

CRITIQUE OF

Thinking Regionally: How to Improve Service Delivery in Canada's Cities

CD Howe Institute: Commentary No 458ⁱ

BACKGROUND:

The Capital Region Municipal Amalgamation Society (Amalgamation Yes) has an objective of fostering effective and accountable delivery of municipal services in the Capital Region District of British Columbia. This critique was prepared by the Board of the Society.

The CD Howe report, prepared by Zachary Spicer, Assistant Professor at Brock University, and Alan Found, Manager, employed by the City of Kawartha Lakes, was released in October 2016. It concludes that inter-municipal co-operation offers Canadian municipalities an effective means of providing regional municipal services while maintaining local autonomy.

DISCUSSION:

1) WORKING TOGETHER

The report contends that municipalities can work together to deliver major regional services (domestic water, sewage treatment, garbage collection, policing, emergency response, fire protection, homelessness and land use administration). However, the paper also notes that relatively few municipalities in Canada have used this approach to deliver major regional municipal services. Examples are quoted from other countries but few are in Canada.

The report notes *"In city regions comprising a multitude of local governments, inter-municipal competition and mistrust can create parochial and uncooperative attitudes about the provision of municipal services."*

The report provides a summary of the limitations of inter-municipal agreements that include:

- a) Agreements are not accessible to the public, nor are well known by administrators.
- b) The agreements don't bind the participants in any meaningful way and withdrawal can occur at any time.

- c) Many municipalities refuse to enter into agreements with others if they believe it will lead to directing growth to their neighbours, particularly for commercial developments.
- d) The majority of agreements address low value policy areas without significant transfers of funds, confirmed by fact that few agreements involve shared costs for large infrastructure projects.

We suggest to the authors of the report that the reason there are so few inter-municipal agreements for the provision of major municipal services is that they just don't work. Certainly, experience in the Capital Region District (CRD) bears that out.

2) RESEARCH

The authors of the report are highly selective in their references. References to the Bish reports as their source is unfortunate, as this work has offered no workable solutions to the problems in the CRD.

In addition, the authors have ignored the definitive analysis of regional districts in BC in the 2014 paper by Paget, Walliser and Dannⁱⁱ. Failure to consider this source led to an erroneous understanding of the shortcomings of regional districts and how they function.

Nor do they recognize the 2004 analytical work by the noted E. Slackⁱⁱⁱ who offers perspectives on the need for regional scale services as a basis for two tier government.

The authors also failed to include the most recent findings from a conference at Ryerson University that offers 21st century perspectives on models of urban governance, or the research publications of the Organization for Economic Cooperation and Development (OECD)^{iv}. By ignoring these much more pertinent works the authors have rendered their conclusions unconvincing.

3) REGIONAL DISTRICTS

The report suggests that the regional district system in BC represents a flexible vehicle for achieving inter-municipal co-operation. This system has been in place for about 40 years and has functioned well in rural settings with one or two smaller communities. However, in large poly-centric urban centres (Vancouver and Victoria) the system has struggled to provide effective and accountable delivery of major municipal services.

In the CRD there are 13 municipalities with 91 elected municipal mayors and councillors serving a population of 350,000 people. The formal mandate of the CRD is confined to

provide regional scale services for landfill, water supply and regional parks. It is not widely understood that even with an overwhelming annual budget of \$225 million the CRD has no authority over police, fire, roads, transportation, recreation, land use planning, zoning and business regulation, all of which are still closely guarded as municipal fiefdoms.

In fact, it is a misnomer to refer to the CRD as a regional district, as its main role to facilitate service delivery is not regional in scale. Over 80 of CRD service agreements involve four or less member municipalities, and of those 40% involve only one municipality. The dominant role of the CRD is to serve rural residents and small communities, not urban residents.

Recently, the planning and capital development of a new sewer treatment service by the CRD Board has been a nightmare of inter-municipal quarrelling over design, siting and funding. After squandering \$75 million over more than a decade, the Province finally concluded that the CRD was incapable of planning and constructing a sewage treatment system and appointed an independent panel to manage the \$800 million project.

Because of inter-municipal infighting, and after three years of debate, the CRD has still been unable to gain approval for a Regional Transportation Plan to add regional transportation service to its mandate.

Given the above experience with regional districts in British Columbia it is difficult to comprehend how the authors could hold these as examples of service delivery in a multi-municipal setting.

4) ACCOUNTABILITY

The report discusses the TransLink Regional Transportation System in Vancouver. A recent funding plebiscite was soundly rejected because the taxpayers correctly concluded that the governing committee was not accountable. The TransLink Board members are not elected directly and therefore have an obligation to represent the interest of their own municipality, not the region. Much of the business of TransLink is decided behind doors and reports of meetings are seldom publicized. Little wonder the public rejected the recent funding plebiscite. This does nothing to relieve the traffic congestion that stifles the economy and contributes more greenhouse gases to the region.

5) FINANCING

The report ignores the problem of funding related to inter-municipal agreements. The delivery of regional municipal services requires the investment of major resources over many years. While a municipal council may agree to participate in the funding commitments, a subsequent municipal council can easily opt out. Therefore, the whole fiscal viability of the agreement is unstable. In the CRD there are examples of municipal councils withdrawing funding from a joint venture after the facility has been constructed.

6) JURISDICTION

The paper does not address the jurisdictional problems with inter-municipal agreements. Often municipal service agreements involve the surrendering of jurisdiction or authority to an adjacent municipality. Recent court cases have questioned the legality of one municipality surrendering jurisdiction to adjacent municipalities. Few councils are willing to surrender power or authority. In the CRD policing agreements have proven to be short lived, and unfortunately in a few cases have cost the lives of residents.

7) TAXPAYERS

The report ignores the role of the residents in making decisions on the structure of the municipal delivery system. It is mystifying why the authors would exclude those who are paying the bills from being consulted. Why should municipal officials and university professors decide these matters? The legislation in British Columbia provides for the Province to conduct a governance study, followed by a vote by the residents of the municipalities involved. During the last municipal election the voters in the CRD overwhelmingly requested a governance study. Local councils have repeatedly ignored these results, and despite initial support the Province has refused to order such a study and vote.

8) AMALGAMATION

The report recommends that inter-municipal agreements are a good way of "*keeping amalgamation at bay*". This clear bias by the report's authors against any consideration of municipal amalgamation (permeated throughout the report) was limiting and unfortunate.

CONCLUSIONS AND RECOMMENDATIONS:

The CD Howe Institute Commentary 458 is unsubstantiated, biased, and selective in its research. Therefore, we found the conclusions to be unconvincing and offer the following recommendations.

1. When preparing future commentaries on municipal governance, the CD Howe Institute adopt the position that Canadians deserve the most **cost-efficient, effective and accountable** system of municipal government, and that residents should have a voice in determining the structure of their municipal governance.
2. The CD Howe Institute exclude municipal mayors, councillors and municipal staff from the list of authors, or review panels, on matters related to amalgamation and inter-municipal governance because of their obvious conflict of interest.

- i <https://www.cdhowe.org/public-policy-research/thinking-regionally-how-improve-service-delivery-canada's-cities>
- ii New pathways to effective regional government
http://www.academia.edu/6666242/New_Pathways_to_Effective_Regional_Governance_Canadian_Reflections
- iii Models of government structure at the local level.
<http://www.queensu.ca/iigr/sites/webpublish.queensu.ca.iigrwww/files/files/WorkingPapers/Archive/2004/2004-4Slack2004.pdf>
- iv http://www.oecd-ilibrary.org/urban-rural-and-regional-development/what-makes-cities-more-productive-evidence-on-the-role-of-urban-governance-from-five-oecd-countries_5jz432cf2d8p-en