

# **Municipal Amalgamation in Ontario: Boon or Boondoggle, Who Knows?**

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## Question Paper One

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<http://www.urbanneighbourhoods.ca/about.htm>

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## A. Background to Question Paper One

The Federation of Urban Neighbourhoods and its member associations have considerable experience dealing with municipal and provincial governments, and sometimes they deal with both levels of government at the same time. A case in point is the effort over much of the past decade, and most recently after the Federation's 2009 Annual General Meeting in early May, to persuade municipal and provincial governments to join forces and rid the province of the Ontario Municipal Board (OMB). Readers with an interest in that issue can find position paper and other materials by clicking on the link to the Federation's website, which is on the cover page, and is repeated here for the reader's convenience: <http://www.urbanneighbourhoods.ca/about.htm>

In addition to making known their opposition to interference in local affairs by the provincially-appointed and unelected Municipal Board, members of the Federation have frequently expressed concern about another area of provincial responsibility: **amalgamation**.

Among the reasons for concern about amalgamation, in brief, is that by order of the provincial government two or more municipal governments are combined, or amalgamated, to form one unit of municipal government, regardless of how the municipal governments or their citizens feel about the matter. And, more particularly, the forced union is achieved by provincial fiat, regardless of the presence of seemingly sound arguments made by councils, citizens, and community associations in opposition to the (forced) union.

It would, of course, be appropriate to quickly assign the topic of amalgamation to "the Unimportant Bin" if it turned out that the history of amalgamation in Ontario extended over 50 years, and in all that time it affected a dozen or so municipalities, several thousand people, several hundred thousand dollars per year in municipal taxes, and the occasional, minor media item of a local nature.

The fact is, however, that amalgamation has been a major force in municipal affairs in Ontario for a number of years, and especially with the passing of Bill 26 in 1995. By way of illustration of the extensive reach of Bill 26, the following

municipalities are among those that engaged in amalgamation deliberations or acceded to amalgamation pressures in association with Bill 26:

At the scale of larger communities, the affected municipalities included – Haldimand-Norfolk; Hamilton (Hamilton + Dundas + Ancaster + Glanbrook + Stoney Creek + Flamborough); Kingston (Kingston + Kingston Township + Pittsburgh Township); Kitchener; Ottawa (Ottawa + Nepean + Gloucester + Vanier + Rockcliffe Park + Cumberland + Osgoode + Rideau + Goulbourn + West Carleton); Sudbury (Sudbury + Capreol + Nickel Centre + Onaping Falls + Rayside-Balfour + Valley East + Walden + unincorporated townships); and, Toronto (Toronto, + Scarborough + Etobicoke + East York + York + North York).

At the scale of smaller communities, there were dozens of amalgamation initiatives, so in the interests of space they are listed by the county in which they occurred – Bruce; Brant; Elgin; Essex; Frontenac; Grey; Hastings/Northumberland; Huron; Kenora; Kent; Lambton; Lanark; Leeds-Grenville; Lennox-Addington; Manitoulin; Middlesex; Nipissing; Northumberland; Parry Sound; Perth; Peterborough; Prescott-Russell; Prince Edward; Rainy River; Renfrew; Stormont, Dundas and Glengarry; and Wellington.

It appears fair to say that legislation which touches the lives of at least half the people in the province is non-trivial. And, it appears equally fair to say given the magnitude of its influence, that the legislation would no doubt be based on substantive amounts of data, and substantive studies based on those data. Before asking questions about the foundations upon which Bill 26 was constructed, and the evaluative and/or impact assessment work done since the passage of Bill 26, several key elements of the legislation are recalled.

## **B. Bill 26 – *Savings and Restructuring Act, 1995***

Details of Bill 26 are available by connecting to the website of the Legislative Assembly of Ontario (<http://www.ontla.on.ca/web/home.do>), clicking on “Bills and Lawmaking”, and selecting 1995-1997.

The following excerpts from two sections of Bill 26 are sufficient for the purposes of Question Paper One.

### **“EXPLANATORY NOTE**

The purpose of the Bill is 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.”

And,

“SCHEDULE M

AMENDMENTS TO THE MUNICIPAL ACT AND

VARIOUS OTHER STATUTES RELATED TO

MUNICIPALITIES, CONSERVATION AUTHORITIES AND  
TRANSPORTATION

PART I

MUNICIPAL ACT

Amendments are made to the *Municipal Act* respecting the following subject matters:

1. The Minister is given the power to make regulations restructuring municipalities. Upon receiving a proposal from a municipality or prescribed local body in unorganized territory, the Minister shall make regulations implementing the proposal if the proposal meets the requirements set out in the section. A restructuring may include: annexing part of a municipality to another municipality; annexing land that does not form part of a municipality to a municipality; amalgamating municipalities; separating a local municipality from a county or joining a local municipality to a county for municipal purposes; dissolving all or part of a municipality and incorporating the inhabitants of a locality as a municipality.

2. Municipalities will be required to provide the Minister of Municipal Affairs and Housing with information which, in the opinion of the Minister, relate to the efficiency and effectiveness of the operations of the municipality. The municipality must publish all or part of that information as designated by the Minister and must review or audit all or part of it or make it available to be reviewed or audited as designated by the Minister.”

As illustrated by the two excerpts, the Government of Ontario had expectations of change in municipal government performance in association with Bill 26, and it had also specified in that regard that “Municipalities will be required to provide the Minister of Municipal Affairs and Housing with information which, in the opinion of the Minister, relate to the efficiency and effectiveness of the operations of the municipality.”

Presumably this information was required so that the Ministry of Municipal Affairs or other Government of Ontario agency could examine the information for accuracy, completeness, validity, etc.

Following from those sections of Bill 26, Question Paper One seeks to ascertain, in part, the information that the municipalities revealed to the Government of Ontario regarding changes in the efficiency and effectiveness of their operations as a result of amalgamation. And, it also seeks to ascertain in part, what the Government of Ontario did with the provided information on municipal operations.

### **C. Why “Question Paper”?**

Over the years I have written a variety of papers, including White Papers, Discussion Papers, Policy Papers and Research Papers. To my recollection, this is the first time that I have used the label Question Paper, so a brief statement of explanation may be informative.

Contrary to previous papers which have been analytical, prescriptive, evaluative, directive, etc., in nature, this paper does not provide answers, suggestions, solutions, proposals, recipes, results, or findings as potential inputs to problems, issues, concerns, and so on. Rather, its focus and content are on questions that might assist in eliciting answers to the question contained in the title of Question Paper One,

#### **Municipal Amalgamation in Ontario: Boon or Boondoggle, Who Knows?**

The reason for designing this report as a Question Paper is due to the failure to find any evidence that the question in the title of the paper has been answered. Indeed, breaking the large question into several of smaller ones did not help to find the object of my search. That is, a methodologically-based, empirical inquiry, or several such inquiries for that matter, that explicitly and comprehensively detailed and examined the results of the amalgamation process in Ontario for any time span, including the highly active 1990s decade when terms like *merger mania* and *almalgamania* were appearing with frequency in media stories across the province.

Further, in support of the idea of a Question Paper, it is likely and indeed highly probable that it would be a waste of time and effort to write at this time what might be termed a prescriptive, action-oriented paper for consideration by the Government of Ontario, or the Federation.

That impression arises because I have no idea whether there is any interest in such a paper by the Government of Ontario, or what the Government of Ontario would do as a result of receiving the unsolicited paper. Given the high level of uncertainty in taking that route, prudence suggests that it is advisable to start with questions for the Federation and its member community associations to ask of party leaders and candidates, Ministers, MPPs, the Association of Municipalities of Ontario, and the media for that matter, and to see where that path leads in regard to the reception/ response given the report by the Government of Ontario.

Moreover, in regard to whether the boon or boondoggle question has been asked and (fully) answered, it is quite possible that the answer is in fact out there and that I missed it. Let me clarify.

In the interests of time, and due to limited resources, the literature search was limited to open materials in four domains (learned, popular, government, media) that are electronically accessible. If I missed documents that contain the answers to the question in the title of the paper, or to any of the questions in the section that follows, or which provide any kind of *ex ante ex poste* analysis of the effects of amalgamation across the province, or even in one urban centre, I would be most grateful to have them brought to my attention at the earliest moment. I can best be contacted by email at [wellarb@uottawa.ca](mailto:wellarb@uottawa.ca).

As a final word of background and context, this report is referred to as Question Paper One for good reason. It is my expectation that it may require two or three or more papers in a series to properly address the question, **Municipal Amalgamation in Ontario: Boon or Boondoggle, Who Knows?** Clearly, at this time I can only speculate about the questions that will best serve answering this question, and it may take several rounds of “casting about” before it becomes possible to zero in on the questions that best cut to the chase.

#### **D. Questions about Amalgamation Knowledge**

For reasons associated with timeliness, and the likelihood of being able to obtain comparative evidence, the timeframe for the questions is the several years prior to the passage of Bill 26 in 1996, and the years after 1996 to the present.

This is not to say that prior amalgamations are unimportant. Rather, it reflects a design decision to start with Bill 26 to learn what there is to be learned quickly and easily about amalgamation in Ontario over the past 15 years, and prior years can be added should that path become available and seemingly informative.

As for the questions in this report, they are of the stand-alone variety, and broad in terms of scope. This design follows from prior experience with inquiries of governments at all levels.

Simply put, there is little to gain by strings of questions or pointed questions early on in the process of attempting to obtain information on government policies, programs, plans, or projects. Rather, it appears advisable for those on very limited budgets to first spread a wide net, and to then work towards the core questions in subsequent casts. That way it is possible to incorporate lessons learned from the prior responses, and employ tighter and more directive follow-on questions as the rounds of questioning proceed.

### **a. Questions about Amalgamation Knowledge Prior to the Enactment of Bill 26**

In order to properly conduct comparative analyses, evaluations, impact assessments, and other kinds of before-after (*ex ante-ex poste*) measurement studies, it is required to have a body of baseline data and a body of descriptive, explanative, and predictive studies in place before the amalgamation legislation is passed. By meeting that condition, a factual, substantive body of foundation knowledge exists as a backdrop against which change can be compared and contrasted. And, conversely, if the evidence shows that no data or minimal data were collected, and no studies or minimal studies were conducted before the legislation was passed, then it can be logically concluded that there was no substantive, empirical basis for Bill 26, which means that a different line of questioning would be needed to learn about the rationale behind Bill 26.

Questions Q1, Q2, Q3, and Q4 seek to ascertain what was done to develop a sound basis for establishing that the amalgamation process would succeed in achieving its intended objectives. Again, and as noted above, this is the first round of questions; they will become more incisive if the responses to questions that are received and analysed indicate that it would be worthwhile to continue this line of inquiry.

**Q1.** What baseline data or bodies of information on amalgamation issues, problems, concerns, criteria, performance measures, or other aspects of the states of affairs in Ontario municipalities were collected by or on behalf of agencies of the Government of Ontario prior to the enactment of Bill 26 in 1995? Information about the source or sources of the data, and instructions for accessing the pre-Bill 26 baseline data set or data sets, is sufficient for Q1 in Question Paper One.

**Q2.** What pre-amalgamation studies (inquiries) were undertaken by municipal government agencies to identify the expected benefits and costs of amalgamation in general or for individual municipalities in particular? Information about the titles of the studies and instructions for accessing the pre-Bill 26 studies is sufficient for Q2 in Question Paper One.

**Q3.** What pre-amalgamation studies (inquiries) were undertaken by consultants on behalf of the Ontario Government to identify the expected benefits and costs of amalgamation in general or for individual municipalities in particular? Information about the titles of the studies and instructions for accessing these pre-Bill 26 studies is sufficient for Q3 in Question Paper One.

**Q4.** What pre-amalgamation studies (inquiries) were undertaken by other parties on behalf of the Ontario Government to identify the expected benefits and costs of amalgamation in general or for individual municipalities in

particular? Information about the titles of the studies and instructions for accessing these pre-Bill 26 studies is sufficient for Q4 in Question Paper One.

### **b. Questions about Amalgamation Knowledge Subsequent to the Enactment of Bill 26**

The purpose of these questions (Q5, Q6, Q7, and Q8) is to get a handle on the titles and timing of studies undertaken under the auspices of the Government of Ontario after Bill 26 became law. In particular, the questions are designed to reveal the titles, the sponsors, the dates, and the way or ways of accessing the reports produced from studies into the benefits and costs of the municipal government amalgamations that occurred as a result of Bill 26. Upon receipt of the answers to these questions, consideration will be given to whether it is likely that another round of questions will take us closer to an answer to the big question, **Municipal Amalgamation in Ontario: Boon or Boondoggle, Who Knows?**

**Q5.** What baseline data or bodies of information were collected by a provincial agency, or by a consultant or other party on behalf of the Government of Ontario, after the enactment of Bill 26 in 1995? Information about the holder(s) or source(s) of the data and instructions for accessing the post-Bill 26 baseline data set or data sets is sufficient for Q5 in Question Paper One.

**Q6.** What post-amalgamation studies (inquiries) were undertaken by municipal government agencies to identify the actual benefits and costs of amalgamation in general or for individual municipalities in particular? Information about the titles of the studies and instructions for accessing the post-Bill 26 studies is sufficient for Q6 in Question Paper One.

**Q7.** What post-amalgamation studies (inquiries) were undertaken by consultants on behalf of the Ontario Government to identify the actual benefits and costs of amalgamation in general or for individual municipalities in particular? Information about the titles of the studies and instructions for accessing these post-Bill 26 studies is sufficient for Q7 in Question Paper One.

**Q8.** What post-amalgamation studies (inquiries) were undertaken by other parties on behalf of the Ontario Government to identify the expected benefits and costs of amalgamation in general or for individual municipalities in particular? Information about the titles of the studies and instructions for accessing these post-Bill 26 studies is sufficient for Q8 in Question Paper One.

### **E. Comments on the Questions about Amalgamation Knowledge**

As indicated above, I have no knowledge about whether pre-Bill 26 baseline data were collected, nor do I know whether studies were conducted that used

those baseline data, or whether there were other kinds of studies. Further, I do not know whether post-Bill 26 baseline data were collected, nor do I know whether studies were conducted that used these baseline data, or whether there were other kinds of studies.

The intent of the pre-and post-Bill 26 questions in Question Report One, therefore, is to assist in creating a foundation for a process of inquiry which leads to an answer to the question of abiding interest, that is, **Municipal Amalgamation in Ontario: Boon or Boondoggle, Who Knows?** I look forward to receiving replies to Q1, Q2, Q3, Q4, Q5, Q6, Q7, and Q8, and anticipate that the responses will be instructive in terms of deciding whether and how to proceed with Question Report Two.

## **F. Conclusion**

The amalgamation process in Ontario has been characterized on the one side by such pejorative terms and phrases as amalgamania, merger mania, major mess, common nonsense, death of public participation, and denial of democracy. And, on the other side, there are those who regard or represent amalgamation of municipal governments as synonymous with efficiency, economies of scale, productivity, waste reduction, and economic development.

The fact of the matter is, however, that in 2009, which is almost 15 years after the enactment of Bill 26, numerous citizens, community associations, business groups, and more than a few journalists as well as municipal politicians are branding Bill 26 a failure. Further, the media and Internet sites seem to be carrying an increased number of entries in which the talking point is that of de-amalgamation. That is, individuals and groups are promoting the idea of de-amalgamation, and in several cases are petitioning the Government of Ontario to undo the amalgamation ties that currently bind and chafe parties that want to go their separate ways.

As indicated above, a major challenge to be overcome in order to advise the Federation of Urban Neighbourhoods and its member community associations about the pros and cons resulting from amalgamation, and what avenues to pursue in either event, is an information shortfall. That is, there seems to be a paucity of publicly available and readily accessible information that provides pertinent details about the benefits of amalgamation which have been realized by individual municipalities, or by municipalities in general, as a result of the enactment of **Bill 26 – Savings and Restructuring Act, 1995**.

Question Paper One is the first step in the quest to answer the question, **Municipal Amalgamation in Ontario: Boon or Boondoggle, Who Knows?** I expect that it will help to elaborate the boon or boondoggle distinction and, very importantly, will tell us who to contact with the next round of questions.