ambulance response or dispatch rates for nearly 18 months (Personal Interview – April 26, 2012).[54] Much like the social services committee, Guelph councilors contend that the committee was not effective and dealt mostly with receiving staff reports (Personal Interview – May 10, 2012). City officials also contend that the committee was becoming too politicized and was routinely cancelled because there were so few agenda items, leading to the belief that land ambulance—as a policy area—did not require a stand-alone committee (Personal Interview – May 10, 2012).[55] Once disbanded, the city combined the work of the land ambulance committee with the Emergency Services, Community Services and Operations Committee, without county representation.[56] County representatives contend that they were forced to attend Guelph city council meetings as observers, merely hoping to pose questions to councilors about ambulance service (Personal Interview – May 10, 2012).[57]

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[54] The last meeting of the Land Ambulance Committee occurred on October 9, 2009. No mention of the committee disbanding was mentioned in the minutes for the meeting and the next meeting was scheduled for October 14, 2009. Respondents indicate that the committee was informally shut down before the scheduled October meeting, with Guelph removing the committee's members from the committee.

[55] Records from the now-disbanded committee indicate that only one meeting was officially cancelled between 2007 and 2009. Although there are no records of minutes and agendas for seven months,,there is no officially documented reason why the committee did not meet that month.

[56] In 2010, this committee was disbanded again and the work was shifted to the Corporate Administration, Finance and Emergency Services Committee. The first meeting of the Emergency Services, Community Services and Operations Committee after the Land Ambulance Committee was disbanded makes no mention of the former committee no longer being in operation. Guelph's City Clerk confirms that the work of the Land Ambulance Committee was added to the Emergency Services, Community Services and Operations committee.

[57] Officials from Erin were particularly concerned about ambulance response times to their community because the township did not have an ambulance station and there were unofficial reports that Guelph response times ranged upwards of 45 minutes. Lou Maieron, then the County of Wellington councilor for Erin, made a presentation to Guelph council on December 8, 2009, where he again raised the issue of

Conversely, city officials argue that much of the work of updating the county on the committee's decisions was performed by city staff who liaised with county staff after each meeting (Personal Interview – May 17, 2012).

The decision to sever committee-level ties with the county and disband the land ambulance committee was put forward by staff and endorsed by Guelph council, despite objections that dissolving the committee and shifting it to an internal city committee would severely limit the county's input into how ambulance services were delivered within the region (Tracey 2010c). County officials note that they have, on a number of occasions, invited the city back to the social services committee, although they have yet to rejoin (Personal Interview – April 16, 2012). A number of respondents from the city contend that they are not prepared to return to the social services committee until there is a change in the committee's composition (Personal Interview – May 17, 2012). Namely, they demand that they receive proportional representation determined by population size, which would give them with a voting majority on the committee (Personal Interview – May 17, 2012). Nevertheless, the county remains unwilling to adjust the committee to meet these representation standards.

In the absence of city representation on the committee, Guelph has sent staff to certain social services committee meetings.[58] County respondents note that the city staff who do occasionally attend rarely speak during the meeting; rather, they tend to receive updates and offer feedback following the conclusion of the formal meeting (Personal

response times, arguing that Erin taxpayers were not receiving adequate service for the nearly $400,000 in tax they are paying to Guelph EMS. Officials from Erin also met privately with the Mayor of Guelph and raised their concerns with the province.

[58] Agenda minutes note that Todd Salter (Manager of Policy Planning and Urban Design) and Karen Kawakami (Social Services Policy and Programme Advisor) are the two Guelph employees that generally attend the social services committee on behalf of the city.

Interview – April 26, 2012). In some cases, county warden Chris White and Councilor Gordon Tosh, chair of the social services committee, attend city council meetings in order to give committee updates to the Guelph city council (City of Guelph 2011[b]).

Once in arbitration, the county argued that actual cost be used as the basis for apportioning social services, while the cost of land ambulance be divided based on the call's location (Colbourne 2010, 5). Ultimately, the arguments advanced by both sides can be reduced to a fundamental distinction between urban and rural. The city claimed that it acts as a hub for rural residents, both economically and socially; consequently, when rural residents need social services, the city provides them. Conversely, the county argued that sharing the costs for social services over the entire county would place a disproportionate burden on rural residents who do not utilize social services on the same scale as urban residents.

Guelph officials based their argument around the ideological belief that the city is a central facet of county life. County residents, they argued, come to the city for a variety of reasons, including work, shopping and entertainment. Additionally, officials from the city argued that rural residents migrate to the city in order to receive social services. Planner Lynne Gough primarily advanced this argument, arguing that "many Wellington County residents who need social services or social housing are likely compelled to move to Guelph to obtain such services" (2009, 19). Guelph and the county, particularly in southern portions of the county, have a strong connection to each other. Furthermore, as the range of income levels within the county and the city demonstrate, residents requiring social services reside throughout all areas of the county (Gough 2009, 20).

The county attempted to counter this argument by demonstrating the strength of the county's connections to other surrounding areas. Wellington County's oddly shaped territory borders ten other counties, regional governments and single-tier municipalities wherein many county residents live and worked (Colbourne 2010, 14). This connection is particularly evident in the Waterloo Region, which, the county argued, constitutes the single largest destination for those seeking employment and commerce outside of the county, particularly for northern residents (Colbourne 2010, 14). The county also attempted to discredit the notion that Wellington residents moved to the city in order to utilize social services by arguing that this migration was negligible. In fact, the county noted that between 2003 and 2009, only 229 Ontario Works clients moved from Wellington to Guelph, while 231 clients moved from Guelph to Wellington (Colbourne 2010, 16).

Furthermore, the county argued that the majority of social services recipients (71 percent) reside in Guelph, while only a minority (13 percent) reside in Wellington County (Colbourne 2010, 17). In addition, the majority of new immigrants and university-aged families—likely to have more need for social services—tend to reside in Guelph rather than the county (Colbourne 2010, 20). Because of this disparity, the county argued, moving to a cost-sharing method, such as weighted assessment, would apply an undue financial burden on rural residents of Wellington County. Moreover, a system of weighted assessment "would represent a punitive measure whereby the County of Wellington is required to pay for costs which occur outside of its jurisdiction and for which county residents receive no material benefit" (Colbourne 2010, 22). Finally, the county concluded by arguing that, "fairness is accomplished in that the jurisdiction that

consumed the services should pay for them and would not be accomplished if one is required to pay for costs used by the other municipality" (Colbourne 2010, 22).

Ultimately, the arbitrator assigned to the dispute, Douglas Colbourne, ruled in favour of the county. Colborne dismissed Guelph's fundamental argument that Wellington residents moved from the county to the city in order to access social services. In fact, he argued that, "the migration suggested by the City of County residents for social services purposes does not exist…spillovers both ways are minimal and balanced" (Colbourne 2010, 34). Colbourne also found that the county's connections to outlying areas, such as Waterloo and Hamilton, are as strong as the county's connection to Guelph (2010, 34). Based on his findings, Colbourne sided with the county and created an arrangement that did not include weighted assessment. Instead, Ontario Works and Ontario Disability Support Programme funding would be apportioned based on the residence of the recipient (Colbourne 2010, 35). Similarly, Child Care fee subsidy and special needs resourcing would also be apportioned based on the residence of the recipient, while Child Care wage subsidies would be based on the location of the centre (Colbourne 2010, 35). Finally, Social Housing would be based on the prior residence of the tenant, while land ambulance would be apportioned based on the locations of the call code (Colbourne 2010, 35). Since Colbourne's ruling was final, the decision had a negative effect on cooperation between Guelph and Wellington County.

London and Middlesex signed their most recent CMSM agreement for social housing, Ontario Works and Child Care, in 2002 and their land ambulance agreement in 2006. The city and the county also established a joint management board to monitor administration, with equal representation between the city and county (City of London

and Middlesex County 2002). The agreement called for the expenditures associated with Ontario Works and child care to be apportioned based on caseload, establishing Middlesex as the service delivery agent (City of London and Middlesex County 2002). Social housing costs would be apportioned based on weighted assessment (City of London and Middlesex County 2002). Similarly, land ambulance would also be apportioned based on weighted assessment (City of London and Middlesex County 2006). The CMSM agreement for Ontario Works, child care and social housing expired on December 31, 2004 and was not renewed, while the land ambulance agreement expired on December 31, 2011.

Officials from London and Middlesex County have discussed how to revise the CMSM agreement since early 2011. Since discussions are still ongoing, neither city nor county officials are willing to provide details on negotiations. However, county staff indicate that they hope to change the funding formula under which the original CMSM agreement was negotiated.[59] One senior county staff member states that, "there has been some external influences where Guelph and Wellington have had a different measurement of cost and there have been some arbitrated decisions around us around cost and so all we're doing is looking at those other decisions and rethinking our original decisions—which are thirteen years old—and saying 'does this make sense, does this model of financial responsibility still make sense now that we have a decade of experience?'" (Personal Interview – March 2, 2012). Although officials will not specify the exact funding aspects under contention, some suggest that they would like to see the

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[59] I conducted interviews in London in February and March of 2012, during which time, negotiations were ongoing and no resolution had yet been reached.

agreements move away from weighted assessment, which—from the county's perspective—is the most unfavorable funding arrangement.

However, county officials did provide one example of a service they would like to amend: land ambulance. County officials contend that when the original agreements were signed, neither the county nor the city had any data on call volume, and were thereby unable to determine an equitable cost sharing formula for this service (Personal Interview – March 2, 2012). Now with a decade of data, the county would like to reach a funding agreement that is more "fair" from their perspective, in which the city takes on a larger financial burden. County officials point to the decade long tenure of the original agreements as rationale for their requests to revise the agreements: times change, councils change and, perhaps most importantly, the populations who utilize the contested services also change.

Unlike other jurisdictions, CMSM funding has not been a major point of contention in Barrie-Orillia-Simcoe. The original CMSM agreements were signed with very little disagreement and have subsequently been renewed only once, largely without incident. The agreements are now expired and are currently being re-negotiated. While Barrie and Orillia do have some criticisms of the way that current agreements are funded and carried out by the county—the designated service manager—neither city has any immediate plans to take the county to arbitration or force a resolution on the issue.

Those involved in the original CMSM negotiations of 1998 note that Barrie-Orillia-Simcoe easily reached a consensus. A former county warden notes that neither Barrie nor Orillia had significant concerns regarding funding, and the only point of contention came when Barrie insisted that it be designated as the service delivery agent

for Ontario Works and land ambulance (Personal Interview – June 5, 2012). Although Barrie believed that it was best suited to deliver both services, the county objected, noting that it had been responsible for the delivery of these social services prior to the CMSM mandate and that it had the necessary staff and infrastructure in place to continue (Personal Interview – June 5, 2012). After several weeks of negotiation, the province mandated that the county remain the designated service provider.

Simcoe County, Barrie and Orillia signed the original agreement in 1999, establishing Simcoe County's role as the region's delivery agent. The funding for social assistance programs and child care would be apportioned based on case load, while the costs for social housing were apportioned based weighted assessment. The city and the county split administration costs equally on a monthly basis. To manage social service delivery, the agreement also created two committees: the social and children's services committee and the staff liaison committee.

In the 2009 agreement, costs for social assistance programs—namely ODSP and Ontario Works—were apportioned based on a mix of actual costs and weighted assessment (65 percent caseload and 35 percent weighted assessment), while social housing, paramedic services and long-term care were apportioned based on weighted assessment. In addition, each jurisdiction was responsible for a share of the administration costs incurred by Simcoe County as the delivery agent, including the departmental costs of the CAO and Clerk, customer service, Human Resources, communications, finance, purchasing, fleet and property maintenance, interest costs and information technology. The agreement expired on December 31, 2010.

In summary, all three regions—London-Middlesex, Barrie-Orillia-Simcoe and Guelph-Wellington—were initially able to negotiate agreements for CMSM services. However, when the terms of this agreement became untenable for Guelph, the city initiated a long and costly process toward arbitration. Although London-Middlesex and Barrie-Orillia-Simcoe have raised some concerns about the implementation of CMSM agreements, these regions have largely avoided arbitration because they hope to avoid the aftermath of Guelph's arbitration.

6.4.   The Impact on Cooperation

Although negotiating CMSM agreements was a painful process in many communities, none were more contentious than in Guelph. The length, cost and unfavourable outcome of the arbitration process encouraged London-Middlesex and Barrie-Orillia-Simcoe to reach negotiated agreements shortly after the CMSM's introduction. Now that these original agreements have expired, both communities have entered a phase of re-negotiation in attempt to arrive at more favourable terms than previously included in the original agreement.

The arbitration process badly hurt relations in both Guelph and Wellington County. Guelph received a less than favourable outcome and, as a result, many councilors feel that they are now in a worse financial position because of it (Primary Interview – May 2, 2012). From the county's perspective, many Wellington officials feel that the process violated their trust in the city. The county was required to provide the arbitrator with a litany of information, some of which they felt was irrelevant to the arbitration. One county official close to the process noted that, "it's not a pleasant thing to go through

when you are being totally audited…a lot of hard feelings come out of that when someone wants to do a total investigative search on what you are doing" (Personal Interview – April 16, 2012). Some county politicians also felt that their social services administrative staff were unfairly attacked, targeted throughout the process and unduly made to defend their actions. As a result, the CMSM arbitration set the tone for the future relationship between both areas with one county official summed up the arbitration process by stating that, "no one comes through that process without any scars" (Primary Interview – April 16, 2012).

Traditionally, Guelph and Wellington County have enjoyed a strong relationship. Officials with long histories in local politics report that both areas have traditionally had a positive relationship with each other, with one county official arguing that, "15 years ago we had one of the most enviable city county relationships in the province" (Primary Interview – April 26, 2012). In a report in the *Guelph Mercury* about the city's relationship with the county, former Guelph mayor Norman Jary confirmed that the relationship between both municipalities was formerly quite pleasant. Serving as mayor from 1970 to 1985, Jary argued that the city and the council had a very strong relationship during this period of time: "there was a tremendous co-operative relationship between the city and the county back then…it wasn't just mutual respect but a very, very strong friendship" (Tracey 2010[c]). Veteran county councilor Carl Hall, of Mapleton, agrees, telling the *Guelph Mercury* in a 2010 interview that, "we used to have basically parties back and forth…they took us to the Storm game when the arena just opened, it was just social" (Halfnight 2010). The CMSM arbitration process tested and eventually

strained this relationship, as officials from both sides gradually became distrustful of each other.

The ICA framework states that social capital and interaction generally build strong relationships and makes cooperation easier to achieve. In Guelph, there is evidence of a consistent set of positive interaction; however, the introduction of the CMSM quickly destroyed any good will that previously existed between Guelph and Wellington County, causing an abrupt change in their relationship. Central government regulation here seems to have displaced the effect of social capital—or, at the very least, significantly weakened it.

The Guelph experience informs the tactics that London and Middlesex County used in their own negotiations. Middlesex County, in searching for an equitable funding arrangement, believe that they have a good case for changing the funding formula. In early May 2012, the county gave the city a May 22 deadline to agree to pay an additional $2.37 million a year for social housing (Sher 2012). The county also indicated to the city that they wanted a new formula for land ambulance service (Sher 2012). If the demands were not met, the county indicated that it would seek an arbitrated agreement (Sher 2012). London mayor Joe Fontana rejected the May 22 deadline, insisting that city and county administrators would be able to reach a negotiated settlement (Martin 2012). Fontana was optimistic, commenting that, "at the end of the day we are going to come to an agreement…I'm confident our great relationship will continue" (Martin 2012). During this period, the city's finance and administration committee also directed Fontana to request the Minister of Municipal Affairs and Housing to discontinue London's $1

million annual contribution to county roads—a lasting vestige of the 1993 annexation agreement (Martin 2012).

County officials note that they have previously avoided arbitration and will continue to avoid arbitration for as long as they are able. Furthermore, the county warden argues that although he had the option to pursue arbitration in early 2011, he passed on the opportunity so as not to disrupt the county's relationship with London (Personal Interview – March 2, 2012). However, while the county would prefer to reach a negotiated settlement, arbitration may ultimately become necessary.

Middlesex County officials contend that Guelph and Wellington sought out arbitration too quickly. Since this ultimately hurt the relationship between the city and the county, they hope to avoid this situation locally. Additionally, county officials argue that the resolution was "hard on Guelph", hurting Guelph taxpayers because it did not create a balanced settlement wherein the city and the county both received an equitable funding formula (Personal Interview – March 2, 2012). Consequently, Middlesex County officials fear that an arbitrated settlement may similarly place an undue financial burden on the city (Personal Interview – March 2, 2012).

Like London-Middlesex, both Barrie and Orillia have concerns about the current delivery and reporting of social services from the county. Some officials in Orillia believe county social services staff are misleading city council, resulting in inadequate reporting to the separated cities (Personal Interview – May 30, 2012). Specifically, Orillia officials state that they do not have timely access to figures regarding social services usage and emergency call rates, which inevitably affect the level of contribution mutually required of them (Personal Interview – May 20, 2012). Furthermore, both Barrie and Orillia argue

that they do not have enough access to information about residents in long-term care facilities. While the county claims that the names and addresses of long-term care residents is protected under privacy legislation, officials from both cities believe that this limits their ability to determine the location of residents, and correspondingly, the funding responsibility (Personal Interview - May 20, 2012). Similarly, some City of Barrie councilors have concerns about the placement and quality of social housing within the city (Primary Interview – June 1, 2012).

Overall, officials from both cities believe that the funding formula for social service delivery needs to be changed from the current case-load funding formula. Specifically, councilors from both areas are advocating that the formula should be changed to weighted assessment (Personal Interview – June 14, 2012). The primary source of this concern involves funding for long-term care facilities. Barrie officials contend that they spend more than one million dollars a year for only thirteen Barrie residents who reside in county long-term care facilities (Personal Interview – June 14, 2012). City officials call this funding arrangement "goofy", arguing that the county's facilities are too far from Barrie and Orillia to attract to city residents (Personal Interview – June 14, 2012). Informally, officials from both Barrie and Orillia have discussed opening smaller long-term care homes in their own jurisdictions to avoid having the county continue as their service manager for long-term care (Personal Interview – May 30, 2012).[60]

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[60] Ontario's *Long Term Care Act* (Bill 140), and its predecessor the *Homes for the Aged and Rest Homes Act*, mandates all single tier or multi-tier municipalities to establish and maintain a municipal home for the aged or to enter into an agreement with another municipality to maintain such a facility.

Orillia city staff also believe that the overhead costs of social services delivery are too high; furthermore, they contend that there are some inefficiencies with the county's operations which inevitably increase the city's contribution (Personal Interview – May 30, 2012).[61] The lack of available costing information also causes some concern amongst city officials, with some believing that there is a degree of mismanagement on the county's part.

One additional concern for both Barrie and Orillia officials is the composition of the human services committee. The human services committee is a county committee and reports to Simcoe county council. Orillia is afforded three representatives on the committee while Barrie has four. The committee, however, has eleven members from the county, which effectively outnumbers the separated cities. Officials from Barrie and Orillia contend that the committee should use a representation by population principle, which would provide the separated cities, particularly Barrie, with more representatives (Personal Interview – May 30, 2012). In fact, some representatives on the committee from Orillia report that they have stopped reading the committee's briefing notes because of their belief that, "they're [the county] going to do whatever they want to do anyways" (Personal Interview – June 1, 2012).

Due to this disparity, Barrie did not participate on the human services committee for several years. In fact, following several years in which Barrie did not appoint representatives at all, Barrie council has only recently resumed appointing representatives to the committee. Barrie officials maintain that they have consistently told the county that

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[61] As one example, Orillia officials cite the county's significant upgrade of its IT equipment as an overhead cost that it believes it should not have been responsible for.

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they would not appoint members to the Human Services Committee because councilors—too engaged with their own committees—did not have time for committee work outside of their municipality (Personal Interview – June 8, 2012). One Barrie official noted that, "it just wasn't enough of priority" to fill the city's seats on the Human Services Committee (Personal Interview – June 14, 2012).[62] Accordingly, county officials have made several attempts to bring them back to the committee, even offering to increase the representatives' pay in order to financially entice members to attend (Personal Interview – June 8, 2012).[63]

Barrie officials contend that the difficulty in attending meetings is not fiscally motivated but due to scheduling conflicts (Personal Interview – June 14, 2012). Barrie has part-time councilors, many of whom have full-time jobs. Since the county's human services committee meets during daytime office hours, many Barrie councilors report that they are unable to attend (Personal Interview – June 14, 2012). However, Barrie's representatives do acknowledge the need to ensure that they have representation on the committee, with one city official arguing that, "it's actually been a bit of an issue for us. We have four seats and there is often only one filled…it doesn't send a great message" (Personal Interview – June 14, 2012). The composition of the human services committee is not under dispute and, most likely, will not be changed once a new agreement is in place.

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[62] Mayor Lehman has tried to ensure that Barrie's seats on the committee have been filled during his tenure, even taking one of the seats himself to show the county that the city is interested in the social services process and their relationship.

[63] Barrie has a policy that states that the city will not offer honorariums for committee work. One city official notes that even if they did, increased pay would not be enough to incentivize the committee work, as "the monetary incentive isn't all that great…you have to go for the right reasons" (Personal Interview – June 14, 2012).

Encouragingly, the two cities are working together to solve many of these points of contention. Staff handles much of this work since both cities meet separately from the county to discuss strategy and compile an ideal set of changes for inclusion in the next set of agreements. Although the current agreements have expired, two clauses ensure that the terms of the agreement remain in effect until a new agreement is agreed upon. The latest renewal took approximately two years to complete and officials from Barrie and Orillia cities believe that Simcoe county is "not really anxious" to renegotiate it, particularly because they know the new agreement will include significant revisions (Personal Interview – May 30, 2012). However, Barrie and Orillia officials view these delays as unacceptable (Personal Interview – May 30, 2012). Nevertheless, they have not yet formally discussed arbitration. In fact, officials from both cities do not expect that arbitration will be necessary to reach a new agreement, ensuring that many of the tensions that rose to the surface in Guelph may be avoided here.

6.5.   Conclusion

When confronted with the CMSM, separated cities and counties were forced to cooperate on an expensive, complex policy item to find an equitable solution. The CMSM tested the strength of the relationship between Ontario's separated cities and counties. Municipalities that once enjoyed a cordial relationship—such as Guelph and Wellington County—now found themselves in a tense standoff over social service costing. Other municipalities attempted to avoid this situation through careful negotiation and patience with their partners.

ICA research into state regulation and policy mandates are, thus far, relatively inconclusive. Some research (Morgan and Hirlinger 1991; Krueger and Bernick 2010) shows promise in connecting state regulation to a decreasing likelihood of cooperation. ICA scholars link this effect to the "unusual pressures" that municipalities feel when experiencing greater state regulation and policy mandates (Morgan and Hirlinger 1991, 134). These pressures, coupled with the uncertainty of not knowing the state of future regulation, can harm the prospects of cooperation. Post (2004), however, argues that more research is necessary to fully assess the impact of central government influence and control on inter-local cooperation.

A different situation emerged in Ontario with the CMSM. Ontario municipalities live with constant, and complex, sets of provincial regulation. In this sense, the CMSM's imposition did not create any of the uncertainty as described in American ICA literature. Furthermore, Canadian ICA research suggests that municipalities under threat of intervention from senior levels of government are more amenable to reaching a negotiated settlement with neighbouring municipalities (Alcantara and Nelles 2009). This is true of the majority of separated cities and counties in the province that did reach agreement on CMSM policy areas. Explaining the minority of cases that did not reach a negotiated agreement, however, is much more challenging.

The CMSM created a resource scarcity between partnering municipalities. Prior to the CMSM agreements, separated cities and counties had few agreements requiring such large financial commitments. The CMSM forced separated cities and counties to negotiate on policy areas that neither wanted to fund, which inevitably strained their relationship. As one Guelph city councilor argued, "when the watering hole dries up, the

animals begin looking at each other" (Personal Interview – May 17, 2012). Most municipal partners already felt that their budgets were stretched beyond capacity; thus, the prospect of adding another budget line further deteriorated the situation.

Tensions were caused not only by the overall cost of the social service delivery—which was and still is subject to large amounts of transfer payments from the province—but also because many county officials believe that social services are inherently "urban" in nature. Consequently, some rural officials argue that they should not be forced into providing funding for a service that disproportionately benefits residents of other communities. Downloading of social services, then, caused many of the old divisions about rural and urban life to re-emerge.

Other municipalities describe the dispute between Guelph and Wellington County as a situation they actively wanted to avoid. Both London-Middlesex and Barrie-Orillia-Simcoe have concerns with how social services are administered within their regions. Their CMSM agreements have expired and each government has made it clear that amendments are necessary as they begin negotiations. In both regions, arbitration has been discussed, but not seriously explored. Arbitration, they argue, should remain a last resort because of the detrimental effect it will have on their relationship with the county.

The CMSM process also forced many regions to explore their historical assumptions about city-county separation, given that both counties and cities based their arguments on their beliefs about the differing service needs in urban and rural areas. Essex County saw the CMSM as a form of wealth redistribution between the county and the city, arguing that county residents were unlikely to utilize social services at the same rate as urban residents; consequently, it was unfair for the county to bear a

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disproportionate funding responsibility for a policy area that their residents were unlikely to use. Wellington County, on the other hand, argued that there was a two-way flow of social service users between the city and the county. While the final decision of how to allocate funding rested with the arbitrator, each region nevertheless had to examine the type of relationship they wanted to have with each other.

In 2003, former Premier Dalton McGuinty pledged to upload the cost of social services, removing this item from municipal budgets.[64] During the 2011 election, McGuinty re-iterated this promise and, in February 2012, he reassured municipal leaders that the province's tenuous financial position would not delay the scheduled 2018 date to completely upload the cost of all social services (Reilly 2012). Most of the officials interviewed for this project state that they hope this will eventually become a reality since social services funding is a large budget item and a persistent source of disagreement between separated cities and counties.

Ultimately, the CMSM represents an area of mandated cooperation. The next chapter examines voluntary cooperation and explores the types of formal agreements that Ontario's separated cities sign. Since inter-local agreements are a central component of the ICA framework, it is important to explore how agreements are formed before being able to assess the explanatory power of the paradigm.

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[64] McGuinty has incrementally uploaded some social service costing, such as the costs for the Ontario drug plan and the Ontario Disability Support plan. Dalton McGuinty has pledged to upload the complete costs for Ontario Works, land ambulance and public health. In total, the provincial government claims that it has uploaded $947 million of the $1.5 billion they originally promised during the 2003 election campaign.

CHAPTER 7 – FORMAL AGREEMENTS

7.   Introduction

The first chapter hypothesized that without any formal institutional ties, separated cities and counties must rely on alternative methods to ensure service and policy continuity for their residents. Inter-local agreements are the chief method municipalities without any clear institutional linkages utilize to achieve these ends. This chapter explores this proposition by conducting a province-wide review of cooperative agreements and examining the process used to establish inter-local agreements in Guelph-Wellington, London-Middlesex and Barrie-Orillia-Simcoe.

The ICA framework primarily focuses on the creation of inter-municipal agreements. As such, it presents several factors that both hinder and help this type of cooperative activity, such as social capital, group composition, geographic density, power asymmetry and political leadership. Although previous chapters explored many of these variables, further examination of cooperative agreements between separated cities and counties will allow for a more thorough investigation of traditional ICA variables.

To conduct this analysis, I gathered all of the agreements that representatives from separated cities and counties or lower-tiers signed between 1995 and 2011. I chose this time frame for a number of reasons, chiefly because the time frame is long enough to account for major provincial initiatives—such as amalgamation, various rounds of downloading and the CMSM servicing agreements—but recent enough that many of these agreements are still be relevant and active. Additionally, municipalities may have difficulty securing documents prior to 1995.

Unlike the last chapter, the following sections address voluntary agreements. How and why municipalities sign cooperative agreements is a key component of the ICA framework. Past studies utilizing the ICA framework view inter-local agreements as crucial in linking metropolitan areas since—without any institutional linkages—separated cities and counties need to rely on alternative measures to ensure service continuity and policy creation. Furthermore, since these agreements are alternatives to institutional consolidation and change, they are central to the ICA's perspective on multi-municipal governance. Consequently, determining how these agreements are formed is central in being able to understand the nature of governance, more broadly, in counties with a separated city. This chapter explores the extent by which municipalities use inter-municipal agreements to fill policy and service gaps.

7.1. Review of Adaptive and Restrictive Agreements

Municipalities sign a variety of contractual arrangements to achieve local cooperation, including service agreements, mutual aid, joint planning and memoranda of understanding. Historically, most academic research into the nature of inter-municipal agreements has focused on general agreement typologies (Atkins 1997; Nunn and Rosentraub 1997). Prior ICA research in this area has mostly tended to group agreements into two broad categories: adaptive and restrictive. Adaptive agreements provide broad discretion and flexibility for future circumstances, while restrictive agreements provide procedural characteristics, authority and outcome requirements that clearly state in advance each party's terms to fulfill the terms of their contracts (Andrew 2008).

Adaptive and restrictive agreements create very different policy outcomes and provide clues as to the nature of the relationship between the two—or more—signatories prior to the signing of the agreement. An agreement is referred to as "restrictive" if it is based upon and closely adheres to a specified set of rules, generally rooted in provincial and state law and local ordinances (Andrew 2008). These types of agreements provide very little room for interpretation. Additionally, restrictive agreements are challenging to alter because they tend to have fixed expiration dates and very clear procedures for termination. While lacking flexibility, restrictive agreements do provide stability over the life of the agreement, as both sides know what is expected of them financially and administratively, along with full knowledge of the penalties involved in breaking or deviating from the terms of the agreement. Some examples of restrictive agreements include contracts—such as service agreements—or lease agreements.

Adaptive agreements, on the other hand, are more open than restrictive ones and are used to provide more generalized guidelines for locally coordinated efforts. Simon Andrew (2008) argues that adaptive agreements are, "purposely designed to complement pre-existing policies as opposed to a neatly crafted joint vision to improve the overall welfare of the participating local governments' constituents" (10). What adaptive agreements lack in stability, they make up in flexibility. These types of agreements usually do not include strict financial or administrative outlines and are more easily altered if both partners deem it necessary. They also tend to lack some of the safeguards traditionally found in restrictive agreements, such as termination clauses and expiration dates. Some examples of adaptive agreements include mutual aid agreements, memoranda of understanding or agreement, letters of agreement, or informal agreements.

Restrictive agreements are usually utilized for policy areas that have large budgets or are not already provided by a municipality (Post 2004; Stein 1990). One such example is the delivery of social services. All of the provincial CMSM agreements are restrictive, largely because they carry such a high financial cost and the province requires certain standards. Having a more flexible agreement in place could result in one partner not fulfilling their financial or administrative responsibility, thereby creating service gaps for residents. Some further examples include water or sewer servicing or the construction of new capital projects, such as a recreation centres or long-term care facilities.

Adaptive agreements are generally used to complement existing services, such as mutual aid agreements for fire where two communities sign an agreement to ensure full servicing throughout their communities, or where service gaps do not create a financial hardship, such as road maintenance or snow removal. In both cases, each municipality has the administrative infrastructure necessary to provide the service independently, but uses an adaptive service agreement to provide an additional layer of security or allow the jurisdiction to cut costs (Lynn 2005). Some additional examples of adaptive agreement policy areas may include staff training, library services, or cultural services.

Adaptive agreements, however, also come with a degree of risk; namely, these agreements carry a high level of behavioural uncertainty, which occurs when a supplier municipality is tempted to capture a larger share of aggregate gains (Shrestha 2010). While this risk is largely absent with restrictive agreements, adaptive agreements—which have more flexible terms and conditions—are nearly always at risk of being re-negotiated or reneged upon. That is not, however, to say that restrictive agreements are without risk since general environmental uncertainties, such as the unexpected breakdown of

technology or sudden occurrences of natural incidents affecting supply, are possibilities for all types of agreements (Shrestha 2010).

Municipalities tend to adopt strategies that mitigate the inherent risk of entering into contractual agreements with other jurisdictions. Recent literature on the formation of inter-local agreements identifies two main strategies: interdependent risk spreading and independent risk spreading (Andrew 2010). Interdependent risk spreading involves sharing services with a contractual partner municipality as opposed to merely purchasing them, which gives municipalities more leverage and more justification to maintain the terms of the original agreement through reciprocity (Andrew 2010, 95). Each municipality then has more justification to uphold the previously agreed-upon terms. A second strategy involves independent risk spreading, whereby municipalities seek to maintain a limited number of contractual ties, generally with only a few trusted partners (Andrew 2010, 97). Under this strategy, municipalities have few contractual linkages.

A third, also widely discussed, strategy involves only purchasing services or entering into agreements with "popular" municipalities. A supplier is deemed "popular" if a number of municipalities also purchase services or engage in cooperative contracting with them (Shrestha 2010, 123). Since "popular" municipalities rely on the strength of their reputation to establish new contractual agreements, ICA scholars argue that "popular" municipalities have more of an incentive to maintain the terms of its agreements.

While this typology building has been useful in the study of inter-local agreements and cooperation, another group of scholars using variations of the ICA framework has moved beyond adaptive or restrictive categorization to test the "intensity"

of agreements and the subsequent effect this has on creating new cooperative relationships.[65] Cooperative intensity is a measure of the strength of the commitment of the parties included a partnership (Nelles and Alcantara 2011, 323). Simply put, intensity is a function of the degree of authority and resources sacrificed by each party in the interest of integration (Nelles 2009; Perkmann 2003). Cooperative intensity also measures the degree of autonomy that cooperative action achieves from the partners themselves. This suggests that cooperative initiatives resulting in the creation of independent authorities will be seen as more intense than agreements established simply to facilitate additional lines of communication (Nelles and Alcantara 2011, 323).

The study of cooperative intensity focuses much of its attention on measuring institutional integration, broadly defined as the degree of control sacrificed by each party over the outcome of the partnership and the degree by which each party is bound to a certain course of action (Nelles and Alcantara 2011, 324). This area of study is interested in the extent by which cooperative agreements themselves create binding rules or sets of institutions that, in turn, establish the tone for cooperation. In these terms, measuring the intensity of agreements moves away from characterizing agreements as either adaptive or restrictive and attempts, instead, to place the relationship along a spectrum.

Several factors are examined in order to study the intensity of the agreements. The first is timing, which measures the duration of the partnership. Agreements with limited time frames tend to carry lower levels of intensity than those that resulting in associations or joint management boards—institutions that would generally have an open-ended

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[65] Much of this work has focused on horizontal relationships, which is applicable in studying the relationship between separated cities and counties. Some of the more recent research into cooperative intensity utilizes cross-border metropolitan areas (Sohn, Reitel and Walther 2009) and First Nation communities (Nelles and Alcantara 2011) as case studies.

duration. Essentially, imposing a limit on any partnership establishes an "escape route" for either partner, which may indicate a weaker commitment to cooperation (Nelles and Alcantara 2011, 324). For the purposes of this study, the presence of an expiration clause indicates a lower level of intensity than an open-ended agreement.

A second factor is the degree to which the established partnerships are binding. This variable takes into account the binary nature of the adaptive and restrictive typologies, in that legally binding agreements are more intense than those that are non-binding. As such, restrictive agreements are more intense than adaptive agreements. This is not, however, to suggest that all non-binding agreements have low levels of intensity. Certain factors, such as mechanisms to facilitate dispute resolutions, can increase the perceived level of commitment from the signatories. Nevertheless, the nature of the agreements themselves—as being binding or non-binding—does allow researchers to generally comprehend the level of risk involved in the agreements.

Finally, institutional integration is another factor that determines the intensity of the agreement. The term institutional integration itself refers to the distance that participating actors have from the decision-making of the partnership (Nunn and Rosentraub 1997). The creation of new boards or institutions increases the intensity of the agreement precisely because it distances the original actors from the cooperative act. This can be measured through the creation of groups external to the agreements itself, such as joint boards of management.

The study of cooperative intensity and agreement typologies allows researchers to begin uncovering the nature of cooperation between municipalities. Utilizing factors in both paradigms may explore some of the factors affecting cooperation between Ontario's

separated cities and counties. While agreement typologies build binary databases—such as labeling agreements as being either adaptive or restrictive—cooperative intensity builds upon their work by creating spectrums describing the relative strength of the relationship. While neither approach, thus far, has been utilized in studying the relationship between separated cities and counties, nor the nature of mandated cooperation evident in the CMSM process, the variables they describe will allow this study to dive deeper into the assembled agreements and produce some insights into the relationship between separated cities and counties in Ontario.

7.2.   Survey of Inter-Local Agreements

In total, Ontario's separated cities and counties signed 275 agreements between 1995 and 2011. Table 7.1, below, reviews these agreements by region:

Table 7.1: Summary of Agreements By Region	
Region	**Agreements**
Simcoe-Barrie-Orillia	33
Essex-Windsor	9
Wellington-Guelph	11
Middlesex-London	22
Frontenac-Kingston	14
Peterborough-Peterborough	30
Renfrew-Pembroke	13
Leeds and Grenville-Prescott-Brockville-Gananoque	16
Stormont, Dundas and Glengarry-Cornwall	31
Lanark-Smith's Falls	20
Elgin-St. Thomas	10
Hastings-Belleville	19
Perth-Stratford-St. Mary's	47
Total	275

As the table demonstrates, there is a tremendous amount of variation in each region. Some areas have close to 50 agreements, while others have less than 10. Some factors

increase the number of agreements per region, with the most obvious being the presence of more than one separated city. Consequently, Simcoe County, Barrie and Orillia, along with Perth County, Stratford and St. Mary's—which have two relatively populous separated cities within the county—have the most agreements. The other county with multiple separated cities, Leeds and Grenville, only has 16 agreements, which is likely because its separated cities are of a comparably smaller size. Exploring the types of agreements that these regions sign, however, may better explain this regional variation.

Interestingly, the areas that eventually sought CMSM arbitration tend to have fewer agreements currently in place. Windsor and Essex have only 9 agreements, Guelph and Wellington only 11, Kingston and Frontenac have 14 and Pembroke and Renfrew only have 13 agreements in place.[66] Since the arbitration process can be long and, in some cases, acrimonious, it is quite possible that the arbitration process harmed the relationship between both jurisdictions, affecting the creation of future agreements.

Not all of the agreements within each region are signed solely between the county and their corresponding separated cities. In some cases, agreements include lower-tier municipalities within the county, are signed solely between a separated city and a lower-tier municipality from the county or include third party groups. Below, Table 7.2 offers a summary of the agreement partners for each separated city[67]:

Table 7.2: Total Agreements By City

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[66] Guelph-Wellington entered arbitration after initially reaching agreement when the CMSM process was introduced. As this chapter will subsequently demonstrate, the CMSM arbitration in Guelph-Wellington led both parties to "formalize" their existing agreements and ultimately dissuading them from future cooperation.

[67] It is important to note that each category is not mutually exclusive, in that an agreement can be included within two categories. For example, an agreement including Barrie and the town of Innisfil and Simcoe County would be included in both the county category and the lower-tier category. I provide this table primarily so that the reader has a simple overview describing which municipalities Ontario's separated cities are choosing to partner with.

City	Agreements Including County	Agreements Including County Lower-Tiers	Agreements Including Jurisdictions Outside County	Agreements Including Third-Party Groups[68]
Barrie	12	14	0	1
Orillia	5	5	0	5
Windsor	5	9	0	2
Guelph	4	7	0	0
Kingston	3	4	7	0
Peterborough	29	8	0	5
Pembroke	5	8	0	5
Brockville	11	1	1	4
Gananoque	6	4	0	0
Prescott	11	0	1	4
Cornwall	26	1	3	10
Smith's Falls	20	8	0	1
St. Thomas	6	6	0	1
Belleville	11	7	1	2
Quinte West	6	4	1	0
Stratford	22	17	1	8
St. Mary's	11	6	1	5

As expected, the majority of the agreements include the county, although regional variation persists. This perhaps occurs because some cities have more agreements with county lower-tiers than the county itself. Barrie, Windsor and Guelph have made more agreements with county lower-tiers than the county while the remaining cities have generally opted to deal mainly with their counties.

While this result was expected, of interest to this study are the number of agreements signed with jurisdictions outside of the county and with third-parties. Some separated cities, such as Kingston, have a number of agreements with areas outside of

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[68] Third party groups include non-governmental organizations, such as the Heart and Stroke Foundation, and private organizations, such as development corporations. It also includes special purpose bodies as well as First Nations groups. Agreements are only counted in this category if the agreements specifically included a municipal partner. For example, an agreement would qualify if it was signed between a city, county and a third party, but not if it was directly signed with a third party group.

their counties geographic boundaries, perhaps because Kingston's own borders reach both sides of the borders of the very linear Frontenac County. Conversely, many of the other separated cities are immediately surrounded by their counties, limiting their need to sign agreements with outside jurisdictions.

Some cities have also signed agreements with a number of third-party groups. Some of these cities, such as Barrie and Orillia, have largely signed these agreements with First Nations groups, while others, such as Cornwall, have sought out agreements with social service groups. Accordingly, the agreements surveyed for this study include a variety of third party groups. Nevertheless, who municipalities choose to partner with offers only one perspective; thus, it remains important to understand what types of agreements are being signed in addition to the content of those agreements.

In total, the number of actors involved in each agreement remains relatively small. The average number of participants for each agreement is 3.23, meaning that most municipalities prefer to form agreements with fewer, rather than more, actors. This is unsurprising and consistent with previous research, which suggests that smaller groups are easier to monitor and distribute relative losses or gains, thereby reducing transaction costs. Simply put, smaller groups are easier to manage than large ones, which is why many separated cities opt to keep their policy networks small.

Although the vast majority of the agreements that municipalities use are contracts, there is variation in the types of agreements available to them (Miller 1981; Atkins 1997; Nunn and Rosentraub 1997). They range on a scale from flexible, such as informal agreements and memoranda of understanding, to inflexible, which includes contractual service agreements. Informal agreements and memoranda of understanding greatly

reduce the transaction costs involved in writing and implementing an agreement, particularly when compared to inter-municipal service agreements which are relatively easy to modify should unforeseen circumstances arise—although they do, albeit, create less security in municipalities' adjudication rights by opening up financial terms for possible interpretation (Andrew 2008). Mutual aid agreements are only operative when certain conditions are met, generally emergencies or inclement weather, providing some financial flexibility but remain generally restrictive with respect to length and termination (Andrew 2008). More inflexible agreements provide more security for participating municipalities, but are challenging to revise since dispute often lead to costly legal challenges.

Below, in Table 7.3, lists the types of agreements signed between 1995 and 2011 in each county in Ontario with a separated city:

Table 7.3: Summary of Agreement Types by Region			
Region	**Contract**	**MOU**	**Mutual Aid**
Simcoe-Barrie-Orillia	14	17	2
Essex-Windsor	8	0	1
Wellington-Guelph	10	0	0
Middlesex-London	15	2	5
Frontenac-Kingston	15	0	0
Peterborough-Peterborough	22	7	1
Renfrew-Pembroke	9	4	1
Leeds and Grenville-Brockville-Gananoque-Prescott	10	6	0
Stormont, Dundas and Glengarry-Cornwall	28	3	0
Lanark-Smith's Falls	16	0	4
Elgin-St. Thomas	9	0	1
Hastings-Belleville	16	2	0

Perth-Stratford-St. Mary's	34	11	2
Total	206	52	17

As the preceding table demonstrates, of all the agreements in place in Ontario's separated cities, more than 75 percent are contracts. Although this indicates that the majority of the agreements in Ontario's separated cities are restrictive, it does explain *why* so many municipalities utilize restrictive agreements.

ICA research offers one hypothesis. Research in American metropolitan regions suggests that municipalities use a mix of adaptive and restrictive agreements depending on their policy needs (Andrew 2010). Consequently, this implies that a high level of restrictive agreements may indicate that a region has a low level of trust in its partners. Simply put, if cooperation is necessary but the two partners have developed an adequate level of trust, it is a better strategy to employ restrictive agreements that protect against any undue risk associated with the termination or alteration of the agreement. Some ICA research theorizes that a high level of restrictive agreements also indicates that that a small network structure may be in place (Andrew 2010, 98). For the purposes of this study, that could mean a smaller county system that has a separated city.

Ultimately, neither explanation is entirely convincing since both small and large networks primarily use restrictive agreements. Thus, a better explanation may be that the type of restrictions and degree of provincial oversight prompts Ontario municipalities to use more restrictive agreements. Furthermore, restrictive agreements are primarily used for contractual relationships involving large financial costs, which certainly would include social services funding and infrastructure development. Since many Ontario municipalities engage in these types of policy relationships, there is obviously some use

in restrictive agreements. To fully examine this trend, this chapter will further explore

these agreements' characteristics.

Below, in Chart 7.1, is a list of the policy areas included in the agreements

between Ontario's separated cities and counties.

Chart 7.1: Agreements By Policy Area[69]

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[69] Most of the categories included in the list are self-explanatory, although some may require elaboration: "Emergency Services" encompasses all areas of emergency planning or delivery, such as fire protection, dispatch or reporting; "Roads and Transportation" includes road construction, maintenance, snow removal and the provision of public transportation services; "Culture" encompasses all museum or archival services; "Waste" includes all landfill services, collection, and maintenance or recycling programming; and, finally, "Administrative" includes all items relating to staffing or other uncategorized maintenance, such as information technology maintenance and sharing.
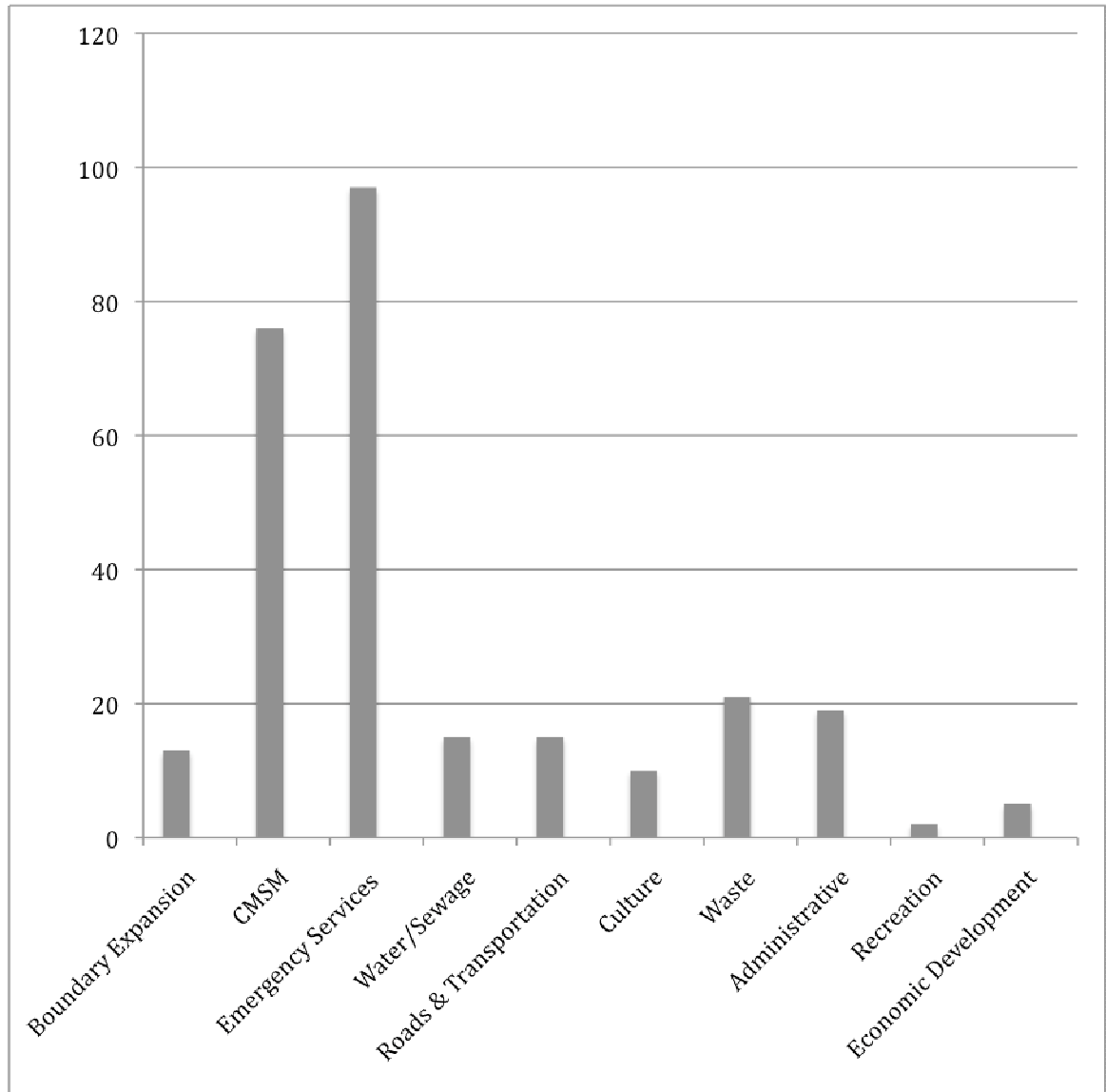
This table demonstrates that the majority of agreements concern emergency services, which is consistent with American literature on inter-local cooperation (Andrew 2008). Emergency services are one policy area where geographical coverage is vital in maintaining public safety, which is why some municipalities feel the need to enter into agreements with neighbouring jurisdictions to ensure service continuity and protection.

The majority of the emergency services agreements included in this study involve fire protection, mostly in the form of mutual aid or fee for service agreements. Generally,

separated cities contract fire services to smaller jurisdictions near their borders. Consequently, these agreements tend to involve emergency dispatch or reporting, in which county officials negotiate an agreement on behalf of their lower tiers counterparts. This is unsurprising, considering that municipalities in Ontario are mandated under the *Fire Protection and Prevention Act* (Ontario 1997) to maintain fire protection and education services throughout their territory.

CMSM agreements also account for a great deal of agreements. Although each jurisdiction typically has only one or two active CMSM agreements, some jurisdictions elect to have one agreement for core social services, such as Ontario Works or social housing, and another for land ambulance. In these cases, each jurisdiction may have multiple CMSM agreements to cover the full range of policy responsibility under the *Local Services Realignment Act*.

Emergency services and CMSM agreements represent the two largest areas of cooperation between separated cities and counties. In total, CMSM and emergency services account for 173 of the 275 agreements that exist between Ontario's separated cities and counties. However, are these really cooperative agreements? Since the *Local Services Realignment* mandated municipalities to deliver social services, this forced municipalities to work together and reach an agreement over how to deliver these services. Municipalities faced a similar position with respect to fire services, in that they are provincially mandated to provide coverage across their jurisdiction. Quite often this responsibility requires the establishment of mutual aid agreements with adjoining municipalities if the territory is large enough to warrant it.

When the CMSM and emergency services agreements are removed, few truly cooperative agreements exist between Ontario's separated cities and counties. Although American ICA studies would suggest that Ontario's separated cities and counties would be forced to rely heavily on inter-municipal agreements for service continuity and policy creation, in fact, this does not seem to be the case. American ICA studies typically uncover hundreds, if not thousands, of agreements within metropolitan areas. For example, in a study of inter-local fiscal cooperation, Shrestha (2005) found 6,080 agreements in 38 large American cities. Additionally, Wood's study of the Kansas City metropolitan area found 1,638 different agreements (2005). Thurmaier similarly located nearly 12,000 agreements between 1965 and 2004 in Iowa (2005). Meanwhile, LeRoux and Carr (2007) discovered 445 agreements in Michigan for roads alone, while Andrew Simon (2008) found 390 agreements just for public safety in the state of Florida.

In relation to their American counterparts, Ontario's separated cities and counties have signed, by comparison, a minimal amount of agreements with very little consistency across policy areas. After removing the CMSM and emergency services agreements, the next highest totals of agreements concern waste, water and sewage and administrative functions. This difference in the number of agreements between American metropolitan areas and Ontario's separated cities and counties can largely be explained by the vastly different nature of the relationships between the two. In Ontario, the primarily relationship is between urban and rural areas, while American metropolitan areas have urban-suburban relationships. Urban and suburban areas have many more common servicing areas than urban and rural areas and, as a result, more areas for potential cooperation.

The timing of when these agreements are signed also reveals some interesting trends. Chart 7.2, below, illustrates the number of agreements struck, by year:

Chart 7.2: Agreements By Year
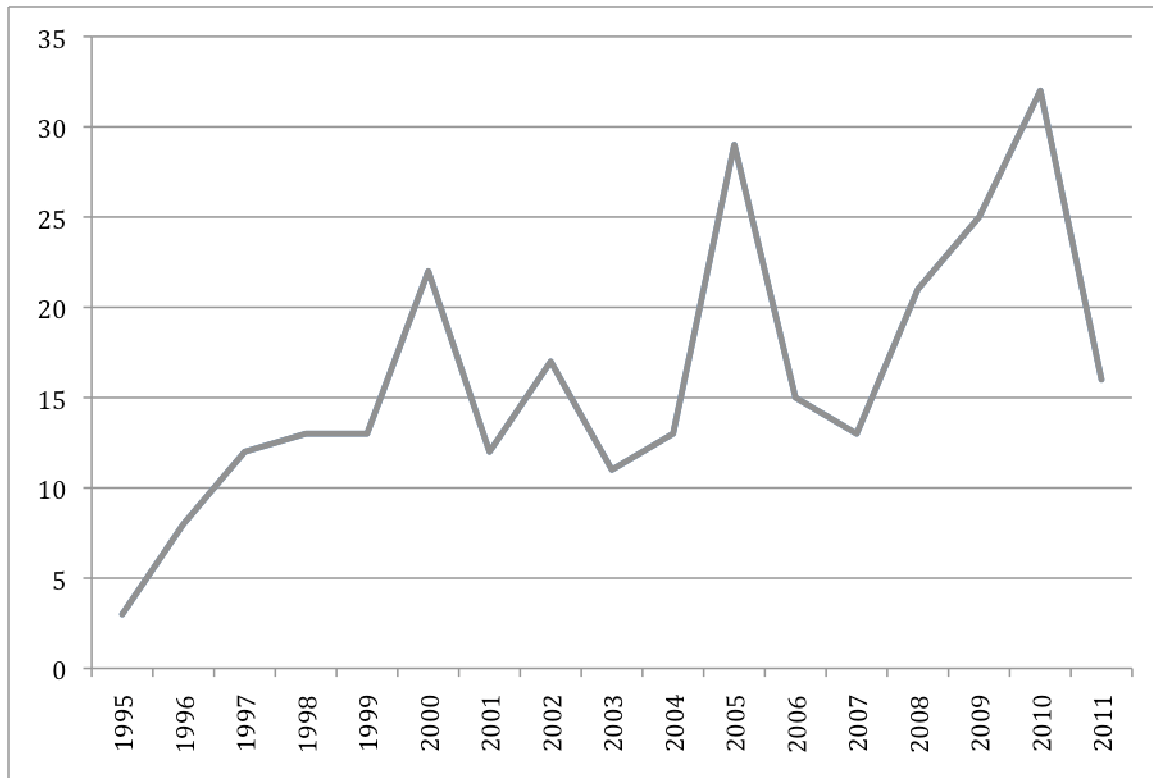
As the chart indicates, very few agreements were signed in the mid-1990s. However, the number of signed agreements increases significantly in the late 1990s following the introduction of the CMSM regulations. The number spikes again in 2005 and 2010. This coincides with the expiry of the CMSM agreements, which were negotiated in the late 1990s and early 2000s as five-year terms and re-negotiated in the mid-2000s for another five-year term.

In total, the trend line increases from the 1995 start date of this study until 2011, indicating that the amount of agreements signed within these communities has been constantly increasing, albeit sporadically. Possibly, the CMSM—which mandated

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cooperation between these jurisdiction—may have led to more cooperative interaction, in that one major cooperative agreement led to the creation of further cooperative arrangements. Another potential explanation is that the need for cooperation is somehow increasing, perhaps due to budget constraints or other fiscal restrictions. A potential decrease in revenue would encourage two jurisdictions to more seriously considering how to pool costs in order to provide public services, inevitably necessitating more cooperation between the two regions.

While policy areas and the year signed differ from agreement to agreement, most agreements have common components. Issues such as termination or expiry are routine areas of discussion when negotiating agreements and can provide clues about the strength of the relationship between jurisdictions. Both cooperative intensity and typologies literature examine the common components of agreements between potential municipal partners. Table 7.4, below, provides a summary of many of the key components of agreements compiled for this study.

Table 7.4: Summary of Agreement Components		
	Total	**Percent**
Agreements With Expiry Clauses	167	60.7%
Agreements With Termination Clauses	220	80%
Agreements Leading to the Creation of Joint Committee's or Boards	62	22.5%
Agreements with Dispute Resolution Mechanisms	78	28.3%
Number of Restrictive Agreements	206	74.9%
Number of Adaptive Agreements	69	25%

The vast majority of agreements—80 percent—include termination clauses that allow at least one of the partners included in the agreement to leave the arrangement. Many such termination clauses include procedures and timelines for withdraw, such as submitting termination notices in writing within sixty days of the set withdrawal. The procedures and timing of the termination process vary by agreement, however. Just over 60 percent of the agreements contain expiry clauses, stating that the agreement will automatically terminate after a set period of time unless the jurisdictions included in the agreement want to extend it.

While most jurisdictions prefer to strike agreements with termination and expiry clauses, very few include clauses for monitoring, such as the creation of joint boards, commissions or dispute resolution mechanisms. Only 22.5 percent of agreements involve the creation of joint boards or commissions to oversee the execution of the agreement. Many of these agreements are CMSM agreements, which do occasionally provide for the creation of joint social services committees that allow both partners to monitor the delivery of social services in their own communities. Similarly, only 28.3 percent of agreements include procedures for dispute resolution. The high rates of termination clauses indicate that many communities view their ability to terminate the agreement as a form of dispute resolution; consequently, each signatory's ability to leave the agreement at any time is, in itself, an incentive to seek an informal resolution to any impasse.

The prevalence of expiry and termination clauses also indicates that most jurisdictions prefer to establish agreements that carry a low level of risk. Although these agreements are formalized, they are for set durations and allow either partner to leave the agreement if they feel that participating is no longer in their best interest. Only a minority

of agreements establishes independent authorities to monitor and execute the content of the agreement, with a similar number having built-in dispute resolution mechanisms. This indicates that Ontario's separated cities and counties are creating agreements of a low intensity without the aim of creating long-term relationships. Instead, these agreements aim to create policy-specific and purpose driven networks of cooperation.

Since 74.9 percent of agreements—the vast majority—are restrictive in that they contain formal legal procedures that bind each participant to their actions. As previously discussed, these types of agreements aim to mitigate risk and ensure that the expectations for each partner are well known. This includes areas in which the province mandates cooperation—namely, CMSM policy areas—and the amount of agreements that include large contributions towards infrastructure, such as waste and water facilities and public transportation.

In Ontario, adaptive agreements are mainly utilized for mutual aid and protection, which is consistent with American ICA literature on emergency response agreements (Andrew 2009; Andrew 2010). In both areas, municipalities largely use cooperative agreements to supplement existing services, which—not coincidentally—are the type of situations that call for adaptive agreements. These agreements are largely formed to add to existing services and ensure continuity. Although two municipalities may already have a fire department, a mutual aid agreement provides additional protection to potentially underserviced border regions. As such, Ontario municipalities use adaptive agreements for similar policy areas as American municipalities, although provincial regulation may be forcing them to use larger amounts of restrictive agreements than they would otherwise.

7.3. Inter-Local Agreements and the Cooperative Process

Surveying inter-local agreements indicates that the rate by which the province's separated cities and counties create agreements is below expected levels, mainly due to the variation in servicing responsibilities between urban and rural municipalities. Without formal institutional linkages, the ICA framework predicted that Ontario's separated cities and counties would need to rely heavily on formal agreements to address gaps in regional infrastructure, planning and servicing. This, however, is not the case. Exploring the process of how these agreements were formed in each of the three case studies may shine some light on why Ontario's separated cities and counties do not rely more heavily on formal inter-local agreements. There is, as previously mentioned some regional variation in the amount of agreements signed between 1995 and 2001: Guelph-Wellington has only 11 agreements, while London-Middlesex has 22 and Barrie-Orillia-Simcoe has 33.

Guelph has a troubled history with cooperation. As I discussed in the previous chapter, the CMSM arbitration process and the subsequent legal battles between the city and the county reduced each partner's willingness to cooperate. No longer did the two sides see each other as cordial partners; rather, their relationship became more "business-like", dramatically reducing communication and interaction. Consequently, Guelph and Wellington County and its constituent municipalities signed only 11 cooperative agreements between 1995 and 2011. Of these, five involve the county itself, while the remaining agreements involve lower-tiers in the county.

As described in Chapter 6, the CMSM related agreements were terminated at Guelph's request after which, arbitration commenced for these policy areas. The only

remaining agreement with the county concerns Provincial Offences. However, Guelph

does have a number of agreements with the county's lower-tiers, primarily addressing

fire dispatch.

Unlike other separated cities and counties, no informal agreements exist between

Guelph and Wellington County. Respondents report that after the CMSM arbitration,

both Guelph and the county sought to ensure that all agreements were codified since the

county was concerned that any ambiguity surrounding any informal agreements may lead

to further arbitration and increased legal costs (Personal Interview – April 16, 2012)

The last issue to be codified that was first initiated through an informal agreement

involved the Wellington Terrace long-term care facility. The Wellington Terrace is

located in the county, just outside of the community of Fergus, and accepted residents

from Guelph. County officials report that funding for the facility began as a "gentleman's

agreement" and was not formalized (Personal Interview – April 13, 2012). This

agreement—which, according to those involved in its creation, was sealed with only a

handshake—made the county responsible for the construction of the facility while the

city would contribute funding towards materials and, eventually, towards its yearly

operating funding (Personal Interview – April 13, 2012). The county maintains that

although the city paid the agreed-upon amount of yearly operating funding from 1996 to

2005, they failed to pay the full amount from 2006 onwards (Tracey 2010). In 2010, the

county filed a lawsuit alleging that the city had underfunded the facility by approximately

$2.5 million (Tracey 2010[a]).[70] The county's statement of claim argued that, "as a result

of the city's continuing breach of contract, the county has suffered and continues to suffer

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[70] The county claimed that the city owed $860,000 for 2006, $823,000 for 2007 and $780,000 for 2008.

losses…the city has been unjustly enriched as a result of its breach of contract" (Tracey 2010[a]).

County officials charge that a change in direction on Guelph's city council left the county the sole funder for the Wellington Terrace (Personal Interview – April 13, 2012). Guelph officials did not provide justification for the decrease in their yearly contribution to the facility, leaving county councilors with little recourse but legal action. Officials from the city argued that under the original agreement, it would not be responsible for any "bricks and mortar" costs, such as infrastructure improvements and additions; rather, the city was only responsible for operating costs (Tracey 2010[b]). Guelph officials also contended that they should not be held responsible for the county's decision to build a new facility adjacent to the original Wellington Terrace after the old facility was leased to a private company and rebranded as Heritage River Retirement Residences Tracey 2010[b]). Moreover, the city objected that it did not receive a share of the revenue raised from the sale of the original facility (Tracey 2010[b]).[71] County officials countered that the old facility was outdated, as it had recently been deemed a "class D" facility by the provincial government, falling below the provincial standards for operating a municipal home for the aged (Personal Interview – May 10, 2012). Wellington officials contend that they decided not to split the funds raised from the sale of the old Terrace with the city

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[71] The county's legal case was buoyed by the discovery the that former City treasurer, David Kennedy, suggested in emails to county treasurer, Craig Dyer, that the city would work to pay the $1 million it owed to the county between 2006 and 2007, implying that the city did acknowledge some responsibility for infrastructure and maintenance costs. The *Guelph Mercury* obtained Kennedy's emails through a *Freedom of Information Act* request.

because Guelph was so far in arrears with their annual payments (Personal Interview – May 10, 2012).[72]

This issue was only recently resolved, in March 2012, when both sides finally reached an equitable agreement (City of Guelph 2012). In the agreement, Guelph would not be required to contribute to the facility's capital costs, but would assume responsibility for 20 percent of Wellington Terrace's net operating costs (City of Guelph 2012). Additionally, the city owed the county over $4 million in maintenance obligations from 2006 to 2011(City of Guelph 2012).[73] Most importantly from the perspective of city officials, Guelph would be released from its obligations to Wellington Terrace if they opted to construct an alternative facility (City of Guelph 2012).[74]

Guelph councilors, for many years, insisted that the Elliot House, a facility within the city's borders, was sufficient to service its population (Personal Interview – April 30, 2012). The province, however, would not give its consent to designate Elliot House as Guelph's home for the aged, contending that the facility was not compliant with provincial standards. Guelph officials, however, felt otherwise and requested its local MPP Liz Sandals to forward a letter to the Minister of Health and Long-Term Care requesting that the Elliot House be designated as the City of Guelph's Home for the

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[72] Part of the reason why the operational costs for the Wellington Terrace escalated after the new facility was built was because the lay out for each room changed. In the old facility, the rooms contained four beds and one bathroom; however, in the new facility, the rooms were either private or semi-private with an adjacent bathroom, limiting the amount of residents that could be admitted and increasing the operational costs. As such, Wellington increased the amount that Guelph was supposed to contribute, a factor in the dispute.

[73] In a March 30, 2012, *Guelph Mercury* article, Mayor Farbridge admitted that the city had been putting money into a reserve fund during the years that the funding formula for the Wellington Terrace was in dispute. For more information please see Tracey, 2012.

[74] Ontario's *Long Term Care Act* (Bill 140), and its predecessor the *Homes for the Aged and Rest Homes Act*, mandate all single tier or multi-tier municipalities to establish and maintain a municipal home for the aged or to enter into an agreement with another municipality to maintain a long-term care facility.

Aged.[75] County council objected to the province's approval of the Elliot House, especially considering the city's outstanding financial contribution to the Wellington Terrace (Personal Interview – April 26, 2012). With the agreement for the Wellington Terrace now complete, Guelph councilors hope to bring the Elliot House up to provincial standards and leave their agreement with the county (Personal Intervew – April 30, 2012).

Respondents suggest that solving this dispute was beneficial in helping to mend the relationship between the city and the county. Mayor Karen Farbidge of Guelph, commenting publicly in the *Guelph Mercury*, stated that the dispute was "a source of great frustration" between the city and county, but noted that, "I hope it's signaling a greater ability to move forward with other agreements…I think symbolically this was a big one" (Tracey 2012). Thus, while it did take over a decade to reach an agreement, some county officials argue that the city's willingness to reach a negotiated settlement is positive and a demonstration of a potential change in attitude towards cooperation with the county (Personal Interview – April 16, 2012). Additionally, some county respondents argue that formalizing all of the agreements into a codified set of agreements will allow both parties to start a new relationship, thereby improving cooperation (Personal Interview – April 16, 2012).

While few agreements exist between Guelph and Wellington County, even fewer exist between Guelph and its surrounding county lower-tiers. Most of these agreements are related to fire dispatch, fire protection and mutual aid. Officials from these communities insist that the fire departments themselves negotiate these types of

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[75] For more information on Guelph's request, see the minutes of the City of Guelph Council meeting from March 26, 2007.

agreements (Personal Interview – May 2, 2012). With little political involvement, the Chiefs of the individual fire departments take the initiative themselves to reach these agreements. While councils remain responsible for ratifying the agreements once they are negotiated, councils remain mostly removed from the negotiation process. When these agreements are removed from consideration, there are few agreements between Guelph and Wellington County—in fact, this jurisdiction has the fewest in the province.

Two explanations help account for this comparatively low level of cooperative agreements. First, the ICA framework repeatedly stresses how important social capital and relationship building is to the formation of cooperative agreements. Since arbitration, both the county and Guelph have had a low level of interaction. Coupled with a large amount of distrust and Guelph-Wellington presents itself as almost the antithesis of the type of relationships that ICA scholars point to as ideal. According to the ICA framework, municipalities will want to work primarily with those they trust; thus, when this trust breaks down, so too do the prospects for regular cooperation.

A second explanation focuses on the differences in population density between the city and the county. Of the three case studies, Guelph-Wellington has the sharpest distinction between urban and rural. Wellington County is mainly rural and has actively attempted to remain that way, even allowing Guelph to annex various regions to ensure that the distinctions between the county and the city remain in place.[76] As such, both levels have different servicing demands, which does not establish a clear need for cooperation between both areas.

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[76] For more information on Guelph's most recent annexation, please see section 4.4.

While forming agreements in Guelph-Wellington has been challenging, the same process in London-Middlesex and Barrie-Orillia-Simcoe show more positive results. Officials in both areas find few barriers to agreement formation, with 22 agreements signed in London-Middlesex between 1995 and 2011 and 33 in Barrie-Orillia-Simcoe. Although both areas have experienced tensions with their surrounding jurisdictions, they have not let it affect their ability to sign cooperative agreements.

In London-Middlesex, the majority of these agreements were signed after 2000, with only two agreements signed between 1995 and 2000. The majority of the agreements came early in the decade with fifteen agreements signed between 2000 and 2005. The majority of these agreements were between the county and the city, although the municipalities surrounding London—Thames Centre and Middlesex Centre—do have a limited number of agreements with the city as well. The policy areas vary, but the majority of the agreements (6) are for policy areas covered by CMSM agreements or for emergency protection, namely fire protection and emergency communications. A number of agreements also exist for water and wastewater. Surprisingly, considering how many shared roads run from the city into the county, few agreements exist for road maintenance.

In Barrie-Orillia-Simcoe, the presence of a second separated city increases the number of inter-local agreements within the Simcoe region and both Barrie and Orillia have actively sought to codify many of their arrangements with the county and its lower-tier municipalities. Staff generally take the lead on negotiating and monitoring agreements, with little political involvement. More recently, the mayor of Barrie has actively initiated some discussions regarding cooperation on a number of service areas

although historically, politicians have generally deferred to senior staff to make these decisions. Over the period of study—1995-2011—the number of agreements have been steady, indicating that Barrie, Orillia and the county have been consistent in their use of inter-local agreements for servicing and policy development.

Barrie also provides a large amount of servicing to lower-tiers within the county. Mainly, this servicing is emergency response, including hazardous material response, fire protection and fire communication. Most of the agreements that Barrie and Orillia sign directly involve lower-tier municipalities rather than the county.[77] The county is mainly included in agreements that involve provincially mandated policy areas, such as CMSM and public health unit funding.

Much like Guelph-Wellington, the region of Barrie-Orillia-Simcoe has few informal agreements and nearly all agreements are formally codified. Both separated cities use similar reasoning, that formal agreements provide them with legal protections that informal agreements do not. Most respondents from the Simcoe region agree that this is a long-standing institutional practice in the area. Guelph used informal agreements until the CMSM arbitration process, after which a concerted effort was made to formalize all informal agreements in order to manage expectations between both parties and provide a measure of legal protection.

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[77] Both Barrie and Orillia also have agreements with First Nations groups within the region. Both municipalities find that their negotiations and interactions with these groups are positive. The only other municipalities in the region to have a direct agreement with a First Nations group is Ramara, which has one formal agreement with the Mnjikaning First Nation. This agreement is for fire protection, although Ramara and Mnijaning also have an informal agreement for road maintenance. Officials from Ramara have noted that they have gotten in a dispute with Mnijkaning over the construction of a bridge between the two communities, which as strained their relationship. Due to their limited relationship with municipalities in the region, no First Nations groups were contacted to participate in this study.

London, on the other hand, has several informal agreements, with some county officials suggesting that they have upwards of 10 informal agreements with the city. County staff contend that most of these agreements have not been formalized through traditional inter-local agreements (Personal Interview - March 2, 2012). Some examples of these types of agreements include the county's utilization of the city's IT bunker, the creation of joint city and county library privileges, joint city and staff training and skills building exercises, and jointly hosting the Association of Municipalities of Ontario annual conference. These agreements, county officials note, reflect "more of an understanding" between both parties and result from "handshakes and head nods" (Personal Interview – March 2, 2012). When asked why these agreements are not codified, county officials respond that neither side sees a point in formalizing some of these services. Moreover, in some cases—such as the provision that county library cardholders can utilize London's library services and vice versa—only an operations policy or regulatory amendment would be able to formally alter existing arrangements.

These informal agreements exist for two main reasons. The first is that they involve relatively minor policy areas that carry a low financial commitment. In general, the more complex the policy area, the more likely it is that it will be formalized. The second reason is that neither party has ever defaulted on an existing agreement or failed to fulfill their commitment to each other. Simply put, these informal agreements exist because trust is high and risk is low.

Respondents in London-Middlesex and Barrie-Orillia-Simcoe report that the negotiations for these agreements begin at the staff level to identify a need before proceeding to the political level for finalization (Personal Interview – February 6, 2012).

Staff, they report, are generally the ones who can most easily identify service duplication or service gaps. Following the identification of these problems, staff must identify the level of government responsible for addressing the problems. At this step city officials note that politicians assume responsibility to meet and negotiate a final agreement with the staff's (Personal Interview – February 6, 2012). There are no guidelines for approaching the county or any of its lower-tiers nor does the county does not have any established protocols with regard to contacting or approaching London.

7.4.   Conclusion

Chapter three discussed some of the factors that the ICA framework identifies as either having positive or negative effects on the formation of cooperative agreements.[78] While this study has not undertaken a rigorous quantitative examination of data on cooperative agreements—as is common with ICA studies—this chapter's review of provincial agreements nevertheless offers many insights into the significance of variables that ICA scholars identify. On the one hand, ICA scholars argue that social capital, interaction, smaller groups, increased homogeneity among group members, more local governments and stronger political leadership lead to higher levels of agreements. On the other hand, they also argue that larger groups, increased heterogeneity, fewer local governments and weak political leadership decrease the likelihood of agreement formation.

It is difficult to determine the exact effect of each variable that ICA scholars identify. For example, social capital and interaction seem to increase cooperation in most

[78] For more information, please see Table 3.2.

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of the case studies, but highly positive levels of cooperation do not seem to be enough to avoid conflict. In Guelph, for instance, the city and county enjoyed years—if not decades—of positive relations during which they held joint events and regular informal interaction; however, this relationship rapidly deteriorated once it became clear that they could not resolve funding issues surrounding CMSM policy areas. In contrast, London and Middlesex County tout their long and positive relationship as the reason why arbitration in their CMSM dispute has not yet occurred. Thus, it is impossible to state definitively that higher levels of interaction will always lead to higher levels of cooperation.

Examining geographic density and group composition produces similar results. Ontario's counties with a separated city offer a substantial amount of variation in terms of network size. For example, although the Barrie-Orillia-Simcoe area has 18 total governing units within its geographic area and has 33 agreements, the Brockville-Gananoque-Prescott-Leeds and Grenville area also has 18 governing units but only 16 agreements. Another instance occurs in the Stratford-St. Mary's-Perth region, which has 47 agreements, yet only 6 total governing units. Each region varies considerably in geographic size, making it difficult to identify patterns in geographic density and agreement formation. A simple correlation model found a negative correlation between the number of governments within a county and the number of agreements signed, signifying that this particular ICA variable does not hold much explanatory power when studying Ontario's separated cities and counties.[79]

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[79] Pearson correlation is -.051. The relationship is not significant.

Each case study, however, does show the importance of political leadership in identifying areas of cooperation, maintaining inter-local relationships and forming cooperative agreements. Where politicians have gotten intimately involved with the details of their cooperative agreements with neighbours, cooperation is likely and generally sustaining. When political leaders have shown a disinterest, however, cooperation is unlikely. The situation in Guelph is a good example of this phenomenon. When city and county politicians interacted regularly and showed an interest in cooperation, agreements were put in place. When both sides became more insular, agreement formation decreased significantly.

Analyzing the types of inter-local agreements in place across the province produces some interesting results. Key among them is the finding that most agreements that exist between the separated cities and counties in Ontario concern emergency services—primarily fire services—and CMSM policy areas. These are two policy areas in which the province mandates cooperation, although to differing degrees. As such, they are not completely voluntary and do not neatly fit into the working definition of "cooperation" that I established in the first chapter. When these two policy areas are removed, there are only a little more than one hundred agreements between Ontario's thirteen counties with a separated town or city. This result was largely unexpected since ICA research predicts that separated cities would need to rely heavily on inter-local agreements since there are no formal institutional linkages to the county around them. This, however, is not the case.

Because formal inter-local agreements are used so infrequently, the natural assumption is that informal agreements constitute the norm in counties with a separated

city. However, as the preceding case studies demonstrate the use of informal agreements varies and depends upon the region. In Barrie-Orillia-Simcoe, staff have avoided the use of informal agreements, opting instead to codify service agreements. Similarly, Guelph and Wellington County have made a concerted effort to formalize their informal agreement, largely because of the dispute stemming from their CMSM arbitration. Only London and Middlesex utilize informal agreements, although they are used sparingly and, often only temporarily, such as their cooperation in hosting a recent Association of Municipalities of Ontario conference.

Ultimately, Ontario's separated cities and counties do not rely on formal agreements as much as predicted and their use of informal agreements is sporadic. Explaining this trend is that most of the separated cities do not need their counties for service continuity; consequently, most cities are focused on creating the necessary infrastructure to provide their own services without the help of the rural municipalities around them. While some lower-tier municipalities are interested in expanding city services, separated cities are been mostly self-sufficient, thereby eliminating the need for much policy coordination.

Chapter 8 – Conclusion

8.   Introduction

In the opening chapter of this study, I argued that linking urban and rural areas was one of the great challenges of municipal governance. The two areas have traditionally been seen as distinct, possessing not only vastly different economies, labour trends and ways of life, but also different sets of values. Ontario initially created separate urban and rural areas to uphold this distinction. Thus, when an urban area of a county became classified as a city, they were automatically separated politically from its surrounding county. This was initially seen as mutually beneficial, as urban areas would be freed from the more narrowly focused politics of rural life and rural areas would not have any institutional linkages to the urban areas that they historically viewed with suspicion. As such, separated cities were institutionally free from their counties, but remained geographically linked, placing them in the awkward position of being both absent and present in the political life of the county.

The Ontario provincial government used city-county separation as a key policy tool to organize their municipalities for decades. Beginning in the 1950s, rapid suburbanization forced the provincial government to re-evaluate how it saw urban and rural. During this period, forms of regional government became dominant. Where past organizational thinking viewed urban and rural areas as being distinct, regional government saw them as fundamentally linked. Regional government recognized that urban areas needed to work with rural areas for regional development and planning;

consequently, linking urban and rural—and, by then, suburban—areas through common institutions would extend the economic benefits of urban life to surrounding areas.

Despite the popularity of regional government as the main provincial organizational from the 1950s until the 1970s, eighteen cities and towns remain separated from their counties. To examine the inherent challenges within this enduring institution, this thesis has undertaken the first wide-ranging examining of city-county separation in Ontario since the 1970s. This project began by asking two research questions:

1. Under what conditions does cooperation occur between these institutionally autonomous municipal governments?

2. Does the continued use of city-county separation as an institution still achieve its intended objectives?

To answer these questions, I used a combination of a provincial review of cooperative agreements and three in-depth case studies: Barrie-Orillia-Simcoe County, Guelph-Wellington County and London-Middlesex County. To help guide the study, I selected the Institutional Collective Action framework to help identify variables that both hinder and help inter-local cooperation. I then examined four main themes: border expansion, planning, social service delivery and the signing of formal inter-local agreements.

This chapter summarizes these findings and aims to fulfill three objectives. First, to explore the nature of cooperation between separated cities and counties as it relates to the study's first research question. Without any institutional linkages, separated cities and counties must rely on cooperation to ensure service continuity and fulfill their policy mandates. Consequently, the relationship between separated cities and their counties is important. I analyze this relationship below, along with some of the factors that both help

and hinder cooperation. Second, and related to this project's second research question, I will examine the institution of city-county separation and compare its continued use to regional government in Ontario. And, finally, I will explore the applicability of the ICA framework to Canadian case studies.

8.1.   Cooperation Between Separated Cities and Counties

Without any institutional linkages connecting separated cities and their counties, this study began with the hypothesis that cooperation would be key to ensuring service continuity between both areas. Consequently, I examined two forms of cooperation in chapters 6 and 7: forced and voluntary cooperation, by exploring the CMSM and the creation of inter-local agreements. The CMSM process represents a mandated area of cooperation. Although municipalities province-wide were forced to absorb the costs of social service delivery, only separated cities and counties were required to arrive at their own funding formula independently. Most were able to reach amicable agreements, while some opted to enter the arbitration process.

Arbitration proved costly and divisive. While most areas had very positive relations before the CMSM mandate, tensions rose as both sides attempted to reach a balanced settlement. In this case, the distinction between urban and rural jurisdictions could not be more different, with both expressing their belief that they had different needs with regard to social services funding. Counties generally feel that social services are largely an urban policy area, whereas cities resent the amount of direction and input that counties have over the delivery of social services.

In Guelph, the relationship between the city and the county deteriorated significantly after arbitration. One official from Wellington County aptly summed up the experience, arguing that, "no one comes through that process without any scars" (Personal Interview – April 16, 2012). Both sides began to distrust each other, which carried over into other policy areas. Soon after, both sides looked to formalize any areas of cooperation and refused to enter into informal agreements. The Guelph experience informed the strategies of London, Barrie and Orillia officials as they entered into CMSM re-negotiations. Seeing how quickly the relationship between Guelph and Wellington County declined after arbitration, they hoped to avoid this scenario with their own counties.

Arbitration represents the minority of experiences with CMSM implementation. While some municipalities like Guelph and Wellington County allowed the CMSM arbitration process to sour their relationship, others quietly reached funding agreements without the need for arbitration. However, even those that were able to reach an initial agreement, such as London-Middlesex and Barrie-Orillia-Simcoe, have concerns about funding responsibilities and the way in which CMSM policy areas are delivered. While some ICA research insists that increased senior government regulation can hinder cooperation, Ontario's municipalities are already heavily regulated to begin with. This environment of regulation has not had a negative effect on the relationships between separated cities and counties, which is consistent with Canadian ICA studies in this area (Alcantara and Nelles 2009).

While some municipalities have apprehensions about the cost of delivering social services, another source of tension resulting from the CMSM was the inevitable clash

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between urban and rural areas. The municipalities that went to arbitration built their cases around assumptions regarding both areas' respective need for servicing. Some counties, such as Essex, viewed the CMSM as a policy area that their residents did not need. As such, they believed they did not need to contribute at the same rate as Windsor. Other counties, such as Wellington County, argued that there was a significant two-way flow of social service users between both the city and the county. In both cases, the province was downloading what was perceived as an "urban service" and expecting rural areas to negotiate a contribution model that was equitable with separated cities. Where urban/rural distinctions were sharper, there was much more tension resulting from CMSM implementation. Areas with suburbanizing municipalities on the outskirts of urban areas did not see CMSM policy areas as exclusively "urban" and did not reject funding them on principle.

While Chapter 6 focused on mandated CMSM agreements, Chapter 7 focused on voluntary cooperation. In total, I collected 275 agreements from Ontario's separated cities and counties. These agreements cover a range of policy areas, although the vast majority of the agreements focus on CMSM policy areas or emergency services—both of which are areas that the provincial government mandates, to some degree, municipalities to have. Only 102 of the 275 identified agreements can be described as truly cooperative and voluntary. This result was surprising, given that the first chapter hypothesized that the very lack of institutional linkages between separated cities and counties would require the two areas to rely heavily on agreement formation. However, this is not the case.

In addition to signing fewer formal agreements than expected, separated cities and counties also do not seem to be entering into informal agreements either. Some regions

do have a number of informal agreements, of which London-Middlesex is a good example. However, London and Middlesex differ in their perception of the number of informal agreements actually in existence. Guelph officials, on the other hand, have made a concerted effort to formalize any informal agreements after their CMSM arbitration soured their relationship with the county. Both sides believed that this brought them a measure of legal protection if there was ever a subsequent dispute regarding policy areas. Barrie-Orillia-Simcoe has avoided the use of informal agreements altogether, mainly due to long-standing institutional practices in each area that have always tended to codify any inter-governmental activity. Accordingly, not only does the use of informal agreements differs by area but many communities also appear to have been actively avoided them.

Why do so few agreements exist between separated cities and counties in Ontario? The answer to this question may lie in the nature of city-county separation as an institution itself. Urban areas were initially separated from rural areas because they were seen as economically, socially and politically distinct. With so little in common, provincial policy-makers believed that linking them would be counterproductive. Furthermore, if the two areas have so few shared interests, both areas should have different service needs and demands. As such, cooperation on servicing was not a priority.

However, as Chapter 5 described, many areas around separated cities are actively turning from rural to suburban. Unlike regional governments, separated cities do not have any input about the type of development occurring around them. When the municipalities around separated cities aggressively pursue development, as in the case of Middlesex Centre, separated cities have few options to bring that development within their borders.

Thus, separated cities have commonly used annexation to address development outside their borders. Officials from London have adopted this tactic while simultaneously restricting Middlesex Centre's access to their resources and services in an effort to slow down growth in neighbouring communities. However, some London officials acknowledge that this is only a temporary solution and that annexation may be necessary in the future.

While development has, thus far, created some tension between London and its surrounding communities, expanding rural areas in other regions has opened up additional channels of cooperation as the servicing needs between separated cities and their surrounding areas become more aligned. This perhaps explains why there are more agreements in urbanizing counties, such as Simcoe County, and fewer in more rural areas, such as Renfrew-Pembroke. As rural municipalities become more suburbanized, they may reach out to nearby separated cities for help with infrastructure and servicing in order to achieve development goals. This is precisely what led to Middlesex Centre and London's water dispute. When Middlesex Centre was primarily rural, they had little need for London's help with servicing since, as a rural community, Middlesex Centre was largely self-sufficient and residents placed few service demands on the county. However, as the municipality became more suburbanized, Middlesex Centre needed expanded access to services in order to accommodate future development. While London councilors predictably rejected these requests for service extension, the point remains that separated cities and counties will have more need for service cooperation as they become increasingly homogenous.

This is also why American ICA scholars have identified so many agreements in American metropolitan areas. The municipalities around American central cities are suburban or urban. Very few are rural. As such, they have similar service demands and, thus, more need for cooperation. In separated cities and counties, this is not the case, which helps explain why separated cities and counties have produced so few cooperative agreements over the past twenty years.

8.2. City/County Separation as an Enduring Institution

City-county separation was the original method of organizing municipalities in Ontario as a result of organizational thinking that believed politically separating urban areas from rural areas was mutually beneficial. Over time, increased suburbanization gradually blurred the distinction between urban and rural, replacing the logic behind city-county separation with the notion that urban and rural needed to be linked. This shift largely occurred in the 1950s, 1960s and 1970s with the introduction of regional government. Beginning with the creation of Metropolitan Toronto, the province established a series of regional governments to help coordinate many of Ontario's rapidly urbanizing counties.

Two key reports in the 1960s led the push for regional government: the report of the Select Committee on the Municipal Act and Related Acts and the report of the Ontario Committee on Taxation. The Select Committee on the Municipal Act and Related Acts argued that growth and development was no longer isolated to Ontario's urban centres. Areas around cities, and especially around the province's separated cities, were gradually becoming more suburban. This, the committee noted, created serious

governance problems: "not only have our cities developed a new vigour but population has spilled over into rural areas which are neither financially or politically equipped to deal with the resulting problems" (Ontario 1965, 167). The report referred to these newly suburbanizing communities as "dormitory municipalities", that were becoming bedroom communities to their larger, urban neighbours (Ontario 1965, 168). The Ontario Committee on Taxation found similar results, arguing that the southern part of the province was rapidly urbanizing and that the provincial government needed to create municipal structures that could properly address the needs of these areas (Ontario 1967b).

Although these two reports helped establish regional governments across the province, eighteen cities and towns were left separated from their counties once this process had concluded. The province later turned its attention towards these areas in the 1980s, finding similar trends of urban growth as cities. *Patterns for the Future*, a 1987 provincial report, agreed that Ontario's counties were experiencing rapid rates of growth. The report argued that, "few municipalities are now predominantly rural in nature," and that suburban development will likely lead to increased annexation disputes (Ontario 1987, 19). These problems placed the viability of the separated city-county system into doubt.

Two additional reports found similar trends. In 1988, *County Government in Ontario*, argued that, "the distinction between the rural and urban communities in counties is no longer as clear as it once was…this change has placed new requirements and demands on a government system designed for a primarily agricultural society" (Ontario 1988, 1). In this case, it appeared that Ontario was outgrowing its old county system, necessitating changes to adapt these structures to the new reality of population

growth and settlement. *Toward an Ideal County*, published in 1990, recommended the re-integration of separated cities back into county structures as a way to overcome the problems associated with increased urbanization.

Despite this series of reports, city-county separation remains a part of Ontario's municipal landscape to this day. Yet, the urbanization that each report describes has also not abated; in fact, in some areas, it has only grown stronger. The previous chapters on planning and border expansion effectively highlight this: officials from lower-tiers on the outskirts of some separated cities are no longer content to allow their municipalities to remain rural. Rather, they hope to attract residential, commercial and industrial development and expand their assessment base. Furthermore, in some instances, such as in Middlesex County, politicians from these areas are not shy about their ambitions to become suburban enclaves to the separated cities they border.

These aspirations are the antithesis of the logic that first created city-county separation in the province: rural areas were to remain rural and separated cities were to remain urban. Shifting population and settlement patterns have eradicated this formerly clear and clean-cut distinction. Ultimately, the authors of *Patterns for the Future* were correct: few municipalities remain predominantly rural in nature, especially in southern Ontario. This fact has created tensions between some separated cities and their surrounding areas. Officials from cities that want to ensure that the majority of development and growth around them occurs within their borders must now compete against newly ambitious politicians from rural municipalities.

Separated cities commonly use annexation to control development. London, Orillia, Barrie and Guelph have all incrementally expanded its borders, generally with the

help of the province. London has undergone 15 major boundary expansions, while Barrie has expanded its borders nine times since 1954. There have been eight rounds of annexation in Guelph as the city progressively expands outwards. Provincial officials have facilitated these expansions, using the justification that each city must expand to facilitate development. In some cases—most notably in London and Barrie—these annexation disputes become hostile, requiring provincial intervention to resolve the conflict. Other separated cities, such as St. Thomas, use planning collectives to control the type of growth and development in their adjoining areas.

City-county separation remains most enduring in areas where urban areas want to remain urban and rural areas want to remain rural. Guelph's most recent annexation, for example, was aided by the desire of county officials to remain rural and provide the city with the land it needed to grow. On the other hand, London and Barrie's experiences have been more negative because the desire of city officials to expand now conflicts with their desire of officials from their once rural neighbours to grow. Even St. Thomas' planning collective nearly fell apart when one rural participant removed itself because its officials felt that the allocation of development was too one-sided in St. Thomas' favour.

Nevertheless, city-county separation is an enduring institution that remains in place due largely to the following three factors. The first is that many counties with a separated city are still mostly rural. While some areas such as Simcoe County are experiencing rapid growth rates in various areas, other regions, such as Renfrew County, Lanark County, or the United Counties of Leeds and Grenville, remain predominantly rural and experience very modest rates of growth compared to their separated cities and

other rural municipalities. In these instances, there is not much need for institutional change since the original intention of city-county separation is being maintained.

The second is that the re-integration of separated cities is, in some cases, entirely unfeasible. The problem identified in the reports from the 1980s that recommended an end to city-county separation remain: there is no clear way to re-integrate large cities back into county life without severely curtailing the representation of smaller communities on re-constituted county councils. Each report stated that the distinction between urban and rural was rapidly breaking down, but none could offer concrete recommendations on how to manage this newfound reality. The pragmatics of re-introducing a separated city into its county are daunting and, as such, institutional change is not a realistic option.

Finally, the province of Ontario has allowed the progressive outward expansion of separated cities for decades, ensuring that the maintenance of city-county separation remains an institutional practice through the continuous absorption of urbanizing territory into separated cities. Despite the insistence of provincial policy makers in the 1980s that city-county separation needed to be stopped, the province has continuously maintained city-county separation through this incremental expansion. This type of expansion is similar to other Canadian municipalities, most notably Calgary, which has slowly annexed unincorporated territory and rural municipalities since its inception (Foran 2009). Through this incremental annexation process, Ontario's separated cities, much like Calgary, have grown enough that that city borders now comfortably contain much of the region's urban growth. While officials from some neighbouring rural municipalities have a newfound desire to grow and expand, the province has continuously allowed separated

cities to annex developing territory, thereby re-enforcing and maintaining the institution of city-county separation.

Although separated cities have commonly used provincially supported annexation to control growth, these boundary extensions are sometimes controversial. Prior to the provincial push towards consolidation in the 1990s, large separated cities were more easily able to annex the smaller bordering communities. As Williams and Downey (1999) demonstrate, the provincial government's amalgamation agenda created larger municipalities with larger populations. Consequently, it then becomes more difficult to annex larger communities since they are now stronger governmental actors. Consequently, although Innisfil—a growing community bordering Barrie—was recently subjected to an attempted annexation, its increased size allowed it to fight against the broader boundary expansion. Barrie eventually received a smaller annexation than requested, in large part because Innisfil officials made a convincing case against a bigger expansion into their municipality. Thus, the province's preferences for consolidation sometimes work at cross-purposes: while consolidation traditionally facilitates the preservation of the system of city-county separation by allowing separated cities to expand their borders to take in more urbanizing sections of the county, the provincial push for consolidation in the 1990s also created stronger municipalities on the edge of separated cites, making further annexations more challenging.

Since rates of urbanization continue to grow, some counties with a separated city—such as Simcoe County—could make a strong case for why they should be converted into regional governments that could help with items such as regional planning. In the absence of these types of conversions, the province has attempted to fill

the gap, acting as an arbiter in annexation disputes and helping to regulate land use and development in certain areas. Whatever direction the province chooses to take, the fact remains that in many areas, the weakened distinction between urban and rural has wide-ranging effects, particularly in policy areas such as planning and service delivery. Arguably, rural communities could avoid many of these consequences by choosing to remain solely rural. However, in many cases, rural communities are encouraging urban growth to the detriment of cities that continue to adhere to the original logic of municipal organization in their region.

8.3.   Review of the ICA Framework

At the outset of this work, I believed the ICA framework—with its emphasis on factors that both help and hinder cooperation—would help explore the relationship between separated cities and counties. Although I acknowledged that there are vast differences between the American metropolitan areas that ICA framework usually studies and Ontario's separated cities and counties, I nevertheless used several ICA factors to explore how cooperation could overcome the differing institutional contexts found in both areas. However, following a thorough examination of several policy areas, including planning, border expansion and service delivery, I have to acknowledge that the ICA framework cannot substantially add to our understanding of the types of relationships inherent in city-county separation.

Metropolitan areas typically include a large central city, with municipalities in various states of urbanization that emanate from its core. The municipalities immediately surrounding the central city are likely suburban in character, which establishes common

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servicing needs and a basis for cooperation. In Ontario, the provincial government has allowed separated cities to progressively expand outwards, absorbing territory primed for urbanization, thereby ensuring that the separated city remains primarily urban and its surrounding municipalities remain primarily rural. The province, then, has made conscious attempts to maintain the institution of city-county separation.

As such, the government of Ontario has taken a consolidationist approach to separated cities. This mentality has broad consequences for the application of the ICA framework. First and foremost, the ICA framework is rooted in new regionalism, which takes a negative attitude towards institutional consolidation. New regionalist thinkers view consolidation as unnecessary and point to alternative means, such as the establishment of cooperative agreements or joint-servicing bodies, to create governance networks and link metropolitan areas together. The promotion of a progressive outward expansion of separated cities is not a policy that fits with the new regionalist outlook on municipal governance.

The province's adoption of a consolidationist approach towards its separated cities has created regions that have very little in common and few mutual-servicing needs. Although policy makers occasionally delimit metropolitan areas for census or statistical purposes, very few American ICA studies include rural areas when defining metropolitan areas. In Ontario, rural areas are naturally included in the counties that surround separated cities since it was, by definition, the entire point of city-county separation. This creates another challenge in easily applying the ICA framework to Ontario's separated cities and counties.

The municipalities in American metropolitan areas include central cities and the suburban communities that have grown on their periphery over time. As such, they have very similar service needs. Within this environment, cooperation comes more naturally and, given the similar service demands from residents, likely assumes priority status. However, urban and rural areas have fewer areas of cooperation. American metropolitan areas and Ontario's separated cities and counties, then, are not analogous in either size or service needs.

A further hindrance to the application of the ICA framework within this study is the amount of government regulation that control Ontario municipalities. In the United States, state governments are much less interventionist than in Canada, where provincial and regional governments exert more influence over local governments. Existing ICA research is unable to state conclusively to what effect regulation and control from senior levels of government has upon American municipalities. Consequently, without any type of definitive answers regarding this variable, it is challenging to compare this factor across jurisdictions.

The ICA framework tells us that inter-local agreements link municipalities within multi-municipal regions and represent not only a governance model, but also an alternative to institutional change and consolidation. In Ontario's separated cities and counties, very little independent cooperation seems to occur. Instead of inter-local agreements, Ontario's separated cities and counties seem mostly linked by provincial involvement, which has intervened in planning and boundary expansion, downloaded social services and mandated certain types of cooperation. As a result, it is not

agreements that link these regions but regulation. Consequently, the basic premise of the ICA framework plays only a secondary role in Ontario's separated cities and counties.

8.4.   Conclusion

Separated cities and counties are peculiar institutions. Once a hallmark of Ontario's municipal system, their steady conversion into regional governments transforms them into a relic. Replacing the concept of politically separating an urban area from its surrounding rural hinterland is the concept of linking these two areas together. This change occurred slowly and, consequently, there are currently only a handful of separated cities that remain. Many of Ontario's separated cities were re-integrated with their counties either through the creation of regional government or through amalgamation.

Since provincial policy-makers ended the practice of city-county separation, very little research has explored the nature of governance within these areas. Accordingly, this project attempts to shed some light on this old institutional practice. By collecting and analyzing the inter-local agreements between Ontario's separated cities and counties and conducting interviews with city officials in three counties with separated cities, this study demonstrates the antiquation of a system that is challenged by urbanization. As the communities around many separated cities become suburbanized and, in some cases develop into cities of their own, the provincial government's consolidationist agenda in the 1990s enlarged these municipalities, making them harder to absorb.

Notwithstanding this trend, the province has, however, allowed separated cities to expand. In the three case studies included in this project, numerous rounds of annexation

enabled London, Barrie and Guelph to take in developing territory, ensuring that each city remained the dominant urban municipality within their regions. While annexation has been the traditional response of separated cities facing rapid development along their borders, this may become increasingly hard to enact in the future. Two of the case studies included in this project, London and Barrie, have developing rural neighbours that are deliberately attempting to attract residents and development. Officials from these areas no longer see their neighbouring separated cities as the lone destinations of growth. They harbour their own desires to expand. Having been enlarged by the provincial push for annexation in the 1990s, these once-rural municipalities have become stronger inter-governmental actors, making annexation an increasingly more difficult prospect for separated cities. It remains to be seen whether annexation will be able to effectively address these growth problems in the future.

The ICA framework indicates that inter-local agreements can effectively link a region together and provide the type of governance that it lacks. Yet, in Ontario's separated cities and counties, few agreements exist; instead, central government regulation and control links these areas together. By taking a consolidationist approach to its separated cities, the province has allowed them to progressively expand, ultimately decreasing the number of common service demands between separated cities and counties and removing any natural basis for cooperation.

Two main factors, then, can be seen as having the largest impact on the prospects of cooperation between separated cities and counties: the provincial government and the level of ruralness in the county surrounding a separated city. When the counties surrounding separated cities are primarily rural and officials are content to have their

communities remain rural, the servicing bases of these communities and their nearby separated cities are divergent and do not lend themselves well as a basis for cooperation. These areas, by definition, do not have much in common and have no true need to cooperate on servicing. When county lower-tier municipalities do develop, and eventually become suburban in nature, similar service demands between a county and its separated city become apparent. While this new relationship creates more possibility for cooperation, separated cities have shown little interest in cooperating on service areas that could facilitate growth in the municipalities outside of their borders. As discussed above, the provincial government has consistently allowed the expansion of separated cities outward, enabling separated cities to absorb urbanizing territory in the county. If the province had not allowed such expansion, separated cities would have few options remaining and may be forced to cooperate more with their neighbours in the county. Provincial initiative and a high degree of ruralness are the main impediments to cooperation between separated cities and counties.

What does the future hold for city-county separation as an institutional practice? Change is unlikely. Several reports in the 1980s strongly recommended the re-integration of separated cities back into their counties, believing that this would allow for greater regional planning and coordination while reducing conflict between urban and rural areas. However, the challenges of such a wide institutional change was—and remains— too great. While some cities, such as Sarnia, were brought back into their counties, the hurdles remained in other areas. Population differences between cities and counties ensured that urban areas would virtually control any re-constituted county council, an

obstacle too large for most regions to overcome. Since those same challenges exist today, this type of institutional change is as unlikely now as it was in the 1980s.

Many of Ontario's separated cities are experiencing a great deal of pressure to address growth along their borders. Their once rural neighbours have designs to grow and develop, usually at the expense of separated cities. This is an aspect that cannot be ignored and puts the entire institution of city-county separation into jeopardy. Furthermore, many counties with separated cities likely would benefit from the type of joint planning and decision-making bodies that regional governments tend to create. Unless separated cities and counties can find ways of addressing the conflicting development goals that both communities hold, increased urbanization will continue to challenge the relevance of city-county separation as an institutional tool.

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Appendix A: List of Separated Cities and Counties

Simcoe County
- *Barrie and Orillia*
- *Collingwood, Tiny, Ramara, Severn, Essa, Midland, Penetanguishene, Clearview, Wasaga Beach, Springwater, Oro-Medonte, Innisfill, Tay, Adjala-Tosorontio, New Tecumseh, Bradford West Gwillimbury*

Essex County
- *Windsor*
- *Amherstburg, Essex, Kingsville, Lakeshore, LaSalle, Leamington, Tecumseh*

Wellington County
- *Guelph*
- *Erin, Minto, Centre Wellington, Guelph-Eramosa, Mepleton, Puslinch, Wellington North*

Middlesex County
- *London*
- *Adelaide Metcalfe, Lucan Biddulph, Middlesex Centre, North Middlesex, Southwest Middlesex, Strathroy-Caradoc, Thames Centre, Village of Newbury*

Frontenac County
- *Kingston*
- *Township of Frontenac Islands, South Frontenac Township, Central Frontenac Township, North Frontenac*

Peterborough County
- *Peterborough*
- *Asphodel-Norwood, Cavan Monaghan, Douro Drummer, Galway Cavendish and Harvey, Havelock Belmont and Methulen, North Kawartha, Otonabee-South Monaghan, Smith Ennismore Lakefield*

Renfrew County
- *Pembroke*
- *Amprior, Deep River, Laurentian Hills, Petawawa, Renfrew, Adamston, Bromley, Bonnechere Valley, Brudnell Lyndoch and Raglan, Greater Madawaska, Heed-Clara-Maria, Horton, Kollaloe, Haggerty and Richards, Laurentian Valley, McNabb-Breaside, North Algona, Wilberforce Township, Whitewater Region*

The United Counties of Leeds and Grenville
- *Brockville, Gananoque and Prescott*
- *Athens, Augusta, Edwardsburough Cardinal, Elizabethtown Kitley, Front of Yonge, Leeds and the Thousand Islands, Merrickville Wolford, North Grenville, Rideau Lakes, Westport*

<u>The United Counties of Stormont, Dundas and Glengarry</u>
- *Cornwall*
- *North Dundas, North Stormont, North Glengarry, South Dundas, South Stormont, South Glengarry*

<u>Lanark County</u>
- *Smith's Falls*
- *Beckwith Township, Town of Carleton Place, Drummond North Elmsley, Lanark Highlands, Town of Mississippi Mills, Montague, Perth, Tay Valley Township*

<u>Elgin County</u>
- *St. Thomas*
- *Bayham, Central Elgin, Dutton/Dunwich, Aylmer, Malahide, Soutwold, West Elgin*

<u>Hastings County</u>
- *Belleville, Quinte West*
- *Bancroft, Carlow/Mayo, Centre Hastings, Desoronto, Faraday, Highlands, Limerick, Madoc, Marmora and Lake, Stirling-Rawdon, Tudor and Cashel, Tweed, Tyendinaga, Wollaston*

<u>Perth County</u>
- *Stratford, St. Mary's*
- *North Perth, Perth East, Perth South, West Perth*

Appendix B: Interview Matrix

Thank you for meeting with me today. I appreciate it. I'm interested in understanding the relationship between [City/County] and [City/County] and how cooperation between the two jurisdictions and other governments with the County can be achieved.

First, I will begin by asking some very general questions about yourself and the relationship between [City/County] and [City/County].

1. Background

- How long have you served in your current position?
- How long have you been with [City/County]?
- Have you ever been employed by [City/County]? Or any other municipalities within the region?

2. General City/County Relationship

- How would you describe the current relationship between [City/County] and [City/County]?
    o [IF POSITIVE] Has this always been the case? Why do you think this relationship has been so positive?
    o [IF NEGATIVE] Has this always been the case? Can you point to a time or event when the relationship became negative?
- Does [City/County] make an active effort to improve or maintain their relationship with [City/County]?
    o [IF YES] What specifically has been done to enhance your relationship with [City/County]?
    o [IF NO] Why not?
- Do you think that [City/County] also makes an active effort to improve their relationship with you?
    o [IF YES] How do you know? Can you provide some examples?
    o [IF NO] What makes you think that?

3. Interaction

- How often do you meet with your counterpart in [City/County]?
- How many informal inter-jurisdictional boards and groups exist between [City/County] and [City/County]?
    o [IF 1 OR MORE] What are they? Why were they created? Who initiated them? Are they well attended? How often do they meet? Do you believe that they are generally looked upon positively?
    o [IF NO – Proceed to next question]
- Do you interact with your counterpart informally, outside of work?

As I understand it, you have [X] agreements in place with [City/County]. I'd like to ask you bit of information about those agreements and how they came into place.

4. Current Agreements

- Am I correct that you have [X] agreements currently in place?
    - o [IF NO] Which other agreements do you currently have? What service areas do they cover? Would I be able to obtain copies of them?
    - o [IF YES – Continue to next question]
- For each agreement, who identified the need to cooperate?
- Who initiated discussions?
- Is the [City/County] satisfied with each agreement?
- If each agreement could be re-negotiated, would you adjust any of them?
    - o [IF YES] How?
    - o [IF NO – Proceed to next question]

In 1997, the province developed the Consolidation of Municipal Services Management program, which saw municipalities assume responsibility for Ontario Works, Child Care, social housing, land ambulance and public health. I'd like to ask you about the experience of [City/County] with the CMSM.

5. CMSM

- Were you employed with [City/County] during the time of the CMSM?
    - o [IF YES – Continue to Next Question]
    - o [IF NO] Do you know the details of CMSM implementation locally? Is the [City/County] currently satisfied with the servicing arrangement it has with [City/County] regarding the CMSM?
- What was your role, if any, during the negotiations and implementation of the CMSM?
- How did [City/County] receive the CMSM? Was it looked upon favourably?
- Did [City/County] have any interaction or discussion with the province about implementing the CMSM locally?
- How did [City/County] and [City/County] decide to allocate the servicing for the policy areas covered by the CMSM?
- How long did it take to decide on a distribution model between [City/County] and [City/County] for the CMSM?
- Is [City/County] satisfied with the current CMSM agreement?
    - o [IF YES – Proceed to next question]
    - o [IF NO] Why not? If you could re-negotiate the agreement, what would you change?
- Do you think that [City/County] is satisfied with the current CMSM agreement?
- Has your experience with the CMSM made you more or less willing to cooperate with [City/County]

The time span of my study is 1995 to 2011. I'd like to ask about any past agreements you may have with [City/County]. I'd also like to ask about any potential agreements that may be created in the future or are being negotiated right now.

6. Past Agreements

- Do you have any agreements with [City/County] that have expired?
    - [IF YES] What policy areas did they cover? Would I be able to obtain copies of them? Why are they no longer in place?
    - [IF NO] Why do you think there were not any agreements?

7. Potential Agreements

- Is [City/County] in negotiations with the [City/County] that may result in cooperative service agreements?
    - [IF YES] What service areas are covered? Who began negotiations? What do you believe will be the outcome of these discussions?
    - [IF NO – Proceed to next question]

I would like to ask some further questions about the negotiation process for the agreements that the [City/County] currently has and may possibly have in the future

8. The Negotiation Process

- How are negotiations initiated?
- What is your role during negotiations?
    - [IF NONE] Who mostly handles negotiations?
- Which representative from [City/County] would you normally negotiate with?
    - [ALTERNATIVE QUESTION IF THEY DON'T LEAD NEGOTIATIONS] Who would be involved in the negotiations from [City/County]?
- [IF RESPONDENT IS MUNICIPAL STAFF] How much direction is provided by council and the mayor?
- [IF RESPONDENT IS A MEMBER OF COUNCIL OR THE MAYOR] How much assistance is provided by municipal staff?
- Does the [City/County] have any written guidelines about best practices when communicating or negotiating with another municipality?
    - [IF YES] What are they? Can I obtain a copy of the guidelines?
    - [IF NO - Proceed to next question]
- Have you ever had a negative experience while negotiating with [City/County] or another municipality?
- How many representatives from other jurisdictions are normally involved in negotiations?
- How many other jurisdictions are normally involved in negotiations?
- Do you find it easier to negotiate with fewer other jurisdictions?
- What obstacles have you encountered during negotiations with [City/County]?

- Are there any policy areas that seem to be more challenging to reach agreement on than others?
- Is it challenging finding common ground with [City/County]?

I'm also very interested in the provincial role played in cooperation and negotiations.

9. Provincial Involvement

- Do you ever feel pressure from the province or provincial officials, including any local Members of Provincial Parliament, to engage in discussion with [City/County] about cooperative servicing arrangements?
  - [IF YES] What sort of pressure? Do they provide incentives for cooperation?
  - [IF NO – Proceed to next question]
- What role, if any, does your local Member of Provincial Parliament have during negotiations with other jurisdictions?
- Does your local MPP help to facilitate cooperation between jurisdictions within his or her riding?
- Who would be your main contact with the province?
- Who is mainly responsible for interacting with the province?
- How often do you interact with provincial officials?
- How often do you interact with provincial official regarding matters affecting your relationship with [City/County]?

10. General Attitude Towards Cooperation

- In light of our conversation today, how do you generally view your relationship with [City/County] and how do you generally view cooperation between both jurisdictions?
- Do you believe that [City/County] feels similarly?

ADDITIONAL QUESTIONS FOR SEPARATED CITY RESPONDENTS

4. Current Agreements

- Do you have any agreements with jurisdictions outside of the county?
  - [IF YES] Who are they signed with? What services are covered? How were these agreements reached? Who negotiated them?
  - [IF NO – Proceed to next question]

8. The Negotiation Process

- Do you notice any differences negotiating with the County as opposed to a lower-tier municipality?
- When negotiating with a lower tier, does the County involve itself at all?

ADDITIONAL QUESTIONS FOR COUNTY RESPONDENTS

4. Current Agreements

- Do you have any agreements with jurisdictions aside from [Separated City]?
  o [IF YES] Who are they signed with? What services are covered? Is [Separated City] informed of these discussions? What is there response?
  o [IF NO – Proceed to next question]

ADDITIONAL QUESTIONS FOR LOWER-TIER MUNICIPALITIES

4. Current Agreements

- Do you have any agreements with jurisdictions outside of the County?
  o [IF YES] What service areas do they cover? What is the Counties role in negotiating these agreements? Is [Separated City] involved in any way?

8. The Negotiation Process

- When negotiating with [Separated City], does the County get involved?
  o [IF YES] How so? Is this involvement helpful? Is this involvement requested?
  o [IF NO – Proceed to next question]

Appendix C: Summary of Inter-local Agreements in Ontario

Region	Municipal Partners	Purpose	Date
Simcoe	Barrie, Orillia and Simcoe County	Health Unit Funding	January 1, 1998
Simcoe	Orillia and Simcoe County	Affordable Housing Funding	March 31, 2006
Simcoe	Barrie, Orillia and Simcoe County	CMSM – Long Term Care, Paramedic Services, Ontario Works, ODSP, Social Housing	April 28, 2009
Simcoe	Barrie and Simcoe County	Archival Services	March 23, 1999
Simcoe	Barrie and Simcoe County	Museum Services	March 23, 1999
Simcoe	Barrie, Orillia and Simcoe County	Court Services and Provincial Offences	June 1, 1999
Simcoe	Barrie and Simcoe County	Emergency Response	February 2, 2007
Simcoe	Barrie and Simcoe County	Geospatial Data Exchange	December 30, 2008
Simcoe	Innisfil, Barrie and Simcoe County	Boundary Adjustment	December 21, 2009
Simcoe	Barrie and Simcoe County	Temporary Transfer of Historic Property for Display Purposes and County Museum	August 20, 2008
Simcoe	Barrie and Simcoe County	Paramedic Services	June 14, 2011
Simcoe	Simcoe County, Adjala-Tosorontio, Bradford West Gwillimbury, Clearview, Collingwood, Essa, Innisfil, Midland, New Tecumseh, Orillia, Oro-Medonte, Penetanguishene, The Chipewas of Rama First Nation, Severn, Springwater, Tiny, Wasaga Beach, Barrie	Establishment of Joint Hazmat Incident Response Team within County	March 2, 2011
Simcoe	Barrie and Wasaga	Emergency	January 1, 2009

	Beach	Communications and Fire Dispatch	
Simcoe	Barrie and Springwater	Emergency Communications and Fire Dispatch	January 1, 2009
Simcoe	Barrie and Adjala-Tosoronito	Emergency Communications and Fire Dispatch	January 1, 2009
Simcoe	Barrie and Rosemount	Emergency Communications and Fire Dispatch	January 1, 2009
Simcoe	Barrie and Penetanguishene	Emergency Communications and Fire Dispatch	January 19, 2009
Simcoe	Barrie and Tiny	Emergency Communications and Fire Dispatch	January 1, 2009
Simcoe	Barrie and Beausoleil First Nation Christian Island	Emergency Communications and Fire Dispatch	May 27, 2009
Simcoe	Barrie and Georgian Bay	Emergency Communications and Fire Dispatch	January 1, 2009
Simcoe	Barrie and Simcoe County	Winter Road Maintenance	February 1, 1998
Simcoe	Barrie and Oro-Medonte	Boundary Line Highway Maintenance	June 11, 2008
Simcoe	Barrie and Tay	Emergency Communications and Fire Dispatch	January 19, 2009
Simcoe	Barrie and Collingwood	Emergency Communications and Fire Dispatch	January 1, 2011
Simcoe	Barrie and New Tecumseth	Emergency Communications and Fire Dispatch	January 11, 2009
Simcoe	Orillia and Ramara	Fire Protection	November 17, 2008
Simcoe	Orillia and Simcoe County District School Board	Joint Use of Facilities	August 31, 2006
Simcoe	Orillia and Gravenhurst	Fire Dispatch	November 17, 2008
Simcoe	Orillia and M'Njikaning First Nation	Fire Protection	September 10, 2001

Simcoe	Orillia and the Chippewas of the Rama	Emergency Communications	November 17, 2008
Simcoe	Orillia and Ramara	Emergency Communications	December 11, 2006
Simcoe	Simcoe County, Orillia and Barrie	Land Ambulance	November 7, 2002
Simcoe	Simcoe County, Barrie and Orillia	CMSM – Long Term Care, Paramedic Services, Ontario Works, ODSP, Social Housing	April 1, 1999
Essex	Amherstburg, Town of Essex, Kingsville, Lakeshore, LaSalle, Leamington, Pelee, Tecumseh, County of Essex, City of Windsor	Provincial Offences	March 7, 2011
Essex	Amherstburg, Town of Essex, Kingsville, Lakeshore, LaSalle, Leamington, Pelee, Tecumseh, County of Essex, City of Windsor	Provincial Offences	November 20, 2000
Essex	Amherstburg, Town of Essex, Kingsville, LaSalle, Leamington, Lakeshore, Tecumseh, Pelee, City of Windsor	Mutual Aid Agreement	September, 2010
Essex	Windsor and Lasalle	Water and Wastewater	April 22, 2003
Essex	Windsor, Lasalle and Essex Golf and Country Club	Water and Waste Water	April 30, 1997
Essex	Windsor, Lasalle and the Essex County Roman Catholic Separate School Board	Water and Waste Water	July 4, 1995
Essex	Windsor and Tecumseh	Water and Waste Water	February 1, 2006
Essex	Windsor and	Water and Waste	November 1, 2004

	Tecumseh	Water	
Essex	Windsor, Essex County, Anderon, Colchester North, Colchester South, Gosfield South, Maidstone, Malden, Mersea, Rochester, Sandwich South, Lasalle, Tilbury North, Tilbury West, St. Clair Beach, Amherstburg, Belle River, Essex, Harrow, Kingsville, Leamington, Tecumseh	Hazardous Materials Response	October 15, 1997
Wellington	Guelph and Wellington County	CMSM – Land Ambulance	March 14, 2000
Wellington	Guelph, Wellington County, Puslinch, Guelph-Eramosa, Centre Wellington, Erin, Minto, Mapleton, and Wellington North	CMSM – Provincial Offenses	January 1, 2001
Wellington	Guelph and Wellington County	CMSM – Social Services	January 1, 1995
Wellington	Guelph and Centre Wellington	Fire Dispatch	December 2, 2010
Wellington	Guelph and Wellington County	Administration of Social Services	January 1, 1995
Wellington	Guelph and Wellington County	Social Service Consolidation Arrangement	January 1, 1998
Wellington	Guelph and Wellington North	Fire Dispatch	December 2, 2010
Wellington	Guelph and Wellington North	Fire Dispatch	February 7, 2011
Wellington	Guelph and Guelph/Eramosa	Water Services	July 30, 2009
Wellington	Guelph and Guelph/Eramosa	Boundary Expansion	February 2, 2004
Wellington	Guelph and Erin	Fire Dispatch	December 31, 2010

Middlesex	London and Middlesex County	CMSM – OW, Childcare and Social Housing	February 19, 2002
Middlesex	London and Middlesex County	CMSM – Land Ambulance	January 1, 2006
Middlesex	London and Middlesex County	Road Maintenance Agreement for Winter Maintenance Services	June 1, 2009
Middlesex	London and Middlesex County	CMSM – Extension of social housing agreement	January 1, 2005
Middlesex	London and Middlesex County	Disaster and Emergency Coordination	May 10, 2005
Middlesex	London and Middlesex County	Social Housing	January 1, 2005
Middlesex	London and Middlesex County	Geography Mapping	January 11, 2005
Middlesex	London and Middlesex County	Mutual Aid – Fire Protection	December 11, 2007
Middlesex	London and Middlesex Centre	Provision of Wastewater Services to Arva	April 3, 2000
Middlesex	London and Middlesex County	Land Ambulance	January 1, 1999
Middlesex	London and Delaware	Water Services	January 1, 1999
Middlesex	London and Middlesex County	Provision of CERB	January 1, 1997
Middlesex	London and Middlesex Centre	Provision of Wastewater Services to Arva (Amendment)	June 21, 2000
Middlesex	London, Middlesex County, Adelaide-Metcalfe, Lucan Biddulph, Middlesex Centre, North Middlesex, Southwest Middlesex, Strathroy-Caradoc, Thames Centre, Newbury	Provincial Offences	January 7, 2001
Middlesex	London, Middlesex Centre, Lake Huron	Water Supply to Delaware	July 4, 2003

	Primary Water Supply System Joint Board of Management		
Middlesex	London and Thames Centre	Winter Road Maintenance	October 26, 2009
Middlesex	London and Thames Centre	Fire Protection – Mutual Aid	May 23, 2002
Middlesex	London and Middlesex County	Fire Protection – Mutual Aid	March 1, 2011
Middlesex	London and Middlesex County	Fire Protection – Mutual Aid	November 28, 2001
Middlesex	London and Middlesex County	Fire Protection – Mutual Aid	February 21, 2000
Middlesex	London and Middlesex County	Waste	July 1, 2010
Middlesex	London and the London Cross-Cultural Learner Centre	Immigration Settlement and Training	March 14, 2007
Frontenac	Kingston and the County of Lennox and Addington	Road Maintenance	September 7, 2010
Frontenac	Kingston, North Frontenac, Central Frontenac, South Frontenac and Frontenac Islands	Finalization of capital transfer and boundary confirmation	December 12, 1997
Frontenac	Kingston and Loyalist Township	Transfer of ownership of Kingston and Area Recycling Corporation from Loyalist to Kingston	December 21, 2000
Frontenac	Kingston and Central Frontenac	Building lease agreement	February 20, 2001
Frontenac	Kingston and Frontenac County	CMSM – Arbitration regarding OW, Child Care, ODSP and Social Housing	August 24, 2005
Frontenac	Kingston and Loyalist Township	Recycling Agreement	January 27, 2005
Frontenac	Kingston and South Frontenac	Waste Management	August 31, 2006
Frontenac	Kingston and Lanark	IT Technical Support	February 20, 2007

	County		
Frontenac	Kingston and Frontenac County	Arbitration Agreement	December 8, 2003
Frontenac	Kingston and Loyalist Township	Renewal of Joint Recycling Agreement	November 6, 2000
Frontenac	Kingston and Loyalist Township	Municipal Transit	July 10, 2007
Frontenac	Kingston and South Frontenac	Emergency Communications	October 2, 2001
Frontenac	Kingston and Frontenac County	Emergency Health Services	February 6, 2008
Frontenac	Kingston and Loyalist Township	Municipal Transit	June 1, 2001
Peterborough	City of Peterborough and County of Peterborough	CMSM – Social Services, Social Housing, Provincial Offences and Land Ambulance	December 1, 2008
Peterborough	City of Peterborough and County of Peterborough	Recycling Plant	April 24, 1996
Peterborough	City of Peterborough, County of Peterborough and HGC Management	3rd party contractor to operate recycling plant	January 17, 2008
Peterborough	City of Peterborough and County of Peterborough	Waste Management	July 1, 2002
Peterborough	City of Peterborough and County of Peterborough	Winter Road Maintenance	November 16, 2011
Peterborough	City of Peterborough and County of Peterborough	Winter Road Maintenance	November 17, 2010
Peterborough	City of Peterborough and County of Peterborough	Winter Road Maintenance	December 2, 2010
Peterborough	City of Peterborough and County of Peterborough	Waste Management	November 17, 2010
Peterborough	City of Peterborough, County of Peterborough and Township of Otonabee-South	Boundary Extension	September 22, 2010

	Monaghan		
Peterborough	City of Peterborough and County of Peterborough	Joint Purchase of Land	August 4, 2010
Peterborough	City of Peterborough, County of Peterborough and Township of Otonabee-South Monaghan	Boundary Extension	February 3, 2010
Peterborough	City of Peterborough and County of Peterborough	Waste Management	December 4, 2009
Peterborough	City of Peterborough, County of Peterborough and Peterborough Utilities Inc	Facilities Lease Agreement	March 26, 2009
Peterborough	City of Peterborough, County of Peterborough and Peterborough Utilities Inc	Facilities Lease Agreement	March 18, 2009
Peterborough	Asphodel-Norwood, Cavan Monaghan, Douro-Dummer, Galway Cavendish and Harvey, Havelock Belmont Methuen, North Kawartha, Otonabee-South Monaghan, Smith-Ennismore-Lakefield, County of Peterborough and City of Peterborough	Emergency Communications - Fire	March 1, 2009
Peterborough	City of Peterborough, County of Peterborough and Greater Peterborough Area Economic Development Corporation	Economic Development Operations	August 6, 2008
Peterborough	City of Peterborough, County of Peterborough,	Emergency Management Mutual Assistance	January 9, 2008

	Asphodel-Norwood, Cavan-Monaghan, Douro-Dummer, Galway-Cavendish and Harvey, Havelock-Belmont Methuen, North Kawartha, Otonabee-South Monaghan, and Smith Ennismore Lakefield		
Peterborough	Asphodel-Norwood, Cavan Millbrook-North Monaghan, Douro-Dummer, Galway-Cavendish and Harvey, Havelock Belmont-Methuen, North Kawartha, Otonabee-South Monaghan, Smith-Ennismore-Lakefield, County of Peterborough and City of Peterborough	Creation of Public Inquiry Centre	May 30, 2006
Peterborough	Asphodel-Norwood, Cavan Millbrook-North Monaghan, Douro-Dummer, Galway-Cavendish and Harvey, Havelock Belmont-Methuen, North Kawartha, Otonabee-South Monaghan, Smith-Ennismore-Lakefield, County of Peterborough and City of Peterborough	Emergency Communications – Fire Dispatch	December 21, 2005
Peterborough	County of Peterborough and City of Peterborough	CMSM Amendment	July 28, 2005
Peterborough	City of Peterborough, County of Peterborough and Greater Peterborough	Economic Development Operations	July 28, 2005

	Area Economic Development Corporation		
Peterborough	City of Peterborough and County of Peterborough	Waste Management	January 8, 2003
Peterborough	City of Peterborough and County of Peterborough	CMSM	November 5, 2003
Peterborough	City of Peterborough and County of Peterborough	Waste Management	August 7, 2002
Peterborough	City of Peterborough, County of Peterborough and Township of Otonabee-South Monaghan	Waste Management	July 17, 2002
Peterborough	County of Peterborough and City of Peterborough	Waste Management – Recycling and Hazardous Waste	December 15, 2000
Peterborough	County of Peterborough and City of Peterborough	Waste Management – Recycling	August 22, 2000
Peterborough	County of Peterborough and City of Peterborough	Provincial Offences	July 5, 2000
Peterborough	County of Peterborough and City of Peterborough	Provincial Offences	June 1, 2000
Peterborough	County of Peterborough, City of Peterborough and Otonabee-South Monaghan	Waste Management	December 9, 2005
Renfrew	Pembroke and Renfrew County	CMSM – OW	August 19, 1997
Renfrew	Pembroke and Renfrew County	Provincial Offenses	March 1, 2000
Renfrew	Pembroke and Renfrew County	Tourism Association	November 27, 2002
Renfrew	Pembroke and Laurentian Valley	Shared Recreational Facilities	December 20, 2011
Renfrew	Valley Arts Council, Pembroke,	Management and Operation of Festival	February 19, 2008

	Laurentian Valley and Petawawa	Hall	
Renfrew	Pembroke and Conseil De District Des Ecoles Publiques De Langue Francaise No. 59	Facilities Rental/Licensing	November 21, 2006
Renfrew	Pembroke, Laurentian Valley, Petawawa, North Algona Wilberforce and Bonnechere Valley	Waste Services	June 16, 2009
Renfrew	Pembroke Regional Hospital, Pembroke, Laurentian Valley, Algonquins of Pikwakanagn First Nation, Petawawa, Whitewater Region, Bonnechere Valley and North Algona Wilberforce	Establishment of the Upper Ottawa Valley Medical Recruitment Committee	December 20, 2011
Renfrew	Pembroke and Laurentian Valley	Fire Protection	May 19, 2009
Renfrew	Pembroke and Renfrew County	Land Lease	November 19, 2002
Renfrew	Pembroke and Stafford	Water Service	October 31, 1996
Renfrew	Pembroke and Stafford	Sewage Service	October 31, 1996
Renfrew	Pembroke, Deep River, Petawawa, Westmeath, Stafford and Pembroke, Alice and Fraser, Rolph, Cuchanan, Wylie and McKay, Chalk River, Beachburg	Airport Operation	August 17, 1999
Leeds and Grenville	Brockville, Gananoque, Prescott and the County of Leeds and Grenville	CMSM – Social Services, Social Housing, Provincial Offenses and Land Ambulance	May 25, 2000
Leeds and	Gananoque and	Shared Fire Chief	October 19, 2010

Grenville	Leeds and the Thousand Islands Township		
Leeds and Grenville	Gananoque and the Township of Leeds and the Thousand Islands	Shared Fire Chief	March 7, 2006
Leeds and Grenville	Gananoque and the Township of Leeds and the Thousand Islands	Shared Fire Chief	September 1, 2009
Leeds and Grenville	Gananoque and the Township of Leeds and the Thousand Islands	Recreation Centre Cost Sharing	April 19, 2011
Leeds and Grenville	Leeds and Grenville and Brockville	Emergency Communications – Fire	February 1, 2012
Leeds and Grenville	Prescott and Brockville	Communications Service	March 14, 2012
Leeds and Grenville	Brockville and Edwardsburg-Cardinal	Recreation Service Fees	(DATE)
Leeds and Grenville	Brockville and United Counties of Leeds and Grenville	Emergency Communications	February 1, 2012
Leeds and Grenville	Bell Canada, United Counties of Leeds and Grenville, Brockville and Prescott	Emergency Communications	June 20, 1996
Leeds and Grenville	Bell Canada, United Counties of Leeds and Grenville, Brockville and Prescott	Emergency Communications (Neutral Answering Service)	June 20, 1996
Leeds and Grenville	United Counties of Leeds and Grenville, Prescott and Brockville	Emergency Communications	November 21, 1996
Leeds and Grenville	United Counties of Leeds and Grenville, Brockville, Prescott and Gananoque	CMSM – Social Services, Child Care, Social Housing, Provincial Offences and Land Ambulance	July 24, 2003

Leeds and Grenville	United Counties of Leeds and Grenville, Brockville, Prescott and Gananoque	Construction and Operation of St. Lawrence Lodge	April 22, 2004
Leeds and Grenville	United Counties of Leeds and Grenville, Brockville, Prescott and Gananoque	Construction and Operation of St. Lawrence Lodge	July 6, 2004
Leeds and Grenville	Ontario Provincial Police, United Counties of Leeds and Grenville, Brockville and Prescott	Provision of 911 Services	November 18, 2004
Leeds and Grenville	United Counties of Leeds and Grenville, Brockville, Gananoque, Prescott	Economic Development	March 17, 2005
Leeds and Grenville	United Counties of Leeds and Grenville, Brockville, Prescott and Gananoque	Construction and Operation of St. Lawrence Lodge	April 21, 2005
Leeds and Grenville	Ontario Provincial Police, United Counties of Leeds and Grenville, Brockville, and Prescott	Provision of 911 Services	September 26, 2007
Stormont, Dundas and Glengarry	United Counties of Stormont, Dundas, and Glengarry and Cornwall	CMSM – Social Housing, OW, and Child Care	February 16, 2004
Stormont, Dundas and Glengarry	United Counties of Stormont, Dundas and Glengarry, Cornwall, South Stormont, North Stormont, South Dundas, North Dundas, South Glengarry, North Glengarry	Provincial Offences	December 18, 2000
Stormont, Dundas and Glengarry	Cornwall and United Counties of Stormont, Dundas	CMSM - OW	November 24, 1997

	and Glengarry		
Stormont, Dundas and Glengarry	Cornwall and United Counties of Stormont, Dundas and Glengarry	Emergency Communications	April 22, 1998
Stormont, Dundas and Glengarry	Cornwall and the United Counties of Stormont, Dundas and Glengarry	Emergency Communications	February 9, 1998
Stormont, Dundas and Glengarry	Cornwall and the United Counties of Stormont, Dundas and Glengarry	CMSM	April 12, 1999
Stormont, Dundas and Glengarry	Cornwall and the United Counties of Stormont, Dundas and Glengarry	Home Child Care	September 10, 2001
Stormont, Dundas and Glengarry	Cornwall and the United Counties of Stormont, Dundas and Glengarry	Homemaker and Nursing Services	September 10, 2001
Stormont, Dundas and Glengarry	Cornwall and the United Counties of Stormont, Dundas and Glengarry	Hostel Operation	September 10, 2001
Stormont, Dundas and Glengarry	Cornwall and the United Counties of Stormont, Dundas and Glengarry	Homemaker and Nursing Services	January 14, 2002
Stormont, Dundas and Glengarry	Cornwall and the United Counties of Stormont, Dundas and Glengarry	CMSM – OW, Childcare, Social Housing, Land Ambulance, POA	January 14, 2002
Stormont, Dundas and Glengarry	Cornwall and the United Counties of Prescott and Russell	Temporary Ambulance Rental	January 14, 2002
Stormont, Dundas and Glengarry	Cornwall, United Counties of Stormont, Dundas and Glengarry, Beek Lindsay Seniors Residences Cornwall, Cornwall and Area Housing Corporation, Cornwall and Area Non-Profit Housing	Social Housing	February 11, 2002

	Corporation, Finch and District Seniors Housing Corporation, Lancaster and District Non-Profit Housing Corporation, Logemant La Nativite Inc, The Alexandra Non-Profit Housing Corporation, Township of Roxborough Non-Profit Housing Corporation, Williamsburg Non-Profit Housing Corporation		
Stormont, Dundas and Glengarry	Cornwall and United Counties of Prescott and Russell	Temporary Ambulance Rental	June 10, 2002
Stormont, Dundas and Glengarry	Cornwall and United Counties of Stormont, Dundas and Glengarry	CMSM – Amendment	January 12, 2004
Stormont, Dundas and Glengarry	Cornwall and United Counties of Stormont, Dundas and Glengarry	Ambulance Service	February 23, 2004
Stormont, Dundas and Glengarry	Cornwall, United Counties of Stormont, Dundas and Glengarry, and United Counties of Prescott and Russell	Creation of District Health Unit (Eastern Ontario Health Unit)	February 23, 2004
Stormont, Dundas and Glengarry	Cornwall, United Counties of Stormont, Dundas and Glengarry, Family Counseling Centre of Cornwall	Social Service Delivery	March 8, 2004
Stormont, Dundas and Glengarry	Cornwall and United Counties of Stormont, Dundas and Glengarry	Land Ambulance	January 1, 2004
Stormont, Dundas and Glengarry	Cornwall and United Counties of	Hazardous Materials Response	November 8, 2004

	Stormont, Dundas and Glengarry		
Stormont, Dundas and Glengarry	Cornwall and United Counties of Stormont, Dundas and Glengarry	Homemaker and Nursing Services	February 13, 2006
Stormont, Dundas and Glengarry	Cornwall, United Counties of Stormont, Dundas and Glengarry and Family Counseling Centre of Cornwall	Social Service Delivery	August 9, 2004
Stormont, Dundas and Glengarry	Cornwall, United Counties of Stormont, Dundas and Glengarry and Family Counseling Centre of Cornwall	Social Housing Allotment	February 26, 2007
Stormont, Dundas and Glengarry	Cornwall, United Counties of Stormont, Dundas and Glengarry and Family Counseling Centre of Cornwall	Rent Bank and Tenant Assistance	March 26, 2007
Stormont, Dundas and Glengarry	Cornwall, United Counties of Stormont, Dundas and Glengarry and Northern 911	Emergency Response	August 13, 2007
Stormont, Dundas and Glengarry	Cornwall, United Counties of Stormont, Dundas and Glengarry and Family Counseling Centre of Cornwall	Rent Bank and Tenant Assistance	May 26, 2008
Stormont, Dundas and Glengarry	Cornwall and United Counties of Stormont, Dundas and Glengarry	Boundary Road Maintenance	September 8, 2008
Stormont, Dundas and Glengarry	Cornwall and United Counties of Stormont, Dundas and Glengarry	Operation of a Home for the Aged (Glen Stor Dun Lodge)	September 13, 2010
Stormont, Dundas and Glengarry	Cornwall and Canadian Red Cross	Emergency Lodging	September 13, 2010
Stormont, Dundas	Cornwall and Heart	Public Access	September 13, 2010

and Glengarry	and Stroke Foundation	Defibrillation Program	
Stormont, Dundas and Glengarry	Cornwall and United Counties of Stormont, Dundas and Glengarry	Hazardous Materials Response	January 10, 2011
Elgin	Aylmer, Bayham, Central Elgin, Dutton/Dunwich, West Elgin, Southwold, St. Thomas, Malahide and the County of Elgin	Mutual Aid for Emergency Management	March 29, 2011
Elgin	County of Elgin, West Elgin, Dutton/Dunwich, Southwold, Central Elgin, Malahide, Bayham, Aylmer and St. Thomas	County Collection of Provincial Offence Fines	August 22, 2005
Elgin	County of Elgin and St. Thomas	Emergency Communications	September 19, 2005
Elgin	Tri-County Management Committee of the West Elgin Primary Water Supply System, Southwold, St. Thomas, Joint Board of Management of the Elgin Area Primary Water Supply System	Water Supply	July 7, 2003
Elgin	St. Thomas and Central Elgin	Mutual Aid for Emergency Management	December 13, 2010
Elgin	St. Thomas and Central Elgin	Municipal Boundary Adjustment	November 21, 2005
Elgin	St. Thomas and Southwold	Operation of an Animal Control Shelter	January 12, 2005
Elgin	St. Thomas and Elgin County	CMSM – OW, Child Care, Social Housing, Land Ambulance and	April 14, 1998

		Public Health	
Elgin	St. Thomas and Elgin County	Intersection Construction	November 23, 1999
Elgin	St. Thomas and Elgin County	Emergency Communications	June 23, 1998
Hastings	Belleville, Trenton, Hastings County	911 Emergency Services	March 26, 1997
Hastings	Hastings County, Belleville, Quinte West	CMSM – Social Services	September 30, 1999
Hastings	Belleville and Township of Thurlow	Amalgamation Agreement	July 4, 1997
Hastings	Hastings County, Belleville and Trenton	Home for the Aged	November 25, 1996
Hastings	Quinte West and Hastings County	Emergency Services	N/A
Hastings	Belleville, Quinte West, Centre Hastings, Marmora and Lake, Tweed, Tyendinaga, County of Prince Edward, Stirling-Rawdon, Madoc	Waste Diversion	January 1, 2003
Hastings	Belleville, Quinte West and Hastings County	CMSM – OW, Social Assistance, Childcare, Social Housing	April 10, 2006
Hastings	Belleville, Quinte West and Hastings County	Long-Term Care	May 31, 2001
Hastings	Belleville and Hastings County	Installation of Automated External Defibrillators	July 14, 2008
Hastings	Quinte West and Belleville	Boundary Road Maintenance	January 13, 2003
Hastings	Belleville and County of Hastings	Joint Development and Operation of Hastings County Historical Society Archives	September 14, 2009
Hastings	Belleville and County of Hastings	Joint Development and Operation of Hastings County	November 8, 2010

		Historical Society Archives	
Hastings	Ministry of Canadian Heritage, Belleville, and County of Hastings	Conservation of Glanmore National Historic Site	March 17, 1997
Hastings	Belleville and Centre and South Hasting Waste Services Board	Establishment of a Household Hazardous Waste Depot Facility	August 9, 2010
Hastings	Hastings County, Tyendinaga, Stirling-Rawdown, Centre Hastings, Tweed, Marmora & Lake, Madoc, Tudor & Cashel, Wollaston, Limerick, Faraday, Carlow/Mayo, Hastings Highlands, Deseronto, Bancroft, Bicroft, Cardiff, Belleville, Quinte West	Provincial Offences	April 23, 2001
Hastings	Belleville, Quinte West, Bancroft, Faraday, Hastings Highlands, Limerick, Wollaston, Mohawks of the Bay of Quinte, Madoc, Stirling Rawdown, Centre Hastings, Tweed, Marmora and Lake, Tudor Cashel	Emergency Dispatch and Communications	September 13, 2010
Hastings	Belleville, Quinte West, Centre Hastings, Marmora and Lake, Tweed, Tyendinaga, County of Prince Edward, Stirling-Rawdon, Madoc,	Waste Services and Diversion	February 9, 2009
Hastings	County of Hastings and Belleville	Vital Services Administration and Enforcement	February 11, 2008
Hastings	Belleville and	Emergency	September 13, 2010

	Mohawks of the Bay of Quinte	Communications	
Perth	Stratford, Perth East and Perth County	Annexation Agreement	July 15, 2010
Perth	St. Mary's and Perth South	Water and Waste Water Agreement	June 22, 2010
Perth	St. Mary's and Perth South	Fire Protection	January 1, 2010
Perth	Stratford, North Perth, St. Mary's and West Perth	Mobile Fire Training	February 12, 2007
Perth	Stratford, St. Mary's and Perth County	CMSM – Land Ambulance	January 1, 2002
Perth	Stratford, St. Mary's and Perth County	CMSM – OW, Child Care and Social Housing	March 31, 1998
Perth	St. Mary's and Stratford	CMSM – Day Care	January 11, 2000
Perth	St. Mary's and Perth South	Arena Operations and Funding	January 1, 2006
Perth	Perth County, North Perth, West Perth, Perth East, Perth South, St. Mary's, Stratford and the United Counties of Leeds and Grenville	Emergency Management Agreement	June 23, 2011
Perth	Stratford and Perth County	Boundary Extension Cost Sharing (Social Services, EMS, Health Unit, Regional Roads, Spruce Lodge)	July 15, 2010
Perth	Stratford, North Perth and West Perth	Fire Dispatch	April 14, 1998
Perth	Stratford and St. Mary's	Fire Dispatch	April 14, 1998
Perth	Stratford and North Perth	Fire Dispatch	August 30, 1999
Perth	Perth County and Stratford	CMSM (Amendment)	December 20, 1999
Perth	Stratford and Perth County	Reforestation along Avon River Watershed	February 13, 1996
Perth	Stratford, Perth	Home for the Aged	June 1, 1995

	County, St. Mary's and Hamlet Non-Profit Estates of Stratford and District		
Perth	Stratford and St. Mary's	Fire Dispatch	June 9, 1997
Perth	Stratford, St. Mary's and Perth County	Child Care	March 23, 1999
Perth	Stratford and St. Mary's	Fire Dispatch	November 24, 1998
Perth	Stratford, Perth South and Pert East	Fire Dispatch	November 24, 1998
Perth	Stratford and Perth East	Fire Dispatch	November 24, 1998
Perth	Stratford and Perth East	Fire Dispatch	November 24, 1998
Perth	Stratford and West Perth	Fire Dispatch	November 24, 1998
Perth	St. Mary's and Stratford	Child Care Fee Subsidy	January 1, 2000
Perth	Stratford, St. Mary's, Perth County, Perth East, Perth South, West Perth, North Perth	Provincial Offences	February 28, 2000
Perth	Stratford and Perth East	Sale of Hydro Transmission Wire	September 11, 2000
Perth	Stratford, Perth South, Perth East, and Perth County	Boundary Adjustment Agreement	October 12, 2000
Perth	Middlesex County, Oxford County, Perth County, City of London, City of Stratford, St. Mary's	Rural Water Quality Testing	December 17, 2001
Perth	Stratford, Perth County, St. Mary's and Northern Communications Services Inc.	Emergency Communications	November 15, 2002
Perth	Perth South and Stratford	Road Maintenance	April 15, 2003
Perth	Perth County, Stratford and St. Mary's	CMSM – Amendment	August 11, 2003
Perth	Stratford, Perth	Boundary Adjustment	November 17, 2005

	South, and Perth County		
Perth	Stratford and Perth East	Fire Protection	November 14, 2005
Perth	Stratford and North Perth	Fire Protection	November 14, 2005
Perth	Stratford and St. Mary's	Fire Protection	November 14, 2005
Perth	Perth County, Stratford, St. Mary's and Wightman Communications	Emergency Communications	November 22, 2005
Perth	Stratford, Perth County and Stratford/Perth Museum Association	Museum Funding	December 12, 2005
Perth	Stratford, Perth County and Stratford/Perth Museum Association	Creation of Museum Trust	December 12, 2005
Perth	Perth County, Stratford, St. Mary's and Competitive Local Exchange Carrier	Emergency Communications	February 9, 2006
Perth	Stratford, Perth County and Stratford/Perth Museum Association	Creation of Museum Taskforce	December 12, 2005
Perth	Stratford, Region of Waterloo, Perth County	Child Care Fee Subsidy	July 30, 2009
Perth	Stratford and Perth East	Fire Protection	October 12, 2010
Perth	Stratford and St. Mary's	Fire Protection	October 12, 2010
Perth	Stratford and North Perth	Fire Protection	October 12, 2010
Perth	Stratford, Perth County and St. Mary's	Mutual Aid	January 25, 2011
Perth	Stratford and Perth East	Boundary Extension	July 12, 2010
Perth	Stratford, Wellington County and Perth County	Child Care	March 5, 2012

Perth	Perth County, St. Mary's, Stratford and Northern Communications	Emergency Communications	June 13, 2005
Lanark	Lanark County, Town of Perth and Town of Smith's Falls	Emergency Communications	July 2, 2002
Lanark	Lanark County and Smith's Falls	Emergency Communications	June 27, 2005
Lanark	Lanark County, Beckwith, Carleton Place, Drummond/North Elmsley, Lanark Highlands, Mississippi Mills, Montague, Perth, Tay Valley, Smith Fall's	GIS Data Sharing	August 2, 2005
Lanark	Lanark County and Smith's Falls	Emergency Communications	November 21, 2005
Lanark	Lanark County, Beckwith, Carleton Place, Drummond/North Elmsley, Lanark Highlands, Mississippi Mills, Montague, Perth, Tay Valley, Smith Fall's	Mutual Assistance	February 20, 2006
Lanark	Lanark County, Beckwith, Carleton Place, Drummond/North Elmsley, Lanark Highlands, Mississippi Mills, Montague, Perth, Tay Valley, Smith Fall's	Mutual Assistance – Fire Protection	December 21, 2005
Lanark	Lanark County, Smith's Falls and the Catholic District School Board of Eastern Ontario	Best Start Funding	October 2, 2006
Lanark	Lanark County and	CMSM: Land	November 6, 2006

	Smith's Falls	Ambulance	
Lanark	Amateur Radio Emergency Services, Lanark County, Carleton Place, Mississippi Mills, Beckwith, Drummond/North Elmsley, Lanark Highlands, Montague, Tay Valley and Smith's Falls	Emergency Communications	March 19, 2007
Lanark	Amateur Radio Emergency Services, Lanark County, Carleton Place, Mississippi Mills, Beckwith, Drummond/North Elmsley, Lanark Highlands, Montague, Tay Valley and Smith's Falls	Emergency Communications	April 23, 2008
Lanark	Lanark County and Smith's Falls	CMSM: Land Ambulance	December 3, 2007
Lanark	Lanark County and Smith's Falls	Information Technology	January 5, 2009
Lanark	Lanark County, Beckwith, Carleton Place, Drummond/North Elmsley, Lanark Highlands, Mississippi Mills, Montague, Perth, Tay Valley, Smith Fall's	Mutual Assistance	March 2, 2009
Lanark	Lanark County and Smith's Falls	CMSM: Land Ambulance	September 20, 2010
Lanark	Lanark County and Smith's Falls	Emergency Communications	October 4, 2010
Lanark	Lanark County and Smith's Falls	Fire Dispatch	December 20, 2010
Lanark	Lanark County and Smith's Falls	Information Technology	September 6, 2011

Lanark	Lanark County and Smith's Falls	CMSM: Social Services	December 16, 1998
Lanark	Lanark County, Beckwith, Carleton Place, Drummond/North Elmsley, Lanark Highlands, Mississippi Mills, Montague, Perth, Tay Valley, Smith Fall's	Mutual Assistance	October 22, 2008
Lanark	Lanark County and Smith's Falls	Fire Dispatch	November 26, 2008

Appendix D: Interview Listing by Case Study

Region	Municipality	Position	Date
Middlesex	London	Director, Intergovernmental and Community Liaison	Feb. 6, 2012
Middlesex	London	Ward 3 Councilor	Feb 13, 2012
Middlesex	North Middlesex / Middlesex County	Mayor / County Councilor	Feb 14, 2012
Middlesex	Middlesex Centre / Middlesex County	Mayor / County Councilor	Feb 15, 2012
Middlesex	Southwest Middlesex	Administrator/ Clerk	Feb 17, 2012
Middlesex	Middlesex Centre	Ward 3 Councilor	Feb 21, 2012
Middlesex	Lucan Biddulph	CAO/Clerk	Feb 21, 2012
Middlesex	Middlesex County	CAO	Mar 2, 2012
Middlesex	Middlesex County / Thames Centre	Mayor/County Warden	Mar 2, 2012
Middlesex	London	Ward 5 Councilor	Mar 5, 2012
Middlesex	Middlesex Centre	Ward 1 Councilor	Mar 5, 2012
Middlesex	Middlesex Centre	Deputy Mayor	Mar 7, 2012
Middlesex	Adelaide Metcalfe / Middlesex County	Mayor/County Councilor	Mar 8, 2012
Middlesex	London	Former Mayor	Mar 8, 2012
Middlesex	Middlesex Centre	Ward 5 Councilor	Mar 8, 2012
Middlesex	Middlesex Centre	CAO	Mar 13, 2012
Middlesex	London	Ward 14 Councilor	Mar 13, 2012
Middlesex	London	Former CAO	Mar 15, 2012
Middlesex	Southwest Middlesex	Mayor/County Councilor	Mar 16, 2012
Middlesex	Strathroy Caradoc	CAO	Mar 21, 2012
Middlesex	Strathroy	Mayor/ County Councilor	April 4, 2012

	Caradoc		
Wellington	Wellington North	Mayor/County Councilor	April 12, 2012
Wellington	Minto	CAO	April 13, 2012
Wellington	Puslinch	CAO/Clerk-Treasurer	April 13, 2012
Wellington	Puslinch	Mayor/County Councilor	April 16, 2012
Wellington	Centre Wellington	Mayor/Former County Warden	April 16, 2012
Wellington	Guelph/Eramosa	Mayor/County Warden	April 26, 2012
Wellington	Guelph	Ward 2 Councilor	April 30, 2012
Wellington	Guelph/Eramosa	Ward 4 Councilor	April 30, 2012
Wellington	Puslinch	Councilor	May 2, 2012
Wellington	Guelph	Ward 1 Councilor	May 2, 2012
Wellington	Guelph	Former Ward 4 Councilor	May 2, 2012
Wellington	Guelph	Ward 4 Councilor	May 2, 2012
Wellington	Erin	Former Mayor/Former County Councilor	May 10, 2012
Wellington	Guelph	Ward 5 Councilor	May 10, 2012
Wellington	Mapleton	Mayor/County Councilor	May 16, 2012
Wellington	Guelph	Ward 3 Councilor	May 17, 2012
Wellington	Wellington-Halton Hills	Member of Provincial Parliament	May 18, 2012
Wellington	Guelph	Former Ward 3 Councilor	May 25, 2012
Wellington	Guelph/Eramosa	CAO	June 4, 2012
Wellington	Erin	Mayor/County Councilor	June 4, 2012
Simcoe	Tay	CAO	May 23, 2012
Simcoe	Wasaga Beach	CAO	May 25, 2012
Simcoe	Springwater	Mayor/County Councilor	May 29, 2012
Simcoe	Collingwood	Mayor/County Councilor	May 29, 2012
Simcoe	New Tecumseth	Mayor	May 30, 2012
Simcoe	Adjala-Tosorontio	CAO	May 30, 2012
Simcoe	Orillia	Ward 3 Councilors	May 30, 2012
Simcoe	Orillia	Deputy CAO/CFO	May 30, 2012
Simcoe	Bradford West Gwillimbury	CAO	May 31, 2012
Simcoe	Penetanguishene	Mayor/ County Councilor	May 31, 2012
Simcoe	Tay	Mayor/County Councilor	May 31, 2012
Simcoe	Severn	Mayor/County Councilor	May 31, 2012
Simcoe	Brandford West Gwillimbury	Mayor/County Councilor	May 31, 2012
Simcoe	Orillia	Ward 4 Councilor	June 1, 2012
Simcoe	Barrie	Ward 2 Councilor	June 1, 2012

Simcoe	Oro-Medonte	Mayor/County Councilor	June 1, 2012
Simcoe	Oro-Medonte	Deputy Mayor/County Councilor	June 1, 2012
Simcoe	Orillia	Ward 4 Councilor	June 1, 2012
Simcoe	Simcoe North	Member of Provincial Parliament/Former County Warden/Former Mayor	June 5, 2012
Simcoe	Barrie	Ward 8 Councilor	June 5, 2012
Simcoe	Tiny	Mayor/County Councilor	June 8, 2012
Simcoe	Collingwood	Deputy Mayor/County Councilor	June 8, 2012
Simcoe	Adjala-Tosorontio	Deputy Mayor/County Councilor	June 8, 2012
Simcoe	Springwater	Former Mayor/Former County Warden	June 8, 2012
Simcoe	Barrie	Mayor	June 14, 2012
Simcoe	Midland	Mayor/County Councilor	June 14, 2012
Simcoe	York Simcoe	Member of Provincial Parliament	June 15, 2012

I conducted interviews in Elgin County and St. Thomas during the initial research stages of this project although, with the exception of one section in Chapter 5, they were not included. These interviews are listed below.

Jurisdiction	Position	Interview Date
Elgin County	Chief Administrative Officer	April 5, 2011
Elgin County/West Elgin	Regional Councilor/Mayor	April 12, 2011
St. Thomas	Chief Administrative Officer	April 14, 2011
Southwold	Chief Administrative Officer	April 15, 2011
Elgin County/Bayham	Regional Councilor/Mayor	April 19, 2011
Central Elgin	Councilor	April 22, 2011
Southwold	Deputy Mayor	April 22, 2011
St. Thomas	Councilor	April 23, 2011
Bayham	Chief Administrative Officer	April 26, 2011
Elgin County/Malahide	Warden/Mayor	April 28, 2011
St. Thomas	Mayor	May 4, 2011
St. Thomas	Director, Planning	May 4, 2011
St. Thomas	Manager, Economic Development	May 4, 2011
Elgin-Middlesex-London	Member of Provincial Parliament	May 27, 2011

Appendix E: Research Ethics Approval

Use of Human Participants - Ethics Approval Notice

Research
Western

Principal Investigator: Dr. Andrew Sancton
Review Number: 18584S
Review Level: Full Board
Approved Local Adult Participants: 310
Approved Local Minor Participants: 0
Protocol Title: Cooperation Between Separated Cities and Countries
Department & Institution: Political Science, University of Western Ontario
Sponsor:
Ethics Approval Date: December 19, 2011   **Expiry Date:** January 31, 2013

Documents Reviewed & Approved & Documents Received for Information:

Document Name	Comments	Version Date
UWO Protocol		
Letter of Information & Consent		

This is to notify you that The University of Western Ontario Research Ethics Board for Non-Medical Research Involving Human Subjects (NMREB) which is organized and operates according to the Tri-Council Policy Statement: Ethical Conduct of Research Involving Humans and the applicable laws and regulations of Ontario has granted approval to the above named research study on the approval date noted above.

This approval shall remain valid until the expiry date noted above assuming timely and acceptable responses to the NMREB's periodic requests for surveillance and monitoring information.

Members of the NMREB who are named as investigators in research studies, or declare a conflict of interest, do not participate in discussions related to, nor vote on, such studies when they are presented to the NMREB.

The Chair of the NMREB is Dr. Riley Hinson. The UWO NMREB is registered with the U.S. Department of Health & Human Services under the IRB registration number IRB 00000941.

Curriculum Vitae

Name: Zachary Devon Spicer

Post-secondary   McMaster University
Education and   Hamilton, Ontario, Canada
Degrees: 2004-2008 B.A. (Hons)

Wilfrid Laurier University
Waterloo, Ontario, Canada
2008-2009 M.A.

The University of Western Ontario
London, Ontario, Canada
2009-2013 Ph.D.

Honours and Western Graduate Scholarship (UWO)
Awards: 2009-2013

IHS Fellowship
2011-2012

Henry Lewis Caulkins Scholarship
2011

Related Work   Teaching Assistant
Experience   Wilfrid Laurier University
2008-2009

Teaching Assistant
The University of Western Ontario
2009-2013

Course Instructor
University of Guelph
2013-2013

Publications:

Spicer, Zachary. "Post-Amalgamation Politics: How Does Consolidation Impact Community Decision-Making?" in *Canadian Journal of Urban Research.* Forthcoming.

Spicer, Zachary and John L. Nater. "Legislative Dissent Without Reprisal? An Alternative View of Speaker Selection." *Journal of Legislative Studies.* Forthcoming

Spicer, Zachary. "The Reluctant Urbanist: Pierre Trudeau and the Creation of the Ministry of State for Urban Affairs." *International Journal of Canadian Studies.* Vol. 44, Spring 2012.

Alcantara, Christopher, Rob Leone and Zachary Spicer. "Responding to Policy Change from Above: Municipal Accountability and Transparency Regimes in Ontario." *Journal of Canadian Studies.* Vol. 46, No. 1, Winter 2012.

Alcantara, Christopher, Zachary Spicer and Rob Leone. "Institutional Design and the Accountability Paradox: A Case Study of Three Aboriginal Accountability Regimes in

Canada." *Canadian Public Administration*. Vol. 55., No. 1, March 2012
Spicer, Zachary. "The Rise and Fall of the Ministry of State for Urban Affairs: A Re-Evaluation" *Canadian Political Science Review.* Vol. 5, No. 2, 2011.

Spicer, Zachary. "Institutional Policy Learning and Formal Federal-Urban Engagement in Canada." *Commonwealth Journal of Local Governance*. Vol. 7, November 2010.