

From: Aw Field [mailto:awf.associates@yahoo.ca]
Sent: Thursday, January 27, 2011 10:44 AM
To: Kelly, Denis
Subject: depuation feb 3, 2011

Hello Denis;

Nice speaking with you this morning regarding my deputation to the finance committee of the Region on Feb 3, 2011 at 0900 hours.

Please find attached my revised deputation report. You already have the other amalgamation reports, like the EMS report, Newmarket Fire Service Report. I would hope you will include them with this report.

I will not be including the amalgamation studies from Ottawa, Hamilton Toronto or Sudbury again as I have already provided them to you. But, I understand you will not be printing these above-noted city amalgamation reports nor disseminating them to Regional Council members due to the high printing costs. While I understand, this is unfortunate and I'm afraid the emphasis of my initial report may be diminished if Council does not have a full picture.

I understand that my deputation will be 5 minutes in length.

To that end, I look forward to the 3rd of February and I would like to take this opportunity to thank you for your help and consideration in this critical matter.

Sincerely;

Art Field

Deputation to the Region of York

**For The Establishment Of A
Steering Committee**

To Study ...

***"The Possible Amalgamation Of The
Current 9 Municipal Governments
In The Region Of York"***

By: A.W. (Art) Field

January, 2011

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Deputation to the Region of York
For The Establishment Of A Steering Committee
To Study ...

***"The Possible Amalgamation Of The Current
9 Municipalities In The Region Of York"***

By: A.W. (Art) Field

January, 2011

Background:

Every year, all 9 Municipal Council's invites and encourages the general public to participate in the financial budgetary process of their Municipality.

On December 14th, 2009, this writer made a public deputation and presentation of this Report [slightly modified] to the Georgina's Municipal Council, whereby requesting Council implement and support a grass roots Steering Committee to investigate, document and report on the merits for amalgamation all Municipal services [either in whole or in part] with the other 8 Municipalities within our Region of York and combine them under the opuses - the Region of York.

This proposed Amalgamation steering committee's study would take a serious look at the pros and cons of the existing 9 Municipal governments amalgamating together into 1 level of government instead of the existing two-tier system which currently exists. After the proposed steering committee concludes their comprehensive and exhaustive study on the merits of Regional/Municipal amalgamation, the steering committee will present their completed report to Regional council and the general public.

History:

In the mid to late 1990's the Province of Ontario instructed Metro Toronto to amalgamate with 7 neighbouring municipalities. (see attached report) Then, in 2000, the Province of Ontario directed the City(s) of Ottawa, the City of Sudbury and the City of Hamilton to also individually amalgamate with their respective surrounding municipalities to form what is now known as – Hamilton, Sudbury and Ottawa.

History cont':

Like most top down driven approaches to change, there immerses a high rate of objections by most affected stakeholders. However, there is statistical data to suggest that post-amalgamation has been successful and embraced by the very same stakeholders that were initially in opposition pre-amalgamation.

In 2005 the Region of York commenced its Planning For Tomorrow Initiative. (see Provincial report) As such, the Region needed to review their Official Plan (OP). On December 16, 2009 the Region of York completed the final step of that initiative by completing its OP revision. This new OP, along with, but not being limited to the York Region Master Plans for Cycling and Pedestrians, Transportation and Transit and Waste Water and Potable Water will be the rudder to steer the Region and its 9 municipalities into 2032 (see Regional Official Plan Report 2000). It is important to note that lower tier government conformity to the upper tier is mandated, not elective.

The Province has received, reviewed and approved the Region's Official Plan, as such, the Regional OP is now passed it into law.

Additionally, each of the 9 Municipalities within the Region of York needed to complete an OP review to mirror Regional and Provincial initiatives, guidelines and mandates. However, interestingly as of the fall of 2009, there were at least 2 of the largest municipalities (Markham and Vaughn) whom have not yet complied with the 2009 Regional submission deadline. This prompted the Regional representative for Markham, J. Jones to ask the Chair of the Regional Development Committee during the Development Committee meeting on March 3, 2010 – and I paraphrase - “if the Region is not going to allow us [Markham/Vaughn] to develop our own plan with the appropriate public consultation process, then why are we going through this lengthy and costly exercise – when mandated by the Upper Tier” [Region]?

These above-noted O.P.'s had and have to meet or exceed Provincial standards as set out in such documents such as; The Oak Ridges Moraine Conservation Plan, Places To Grow Plan, The Greenbelt Plan, The Growth Plan for the Greater Golden Horseshoe, Lake Simcoe Protection Plan and alike, as wells mirror the Regional Plan. (see respective Reports, Acts and/or Plans)

Interestingly, the Region of York has dabbled with various types of Amalgamation over the years since its formation and with a great deal of success many would suggest. That is to say; Circa 1970 the Region of York amalgamated municipal police forces into one [The York Regional Police Force].

History Cont'

Then, in the year 2000 the Region of York amalgamated the municipal/provincial Emergency Services (EMS). According to the current Director of EMS, amalgamating these former municipal/provincial entities has definitely streamlined services, while more effectively serving stakeholders and taxpayers alike, as well as reduced costs for delivery of these essential services.

The upper six Municipalities, known by insiders as the "Northern Six" have experimented with additional forms of co-operative Amalgamation of some Municipal services. This has come in the form of, but not limited to such things as; amalgamated Recycling contracts; partial amalgamated Canine Control services to name a few;

We have also seen the positive affects and benefits of united amalgamation effort within the individual municipalities comprising York Region as well. However, it could be successfully hypothesized that there remains a fundamental division or at least a separation of wiliness to participate in sharing between the southern municipalities and the neighbouring northern or upper Regional municipalities, despite the above-noted previous successes.

The 3 southern Municipalities [Markham, Vaughan and Richmond Hill] have a total population that exceeds that of the other Northern 6 Municipalities combined. Additionally, any one of these southern 3 Municipalities have a larger concentration of Industrial/Commercial/Institutional [ICI] than all of the northern 6 Municipalities combined.

Currently:

The Region of York currently has a population of approximately 1.1 million residents.

Presently, there are just over 3000 employees within the Region of York. There are 7 individual departments and 91 divisions within those 7 departments. This does not include the sworn police officers of the Region. There are 20 Regional representatives at Regional Council and 1 elected Regional Chair for a total of 21 individual paid Upper-Tier Council representatives at the Region of York.

As of December, 2009, the Region of York has a current budget of just over 4.9 billion dollars. That's 3.5 billion dollars allocated for Capital Cost purchases and 1.4 billion dollars for regular annual operating expenses. (see Regional annual budget 2010 attached chart)

Currently Cont':

There are 9 municipalities operating within the Region of York, which also have individual municipal Councils, departments, divisions within those respective departments and employees. Conversely, each individual municipality has their own individual annual operating budgets and capital cost budgets. Below is an illustration of those respective municipal budgets. (see municipal budget charts)

With respect to Regional EMS, there are presently 284 full time EMS workers and slightly over 100 part time employees. The Regional EMS annual budget for 2010 according to the Director is expected to be 50 million dollars.

The Region of York presently does not have a Regional Fire Service. Rather, there are 8 individual and autonomous Municipal Fire Departments operating within the Region. They include Georgina, East Gwillimbury, King, Vaughn, Markham, Richmond Hill, Whitchurch-Stouffville and Aurora/Newmarket.

In 2001 the Aurora/Newmarket Fire Departments amalgamated their services together to form what is now known as York Central Fire Service YSFS. This Newmarket-Aurora amalgamation was developed through a joint venture vision of the two municipalities and included Vandorf Fire Service as well. (see YCSF report)

There are a total of 8 Fire Chiefs managing the various 8 individual Fire Departments within the 9 municipalities. There are a total of 1200 Fire Fighters operating in the Region of York's 9 municipalities. Of those 1200 Fire Fighters, there are approximately 400 Volunteer Fire Fighters within these Municipal Fire Services. The total combined budget for the individual Fire Services of all municipalities were not readily available at the time of printing. That is because, it appears many municipalities track this information within their annual budget while only a few municipalities do not, as they track Fire Service separately. The Province of Ontario also funds a Provincial Emergency Fire Coordinator for the Region. However, this person (Brian Burbridge) is also the Fire Chief for King as well.

Observation:

Interestingly, all individual 9 Municipalities have reciprocal agreements with neighbouring Municipalities and in some cases other bordering Regions, County's and Cities (Durham Region, Simcoe County, City of Toronto and/or Peel Region for shared Fire Services on Regional Municipal borders. This is another form of pre-mature amalgamation.

Observation cont':

It is routinely and widely agreed upon and accepted amongst other Fire Service providers that if all Fire Services within the Region of York were to amalgamate; there would definitely be a huge financial cost savings when it comes to capital equipment purchases like fire suits, apparatuses, tools, hoses, ladders and especially fire trucks and etc.) It would appear on the surface, that Regionalizing Fire Service is long over-due and should be the first Regionalized Amalgamation initiative undertaken without delay.

Moreover, there could be additional significant cost savings to the taxpayers with the reduction of duplicated services (Fire Chief's, Administrative personal, as well as a single Fire Dispatch Centre rather than the three that we currently have. Additionally, cost savings could be achieved and realized by having; Regional united repairs to equipment and united training services].

One of the most beneficial cost savings would be developing a comprehensive strategic approach to building new fire halls (when needed) that are strategically located in proper locations without the influence or hindrance of individual municipal boards, whereby saving millions of taxpayers' dollars long term.

Substantial property tax savings could also be easily hypothesized relating to the amalgamation of York Region's 9 Municipal governments into a single regional government.

A lot of the frontline and middle-management positions that currently exist within our 9 Municipalities today would not be downsized by amalgamation. Rather, these front-line and middle management staffers in almost all cases would still be required by an amalgamated Regional government. However, there definitely would be a substantial overlap of the high paid municipal department heads of each individual municipality. There are over 50 department heads working in our 9 municipalities currently. It is hypothesized that there could be a significant savings of over 7 million dollars through amalgamation and reduced senior duplication alone.

One also has to extrapolate the substantial cost savings to taxpayers through the elimination of 9 individual Municipal Councils. That dollar savings is estimated at approximately 10 million dollar annually. Each Municipality though would be properly represented at Region Council. Additionally, when you calculate the related administrative cost savings and duplication relating to 9 Municipal Councils, the tax savings exponentially rises.

Observation cont':

If one evaluates the one time cost savings of capital costs and operating costs of each Municipal administrative building, the direct taxpayer cost savings could be in the hundreds of millions of dollars annually. This does not take into account the cost savings to taxpayers for such items as building new Municipal offices when the old buildings need replacing.

There is another substantial windfall for the taxpayer not yet discussed, that is; the capital revenue produced from the sale of individual Municipal buildings and properties that would not be required as a direct result of Regional amalgamation. This dollar amount could be in the hundreds of millions of dollars as well.

After looking at the issue of amalgamation within the confines of other Municipalities throughout Ontario over the last three decades or so and analyzing the positive effects for the taxpayers, improvements to services for stakeholders, tremendous cost savings and the substantial reduction of duplicated services and the reduction of bureaucratic Red Tape, compared to the pitfalls and lack of improved services, no cost savings and negative effects on the taxpayers – Amalgamation it could be argued has had a significant and positive affect overall. Although, it is not this writers' intent to prematurely draw any conclusions one way or the other to the argument.

There are major issues confronting amalgamation and proceeding with the establishment of a steering committee to evaluate the; "The Amalgamation Of The Current 9 Municipalities In The Region Of York" whereby possibly recommending the elimination of a two-tier government and merging into one Regional government is, but not limited to;

- 1) Having the willingness on behalf of local and regional stakeholders, politicians and bureaucrat alike to broach this challenging subject. Especially as change is generally not understood initially and/or embraced by stakeholders nor considered during an election year - either by politicians, or by senior bureaucrats.
- 2) Having the needed clarity and vision to look forward into the future and extrapolate the needs of all stakeholders as a cohesive larger group instead of individualism.
- 3) Securing and committing the financial resources and strength from Provincial, Regional and Municipal sources to ensure a thorough and comprehensive study that is undertaken in a fair, unbiased and transparent approach that is beyond reproach.

Observation cont':

- 4) Fully understanding and recognizing the potential financial savings and overall benefits of single tier government through amalgamation.
- 5) Articulating the recommendations in a timely fashion to all stakeholders so they can make informed discussion and provide critical feed back to advance the study.
- 6) Committing the necessary time required to oversee and manage this massive, yet critically important review and study.
- 7) Selecting and appointing this important team of knowledgeable, credible and dedicated individuals that will be a constant participant on this amalgamation study from start to finish.
- 8) Having the political will and resolve to support this amalgamation study initiative.

Related Reports & Studies:

During my research of two-tier amalgamation, I was surprised to find significant related material that would be pertinent to this discussion. Accessing some of these reports, studies and papers has proven to be challenging though. I was successful for the most part however in obtaining copies of said reports. Therefore, I'm enclosing copies of various amalgamation Reports that relate directly to York Region. They are - EMS Amalgamation; York Regional Police Services Amalgamation; and York Central Fire Service Amalgamation. In addition, I am also enclosing copies of related Amalgamation Reports that have significant relevance with respect to the number of municipalities, and/or counties, and/or communities that were involved in their own specific Amalgamation Reports as mandated by the Province of Ontario over the years. These reports however are in no specific order. They include; the City of Toronto Amalgamation Report; the City of Sudbury Amalgamation Report; the City of Hamilton Amalgamation Report.

Moreover, hereto are specific references to Reports, Papers and/or Studies, which when congested should provide additional insight and knowledge to the reader so an informed evaluation of amalgamation can be ascertained.

- **Town of Aurora/Newmarket York Central Fire Service Amalgamation 2001-06**

Carolyn Kearns Consultant - The Randolph Group Management Services

Related Reports & Studies:

- **City of Toronto Amalgamation 2001 Report**
- **York Region EMS Amalgamation 2001 Report**
- **York Regional Police Services Amalgamation 1971 Report**
- **City of Ottawa 1997**
A Partnership for the Future Recommendation for Public Consultation
- **Province of Ontario Fewer Municipalities Politician Act 1999/2000**
- **The Legislative Assembly Library Archives of Ontario**

www.mah.gov.on.ca/Page247.aspx

**The Archives of Ontario
134 Ian Macdonald Boulevard
Toronto, Ontario , Canada
M7A 2C5 Telephone: 1-800-668-9933**

1997 Governing Municipality Report

1997 City of Ottawa Partnership of Future Amalgamation for Public Consultation

- **Hugh Thomas Report 2001**

City of Sudbury Amalgamation;

Series # RG-19-117 Municipality Restructured Municipal Government Research Project File

Related Reports & Studies:

- **City of Hamilton Report On Amalgamation 2001**

A New City – For A New Mellenium

**Series # RG-19-117 Municipality Restructured Municipal
Government Research Project File**

- **City of Ottawa Report on Amalgamation 2002**

**Series # RG-19-117 Municipality Restructured Municipal
Government Research Project File**

- **Ministry of Municipal Affairs and Housing**

**Series # RG-19-117 Municipality Restructured Municipal
Government Research Project File**

- **1980 Houle-Griffin Report**

Bill 164 (1972) The Regional Municipality of Sudbury Act

- **Harry Kitchen Report**

**Association of Counties & Regions October 25 1999 Pg 8-23
Appendix**

- **J. A. Kennedy Report**

Chair – Ontario Municipal Board - Sudbury Study

City of Toronto Report on Amalgamation

Introduction:

On January 1st, 1998, the new City of Toronto was born. The decision of the provincial government to amalgamate seven municipalities was highly controversial and opposed by a large majority of residents. Nearly three years later, a large majority of residents, when surveyed, indicate that they are satisfied with the new amalgamated government. Rather than debate endlessly whether the amalgamation decision was a good one or a bad one, the challenge is to seize the opportunities that amalgamation presents. It is a chance to re-invent a city, taking what is best from the past and melding it with the new opportunities that the 21st century unveils.

Province's Reasons for Amalgamation:

The Province of Ontario offered several official reasons for amalgamating the seven municipalities to create a single city of 2.4 million people. They wanted to reduce the number of elected officials. They wanted to eliminate duplication. They wanted to reduce costs. They wanted to streamline and improve efficiency. They wanted to improve accountability. The province was likely also driven by political and ideological considerations. This reflected their view of the role of government relative to the actions and decisions of the former inner city. The simultaneous realignment of provincial-municipal responsibilities may also have been a factor. The final picture as to whether the official provincial goals have been met has not yet emerged. The city continues to deal with integration of its organization, services, operations, systems and policies.

Early Results:

Some immediate provincial goals have been met. Toronto has gone from 106 elected officials in the former municipalities to 58 in the new city, consisting of 57 councilors and the Mayor. The province has directed that this be further reduced after the November 2000 municipal election to 44 councilors.

Early Results Cont'

With respect to eliminating duplication, the new city has integrated the management structures of the seven previous organizations. This caused a 34% reduction in management in the amalgamating functions. We have gone from 52 departments and 206 divisions, to 6 departments and 37 divisions. We have gone from six fire departments and six fire chiefs, to one. We have gone from six property tax and six water billing systems, to one each. There are many examples of this type of consolidation within the new city. Certain efficiency gains have occurred, a primary area being through the integration of technological systems. However, the most significant gains can only be achieved through reviewing and streamlining all business practices and processes including examining alternative methods of service delivery.

This is a multi-year, long-term undertaking which is at various stages of conception and implementation within the current organization. It is accompanied by large labour relations issues.

With respect to cost savings as a result of amalgamation, we need firstly to remember that amalgamating programs made up only 27% of the new city's overall gross operating budget of \$6.1 billion at the beginning of 1998. The remainder of the budget involved previously amalgamated services under the former Metro government. These included big ticket items such as social services, police and public transit. As a result of amalgamation-related streamlining initiatives from 1998 to 2000, the city has achieved annual savings of \$136 million per year. So far, this translates into cumulative amalgamation savings of \$301 million as of 2000. On the other side of the ledger, one-time transition costs as of the end of 2000 are estimated at \$246 million. Provincial assistance was provided in the form of a one-time \$50 million grant and a \$200 million loan. The overall picture on savings and costs is not yet complete. Costs are still to be determined in certain areas, particularly with respect to wage harmonization and further service harmonization. Funding repayment of the provincial loan still has to be determined.

With respect to improved accountability, amalgamation has removed ambiguity and confusion surrounding the responsibilities of the six lower tier municipalities and the upper tier municipality of Metro Toronto. There is no longer confusion for those seeking services or doing business with the new city as to which of the seven municipalities to contact. There is no confusion as to whether one city provides a service which another does not. Once services, by-laws and programs are fully integrated and harmonized, this change will be even more apparent.

Early Results cont':

The issue of accountability extends to relations between the city and the province. In many areas, notwithstanding recent provincial actions to separate responsibilities between the province and municipalities, these responsibilities continue to be entangled in provincial legislation, policy, regulation and cost-sharing. These include major areas such as social services, public health, and police.

Toronto Amalgamation Goals:

So far we have addressed the provincial government's goals for amalgamation. These are not necessarily the only ones by which an amalgamation should be judged. As Andrew Sancton points out in his recent book, *Merger Mania*, Philadelphia's consolidation of municipalities and the county government in the last century was driven by law and order issues. New York City's amalgamation in 1898 was driven by concerns with respect to economic competition from cities to the west, particularly Chicago. Many major mergers in the private sector are not driven primarily by cost cutting goals. They are about maintaining or expanding market share and expanding into new markets.

Why do I make these public and private sector comparisons? Public debate in Toronto has tended to focus on whether the province's goals for amalgamation have been met. We have not, however, adequately explored what should be the new city's goals in seizing the opportunities that amalgamation presents.

In a way, none of us can afford to have this amalgamation fail. Toronto is vital to us, to Ontario, to Canada. Given the networked global environment, the exponential rate of change, the fiercely competitive international marketplace of city-regions, we need a set of 'made in Toronto' goals to evaluate the success of amalgamation.

Toronto Amalgamation Goals cont'

These goals, while not necessarily excluding a number of the provincial objectives, should be ones that rebalance the scorecard. Some of the key goals by which I would judge the success of amalgamation include:

- a city that continues to improve its quality of life, including social, economic, environmental and physical
- a city that can embrace the marginalized in our society - the old, the very young, the poor and minorities
- a city that develops creative and innovative ways to ensure that citizens feel a sense of community and a sense of engagement with their civic government notwithstanding the larger size of the governmental and administrative structures
- a city in which every resident, wherever they reside within the city, has equal access to a core set of municipal services, at a defined standard, and where differences in services relate to explicit socio-economic or geographic considerations rather than historic precedent or financial capacity
- a city that leverages its size so as to take full advantage of its diversified commercial and industrial economy, well-established infrastructure and skilled workforce to attract, support and retain 21st century industries and jobs
- a city that actively embraces the opportunities for attracting international artists, architects, scientists, researchers and academics to help build and sustain this new city, physically, intellectually and spiritually
- a city that actively seeks to strengthen the greater Toronto region, recognizing the dependencies, interdependencies and synergies between Toronto and its immediate neighbours

And finally,

- a city that embraces a broader horizon, so that it is not only a large city within Ontario or Canada, but a continental city operating confidently on an international stage, implementing best practices from across the world and serving as a benchmark to other cities.

These are some of the significant goals by which the amalgamation of Toronto should be judged.

Toronto Amalgamation Goals cont':

While it could be argued that some if not all of these types of goals could have been accomplished without amalgamation, the sheer size, scope and scale of the opportunities are enhanced within the larger city framework. Size counts. The new city commands more attention not only in terms of media coverage but also in terms of the types of actions it takes, the precedents it sets, the financial, economic and political impact that it carries. The question is whether one can maximize the advantages resulting from the new city, while at the same time creatively addressing its disadvantages.

Notwithstanding the city's large size, the new city government needs to be nimble, not unwieldy, flexible, not rule-bound. It needs to be able to recognize and respond to legitimate differences within this "city of neighbourhoods." The city government needs to embrace effective means, including the use of technology, to allow for immediate, direct and meaningful discourse with citizens. It needs to facilitate opportunities for true citizen participation in the provision of services to communities. It needs to introduce ways to ensure that its monopolistic position is offset by competitive elements that encourage efficiency. Finally, it needs to ensure that all parts of the city benefit from economic revitalization and growth, not only the downtown core.

Lessons Learned:

Beyond the province's goals and our goals for the new city, what have we learned from the process of amalgamation? What lessons can help others? There are many issues surrounding the Toronto amalgamation regarding the pace, nature and process of change from which we can learn. These lessons can be examined within three broad phases of the amalgamation.

The first phase, the pre-amalgamation transition phase, began upon passage of the provincial legislation in April, 1997 and the appointment of a six-member transition team. It ended nine months later at the end of December 1997.

The second phase, the post-amalgamation transition phase, began when the new city formally came into being on January 1, 1998. It encompasses the first three-year term of Council. This phase will draw to a close with the second municipal election for the new city on November 13, 2000.

The third phase, which is just beginning, is the transformation or city-building phase. This phase is multi-year and multi-dimensional, touching on all aspects of city life.

Here are, briefly, some of the lessons learned in each of these three phases:

First Phase — Pre-Amalgamation Transition:

In April 1997, the province appointed the Toronto Transition Team, comprised of former and sitting municipal politicians, to plan and carry out certain pre-amalgamation tasks. Given the size, scale and complexity of Toronto's amalgamation, this nine-month lead time was wholly inadequate. Feedback from merger experts indicates that a consolidation of this size needed at least a two-year lead time. It also requires a broad range of expertise to lay the proper groundwork.

The politicized nature of the pre-amalgamation transition process made the creation of a new institution that much more difficult. It resulted in a competitive environment, pitting one municipality against another and creating an atmosphere of winners and losers. It hindered cooperation and building positively on the richness of the different cultures and historic experiences of the former municipalities, respecting and drawing on the best from each.

Once an amalgamation decision is made, non-partisan, balanced leadership is essential. This leadership must recognize the importance of objective data collection, analysis, evaluation and strategies based on clearly articulated principles and goals in building a credible new organization. Within the limited time frame, a transition team must be very focused and realistic as to what it should and can accomplish. It needs to be clear as to what are its immediate tasks as opposed to what should be left for the new council to decide. Not only do priorities need to be selected from a large number of tasks, they must be the right priorities. This includes immediately recruiting the top senior management level. (In Toronto's case, this only occurred near the end of this pre-amalgamation transition phase.) It includes working closely with the new management team to develop a preliminary organizational structure, to establish a detailed implementation plan and to integrate key financial, human resources and communications systems.

First Phase — Pre-Amalgamation Transition cont':

The development of a detailed implementation plan, assisted by those experienced in carrying out large business consolidations as well as managing large public sector organizations, can help considerably to ease the transition to formal amalgamation. In the absence of these kinds of conditions, such as was the case in Toronto, the task of the new municipal government, both politically and administratively, was made that much more difficult come January 1, 1998.

Second Phase — Post-Amalgamation Transition:

The second phase of amalgamation, encompassing the three-year first term of Council, is just now drawing to a close. This period was characterized by a wide range of integration initiatives covering all aspects of the municipal government. It included setting up governance structures, organizational structuring, harmonization of services, consolidation of operations, technological integration of systems, and establishment of unified human resources programs and policies.

These changes were occurring in a very difficult financial environment which cannot be ignored in reviewing the first three years of amalgamation. Several major constraints have driven the financial agenda. First was the provincial imperative that savings must be achieved through amalgamation and that they must be achieved rapidly. Second was the political promise of the Mayor, supported by Toronto Council, of a multi-year property tax freeze. Third has been the on-going provincial exercise of realigning provincial and municipal responsibilities, which has resulted in an annual shortfall of \$252 million for the new city. (The large majority of amalgamation savings has gone towards offsetting the costs of this downloading.) Fourth has been the introduction of a new property tax reassessment system by the province resulting in major tax shifts for certain sectors in Toronto and necessitating the introduction of transitional policies limiting the amount of annual increases. The result has been to further limit the financial flexibility of the city.

Second Phase — Post-Amalgamation Transition cont':

The combination of these factors, three of which are not directly related to amalgamation, has made the task of amalgamation that much more difficult. The fact that the city must rely on property tax, a relatively static tax, as its main source of on-going revenue further exacerbates the problem. While provincial and federal governments have found their diversified tax revenue sources greatly increase from a booming Toronto economy, municipal revenues have remained relatively static. It is these financial factors that make the achievement of the city building goals alluded to earlier that much more difficult.

There have been several iterations to the city's governance structure during this post-amalgamation transition phase, with a preliminary structure refined and adjusted after eighteen months of experience. Nearly three years later, the governance model is still evolving. Sudden decisions by the province, such as the reduction of council from 57 to 44 councilors based on federal/provincial riding boundaries in the next municipal election, make seeking a degree of stability in the governance model more difficult. At the same time, it reinforces the need for Council and the administration to be nimble in addressing unforeseen change and meeting these challenges head-on.

As a result of the decision to reduce Council size, Council and staff have had to immediately address issues related to ward boundary changes, changes to standing committee structures, changes to community council boundaries and physical reconfiguration of City Hall space. These types of unforeseen actions affect the city's ability to plan its time, resources and determine priorities.

The harmonization of municipal services, particularly those with major cost impact, such as garbage collection, snow removal and recreation fees, began in the second year of amalgamation. This too has not been easy, given the constrained budgetary environment and the need for trade-offs in increasing service in one area against reduction of service or increased user fees in another. There is the continuing pressure, characteristic of amalgamations in general, to move to the highest level of service resulting, of course, in an overall increase in costs. The city continues to experience growing pains around the whole issue of service harmonization and will continue to do so over the next several years.

Second Phase — Post-Amalgamation Transition cont':

It is important in any amalgamation, particularly one as large, complex, public and controversial as Toronto's, to manage expectations and communicate these effectively. These include the expectations of the public, elected officials, the media and other levels of government. Once the new council held its first meeting in January 1998, there appeared to be the sense in some quarters that amalgamation was a done deal, which the integration of thousands of programs, services, systems, structures, policies and procedures would happen overnight, painlessly, at minimal cost and with huge savings.

Even for those whose objectives might be to reduce the size of municipal government and rapidly eliminate or privatize services, there needs to be a realization that the absence of deliberate, well-conceived planning and realistic implementation can lead to major systems breakdowns. Given the essential nature of a number of the public services that Toronto provides to a population of 2.4 million, this is not a matter to be taken lightly.

There needs to be a significant investment in time and money in undertaking major change. Organizations are run by human beings. Change happens for better or worse through the thoughtfulness of the people who lead, manage and implement these changes as well as those who are the recipients of change. It cannot happen overnight. It takes skill and experience. We cannot expect people who have done a very different type of job to suddenly become organizational change gurus. There is a need to train, mentor and use outside experience as a way of building capacity internally.

Notwithstanding all these challenges, the first three years of amalgamation, while difficult, have been mitigated by several factors. As previously noted, many large services were already consolidated, including police, public transit, ambulance and social services. These services were largely untouched by consolidation requirements. However, most of them have been significantly affected by other legislative and financial changes introduced by the province during this period of time.

Second Phase — Post-Amalgamation Transition cont':

From a governance point of view, the leadership style of the first Mayor has proved to be highly popular with residents, according to polling data. In addition, all members of the first Council of the new city in 1998, with one exception, had been members of the former councils and brought with them a wealth of municipal experience, although all still needed to learn to play on a more complex stage. The creation of community councils, while a far cry from the responsibilities of the former councils, has worked to address local planning, transportation and other issues, allowing the large council and its functional standing committees to focus on city-wide issues.

From an internal administration point of view, while major changes have occurred at the management and non-union levels, there has been more limited change at the unionized, front-line levels. During the first three-year transition period, significant time has been spent on union local affiliations being sorted out by the membership and first collective agreements being drawn up. The major task of designing and integrating services at the front-line and harmonizing jobs is still in the initial stages.

Third Phase — City Building:

As we enter the third phase of amalgamation, the transformation and city-building phase, the challenges are even greater. Some of these city-building activities have already begun. A series of strategies and directions for the future of the city has been highlighted in a new strategic plan, a new official plan and economic development, environmental, social and infrastructure plans. This third phase will be the most critical for setting the direction for the long-term health and well-being of the city. It will set the stage for determining how well Toronto and its government perform within a local, continental and global context.

What is ahead? During the next several years, we must resolve the financial issues that currently face the city. This cannot be done alone. We must engage the provincial and federal levels of government, other municipalities and other sectors. The solutions cannot be quick one-time, one-off remedies driven by crisis or expediency. These financial solutions must be long-term and within a framework based on mutual respect and understanding. They must be centered on common underlying goals. They must exhibit a clear willingness to work together at both the political and administrative levels to address specific

Third Phase — City Building cont':

problems. At its crudest level, it means a willingness to share power - and to share the public stage.

The clock on amalgamation cannot and will not be turned back. However, what the province expected from amalgamation and what actually will and should happen are two different things. We cannot control the future but we can strive to put in place those elements that will best meet our objectives. However, goals are but words without the fundamental tools to act on them. The city needs the legislative flexibility and financial capacity to effectively carry forward its agenda.

Toronto has come a long way since the province first announced its intention in the fall of 1996 to amalgamate the seven municipalities. Much has been accomplished. Much remains to be done. The city has moved on a number of fronts in a remarkably short period of time. It has been by no means easy nor will it be in the future.

In concluding, I would say this to all those who wish to participate in, influence or guide the transformation of the new city. I believe there are three elements underlying true leadership. These are imagination, passion and will. It is these three ingredients that will determine how well we collectively succeed in building the new City of Toronto.

These above-noted conclusions relating to the City of Toronto were outlined by Roda McInnis Contractor, Director, City of Toronto Amalgamation Committee in her address to City Hall.

Town of Newmarket**C.A.O. AND FIRE REPORT 2001-06**

TO: Committee of the Whole

SUBJECT: Proposed Fire Department Consolidation – Aurora and Newmarket
OR Aurora, Newmarket and Richmond Hill

ORIGIN: Chief Administrative Officer and Director of Emergency
Services/Fire Chief

RECOMMENDATIONS

THAT C.A.O. Report 2001-06 dated January 3, 2001 regarding Proposed Fire Department Consolidation – Aurora and Newmarket OR Aurora, Newmarket and Richmond Hill and the following recommendation(s), be adopted:

- 1. THAT the C.A.O., the Fire Chief and other Town staff, as necessary, be authorized to hold discussions with the administrations of the Towns of Aurora and Richmond Hill, respecting the options for Fire Department Consolidation put forward by the Management Consultants for the Town of Aurora; namely, Option 1 – Newmarket and Aurora and Option 2 – Newmarket, Aurora and Richmond Hill.**
- 2. AND THAT the C.A.O. and the Fire Chief report back to Town Council respecting the proposed options, including the proposed governance, financial, operational and implementation details for further Council consideration.**

Town of Newmarket**C.A.O. AND FIRE REPORT 2001-06 cont'****COMMENTS**

Last year the Town of Aurora lost both of its Fire Chief and Deputy Fire Chief to retirement. This resulted in certain interim operational arrangements being made for the Aurora Fire Department, within the administration of the Town of Aurora itself, and involving the Town of Richmond Hill and Newmarket.

At the same time, the Town of Aurora retained Carolyn Kearns of The Randolph Group (Management Consultants) to carry out an organizational study with respect to the Fire Department. The Consultants completed that study late last year and recommended that the Town of Aurora consider 4 options. Amongst those that the Consultant thought would be of great benefit to the Town of Aurora, as well as to the Towns of Newmarket and Richmond Hill, were options for the consolidation of the Fire Departments concerned, in one of 3 options: Option 2 – Newmarket and Aurora; Option 1 – Aurora and Richmond Hill; Option 3 – Newmarket, Aurora and Richmond Hill. A copy of a portion of that study is attached to this Report.

Essentially, the study suggests that if Aurora were to consolidate with one Fire Department only, the best situation for Aurora would be consolidation with Richmond Hill. Next would be consolidation with Newmarket. The Consultant also suggests that consolidation of all 3 Departments would be beneficial to all 3 municipalities in terms of future cost avoidance for a service that is ever growing, ever more costly, and facing upgrading in the immediate and longer term future.

Any of the consolidations would enable the municipalities involved to reduce their future Fire Service costs to a greater or lesser degree.

Town Council in Aurora has authorized its administrative staff to initiate discussions with the Towns of Newmarket and Richmond Hill with respect to the consolidation options, and has requested its administration to report back to Town Council initially on or about January 12th, as to whether the other Towns are interested in exploring those options with some preliminary commentary as to the financial operational implementation impacts.

Town of Newmarket**C.A.O. AND FIRE REPORT 2001-06 cont'**

The Fire Chief and I attended a meeting with Aurora staff for a formal presentation of their proposal on December 21st, 2000. At that meeting, as well, Fire Chief Molyneaux gave some preliminary ideas as to how a consolidation with Aurora might work. We are now indicating to Newmarket Council the proposal of Aurora to explore the consolidations options, particularly those involving Newmarket and seeking Council's direction as to whether to explore those options further.

If Town Council is willing to explore those options, then staff would do so in conjunction with the administrations of Aurora and Richmond Hill and report back to Council as to governance, and as to the financial, operational and implementation details of such proposals.

In preparation for this Committee of the Whole meeting, the CAO, Fire Chief and Deputy Fire Chief met with executive members of the Newmarket Professional Fire Fighters Association on December 29, 2000 to determine if there were grounds to continue further discussion with respect to consolidation. The fire fighters were receptive to the idea and will discuss the matter with the executives of the Aurora and Richmond Hill Professional Fire Fighters as soon as possible. It would appear that the possibility exists to create a consolidated department in either option with the co-operation of the Associations involved.

As well, Bob Dixon has made Jim Carey, Deputy Treasurer, available to conduct further analysis of the financial information, as it becomes available. His analysis will assist us in determining the viability of any proposals resulting from the discussions.

On the face of the proposals, each would appear to offer Newmarket an opportunity to reduce future costs for Newmarket's fire and emergency services. Each may even provide an interim lower cost for the service within Newmarket. However, future cost requirements with respect to the service covering Aurora and Newmarket, or even Aurora, Newmarket and Richmond Hill, are likely to increase, generally-speaking, but the increased costs in the future are expected to be less in the case of either Fire Department consolidation option.

Further, there has been discussion for quite some time that fire service, like police and ambulance, may, at some point, become a regionalized service in which case an initial consolidation of Aurora and Newmarket and/or Aurora,

Town of Newmarket**C.A.O. AND FIRE REPORT 2001-06 cont'**

Newmarket and Richmond Hill would be an incremental step toward such a regionalized service. The consolidation of Aurora and Newmarket would indeed be a first step that would make sense even if the service were to stay local as part of a six municipality amalgamation, as set out in the Slack/Hefferon Report.

Chief Administrative Officer

Director of Fire Services/Fire Chief

DYP : If

City of Sudbury Amalgamation Report

City of Hamilton Amalgamation Report

York Region EMS Amalgamation Report

York Regional Police Amalgamation Report

These Report documents are attached in a PDF format and as such they should be included in this Report to the applicable Region of York Council and Staff.

***"The Possible Amalgamation Of The Current
9 Municipalities In The Region Of York"***

By: A.W. (Art) Field

Cont'

Conclusion:

It appears fundamentally clear and correctly so, that the Region of York, through its comprehensive O.P. review (Region Official Plan 2009) has taken seriously the need to be fully prepared for the next 22 years of growth within the Region of York from a planning perspective. In doing so, the Region has addressed the need to provide public transportation to residence, visitors, employers and employees and alike, while ensuring adequate infrastructure is build to support the needs of a well thought out master planned community.

Those above-noted planning, transportation and infrastructure fundamentals are not without huge financial cost however. These costs, as we are all aware will be born out exclusively by that of the taxpayer. Whether it's through property owners themselves, developer's DC's (development charges), or through other auxiliary tax collection methods including, but not limited to transfer payments from either Provincial or Federal governments, it's all taxpayers money.

Government and taxpayers alike must always be cognizant and mindful that whether its Municipal tax dollars or Regional tax dollars or Provincial tax dollars or even Federal tax dollars, it all comes from the same source essentially – business and/or private taxpayers. To assert otherwise would be misleading and without merit.

Furthermore, its incumbent upon all Governmental politicians and bureaucrats alike to ensure that taxpayers get the "best bang for their buck" so to speak. These Governmental politician and/or bureaucrats must always look forward with vision and wisdom while maintaining a sound fiscal approach to governance. One way to achieve that vision and wisdom is to embrace alternative options and suggestions from a variety of legitimate sources.

Conclusion cont':

This first chart will highlight the last five years of tax increases/decreases within the Town of Georgina. You will notice that the average tax increase is 4.25 % over the past 5 years. The Town of Georgina was randomly selected as an example Municipality only, but reflects an typical Municipal average.

Chart # 1 - Town of Georgina

<u>Year</u>	<u>% Change</u>
-------------	-----------------

2009	2.15
2008	4.04
2007	4.65
2006	4.46
2005	5.96

TOTAL 27.26 % or 4.25 % per year

This second chart will highlight the last five years of tax increases/decreases within the Region of York. You will notice that the average tax increase over the ten year period is %.

Chart # 2 – Region of York

<u>Year</u>	<u>% Change</u>
-------------	-----------------

2009	2.2
2008	3.9
2007	4.8
2006	4.6
2005	5.32

TOTAL 20.82 % or 4.16 % per year

Conclusion cont':

In order to obtain a true and clear picture of what the combined tax increase truly is within the two-tier Municipal/Region Government; one must calculate the lower and upper tier total tax increases of the Municipality and Region together, as highlighted within the third chart. Therefore, the actual tax increase combined is the more appropriate percentage amount as it relates to two-tier government.

Chart # 3 - Combined Municipal & Regional Annual Tax Increases

Total Average Georgina Tax Increase [2005 to 2009]	4.25 %
Total Average Regional Tax Increase [2005 to 2009]	4.16 %
	=====
Total Combined Average Tax Increase [2005 to 2009]	8.41 %

Conclusion cont':

The forth chart articulates the budgets for 2010 in all 9 municipalities. Moreover, this chart shows they have an estimated budget of just over 1 billion dollars for 2010, whereas, the Region of York's annual budget is 4.9 billion dollars for 2010 (as seen in Chart 5).

Chart # 4
9 Municipal Comparisons
 Rounded off In millions of \$
Within York Region

Municipality	Annual Budget 2010 Operating & Capital Cost
Aurora	57.00
East Gwuillimbury	29.30
Georgina	27.81
Whitchurch/Stouffville	78.11
Newmarket	92.01
Vaughn	254.12
Markham	314.91
Richmond Hill	138.31
King	26.82

**Total Combine Municipal 2010
Budgets**
\$1,018.39
**One Billion , Eighteen
Thousand Dollars**

Conclusions Cont'

Chart five depicts the current annual 2010 for the Region of York. This chart will show the annual operating budget, as well as the capital cost expenditures anticipated for that fiscal year.

Chart # 5

Region of York's 2010 Annual Budget Rounded out to nearest million	
Operating Budget	1.4 billion dollars
Capital Cost Budget	3.5 billion dollars
<i>Total Combined Annual Budget For 2010</i>	<i>4.9 billion dollars</i>

Conclusions Cont':

Chart six will highlight the total combined Municipal and Regional budget for 2010. As you will see from the chart below, the total combined budgets for all nine Municipalities and the Region of York together exceeds 5.91 billion dollars.

Chart # 6

Combined 9 Municipalities Annual 2010 Budget	1.01 Billion Dollars
Region of York's Annual 2010 Budget	4.9 billion dollars
<i>Total Combined Annual Budget for 9 Municipalities & Region of York</i>	<i>5.91 Billion Dollars</i>

Conclusion cont':

Baby-boomers, those born between 1946 and 1966 are aging, with the oldest just turning 65 years of age. This group of the population makes up one third of the total population of Canada. As baby-boomers start to retire, it will be fundamentally important to have a strategic plan in place addressing such things as;

- what are the needs of this massive generation?
- how will the Region of York and 9 municipalities be impacted?
- where are the taxpayers dollars going to come from to support this trend?
- how will the taxpayers be able to afford these massive annual increases to support the anticipated growth and financial demand of the Region's 21 year massive expansion projection?
- can we cut costs and save significant tax dollars by reducing duplication with multi-tier governments?

In the December 14, 2009 Municipal Council meeting - Georgina Council – through the Mayor clearly stated that ... and I quote; - ***"if any taxpayer has constructive suggestions on how to reduce municipal taxes and save money, come forward and Council would eagerly listen"***.

Regional Chair Fisch, whom has recently been acclaimed for his 5th term as Chair & CEO. Upon accepting this honour, Chair Fisch stated that ***"We will be challenged with difficult issues and we will not agree, but we will always act in the best interest of our residents knowing that the information on which our decisions are based undergo the highest level of scrutiny imaginable through studies, research and debate. Our strength lies in our partnerships, in collaboration and our collective wisdom"***.

Through these above-noted quotable encouragements amongst others, it appears clear there is a sincere desire to explore, investigate and secure sound Regional prosperity for all stakeholders when-ever and where-ever possible.

I therefore fundamentally believe that through this Report, it can be successfully demonstrated there is a realistic possibility significant taxpayer dollars could be or may be saved and achieved through a united 9 Municipal amalgamation into 1 Regional government by eliminating the current two-tier local government system which we have today, either in whole or in part. Or at least, now is the appropriate time to at least study the question of the benefits of amalgamation.

Conclusion cont':

When one extrapolates and summarizes the other attached Amalgamation Reports within the Region of York, as well as from other Ontario government bodies, five things appear to be glaringly apparent. They are;

1. Government size is substantially reduced;
2. Government duplication is reduced, or eliminated or streamlined;
3. Better services are delivered to stakeholders;
4. Significant dollar savings are realized in the short and long terms;
5. Red tape is cut and improved delivery of services can be the productive result;

Throughout this Report, it has been hypothesized and/or estimated that there are numerous ways to reduce the financial burden to taxpayers, while improving services and better training of governing employees. The taxpayer cost savings calculations are modest at best and represent a total estimated financial reduction in the overall cost of operating a two-tier government system within the Region of York and related 9 Municipalities as presently is the case. These estimated cost savings could easily be in the range of 250 to 350 million dollars annually. However, with a more comprehensive and in-depth cost reduction investigation and analysis of the full benefits and possibilities of tax savings relating to Municipal/Regional amalgamation - a truer figure of the total taxpayer saving could be more accurately measured and ascertained. It is however, feasibly possible that after a thorough and comprehensive review the cost savings to taxpayers, Municipal/Regional amalgamation could exceed 350 million dollars annually.

It is important though to understand how to measure success. By that I mean, you can not always measure success by the amount of money one saves, although significant cost savings is a fundamental and compelling argument which deserves substantial merit. Conversely however, there are other forms of success besides significant financial savings. These additional successes include, but are not limited to;

- 1) a better trained workforce;
- 2) the general acceptance by the majority of taxpayers of a better working government;
- 3) reducing unnecessary duplication of services and departments;
- 4) addressing the need to better manage limited taxpayer's resources;

Conclusion cont':

- 5) having a place to live, work and play that is continually sought after by all;
- 6) unifying our voice and maximizing our strength when dealing with the Province and Federal governments;
- 7) taking charge of amalgamation at a local level, rather than being reactionary with a top-down mandated approach by the Province;
- 8) benefiting from Provincial and Federal grants for amalgamation and capital projects;
- 9) capitalizing on combined purchaser power;
- 10) setting the professional standard within the Province and Country;

Combine these above-noted 10 cost savings initiatives with the massive 250 to 350 million dollar [or more] estimated cost savings achievable through single-tier Municipal/Regional government amalgamation and restructuring as outline hereinto within this Report and it becomes extremely evident that proceeding to the next level of establishing a public Steering Committee makes practical, responsible and critically important sense, especially at this time.

The paradox here that could be considered by many should the Region not decide to establish a non-political bi-partisan steering committee would be; negligentful and/or even irresponsible governance by all Municipally appointed Regional representatives.

This undertaking and venture is not an easy one though. It will take exceptional political wisdom, steadfast determination, true grit and strong fortitude, as well as a 20/20 clear vision. However, if Council continues to harness these qualities and recognizing the need to embrace positive, cutting edge change and capitalize on being leaders of the future instead of the allowing the future to leading us, then this undertaking and venture will seem extremely attainable and profoundly worthwhile, regardless of the Amalgamation Steering Committee's Report and outcome.

In closing, this concludes my deputation Report as it relates to the proposed formation of a Steering Committee to study the merits of single tier Municipal/Regional government and combined amalgamation, either in whole or in part.

Recommendations

I respectfully request that;

WHEREAS:

1) The elected Council of the Region of York endorses and adopts this Report as presented;

And

WHEREAS:

2) The elected Council of the Region of York;

A) Provide the necessary funding to establish and maintain a grass roots Steering Committee that will be charged with investigating, documenting and reporting to Regional Council on the possibility of Municipal Amalgamation.

B) Direct Regional Staff to advertise in all medias the formation of this Regional Steering Committee so as to formulate and appoint an Amalgamation Steering Committee to develop the specific Terms of Reference of said committee for the sole purpose of formulating a comprehensive Amalgamation study which will be undertaken with applicable public input so a subsequent detailed Report can be presented to all stakeholders for comment and consideration.

With the Understanding:

It would be strongly suggested the Amalgamation Steering Committee should be comprised of 2 non-political, non-governmental employee persons from each of the nine Municipalities. These 18 Regional taxpaying individuals should have a keen interest and relative knowledge in this Steering Committee initiative and able to commit between 12 and 24 months as committee members, while being persons of integrity and beyond reproach.

Sincerely;

A.W. (Art) Field