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CREATING A NEW CITY

**Municipal Restructuring: The Case of the Ottawa Transition Board and the
Amalgamation Exercise in the Ottawa-Carleton Region (2000)**

by
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ABSTRACT

The issue of municipal amalgamation has been the subject of much political debate in the Province of Ontario. The transition process in the Ottawa-Carleton region was viewed by the Ottawa Transition Board as more than just a simple amalgamation exercise. Rather, it was an attempt to drastically alter the way of doing politics and business at the local level. Although the provincial government and the Board's objectives and desired outcomes in the amalgamation process were clearly articulated at the outset, the path to their attainment was not as straightforward. Factors of scope and ideology as well as the serious time constraints imposed upon the Board contributed to its difficulties. Furthermore, the Board faced a number of effective prevailing democratic constraints. This thesis studies the decision-making process of the Ottawa Transition Board in order to examine its initial project and the degree to which this project was reflected in the Board's final recommendations.

RÉSUMÉ

La question des fusions municipales est depuis un certain temps en Ontario chaudement débattue. L'interprétation de la tâche de fusionner les douze municipalités de la région d'Ottawa-Carleton par les membres du Conseil de transition d'Ottawa révèle une intention autre qu'une simple fusion. Plutôt, le processus de transition a été vu par le gouvernement provincial et par le Conseil comme l'occasion unique de créer une nouvelle organisation municipale. Alors que cet objectif ait été clairement articulé dès le départ, sa concrétisation dans les faits n'a pas été aussi évidente. Des facteurs d'idéologie et d'étendue ainsi que des contraintes temporelles à l'intérieur desquelles le Conseil devait rendre son mandat ont créé des obstacles. De plus, le Conseil a dû transiger avec une opposition de facteurs démocratiques efficaces. Cette thèse étudie le processus décisionnel du Conseil de transition d'Ottawa de façon à pouvoir examiner son projet initial et le degré auquel ce projet a été reflété dans les recommandations finales du Conseil.

4. MAPPING OF FINAL BOARD DETERMINATIONS.....	59
4.1 ADMINISTRATIVE STRUCTURE.....	60
4.1.1 Recommendations compatible with the market model.....	65
4.2 POLITICAL INFRASTRUCTURE.....	69
4.2.1 Recommendations compatible with the market model.....	72
4.2.2 Recommendations non-compatible with the market model.....	73
4.3 GOVERNANCE ISSUES.....	74
4.4 CLOSING REMARKS.....	84
5. REVIEW OF HYPOTHESIS.....	86
BIBLIOGRAPHY.....	96

APPENDIX A: Local Government Reform in Ottawa-Carleton

APPENDIX B: Terms of Reference for the Transition Boards

TABLES

TABLE A: Guiding principles issued by province (p. 7-8)

TABLE B: Project Teams (p.16)

TABLE C: Definitional elements of the two models of governance (p.50-51)

ABOUT THE THESIS

This thesis is a case study of the municipal amalgamation exercise undertaken in the Ottawa-Carleton region in the year 2000. On January 26, 2000, Tony Clement, the then Minister of Municipal Affairs and Housing, announced the creation of the Ottawa Transition Board (hereafter the **Board**). It was mandated to ensure the transition from 12 municipalities¹ in the Ottawa-Carleton region to the creation of a new single-tier municipality.² This new entity, called the "City of Ottawa", came into existence on January 1, 2001. Shortly after the Board's creation, it announced that the new City organization would embrace an enterprise culture as a means of achieving the desired goals of making local government more efficient and competitive by downsizing the organization and reducing costs. The transition process in the Ottawa-Carleton region was more than just a simple amalgamation exercise of consolidating 11 separate municipal entities and one regional municipality. Rather, it was an attempt to drastically alter the way of doing politics and business at the local level. The transition process was viewed by the Board as well as by the provincial government as a unique opportunity to create a new municipal organization based on their vision of what a municipal government should do and be. The underlying guiding principle of this vision was the adoption of an enterprise culture for the new organization. The intellectual

¹City of Cumberland, City of Gloucester, City of Kanata, City of Nepean, City of Ottawa, City of Vanier, Township of Goulbourn, Township of Osgoode, Township of Rideau, Village of Rockcliffe Park, Township of West Carleton and the Regional Municipality of Ottawa-Carleton.

²For further information on the historical evolution of municipal reforms in the Ottawa-Carleton region in the past 30 years refer to Appendix A.

basis of the enterprise culture is a market oriented model which basically celebrates the virtues of competitiveness and efficiency.

Although the provincial government and the Board's objectives and desired outcomes in the amalgamation process were clearly articulated at the outset, the path to their attainment was not as straightforward. The Board's task was made more complicated by the interpretation of its mandate, which was ambitious in its scope on the one hand, and ideologically narrow on the other. These factors of scope and ideology as well as the serious time constraints imposed upon the Board (not even one full year) contributed to the creation of tensions with those who were advocating a broader ideological interpretation and those who argued for a far less ambitious transition project. Furthermore, during the implementation of its mandate, the Board faced prevailing democratic constraints in the form of public opinion and media scrutiny, opposing lobbying efforts organized by concerned citizens and community organizations, as well as, diverging views expressed by elected representatives of the existing municipalities and by declared and undeclared candidates of the upcoming municipal elections.

The specific question addressed in this thesis is to what extent the decisions and recommendations made by the Board in the creation of the new City of Ottawa reflect the vision of the entrepreneurial role of municipal government that was defined at the outset of the transition process by the Board.

1. INTRODUCTION

1.1 SETTING THE CONTEXT

In the past fifty years, provincial governments across Canada have introduced a wide variety of reform initiatives aimed at improving the local system of government. The challenges of managing urban growth have been at the root of these various reform efforts across the country. To many observers, by the middle of the 20th century, the local system of government had become increasingly inadequate, largely because of the pressures of industrialization and urbanization. (Tindal and Tindal, 2000) In order to meet these challenges, various governments have introduced changes to local government. Reforms relating to the structure of municipal government have been central. Indeed, Andrew Sancton (1994) argues in *Governing Canada's City Regions: Adapting Form to Function*, that "With few exceptions, the instrument of choice in the past to cope with urban problems in Canada has been structural reform". (p. iii)

This emphasis on structural reform needs to be seen in the context of the two very important and basic roles that local governments play: a representative role and an administrative role, commonly seen in terms of the objectives of access or democracy and that of service or efficiency. Traditionally, the role of local government has been seen mainly as serving the needs of a particular group of people: property owners. In fact, most of the responsibilities of local government can be characterized

as services to property. Municipalities provide an extensive range of services to property and they also provide much of the money to pay for these services from taxes on property. However, municipalities are more than just providers of services. As noted by Andrew Sancton (2000), "They are the democratic mechanisms through which territorially based communities of people govern themselves at a local level". (p.167)

Within this political context, inhabitants are able to express, debate and resolve local issues that directly concern them. It then follows that municipal governments exist to serve two primary purposes: "to act as a political mechanism through which a local community can express its collective objectives; and, to provide various services and programs to local residents". (Tindal and Tindal, 2000: 4) In short, the key purpose of local government is to provide people with a wide range of services all the while being democratic in its operations. In doing so, it fulfills its two basic mandates. It is important to emphasize, however, that there can be tension between these two roles. They are not necessarily contradictory but they are not necessarily compatible either. The key feature of municipal government has been, and continues to be, the interaction of its representative and administrative roles. (Tindal and Tindal, 2000: 4) The question has always been how to sustain local democracy and remain responsive to community needs while providing for the efficient delivery of services. Since the end of the Second World War, reform initiatives have been preoccupied, for the most part, with the service delivery role of local government and have paid scant attention to their representative and political roles. (Tindal and Tindal, 2000)

Most of the major attempts at municipal reform in Canada can be narrowed down to two types of reforms: 1-municipal consolidation; and, 2- the use of intermunicipal boards and joint servicing agreements. The first, municipal consolidation, includes amalgamation, annexation and the creation of regional governments. It includes any kind of municipal restructuring which involves both boundary changes and the creation of larger units for at least some local functions. On the other hand, the second broad initiative, the use of intermunicipal boards and joint servicing agreements, occurs without boundary changes or the creation of new second tier governments. Allan O'Brien (1993), author of *Municipal Consolidation in Canada and its Alternatives*, defines these efforts in the following terms: "This usually involves some intermunicipal agreement under which two or more municipal units decide to provide planning or some service on a regional basis (...) In some cases the joint activity may involve more than one service". (p. 4)

In Ontario, since the mid-1990s, the structural reform of choice has been amalgamation. "Amalgamation" is the process by which the total number of municipalities is reduced by merging two or more municipalities to create a new municipality. (Sancton, 1993: 11 and 30) A review of the literature on municipal reform reveals that the rationale behind this type of reform initiative rests primarily on the following arguments: the virtues of area-wide planning, the need for equity in access to taxation revenues, and potential economies of scale. (Sancton, 1994; also see Colton, 1980; Sancton, 1993; and, Vojnovic, 2000) The underlying belief behind these arguments is that bigger is better. In direct opposition to this argument, public choice

theorists argue that smaller and many is better, that the fragmentation of municipalities is a good thing. They believe that local governments do not need to be producers of public services, but only arrangers. They also believe that more municipal competition is the only way to ensure choice, accountability and efficiency. (Vojnovic, 2000: 4) In the middle of this debate are those who believe that there is such a thing as an "optimal municipal size". According to Vojnovic (2000), in the context of local government, an "optimal municipal size" is "one which covers a large enough area, and produces enough service output, to minimize the average cost of production". (p. 2) Despite studies raising serious questions about size, one thing is clear, there still is a push for bigger is better.

Another rationale for amalgamation relates more specifically to the ideology driving the municipal reform initiatives pursued by the Conservative government of Mike Harris in the province of Ontario since its election in June 1995. The reasons for these policies are clearly ideological and short term. They can be best summarized by the belief that less government is better and cheaper. (Graham, Maslove and Phillips, 2000: 24) Underlying this narrow view of government is the century-old idea that government must operate more like the private sector. This idea has been aired in Canada in one version or another since the turn of the century. Claims that people are over-governed and desire less government and fewer politicians are back in vogue. As Tindal and Tindal (2000) observe, the Conservatives in Ontario "premise their restructuring on the notion that local politicians and staff are 'the problem', that there are too many of them, they are wasteful in their practices, their operations are

inefficient, they tax too readily, and they spend irresponsibly". (Tindal and Tindal, 2000: 176) In short, the Neo-Conservative agenda can best be summarized by less government, fewer politicians and less taxes. In moving second reading of the *Fewer Politicians Act, 1999*, the legislation that allowed for amalgamation in four Ontario regions (Ottawa-Carleton, Hamilton-Wentworth, Sudbury, and Haldimand-Norfolk), the Minister of Municipal Affairs and Housing emphasized the virtues of reducing the number of municipal politicians and of saving money. (Sancton, 2000: 157) Indeed, the most common justification for consolidation is that it will reduce costs, thereby making the municipal system as a whole more efficient.

In line with this rationale, the Ministry of Municipal Affairs and Housing issued some guiding principles (under section 25.4 of the *Municipal Act*) to be considered by municipalities when developing restructuring proposals. Table A highlights these guiding principles.³

TABLE A: Guiding principles issued by province

Less Government	<ul style="list-style-type: none"> • fewer municipalities • reduced municipal spending • fewer elected representatives
-----------------	---

³The following information was taken from: Government of Ontario. 1996. *A Guide to Municipal Restructuring*. Toronto: Ministry of Municipal Affairs and Housing.

Effective Representation System	<ul style="list-style-type: none"> • accessible • accountable • representative of population served • size that permits efficient priority-setting
Best Value for Taxpayer's Dollar	<ul style="list-style-type: none"> • efficient service delivery • reduced duplication and overlap • ability to capture the costs and benefits of municipal services within the same jurisdiction • clear delineation of responsibilities between local government bodies
Ability to Provide Municipal Services From Municipal Resources	<ul style="list-style-type: none"> • local self reliance to finance municipal services • ability to retain and attract highly qualified staff
Supportive Environment for Job Creation, Investment and Economic Growth	<ul style="list-style-type: none"> • streamlined, simplified government • high quality services at the lowest possible cost

The government's rationale with regards to the amalgamation exercise in the Ottawa-Carleton region was made clear by the Minister of Municipal Affairs and Housing when he announced the identity of Board members at a news conference in Ottawa on January 26, 2000: "The government established the new City of Ottawa to reduce the number of politicians and improve local government, making it simpler, more efficient, and more accountable. The goal is fewer politicians and lower taxes."⁴

⁴Government of Ontario. 2000. *News Release Communiqué - January 26, 2000*. Toronto: Ministry of Municipal Affairs and Housing.

1.2 THE OTTAWA TRANSITION BOARD

The task of developing, adopting and implementing the plan for a new amalgamated city based on the province's guiding principles outlined in Table A was given to a seven-person Board appointed by the province. The Board's role, as specified in the Terms of Reference, was to ensure a "smooth, seamless transition" to the new City and to recommend for the new City and its local boards, a year 2001 budget, and to forecast year 2002 and 2003 expenditures and revenues.⁵ Board recommendations were to be made in the context of Special Advisor Glen Shortliffe's findings about potential tax savings.⁶

The Board was made up of five men and two women. Amongst the Board members, five were English-speaking and two were French-speaking. The Board was chaired by former provincial Cabinet minister Claude Bennett. A principal in The Strategies Group, Claude Bennett has had many years of experience in provincial and municipal government. He was first elected to Ottawa city council in 1961, and was a member of the first Ottawa-Carleton Regional government between 1968 and 1972 and

⁵For a copy of the Terms of Reference established by the provincial government for Transition Boards refer to Appendix B.

⁶Glen Shortliffe was appointed by the Government of Ontario. His mandate was to recommend reforms in municipal government in the Ottawa-Carleton region which would lower taxes, improve services, reduce bureaucracy, clarify lines of responsibility, and foster greater municipal accountability. His report - *Report of the Special Advisor: Local Government Reform in the Regional Municipality of Ottawa-Carleton* (Shortliffe Report) recommended a one city - one tier government with community satellite offices. For further information refer to Appendix A.

was on the regional executive committee from 1970 to 1972. He was elected to the Ottawa board of control in 1970 and served as senior controller and acting mayor. He was elected to the provincial parliament in 1971, and served as MPP for Ottawa South until 1987. He held several provincial Cabinet posts, including Minister of Municipal Affairs and Housing. From 1990 to 1995, Mr. Bennett served as chairman of the board of directors of the Canada Mortgage and Housing Corporation.

The other Board members included former Osgoode Township mayor Albert Bouwers, former member of the Citizen's Panel on Restructuring in Ottawa-Carleton Camille Guilbault, chartered accountant David Muir, former Ottawa councillor Edward Mulkins, Nepean Hydro Commission chair Kathy Greiner and Gloucester city manager Pierre Tessier.

The Board members met for the first time in late January and held their first public meeting in early February. On March 10 and 11, 2000, the Board held a 2-day planning session. This session served to develop a shared understanding of the Board's mandate and of the work that had to be accomplished to create the new City of Ottawa. A document entitled *Project Charter - City of Ottawa Transition* summarizes the consensus reached by Board members during this initial planning session.

The document states that the Board's mission is to create the foundation for a new Ottawa through the restructuring of twelve existing municipalities into one single government. It also states that the Board will have been successful at the end of its

mandate if it has ensured the following: the implementation of a downsized organization with the required capacity (i.e., the appropriate number of resources with the skills/competencies) to function efficiently and effectively, and the achievement of a seamless transition with no service disruption. Furthermore, the document states that the Board will operate under the following guiding principles and values: equal opportunity and respectful treatment of employees, transparency, rationalization and implementation of best practices and an innovative service delivery model rather than a simple amalgamation, and, respect of differences in requirements of various communities (particularly rural vs. urban).

This document clearly confirms the Board's intent of achieving its goals by restructuring the twelve municipal organizations in the Ottawa-Carleton region, rather than by simply amalgamating them. It is important to note that at the time of amalgamation, the Regional Municipality of Ottawa-Carleton was delivering approximately 80% of all the local services in the Ottawa-Carleton region. (Shortliffe, 1999) This document further elucidates the Board's intent of resting this restructuring exercise on downsizing the organization and making it leaner in order to reduce costs.

To achieve these goals, the Board announced in April 2000 that the new City organization would embrace an enterprise culture for its management and its operation. According to an April 10, 2000, press communiqué released by the Board, the concept builds on a number of accountability models to formalize a culture of citizen centred, innovative, cost effective, performance based service delivery, in each and every

functional area of city operations and administration. The communiqué goes on to state: "The Enterprise Culture is not privatization of government service delivery, nor is it an assurance of continued in-house delivery. Rather it is a concept that requires that the New City administration apply principles similar to those used by private enterprise in looking at service delivery."⁷

In adopting an operational model based on business principles the Board made its intent clear: "the goal is to go beyond establishing a new structure, to establishing a thinking, questioning and creative organization that is able to identify desired community outcomes and apply innovative best value solutions."⁸ The project teams responsible for the service restructuring and integration were clearly mandated by the Board with the responsibility of ensuring that the change from existing organizational cultures be initiated and that a solid foundation be put into place "to permit a new enterprise culture to become a permanent part of the new City of Ottawa, in all areas and at all levels."⁹

Mr. Claude Bennett, chairman of the Board, was instrumental in setting the Board's agenda and articulating its new entrepreneurial vision for the new City. His local political experience, his long-standing involvement in Ontario politics and his

⁷Ottawa Transition Board. 2000. *Press Communiqué - April 10*. Ottawa.

⁸*Ibid.*

⁹*Ibid.*

intimate association to the conservative movement all contributed to his considerable influence on the process, on the debates and on the final decisions and recommendations made by the Board. His influence was most apparent in the interpretation of the Board's mandate, which, as previously stated, was ambitious in its scope on the one hand, and ideologically narrow on the other.

1.2.1 The Board's Vision and Scope

At the very beginning of the transition process, Mr. Bennett clearly articulated his vision of his role and that of the Board. He believed that the transition project was truly a significant and historical moment in the history of the City of Ottawa. Consequently, he recognized the importance of the legacy that he and all those involved in the transition process were leaving to the people of Ottawa. On many occasions, Mr. Bennett likened himself to a builder, a creator of a new entity. In fact, in his opening remarks at the Board's first public meeting on February 14, 2000, he invoked the spirits of such pioneers and local heroes as Philemon Wright and Colonel John By, the founding fathers of the cities of Hull and Ottawa. He declared: "Our community has prospered beyond the dreams of those first residents, and today we are standing at yet another watershed. As we begin our job, the Ottawa Transition Board recognizes the significance of this moment in time and the potential it holds for this community's next 200 years."¹⁰

¹⁰Ottawa Transition Board. 2000. *Chairman's Opening Address - February 14*. Ottawa.

This desire of viewing the transition as a historical occasion and opportunity to create a new municipal entity was vigorously promoted by the Board. For example, a project team was charged with the task of developing new visual identifiers such as a logo, a slogan, a flag, a coat of arms and a motto for the new City. The Board believed that the outcome of the work undertaken by this project team would be essential to the development of the new enterprise that would be the new City of Ottawa. Furthermore, in its quest to distinguish the new from the old, the Board insisted on changing the address of the proposed location of the new City Hall, the then current headquarters of the Regional Municipality of Ottawa-Carleton, from 111 Elgin Street to 111 Laurier Street East.

The vision and scope of this restructuring exercise, as conceived by the Board, was so expansive that it required the creation and support of a very complex internal administrative structure which at times was difficult to handle due to the short time frame of the transition process. Initially, the Board established approximately 50 transition project teams to assist in the task of amalgamating and restructuring the 12 existing municipal administrations into one entity by January 2001. Each project team was given specific objectives and asked to define the steps toward their achievement. The duration of transition projects varied according to the scope and size of their mandate.

The transition projects fell into three broad categories: service restructuring, integration and stand-alone projects. Service restructuring projects aimed at

amalgamating, rationalizing, and restructuring the way services would be delivered in the new City. These projects covered the full range of services provided by a municipal government including corporate services. There were 24 service restructuring projects established at the outset, one per service. In general, integration projects mainly touched horizontal preoccupations that run across service areas. All other projects fell into the third category, as highlighted in Table B on the following page.

TABLE B: Project Teams¹¹

Service Restructuring	Integration	Stand-alone
<ul style="list-style-type: none"> • Recreation, Parks, Culture • Social Services • Libraries • Planning • Fire Services • Police Services • Land Ambulance and Integrated EMS • Emergency Measures • Cross Utility Issues • Public Works • Transit • Corporate Secretariat Services • Financial and Material Management • Supply Management • Human Resources • Informatics Services • Legal Services • Real Property Assets Management • Strategic Planning, Audit and Performance Measurement Services • Communications / Public Affairs • By-law, Licensing and Enforcement • Records, Information Management • Economic Development and Tourism (incl. Industrial Parks) • Integration of Information Technology 	<ul style="list-style-type: none"> • Point of Service (enterprise model, service levels, satellite offices, e-business, etc.) • Rural Issues • Bilingualism Policy • Voluntarism Policy • Structure and Staffing • Labour Relations • Workplace Adjustment / Transition Support • Communication Plan and Implementation • Facilities Plan and Implementation • Integration of Information Technology Environments • Business Plans and Budgets for 2001/02/03 	<ul style="list-style-type: none"> • Political Infrastructure • Elections Process • Ongoing Financial Monitoring • Visual Identity • Taxi Industry • Street Numbering and Naming • Assets / liabilities • Insurance • Banking, Treasury and Investment • Ottawa Development Issues (high tech growth) • Superannuation Fund

¹¹The following information was taken from: Marc Gervais. 2001. *Public Record of the Ottawa Transition Board*, Publication of the Ottawa Transition Board in collaboration with the University of Ottawa, Ottawa, Ontario.

As time went by, the number of project teams grew from 50 to 80. This was largely due to the number of IM/IT system integration initiatives that were required. Also, many more stand-alone project teams were created (e.g., Environment, Youth, Access and Diversity). All but 4 project teams were headed by municipal employees from the former Ottawa-Carleton municipalities. The vast majority of the teams were also made up of municipal employees, and on occasion, members of the public and consultants. In all, over 1,000 people participated in the amalgamation exercise. The number and scope of the teams faithfully reflected the Board's interpretation of its mandate. By adopting such a broad interpretation, the Board ultimately made its task more complicated. This also contributed to the creation of tensions with those in the community who would have preferred a far less ambitious transition project.

1.2.2 Narrow Ideological Perspective

Throughout the process, Mr. Bennett challenged municipal employees involved in the transition to go beyond the traditional ways of thinking and acting and to propose alternative service delivery models that would reduce costs and make the municipal government more efficient. He encouraged them to "Think outside of the box". During a presentation to a community group, Mr. Bennett commented that municipal governments should re-think their involvement in the delivery of services that can be found advertised in the yellow pages of the local telephone directory. In other words, according to Mr. Bennett, it was legitimate for the Board to be addressing the following question: Should a municipal government be offering services that are already being

offered by the private sector? Underlying this questioning of the role of municipal governments was the desire to see the adoption of business approaches coming from the private sector. As has been previously stated, the Board's answer to this question was the adoption of an enterprise culture for the new City of Ottawa. By adopting such an ideologically narrow operational model for the new City, the Board ultimately rendered its task more complicated as support for a new city culture based on business principles was far from unanimous amongst the citizenry of Ottawa-Carleton. In fact, it proved to be a major point of contention with those advocating a broader ideological interpretation.

1.3 DEMOCRATIC PROCESS

Given this lengthy and focussed attempt to emphasize the significance and imperative necessity of implementing an enterprise culture within the new City, one would expect the Board's recommendations and decisions to clearly reflect this desired outcome. However, one is struck by the number of examples and counter indications of the ultimate success of the effort. The understanding of the causes underlying the presence of outcomes that are incompatible with the Board's initial vision lies in the assessment of a variety of factors not only related to time and mandate (particularly scope and ideology) as just mentioned, but also to intervening democratic processes.

People need and want to be involved in the decisions that directly affect their

lives, whether in the public or private realms. (Phillips, 1991) At the local level, decisions made by municipal governments impact in an immediate and significant way on the lives of their citizens. The decisions and recommendations made by the Board will undoubtedly influence the future direction of the new City of Ottawa. The outcomes of the transition process may potentially determine the level and quality of services offered by the new municipality as well as the relationship between the citizens of the new City and their elected officials. In short, at stake is the quality of life enjoyed by the citizens of the former Ottawa-Carleton region.

Given this, it is not surprising that the media, community organizations, as well as members of the general public took a keen interest in the transition process. Our study will reveal that the relationship between the Board and these groups was problematic. It is apparent there existed tensions between the Board and those in the community who did not necessarily share the entrepreneurial vision of municipal government promoted by the Board. The process of any given political change lies in the interplay of opposing forces. As a result, the transition exercise can be studied in the context of a clash of opposing visions of municipal governance and of the instruments of expression and actualization of these visions.

1.3.1 Public Opinion and Media Scrutiny

Throughout its mandate, the Board's legitimacy was put into question. In fact, its very existence was viewed by many as undemocratic. This perception stemmed from

the fact that the Board members were appointed by the provincial government and not elected by the people. Mr. Bennett himself acknowledged as much when he was quoted as saying to a journalist that “many of the complaints about the Transition Board arise from the fact the members were appointed, not elected”.¹² Also, many people perceived the Board’s decision making procedures as being secretive and dictatorial, and, in the end, unaccountable. A review of the local newspaper articles leading up to, and, at the time of, the announcement of the creation of the Board, as well as throughout the Board’s mandate, highlights a general malaise felt by many people at this intrusion on the democratic process. However, it should be noted that this feeling was not unanimous. For example, the debate of whether or not this process would ultimately lead to better results was arguably not as clear cut. Some people believed that the controversial business of restructuring should rightly be at arm’s length from elected representatives perceived as being too invested in the promotion of their self-interest. Furthermore, some people accepted the notion that the Board’s legitimacy came from the provincial government, a duly elected and accountable body. Nevertheless, the fact that democracy had been suspended at the regional and municipal levels for almost one year, until the creation of the new unified City of Ottawa, did not sit well with the vast majority of citizens of the Ottawa-Carleton region. This ultimately lead to the creation of tensions between the Board and those who did not recognize its legitimacy or agree with its vision for the new City.

¹²Jacki Leroux, “Critics fear moves too far, too fast to be good”, *The Ottawa Sun*, July 16, 2000, p.19.

This opposition to the Board on the grounds of its perceived undemocratic and illegitimate nature was never articulated in a formal theoretical way by its critics. Rather, it was expressed through public discourse in the media via journalists, political commentators, editorialists, and letters-to-the-editor written by concerned citizens. Here are but a few examples of the headings of some of the articles and editorials which appeared in the local newspapers on this topic: “New city doesn’t need czars” (*The Ottawa Citizen*, November 30, 1999); “No, your vote doesn’t count” (*The Ottawa Citizen*, January 28, 2000); “Board has little time for public” (*The Ottawa Sun*, March 8, 2000); “Democratic advice for our dictators” (*The Ottawa Citizen*, February 16, 2000); “So this is how a dictatorship reaches out” (*The Ottawa Citizen*, March 15, 2000); “*Un comité de vigilance accuse le Conseil de transition de manque de transparence*” (*Le Droit*, April 11, 2000); “Transition board undemocratic, critics charge” (webposted on *ottawa.cbc.ca*, May 9, 2000); and, “Board ‘boys club’ blasted” (*The Ottawa Sun*, July 23, 2000). These newspaper headings highlight the uneasiness felt by many at the perceived undemocratic nature of the Board. The dispelling of such negative perceptions proved to be a constant challenge for the Board throughout its mandate.

1.3.2 Concerned Citizens and Community Organizations

As stated, opposition to the Board was never articulated in a formal theoretical way but, certain interest groups did mobilize to formally express their concerns. They did so through the various avenues available to them, for example, public Board

meetings and public consultation sessions, as well as through other modes of communication, such as writing letters and sending e-mails and faxes.

Throughout its mandate, the Board met as a full Board on the second Monday of each month, and, when circumstances warranted, at the call of the Chair. These meetings were open to the public. One hour of every full public meeting was dedicated to public input. Individuals were asked to file their requests to appear before the Board in advance with the Clerk (of the Board). Each person was limited to one appearance before the full Board and allotted five minutes to make his/her oral presentation. To supplement oral presentations, individuals and delegations were encouraged to put their concerns in writing and to file materials with the Board. People could submit as many briefs, letters, and presentations as they wished.

As for each individual project team, the type and scope of public consultation mechanisms used varied depending on its particular mandate. Some project teams established challenge teams to review their draft reports. These challenge teams consisted of outside experts and representatives of various stakeholder groups. Other project teams established advisory committees made up of volunteers from the private and public sectors to assist them with their work (e.g., Taxi Industry, Youth, Visual Identity, etc.). In addition to this, many project teams held public information and consultation sessions (e.g., Street Naming, Voluntary Sector, Budget Plans, etc.). In these sessions, project members would inform the public of their team's work and citizens were given the opportunity to express their concerns, ideas, and suggestions

directly to the project team members.

The most intensive period of public consultations organized by the Board occurred on August 1, 2 and 3, 2000. These public consultation meetings were held to seek public input with regards to the twenty-four high level service delivery models that were presented to the Board by the various service restructuring teams during the July 25, 26 and 27 public information sessions. These public consultation meetings were viewed by the Board as an opportunity for community groups, business associations, employees and concerned citizens to provide the Board with their views. Those interested in making a presentation to the Board were asked to call and register in advance (on a first come, first served basis). Presenters were given five minutes to make their presentation. There was a brief period reserved for questions from Board members. The Board heard from approximately 110 presenters during the three-day public consultation meetings. According to Board documents, roughly 30% of these presenters were concerned citizens and 70% were representatives of various organizations and associations.¹³ Amongst the most frequent topics addressed in these submissions we find the following key themes. The number in parentheses represents the number of presentations made per topic: environment (16), health and social services (15), library (8), planning and development issues (8), transit and transportation (8), services for the disabled (6), diversity/multiculturalism (5), and, volunteerism (4). The other topics included citizen participation and access, use of

¹³Ottawa Transition Board. *Public Consultation Sessions - August 1-3, 2000*. Ottawa.

pesticides, service levels, labour issues, bilingualism, affordable housing, alternative service delivery (ASD), child care, heritage, youth issues, and finally, fire and police services.

One cannot help but notice a certain incompatibility between the priorities articulated by the Board and the province at the outset as well as throughout the transition process (i.e., fewer politicians, lower taxes, less government, in short, a business agenda) and the issues raised by the residents of Ottawa-Carleton (i.e., the environment, health and social issues, quality of life issues, in short, a people's agenda). As we will see, concerned citizens and community organizations were successful in bringing these issues to the forefront and ensuring that they be given consideration by the Board during the transition exercise.

1.3.3 Elected Representatives and Others

Finally, many elected representatives (i.e., mayors and councillors) of the existing municipalities as well as individuals considering a bid for a seat on the new council also weighed into the debate from time to time. These interjections were made more often than not with the intent of denouncing a Board pronouncement or decision and rarely done in support of them. Amongst the most articulate and vocal critics of the Board were high profile RMOC councillors Alex Munter and Diane Holmes, City of Ottawa councillors Stéphane Émard-Chabot and Diane Deans, and former local and provincial politician Alex Cullen.

However, the most direct and obvious example of an organized front against the Board was mounted by an eleven-member watchdog group (Boardwatch) formed to combat what members called the “secretive and unaccountable” actions of the Board. A newspaper article pertaining to Boardwatch stated: “Boardwatch has echoed the same complaints as other interest groups - that Chair Claude Bennett and his crew are undemocratic, that they don’t have enough time to do the job right, that they’re exceeding their mandate”.¹⁴ Boardwatch’s website stated it was committed to keeping the public better informed of the transition team’s activities, exposing undemocratic actions and analysing the effects of the board’s decisions. Boardwatch’s membership included current politicians, former politicians (including a former mayor of Ottawa) as well as social and community activists. Consequently, these aforementioned elected representatives and would-be councillors along with Boardwatch played an important role in ensuring that the Board remain responsive to public opinion and needs.

In the end, it is apparent that the activities and pronouncements of all of these concerned citizens, community organizations and elected representatives, as well as the media scrutiny provided by local journalists, influenced public opinion, which in turn, impacted upon the Board’s final decisions and recommendations.

¹⁴Jacki Leroux, *op.cit.*

1.4 HYPOTHESIS

Given these issues of democratic process, the serious time constraints imposed upon the Board, and the Board's ambitious and ideologically narrow interpretation of its mandate, we believe we will find variations in the Board's final determinations¹⁵ which may reflect lesser than ideal manifestations of the entrepreneurial role of municipal government envisioned by the Board and the province for the new City of Ottawa.

¹⁵General term encompassing the Board's decisions, recommendations, activities, and pronouncements.

2. REVIEW OF THE LITERATURE

The municipal amalgamation exercise undertaken in the Ottawa-Carleton region raises some fundamental issues, such as: the redefinition of the role of local government; the practice and the function of democracy at the local level; and, the redefinition of the citizen's role and of the relative influence of various constituencies within a defined political entity.

This chapter attempts to define these issues in order to better understand the historical and theoretical context in which the amalgamation exercise occurred. The current debate and proposed changes to municipal governance in Ontario are couched in a tradition of change in governance issues at the municipal level. By providing an historical overview of the development of local government in Canada with an emphasis on the practice and the function of democracy at the local level, and, by presenting the essential elements of the contemporary debate surrounding the role of government we hope to give some perspective to the current process. The first part, the brief historical overview, will serve as an introduction to the second part, the presentation of the key components of the contemporary debate.

Central to the understanding of our presentation is the belief that democracy matters as much in the state as it matters, if not more, elsewhere. By definition, democracy necessitates participation from people, including citizens, elected

representatives, and stakeholders (i.e., employees). Although the issues of democracy may differ between these groups or may even be contradictory in theoretical terms, they are the same in practical terms, as argued by Ann Phillips' (1991) *Engendering Democracy*. "When the issues of democracy are conceived in terms of a general rubric of participation (how much is possible or desirable? How often should we participate and where?) this blurs the contrast [between them]." (Phillips, 1991: 18) For our discussion, these contradictions are not important as participation is the unifying factor, thus allowing us to study them simultaneously.

The chapter will therefore end with a discussion on two opposing governance models which incorporate these various elements of participation involving citizens, elected representatives and employees. This framework will also allow us to assess in Chapter 4 the extent to which the decisions and recommendations made by the Board reflect its entrepreneurial vision of local government.

2.1 HISTORICAL OVERVIEW

As stated in the introduction, the key feature of municipal government has been, and continues to be, the interaction of its representative and administrative roles. The historical starting point for dealing with this "democracy-efficiency trade-off" is the Baldwin or Municipal Act of 1849.

The Baldwin or Municipal Act of 1849 which was first introduced in Upper Canada (Ontario) in 1843, but was not passed until 1849, has had a seminal influence on the development of local government to the present. The Baldwin Act is significant for many reasons, chief amongst them being that it was the first piece of legislation to create a uniform system of municipal government over an entire province which was later used as a model by other provincial governments in the organization and development of their municipal institutions. (Graham, Phillips, and Maslove, 1998: 46)

More importantly for our discussion, however, is the fact that the Baldwin Act restricted the local right to vote to property owners. According to Graham, Phillips, and Maslove (1998), "this reinforced the orientation of municipal government to providing services to property and has had a lingering impact on participation in local life, even after the franchise was widened." (p. 46) Furthermore, the Baldwin Act embedded the principle that the municipal councils should receive delegated authority from the provincial legislature and are subject to its control. This led to the popular description of municipal governments as mere "creatures of the provinces". This notion was further reinforced and institutionalized with the passing of the British North America Act in 1867, where the local governments lack any formal legal recognition of their own. In short, local government only exists to the extent that the provincial government sees fit to provide for it. According to Isin (1992), this was to have lasting effects. This meant, still according to Isin, that the modern municipal corporation would have two essential characteristics:

First, it is created at the pleasure of the legislature, and while the province may obtain the consent of the people of the affected locality, it need not. The act of incorporation is not a contract between the legislature and the inhabitants. The province can erect, change, divide and abolish a corporation at its pleasure and as it deems appropriate. Second, the authority conferred on the modern city is not local in nature but derives from the province. (p. 2)

Such an arrangement is obviously not compatible with the concept of municipal government as the expression of the political will of the community. Notwithstanding this fact, many prominent political personalities and thinkers have emphasized the democratic features of municipal government, starting with Robert Baldwin himself.

According to J. H. Aitchison (1949), the twin objectives of Robert Baldwin's political career were responsible government at the centre and "home rule" for municipal affairs. With regards to the latter, Baldwin was thoroughly convinced that "the people should manage their own affairs". As noted by Aitchison (1949), "In the sphere of local government this meant for him not merely elective representative institutions, but also freedom for such institutions to function without hampering statutory restrictions or central administrative control." (p.107)

Baldwin also argued that Township Councils would provide a school for practical statesmen and teach the importance of civil institutions. (Aitchison, 1949: 121) This notion was shared by others. For example, Tindal and Tindal (2000) describe J. S. Mill's position that

municipal government constituted a training ground for democracy, wherein elected representatives would 'learn the ropes' before going on to

service at a more senior level, and local citizens would learn about exercising their democratic rights in the context of issues which were relatively simple and understandable. (p. 5)

For his part, Lord Durham was struck by the lack of municipal institutions in the colony in the 1830s. He expressed concern that “the people receive no training in those habits of self-government which are indispensable to enable them rightly to exercise the power of choosing representatives in parliament”.¹⁶

In *Democracy in America*, Alexis de Tocqueville stated that “municipal institutions constitute the strength of free nations”.¹⁷ Tocqueville apparently saw municipal government’s democratic role in a direct, more fundamental light.

K. G. Crawford (1954), author of the first comprehensive modern study of municipal government in Canada, “saw municipal government as far from just a training ground, but as the level at which the democratic ideal was most likely to be fulfilled”. (Tindal and Tindal, 2000: 6)

However, not everyone shared this positive view of municipalities. Crawford’s contemporary, Georges Langrod (1953), for example, viewed municipal governments as “but a technical arrangement within the mechanisms of the administrative system, a

¹⁶Quoted in Isin, 1992: 132.

¹⁷Quoted in Tindal and Tindal, 2000: 6.

structural and functional detail..."¹⁸ According to Tindal and Tindal (2000: 6), Langrod not only rejected the assumption that municipal governments are vital to democracy, he also contended that they could be contrary to the democratic process.

A major setback for municipal governments as instruments of local democracy actually occurred 100 years ago during the turn of the century reform movement. These reformers believed that city politics were corrupt, "subject to the evils of political gamesmanship, and increasingly pulled away from the essential mission, namely, the efficient administration of services to property and public protection". (Weaver, 1984: 56) Their reform agenda focussed on reform of the political and administrative structures of urban governments to make them apolitical. "Efficiency was seen as the foundation of a sound local economy, the engine of good urban life." (Weaver, 1984: 56)

This emphasis on efficiency and local government's administrative role has persisted throughout most of the 20th century and is very much central to the amalgamation projects recently undertaken by the government of Ontario. In fact, as stated previously in the introduction, a review of the literature on major municipal reforms since the Second World War reveals that for the most part, the adopted reforms have dealt with the service delivery role of local government and have paid scant attention to its representative and political roles. (Tindal and Tindal, 2000)

¹⁸*Ibid.*

Amalgamation projects are seen as a continuation of this tendency.

As a result, the argument that people are over-governed and desire less government and fewer politicians along with the claim that the private sector is the appropriate “efficient” model that governing administrations should emulate are once more at the forefront of the political debate.

2.2 THE CONTEMPORARY DEBATE

Our research is situated in the broader context of the current debate on the contemporary visions of state and governance and the role of the citizen therein. At the heart of the debate is what government does, why it does it, and how. It comprises the objects and purposes of government, the functions of government, and the instruments of governance. (Johnson, 1993)

By the late 1970s, virtually all governments were under stress. (Campbell, 1983) Since then, the very nature of government has been subjected to severe questioning both in Canada and elsewhere. The classical view of governance based on the traditional model of the civil service in government with the Keynesian policy regime as its socio-economic underpinning have been judged by many to be obsolete, dysfunctional, and out of step with contemporary reality. (Peters, 1993) In an effort to modernize governments and make them more effective and efficient, many new models have emerged. What has occurred is nothing short of a paradigmatic shift.

In *Government By Market*, Peter Self (1993) summarizes the new paradigm that has become dominant in Western democracies in the following terms:

This paradigm holds that governments should in general do less; that they should reduce or relinquish their previous responsibilities for maintaining full employment and a comprehensive system of state welfare; that they should privatise public services or their delivery wherever practicable; and, that they should reform their own operations in accordance with market concepts of competition and efficiency. These beliefs in 'government by the market' rest upon propositions that the market system is inherently a better method for satisfying human wants and aspirations than recourse to government, and that the political process is subject to numerous imperfections and distortions. (p. ix)

This shift in emphasis is primarily attributed to the fundamental changes affecting the world economy and the perceived role of government therein. Terms like post-fordism, information technology, internationalization of economic activity, new global economy, international economic forces and globalization have been used to explain this new phenomenon. Initiatives to restructure government parallel and reflect developments which have occurred at the senior levels of government, in Canada, and even more so in other jurisdictions such as Britain, Australia, New Zealand, and the United States. As noted by Aucoin (1995):

In Canada, as elsewhere, the common wisdom is that the public sector should be reduced, both in size and cost. Governments are facing the need to make choices between the programs they consider essential to administer themselves and those that may be transferred to other organizations or discontinued. A new vision of how government should function has recently emerged, notably with greater emphasis on performance and results. (p. i)

At the municipal level, these changes brought about a new wave of amalgamations in the 1990s, promoted in large part by provincial governments who felt that they needed larger municipalities to which they could download responsibilities and costs. That downloading, in turn, has increased the fiscal squeeze on municipalities, prompting them to embrace a variety of techniques designed to make them more business-like. (Tindal and Tindal, 2000: 1) Consequently, the role of municipal government as a business corporation rather than as an instrument of local democracy has dominated debate in recent years.

In this light, B. Guy Peters (1993), in *The Public Service, The Changing State and Governance*, examined different models that have emerged in response to the perceived shortcomings of the traditional models of governance which have been judged to be no longer compatible with the new socio-economic world order. Amongst the four models examined by Peters (1993), the two main visions of governance which appear to be the most popular alternatives to the traditional model of administration are the market model and the participatory model. The first deals primarily with service delivery and can be associated with the administrative role of local government, commonly known as "service or efficiency". The second deals primarily with the role of the citizen in society and can be linked to the representative role of local government, commonly known as "access or democracy". As with the two basic roles of local government, these two ideologically different models are not necessarily contradictory or opposed, but they are not necessarily compatible either.

A further study of the intellectual origins and principle tenets of these two models will help us to situate the current amalgamation projects within a theoretical model.

2.2.1 The Market Model

The intellectual basis for the market model which basically celebrates or defends the virtues of competitiveness comes from 1- public choice thought, 2- the new public management, and, 3- neo-conservative ideology.

Peters (1993) illustrates how early public choice theorists such as Niskanen, Tullock, Moe, Ostrom, and Bender analysed the failings of conventional bureaucracies.

They argued that because of the self-interest of the members of the organizations, especially the "bureau chiefs" at the apex, public bureaucracies tended to expand at an unjustifiable rate and to charge their sponsors (read legislatures) too much for the services produced. It was argued that the permanence of bureaucrats and their monopoly of information put them at a competitive advantage when dealing with the legislature. The root of any failings in the public sector, as seen from this perspective, is the self-interest of bureaucrats. (Peters, 1993: 7)

Public choice thought concentrates on the problems and limitations of the democratic political process. It has been defined as "the economic study of nonmarket decision making". (Mueller, 1979: 1) It is a theoretical perspective based on the application of economic ideas to political structures and processes. According to Michael Keating (1995):

Its central tenets are based upon individualist premises and utilitarian philosophy. That is, it holds that the unit of analysis is the self-interested individual and that the public good is no more than the aggregate of individuals' aspirations. Individuals define their own self-interest and pursue it. Democracy is seen less as a system for taking collective decisions than as a mechanism for allowing individuals maximum scope for choice. So public choice theorists support local government structures which approximate as closely as possible to markets, allowing individuals to make choices about services, taxes and other policies. Efficiency is seen as best promoted by competition, among individuals and among service providing units. Since bureaucrats are also seen as self-interested utility-maximizers (Niskanen, 1973), it is important to subject them to competitive discipline by allowing individuals and communities to shop around for the best services. Development is best promoted by encouraging competition among places and allowing capital to find its most profitable location undistorted by government regulation. (p.123)

Within the public choice perspective, local government is analogous to firms and citizens, to consumers. Ironically, public choice theorists argue that smaller and more numerous are better, that the fragmentation of municipalities is desirable. As stated previously, they believe that local governments do not need to be producers of public services, but only arrangers. They also believe that more municipal competition is the only way to ensure choice, accountability and efficiency. (Vojnovic, 2000: 4)

Second, the term "new public management" was first coined by Christopher Hood in 1991. Proponents of the new public management maintain that adequate managerial structures provide high quality services that citizens value; increase the autonomy of public managers, especially from central control agencies; measure and reward organizations and individuals on the basis of whether or not they meet demanding targets; and, appreciate the virtues of competition and of keeping an open

mind on whether public purposes should be performed by the private sector rather than the public sector.¹⁹ According to Tindal and Tindal (2000):

Its philosophy is rooted in the conviction that private sector management is superior to public administration. The solution, therefore, is to transfer government activities to the private sector through privatization and contracting out. Since that obviously can't be done for every government activity, the next best thing is to transfer business practices to government operations. (p. 285)

This idea has been around for some time. In fact, the claim that the private sector is the appropriate "efficient" model was presented, defended, and popularized more recently in David Osborne and Ted Gaebler's 1992 book, *Reinventing Government: How the Entrepreneurial Spirit is Transforming the Public Sector*. Osborne and Gaebler (1992) used the phrase "entrepreneurial government" to describe the new model they saw emerging across America throughout the eighties. They define an entrepreneur as a person who "uses resources in new ways to maximize productivity and effectiveness". (p. xix) They describe entrepreneurial public organizations as organizations that

steer more than they row; empower communities rather than simply deliver services; encourage competition rather than monopoly; are driven by their missions, not their rules; fund outcomes rather than inputs; meet the needs of the customer, not the bureaucracy; concentrate on earning, not just spending; invest in prevention rather than cure; decentralize authority; and, solve problems by leveraging the market-place, rather than simply creating public programs. (p. xix)

As noted by Tindal and Tindal (2000: 285), whatever the merits of these respective arguments, the fact is that the new public management has brought significant change

¹⁹Summarized from Borins, 1995.

in a number of parliamentary democracies, especially in countries such as Britain, Australia, and New Zealand.

Third, the underlying ideology of the market model can be summarized by the neo-conservative market-oriented politico-economic agenda adopted by the Conservative government of Ontario. At the heart of this concept is the belief that government intervention usually does not work and that markets usually do. The extension of this belief can be summarized by the following principles: less government spending, fewer politicians, lower taxes, leaner infrastructure, removing barriers to growth, in short, less government. The neo-conservative agenda is to privatize, deregulate, restructure and "do better with less"²⁰.

In her recent critique of this agenda, author Brooke Jeffrey (1999) states:

The neo-conservative agenda promotes a negative option, not a positive one. Its goal is dismantling the state and removing it as much as possible from the marketplace. Not surprisingly, then, the «Common Sense Revolution» proposed to reduce the deficit and lower taxes solely by cutting back dramatically on the expenditures - the programs, services and activities - of the provincial government. (p.198)

However, not everybody shares this view of government dominated by the market place. Many see a larger role for the public sector. Also, many attribute shortcomings to the market model and signal potentially negative implications for citizens and communities. For example, Jon Pierre (1995) studied the increasing

²⁰Progressive Conservative Party of Ontario. 1994. *The Common Sense Revolution*.

emphasis on the definition of the public as “consumers” of government services. He examined the impact of the differences among characterizations such as “citizens”, “clients”, and “consumers” on political culture. In particular, he found that the definition of the public as consumers may undermine important political and constitutional values associated with citizenship. (Pierre, 1995)

Also, Self (1993) shows the inability of public choice theory to offer any acceptable view of the public interest and argues the need to return to a more positive concept of active citizenship based upon a wider range of social values.

Furthermore, in a critic levelled at new public management, it is claimed that “private sector management practices are not easily transferred to government. If public management is lethargic, cautious, expensive, unresponsive, or any of the other criticisms levelled against it, these shortcomings have more to do with parliament and politicians than with public servants.” (Tindal and Tindal, 2000: 285)

2.2.2 The Participatory State

According to Peters (1993), the participatory state model is almost the antithesis of the market approach in terms of the political ideologies of most of its advocates. It is generally associated with the political Left, and has been discussed under a number of different titles (e.g., empowerment state). In fact, the participatory state model refers to participation from both without (citizens) and within (workers) the state.

The fundamental assumption in this approach is that there is a great deal of energy and talent being under-utilized at the lower echelons of hierarchies, and that the workers and clients closest to the actual production of goods and services in the public sector have the greatest amount of information about the programs. It is assumed that if those ideas and talents are harnessed, government will work better. The general prescription, therefore, is for greater participation and involvement on the part of those groups within government who are commonly excluded from decision making. Somewhat predictably, the advocates of this approach tend to come more from the political left, although some from the right - those interested in empowerment and self-management by clients - also advocate versions of this approach. (Peters, 1993: 13)

Though this citation refers primarily to participation from within the state, the model also calls for involvement from the citizens.

The participatory state's intellectual roots can be traced back to a body of literature that argues that a process of involvement and participation is the best way to motivate individuals. A second body of literature which argues that the lower echelons of public organizations are central to the effective functioning of those organizations, and as a simple reality, the role of "street level bureaucrats" needs to be recognized. Also, there are various other contributions in the literature on "discursive democracy" and other similar concepts that argue for enhanced participation by citizens in the decisions that directly affect their lives.²¹ Finally, as mentioned previously, the participatory state has been discussed using a number of different labels, such as empowerment state, citizen engagement, or just simply, public participation.

²¹Summarized from Peters, 1993.

Kernaghan (1992) defines the empowerment central to this view of governance in the following terms:

At its broadest level, it can be viewed as a growing phenomenon involving demands by people all over the world to be recognized, consulted, and valued. It is also used more narrowly to describe a wide range of efforts to enhance the power and the efficacy of individuals, groups, and organizations in society. (p.194)

In his 1992 article titled "Empowerment and public administration: revolutionary advance or passing fancy", Kernaghan describes the external and internal dimensions of empowerment in the spheres of organization and management. "The external dimension", explains Kernaghan, "involves an organization's efforts to empower its clients or customers by involving them in its decision-making process". (p. 195) In the public sector, this involvement can be pursued through such means as partnership arrangements and various forms of community and client involvement. As noted by Kernaghan (1992), "This external aspect of empowerment is similar to higher-level forms of citizen participation, in which citizens exercise real power rather than being manipulated or being involved in merely token participation". (p. 195)

The internal dimension of the concept of empowerment is described as a synthesis of several theories and practices in organizational behaviour and human resource management. "It has been influenced by theories and techniques in such areas as participative management, quality circles, job enrichment, training, organizational design, and leadership, and it is closely related to the organizational development (OD) movement." (Kernaghan, 1992: 196)

In her latest book, *Reinventing Government or Reinventing Ourselves*, Hindy Lauer Schachter (1997) challenges the assumptions of the “reinventing-government” movement now in vogue. Her book unites a call for active citizenship with the current concern for improving public-agency performance. She argues that citizens should not be viewed as customers of government, as reinventing-government advocates assume, but rather as government’s owners. By analysing a turn-of-the-century model of urban reform that depicts this relationship between citizens and government, Schachter shows how reinvigorating an active public is essential to increasing agency efficiency and responsiveness. She offers two strategies for moving toward active citizenship: better citizenship education, including service learning, and public agencies’ provision of better-focussed information for their owners. By doing so, Schachter links two of the three dimensions of democratic participation previously discussed, citizens and employees.

In *Citizen Engagement: Lessons in Participation from Local Government*, Graham and Phillips (1998) argue that more information from the public should be obtained in order to produce better decisions and they argue that real power in decision making should be shared with citizens. In their book, they provide the following historical overview of the evolution of public participation in the sphere of municipal politics. First, according to their interpretation of its evolution, municipal government initiatives to involve citizens were paralleled by community activists’ efforts to involve the public in community development. According to the authors, “The thinking was that community-development initiatives that involve citizens in decision-making build

healthier communities and nourish democracy by enhancing civic education and by producing effective citizens who are less alienated from political institutions.” (Graham and Phillips, 1998: 6) This notion was first argued by John Stuart Mill. Second, Saul Alinsky in the 1930s through 1950s stressed and developed techniques for community empowerment.²² Third, during the late 1960s and early 1970s, the Canadian federal government promoted “social animation” activities by providing grants to local organizations and by supporting activists. Fourth, urban-reform movements of the 1970s were fuelled by the notion of neighbourhood control, as groups of citizens tried - with considerable success - to stop major urban-renewal projects. And finally, the notion of “social capital”, a term used by Jane Jacobs²³ in 1961 and made popular in the 1990s by the work of Robert Putnam²⁴, also argues for civic participation. It refers to trust relations but, for Putnam, one of the most powerful ways of developing social capital was through horizontal networks of volunteer community-based organizations. Putnam argues that “social capital builds social trust and mutual cooperation among citizens, bolsters performance of the polity, and contributes to more efficient government and a stronger economy”. (Graham and Phillips, 1998: 6)

Dave Broad and Wayne Anthony (eds.) (1999), in *Citizen or Consumers? Social*

²²See Saul Alinsky. 1971. *Rules for Radicals*. New York: Random House.

²³See Jane Jacobs. 1961. *The Death and Life of Great American Cities*. New York: Vintage Books.

²⁴See Robert Putnam. 1993. *Making Democracy Work: Civic Traditions in Modern Italy*. Princeton: Princeton University Press.

Policy in a Market Society, argue that social policy is about citizens choosing the kind of society they want to live in. They believe that the mid-20th century Keynesian welfare state can be seen as a citizenship package which included acceptance of intervention by the state to maintain economic growth and social stability. In their minds, this meant the inclusion of many previously excluded groups in the social policy process and the institutionalization of a collective responsibility for individual welfare. But they also argued that, with the ascendancy of neo-liberalism, the politics of citizenship are being replaced by a notion of citizens as consumers, whose medium of social interaction and source of economic and social security is the capitalist market.

They conclude that we must move beyond the early post-World War II conceptions of social welfare which subsumed citizenship within social rights. These rights must be expanded to incorporate areas such as gender issues and the status of immigrant and stateless populations, perhaps with a new conception of community.

2.3 DISCUSSION

It is apparent that the second model, the participatory state, in all its manifestations, is not as easily defined as its counterpart, the market model. This can first be explained by the fact that the participatory state model has various distinct intellectual roots all belonging to the larger spectrum of democratic ideals. Second, market approaches are based on economic principles. They have very clear

parameters and vocabulary. Economic principles have been developed into formal, practical models using specific definitional elements and vocabulary. However, participatory approaches have not yet been formalized and therefore their arguments are strongly anchored in philosophy and social theory. As a result, though it is possible to debate market approaches using very formal, operationalized language, participatory approaches cannot, at this point and time, be discussed with such precision.

Nevertheless, using Peters (1993) market and participatory models as a basis, we have attempted to define these two models using six key aspects of local governance: bureaucracy, political infrastructure, policy making, links to the community, the conception of the *public interest* and an overall conceptualization of what constitutes “good government”, and the perceived role of the citizen.

The first key aspect of local governance which has been identified is the bureaucracy which includes both the organizational structure and personnel management. This section basically attempts to answer two fundamental questions. First, how should the municipal structure be organized? The market model calls for the splitting up of large departments into smaller “agencies”, through assigning functions to lower levels of government, or through using private or quasi-private organizations to deliver public services. This approach is particularly applicable when the goods or services in question are marketable, and thus, can be easily contracted out or privatized. As for the participatory model, it appears to be more concerned with the process of bureaucracy than with its structure. However, this model does call for a

“flatter” organizational structure with fewer tiers between the top and bottom levels in order to ensure multiple entry points. Such a structure, it is believed, greatly facilitates and even enhances citizen participation.

Second, how should municipal employees be recruited, motivated and managed? Although, both models strive to recruit the best possible employees and retain them, they do differ in their managerial styles. The market model tends to adopt such measures as a merit principle pay scale, performance measurements, reward schemes and performance bonuses in order to motivate employees and ensure efficiency. On the other hand, the participatory model is primarily concerned with including the lower levels of the organization more directly in managerial decisions as a means of achieving the same performance and efficiency goals just outlined. Furthermore, the participatory model strives to include the clients of the organization (i.e., the citizens) more directly in managerial decisions.

The second key aspect of local governance is the political infrastructure. At issue is what should the primary role and responsibilities of municipal councillors be? The market model clearly calls for a reduced role for politicians, a reduced number of politicians and a reduced support for politicians; on the other hand, the participatory model advocates a stronger role for politicians. Also, this model envisages citizens playing important roles in collaboration with politicians via consultative bodies, neighbourhood councils and advisory committees.

The third key aspect of local governance, policy making, involves the role of the senior management team, other senior career public servants and lower echelon workers in the policy process. Both models advocate a decentralized decision making and implementation process, however, they differ in terms of who should be called upon to provide input and formulate policy. The market model expects multiple, “entrepreneurial” agencies within the organization or at arms-length of the organization to make autonomous decisions. Often, this approach relies on outside expert opinion to help it in its decision making process. The participatory model on the other hand, relies more heavily on input from the citizens, lower echelons workers and politicians. This can be described as a “bottom-up” approach to policy making.

The fourth key aspect of local governance is the local government's links to the community. More specifically, how should local government interact with the voluntary sector - including neighbourhood associations, issue-oriented groups and identity-based social movements, and local service clubs? The market model, by its very nature, tends to encourage links to the business community. Advocates of this model point to the economic benefits of initiating and fostering relations with business organizations. The participatory model, by its inherent nature, tends to encourage greater interaction with not only the business community, but also the voluntary sector. In fact, the participatory model emphasizes the societal benefits of nurturing such links.

The fifth key aspect of local governance is described as the conception of the *public interest* and an overall conceptualization of what constitutes “good government”.

Here, the ideological differences between these two models become quite apparent. Advocates of the market model believe that government should be judged on the basis of how cheaply it can deliver public services. Also, that citizens be allowed to make consumer choices is of prime importance. Rather than viewing the clients of the organization as consumers, advocates of the participatory model view them as citizens. This model assumes that the public interest can be best served by allowing citizens and employees the maximum possible involvement in decision making. Also, this vision attempts to involve societal interests in governance more explicitly.

Finally, we can conclude this comparative analysis by stating that the market model's conception of citizens as consumers/taxpayers greatly reduces the role of the citizen. Conversely, the participatory model's conception of citizens greatly enhances their role in the community.

These six aspects of local governance are summarized in Table C on the following page.

POLICY MAKING	<p>decentralization of policy and implementation of decisions</p> <p>decentralizing bureaucratic functions to multiple, "entrepreneurial" agencies that would be expected to make autonomous decisions</p> <p>greater influence of expert opinion</p>	<p>decentralized decision making</p> <p>input of citizens</p> <p>involvement of lower echelon workers ("bottom-up")</p> <p>greater influence of politician input</p>
LINKS TO THE COMMUNITY	<p>business community</p> <p>no links to voluntary sector</p>	<p>encourages "dialogical" process between citizens and policy makers</p>
THE CONCEPTION OF THE PUBLIC INTEREST AND AN OVERALL CONCEPTUALIZATION OF WHAT CONSTITUTES "GOOD GOVERNMENT"	<p>government should be judged on the basis of how cheaply it can deliver public services</p> <p>citizens allowed to make consumer choices</p> <p>focus on consumers</p>	<p>assumes that the public interest can be best served by allowing citizens and employees the maximum possible involvement in decisions</p> <p>attempts to involve societal interests in governance more explicitly</p> <p>focus on citizens</p>
ROLE OF THE CITIZEN	<p>consumers / taxpayers</p> <p>reduces the role of the citizen</p>	<p>citizens</p> <p>enhances the role of the citizen</p>

We started our review with a reference to the two traditional roles of local government: access/democracy and service/efficiency. Our discussion leads us to the observation that the two opposing models outlined in the table above can be further understood in terms of the relative priority they attach to each of these two traditional roles. The market model focusses primarily on the service/efficiency aspect of local government whereas the participatory state is more preoccupied with the access/democracy aspect. We can therefore situate the municipal amalgamation exercise undertaken in the Ottawa-Carleton region within the “democracy-efficiency trade-off” which has been, and continues to be, as evidenced here, the key feature of municipal government in Canada.

In adopting an operational model based on business principles, the Board’s intent to focus primarily on issues relating to the efficient delivery of services was made clear. Our task, as outlined in the introduction, is to assess the extent to which the Board was successful in implementing its entrepreneurial vision of local government. In Chapters 1 and 2, we have provided an historical and theoretical overview of the contemporary debate surrounding this restructuring exercise. Our next step is to outline in the following chapter the procedure and method that will enable us to carry out our inquiry.

3. METHODOLOGY AND RESEARCH PLAN

3.1 METHODOLOGY

The initial research for this thesis was done in the context of a project that set out to organize the public documents of the Ottawa Transition Board. From its creation in January 2000, the Board recognized the importance of having a record of the processes and decisions involved in the historical restructuring exercise of amalgamating the 12 municipalities in the Ottawa-Carleton region. With this goal in mind, the Board initiated and established a documentation project in collaboration with the University of Ottawa. It was decided that the objective of the project would be threefold: to provide a record of the sequencing of decisions; to provide brief descriptions of the main elements considered in major decisions; and, to provide descriptions of the consultation and decision-making processes involved in these decisions. The result of this initiative is the document entitled *Public Record of the Ottawa Transition Board*.²⁵ This document was made public on March 1, 2001.

To understand and organize the public documents of the Board, a rigorous exercise of observation, documentation and compilation was undertaken. In order to capture the essence of the transition process, the following steps were taken: the

²⁵Marc Gervais. 2001. *Public Record of the Ottawa Transition Board*, Publication of the Ottawa Transition Board in collaboration with the University of Ottawa, Ottawa, Ontario.

Board's scheduled bi-weekly public meetings as well as the Board's Communications Team's weekly meetings were attended; the work of the key project teams was closely monitored; the minutes of all Board meetings as well as the project team reports were gathered, read and summarized; and, all articles from the local newspapers on Board business were compiled and organized.

The work undertaken to produce the aforementioned document served as the foundation for our reflection on the apparent discontinuity between what the Board set out to do and the end result of its efforts. Our analysis relies primarily on the interpretation of the public documents produced by the Board in the fulfilment of its mandate.

3.2 RESEARCH COMPONENTS

As already stated, the process of political change lies in the interplay of opposing forces. Our research will examine this interplay between two sets of political actors: those who wish to control the process (e.g., the Board, the provincial government, business interests, etc.) and those who wish to influence the process (community organizations, special interests groups, the media, politicians, etc.). However, although our research studies the interplay of two series of political actors, it will focus exclusively on the actions and decisions of the Board. The transition exercise will therefore be

assessed in the context of a clash of opposing visions of municipal governance. To accomplish this, two models have been chosen to serve as the theoretical framework of our research: the market model and the participatory model.

Our research is therefore organized into four components. Their purpose is to determine the extent to which the decisions and recommendations made by the Board in the creation of the new City of Ottawa reflect the vision of the entrepreneurial role of municipal government (market model) that was defined at the outset of the transition process by the provincial government and the Board.

3.2.1 Component 1: Define the market model criteria

Using Peters' (1993) assumptions as a basis, an attempt has been made to define the market model by outlining its content in light of six important aspects of local governance. This was accomplished in the previous chapter (Chapter 2).

3.2.2 Component 2: Define the participatory model criteria

Also in the previous chapter (Chapter 2), this model was defined according to the same six aspects of local governance.

3.2.3 Component 3: Compare Board decisions to definitional elements

The Board set up over 80 project teams to address all of the transition issues. Each transition project was given the task of studying a particular issue and providing the Board with recommendations. From these recommendations, the Board made its final determinations regarding the amalgamation and restructuring of the current 12 municipal bodies into the new City of Ottawa. Amongst these, the key transition projects were: administrative structure, service restructuring, point of service (service delivery strategy), structure and staffing, political infrastructure, language services policy, rural issues, voluntary sector and youth.

The final Board determinations within each of these projects will be mapped onto the elements of Table C in an attempt to quantitatively determine their compatibility with the market model. Those Board determinations that reveal aspects which are contradictory to the market model will be analysed in an attempt to determine the extent to which they can be accounted for by the involvement or interplay of factors generally associated with the participatory model of governance. When the recommendation maps equally onto both models, a qualitative analysis of the decision making process will be applied in an attempt to elucidate the Board's intent.

These projects were chosen for the following reasons: 1- they attracted and generated a lot of public interest during the course of the transition process; 2- they were given prominent coverage by the various media outlets; 3- they illustrate the

decision-making process that led to the Board's final recommendations; and, 4- the approaches and recommendations made by these project teams reflect the variety of models possible, ranging from the market model at one end of the spectrum to the participatory model at the other.

This section of the research draws from the following primary sources: Ottawa Transition Board project team reports, Ottawa Transition Board publications, and Minutes of Ottawa Transition Board meetings.

3.2.4 Component 4: Review of hypothesis

A final discussion will attempt to explain the observed variations in the outcomes of the desired goals set by the Board and the province in terms of factors related to time, mandate (particularly scope and ideology) and intervening democratic processes. The inevitable intervention of democratic principles will be revealed as having played a determining role in the overall process via public opinion, media scrutiny, opposing lobbying efforts from concerned citizens and community organizations, and diverging views from both within and without the municipal organizations involved.

3.3 RESEARCH LIMITATIONS

This research will allow us to situate the changes brought to local governance in Ottawa as proposed or implemented by the Board within their theoretical methodological framework, thereby providing a future basis for analysis, commentary, and criticism.

However, the following research limitations have been identified: first, our research will not be an impact study of the decisions and recommendations made by the Board; second, the sources for our research will be restricted to public documents only; third, although our research studies the interplay of two series of political actors, it will focus exclusively on the actions and decisions of the Board; and, fourth, all decisions and recommendations made by the Board to the newly elected Council can be revisited by Council at anytime in the future, and therefore, are subject to change.

4. MAPPING OF FINAL BOARD DETERMINATIONS

The purpose of this chapter is twofold. First, to identify amongst the major Board decisions and recommendations which ones are compatible with the market model principles discussed in Chapter 2, and which ones are not. This will be accomplished by mapping the Board's final determinations onto the definitional elements of the two models of governance, the market model and the participatory model, as summarized in Table C. Second, to highlight the Board's activities and pronouncements (i.e., objectives, approaches and rationalizations) in an attempt to elucidate the Board's intent and underlying vision as they relate to its expressed goal of making the municipal government more business-like.

For reasons previously stated, our discussion focusses on the recommendations resulting from the work of certain project teams considered key to the transition process. Also, for the sake of clarity and convenience, these project teams have been regrouped under three main headings: **Administrative Structure** (includes the work of the Service Restructuring Teams, the Point of Service Project Team and the Structure and Staffing Project Team), **Political Infrastructure**, and **Governance Issues** (i.e., Language Services Policy, Rural Issues, Voluntary Sector, Youth, etc).

4.1 ADMINISTRATIVE STRUCTURE

The details of the departmental organizational structures came about as a result of the combined efforts of several projects, most notably: Service Restructuring, Point of Service, and Structure and Staffing. Therefore, the recommendations made by the Board with regards to the overall organizational structure as well as issues relating to personnel management have been regrouped and will be dealt with together.

The recommendations highlighted in this section refer to the first and third aspects of local governance as shown in Table C: the bureaucracy and policy making.

As stated previously in Chapter 2, the bureaucracy includes both the organizational structure and personnel management. With regards to the organizational structure, the market model calls for the splitting up of large departments into smaller “agencies”, through assigning functions to lower levels of government, or through using private or quasi-private organizations to deliver public services. As for the participatory model, it appears to be more concerned with the process of bureaucracy than with its structure. However, this model does call for a “flatter” organizational structure with fewer tiers between the top and bottom levels in order to ensure multiple entry points. As for the issue of personnel management, the market model tends to adopt such measures as a merit principle pay scale, performance measurements, reward schemes and performance bonuses in order to motivate employees and ensure efficiency. On the other hand, the participatory model is

primarily concerned with including the lower levels of the organization more directly in managerial decisions as a means of achieving the same performance and efficiency goals just outlined. Furthermore, the participatory model strives to include the clients of the organization (i.e., the citizens) more directly in managerial decisions.

With regards to policy making, as previously stated in Chapter 2, both models advocate a decentralized decision making and implementation process. On the one hand, the market model expects multiple, “entrepreneurial” agencies within the organization or at arms-length of the organization to make autonomous decisions. Often, this approach relies on outside expert opinion to help it in its decision making process. On the other hand, the participatory model relies more heavily on input from the citizens, lower echelons workers and politicians.

Although the work done by the Service restructuring, Point of Service, and Structure and Staffing project teams was closely related, they did have somewhat different objectives. For example, the main objective of the Service Restructuring Teams (SRTs) was to restructure and not simply amalgamate. They were mandated to design and implement a new service model that: reflects best practices; resonates with the vision adopted by the Board for the new City of Ottawa: “*To be the municipal centre of excellence, meeting citizens’ expectations for value for money, and accessible, convenient quality services.*”²⁶; is citizen focussed; addresses cross-service issues such

²⁶Ottawa Transition Board. 2000. *Project Charter for Service Restructuring Teams*. Ottawa.

as service standards, accountability framework, enterprise model, etc.; realizes savings in the order of approximately 75 million by 2003; and, reflects a leaner organizational structure.

For its part, the Point of Service Project Team's main objective was to provide an overall service delivery vision for the new City of Ottawa and the framework to bring it about. This project team was mandated to design and implement the overall strategy and the supporting framework to ensure a citizen-focussed, results-based, performance-driven service delivery organization for the new City. The Point of Service Project Team was also mandated to manage the design and implementation of cross-functional service delivery components in order to bring accessible services to the community through a one window concept. This includes the design and implementation of service centre(s) and electronic service delivery.

Finally, the objective of the Structure and Staffing Team was to create an organization structure which reflects the new City vision, to define and fill its key positions, and to undertake the staffing of positions so that the organization can become operational by January, 2001.²⁷

It is important to keep in mind that all integration and restructuring project teams

²⁷The Board only had a mandate to hire at the executive level and could not begin staffing for unionized positions with the exception of exempt positions such as administrative assistants and executive assistants.

shared the primary goals of collectively realizing savings in the order of approximately 75 million by 2003 and implementing a leaner organizational structure by reducing personnel.

With these two main goals in mind, the Board decided that the new City of Ottawa's administration would be comprised of six departments: Protective Emergency Services; People Services; Transportation, Utilities & Public Works (TUPW); Development Services, Corporate Services; and, Human Services.

The Protective and Emergency Services Department regroups 911, ambulance, fire and police, as well as emergency measures planning and by-law enforcement services. The People Services Department regroups services previously known as: Recreation, Culture, Arts and Heritage, Social Services, Public Health, Homes for the Aged, Long Term Care, Social Housing, Child Care and Library Services. TUPW includes all of the basic municipal services that residents have come to expect. TUPW ensures the roads are plowed, garbage is collected, streets and parks are maintained, water is available, and buses will run. The Development Services Department includes building services, development and infrastructure approvals, planning, environment and infrastructure policy, and business development. The Corporate Services Department includes Communications and Public Affairs, Financial, Fleet, Informatics, Legal, Point of Service, Real Property and Facilities Management, Records Management, Secretariat, and Strategic Planning and Audit. Finally, the Human Resources Department has four directors reporting to the General Manager of Human Resources.

The four “directorates” are: Labour Relations, Compensation, Payrolls and Benefits, Organizational Effectiveness, and Human Resources Services.

The overall organizational structure of the new City, as approved by the Board, is comprised of 4 levels of management which accounts for 138 managers: 1 City Manager, 6 General Managers, 31 Directors and 100 Managers. Upon making public the new organizational structure as it related to the first three levels of management, the Board announced that it had approved a leaner management structure for the new City of Ottawa with about 75% fewer management positions than in the current combined 12 Ottawa-Carleton municipalities. “This lean new management structure will lead to a more efficient municipal administration and provide for millions of dollars in salary savings and overhead costs,” said Transition Board Chair Claude Bennett. “The new structure is designed to encourage flexible and innovative management practices that will help make the new City of Ottawa the most dynamic and competitive organization it can be.”²⁸

As highlighted by the Board in its final report, there are two cornerstones to the administrative model introduced through the transition process - Points of Service Strategy and Centres of Expertise. The first initiative provides the public with the means of accessing municipal services; and the second helps to re-organize the municipality to deliver those services. From the Board’s perspective, these two

²⁸Ottawa Transition Board. 2000. *Press Release - August 14*. Ottawa.

initiatives are seen as fundamental to achieving the cost savings targets of the new City.

4.1.1 Recommendations compatible with the market model:

Amongst the recommendations adopted by the Board with regards to the new administrative structure, the following reflect market model priorities:

- “Council review the current range and levels of municipal services and consider **lowering or eliminating** certain municipal services that are not core to the need of a healthy City, (e.g. operations of a golf course or equestrian park).”²⁹
- “Given that centres of expertise will strive to find the best methods of delivering services, the Board urges Council to express the political will to explore the most efficient and effective way of doing the business of government, including exploring **alternative service delivery (ASD)** solutions.”³⁰

According to Board documents, ASD is a general term that describes a number of resourceful options in service delivery. These options include improved delivery by a department, special operating agencies, privatization, tri-sector partnerships (i.e., public-private-volunteer), public partnerships within the community, inter-governmental partnerships, volunteerism, and use of technological advances, such as the internet or kiosks.

²⁹Ottawa Transition Board. 2001. *The New City of Ottawa: Fulfilling Its Potential*. Final Report and Recommendations. Ottawa. p.15.

³⁰*Ibid.*

Due to the terms of reference of its mandate, time constraints, and overriding labour issues, the Board could not alter service levels or even eliminate certain services such as operating municipal daycare or homes for the aged; revisit past service policies and make any decisions regarding the harmonization of services throughout the City; or, fully explore alternative service delivery (ASD) options, as it would have liked to. However, in its final report, the Board did offer some starting points with regards to ASD such as community centre programming, fleet management, property management and maintenance, landfill management and operations, call centre management, 911, ambulance, printing, homes for the aged, joint metre reading for water, natural gas and hydro.³¹

These first two recommendations are compatible with the market model principle of eliminating or lowering certain municipal services or contracting them out to private or quasi-private organizations. Furthermore, to infer that leisure activities, such as golf, and recreational services, such as community centre programming, are non essential to a healthy city is indicative of a philosophical standpoint compatible with the entrepreneurial vision. In the end, the result is the same: a transfer of responsibility from the public domain to the private sector.

Another recommendation adopted by the Board with regards to the new administrative structure reflecting market model priorities is:

³¹*Ibid.*

- “The City should proceed as quickly as possible with the staffing process, maintaining an open and transparent hiring process and keeping as an objective the target of **1,100 fewer positions** over three years (including hydro).”³²

This recommendation is compatible the market model principle that calls for a leaner bureaucratic infrastructure.

As previously stated in Chapter 1 with regards to personnel management issues, the Board announced in April 2000, that the new City organization would embrace an enterprise culture. On April 10, 2000, in a press release titled “*The New City of Ottawa’s Organizational Framework*”, the Board announced it would direct the new City Manager and senior management team to apply an accountability model in the delivery of services to the public. The press release goes on to state:

Depending on the activity, there are three vehicles to provide the necessary accountability throughout the municipal structure: performance agreements, measured outcomes, and a business template: Performance Agreements: a process of performance reviews that will ensure everyone is aware of what is expected of them and how they contribute to the goals of the organization (i.e. to be applied with corporate services, people services); Measured Outcomes: the setting of competitive benchmarks to manage outcomes and service to the public, and, ultimately, to achieve best practices within the organization (road maintenance, printing, etc.); Business Template: activities that are measured with bottom-line results and are managed to deliver high-quality service at the lowest possible cost (hydro, outsourced activities)”³³

³²*Ibid.* p.22.

³³Ottawa Transition Board. 2000. *Press Communiqué - April 10*. Ottawa.

This accountability model in the delivery of services to the public as articulated and promoted by the Board is also compatible with market model priorities as they relate to personnel management.

Finally, the Board's Terms of Reference (see Appendix B) did not allow it to directly address policy. However, the hierarchical top-down structure which was implemented by the Board does allow us to speculate on the potential effect of such a structure on policy making. It would appear that such a structure would lend itself well to the implementation of a highly centralized policy and decision making process. Such a model is incompatible with both the market and participatory models. However, the adoption of an entrepreneurial model as the guiding principle of the new City's day-to-day operations and administration would imply the implementation of market oriented principles compatible with those highlighted in Table C (i.e., decentralization of policy and implementation of decisions; decentralizing bureaucratic functions to multiple, "entrepreneurial" agencies that would be expected to make autonomous decisions; and, greater influence of expert opinion). In other words, though the Board did not establish policy directly, it implanted a framework that would, if implemented as recommended, influence the nature and direction of the future City's policy making.

We therefore conclude that nothing in the Board's output regarding the new administrative structure can be interpreted as a reflection of participatory model principles. The Board did not put into place an organizational structure that facilitates citizen participation or any mechanisms that would include citizens in decisions that

directly affect their lives. Furthermore, there was no mention of any mechanisms that would include lower levels of the organization more directly in managerial decisions.

4.2 POLITICAL INFRASTRUCTURE

This section examines the decisions and recommendations made by the Board as well as its stated objectives with regards to the new proposed governance infrastructure for the new City of Ottawa. This new political infrastructure is referred to in the second aspect of local governance as shown in Table C. As stated previously, the market model clearly calls for a reduced role for politicians, a reduced number of politicians and a reduced support for politicians; on the other hand, the participatory model advocates a stronger role for politicians. Also, this model envisages citizens playing important roles in collaboration with politicians via consultative bodies, neighbourhood councils and advisory committees.

The Political Infrastructure Project Team was appointed by the Board to examine and make recommendations in the following areas: roles and responsibility of elected officials; roles and responsibility and competency profiles of political staff; compensation levels of elected officials and their staff; other costs (operating budgets) and requirements (facilities, equipment, etc.); structure of committees; interface mechanisms with municipal staff and support requirements; and, operating guidelines.

On June 12, 2000, the Ottawa Transition Board approved the following recommendations:³⁴

SALARY

- That the preference of the Ottawa Transition Board is that the salaries of the mayor and councillors be fully taxable.
- That the mayor be paid \$104,000 with 1/3 tax exempt in accordance with existing legislation. The Ottawa Transition Board prefers the mayor be paid \$140,000 annual taxable gross income.
- That the councillors be paid \$56,000 with 1/3 tax exempt in accordance with existing legislation. The Ottawa Transition Board prefers the councillors be paid \$70,000 annual taxable gross income.
- That the mayor and councillors not receive severance pay.
- That the mayor and councillors receive no other stipends for chair or memberships on committees, boards, or agencies.
- That the mayor's staff and councillors' staff be hired for a term not exceeding the term of council and that they not be entitled to receive severance pay in accordance with the Employment Standards Act.

BENEFITS

- That the elected officials be able to access the medical / vision / dental / life insurance available to city management.
- That the mayor's staff and councillors' staff be able to access the medical / vision / dental / life insurance available to city staff.

OFFICE LOCATION

- That the mayor's office be at City Hall.
- That the councillors' main office (and that of their staff) be in a municipal building, other than City Hall, in their ward. Shared workstations for councillors will be made available in a common work area at City Hall.

PERSONNEL BUDGET

- That a car and driver be provided by the city for the mayor's use.
- That the mayor be provided with a staff budget of \$250,000 annually. Other staff required to support the mayor's office (e.g. reception, filing, other administrative staff) be city employees.

³⁴Ottawa Transition Board. 2000. *Board Decisions - June 12*. Ottawa.

- That each councillor be provided with a staff budget of \$100,000 annually.
- That support for the common office work area at City Hall (e.g. reception) be city employees.

On August 28, 2000, the Ottawa Transition Board approved the following recommendations:³⁵

ROLES

The Board views the fundamental role of elected representatives as being legislators. The mayor and councillors are the legislative arm of municipal government to develop policy and create the laws of the City.

OFFICE BUDGETS

The budget for the office of the mayor be \$250,000, and each councillor's office budget be \$25,000.

COMMITTEES

Standing Committees

- There will be four Standing Committees of Council: Operations Committee, Development and Planning Committee, Community Services Committee (including protective emergency services department), and Corporate Services Committee.

Ad Hoc Committees and Task Forces

- Council may, from time to time, establish such ad hoc committees and task forces as it finds necessary. Any ad hoc committee or task force shall have a specific mandate, set membership, a finite term and a defined reporting relationship to council through one of its standing committees.

Advisory Committees

- That Council should draw upon expertise of members of the public through advisory committees. Advisory committees should report to the standing committee through a council member (sponsor) and should be supported financially by the City. For example: Council may wish to establish advisory committees to review, research, comment, and advise with respect to rural issues or environmental issues, or concerns expressed by youth.

³⁵Ottawa Transition Board. 2000. *Board Decisions - August 28*. Ottawa.

4.2.1 Recommendations compatible with the market model:

The market model calls for a reduced number of elected representatives. Provincial legislation reduced the number of municipal politicians in the Ottawa-Carleton region from 84 to 22 (21 councillors and 1 mayor).

In early March 2000, Mr. Claude Bennett, Chairman of the Board, publicly stated that the Board was considering making council positions part-time jobs. This suggestion is compatible with the market model principle of reducing the role of elected representatives. However, it was not retained by the Political Infrastructure Project Team nor did it appear in the Board's final recommendations.

The Board did announce that it viewed the fundamental role of elected representatives as legislative in nature and that the mayor and councillors are the legislative arm of municipal government responsible for developing policy and creating laws. This decision appears quite inoffensive in itself save for when it is understood in the context of a prior decision made by the Board with regards to the location of councillors' offices.

On June 12, 2000, the Board approved a recommendation stipulating that the mayor's office be at City Hall and that the councillors' main office (and that of their staff) be in a municipal building, other than City Hall, in their ward. It was also decided that shared workstations for councillors would be made available in a common work area at

City Hall. According to the Board, the councillors' main office (and that of their staff) should be located in their ward in order to ensure their accessibility and their accountability to constituents. The Board further stated that this recommendation is in accordance with the citizen-based enterprise culture and service delivery model adopted by the Board for the new City. It would, however, appear that this recommendation was an attempt by the Board to ensure that the day-to-day operations of the City's affairs be in the hands of non-elected officials and at arms length from the elected representatives. As encouraged by market model principles, it was an attempt to shift the concentration of power away from elected officials thereby reducing their role and influence on city governance.

The Board also attempted to save money as well as reduce the role and support of politicians by reducing the mayor's and councillors' office and personnel budgets, by reducing the number of standing committees to four, and by eliminating the usual compensatory benefits (i.e., stipend) allotted to councillors for serving as chair or as a member of a committee, Board, or agency.

4.2.2 Recommendations non-compatible with the market model:

Amongst the recommendations adopted by the Board with regards to the new proposed political infrastructure, three recommendations clearly do not reflect market model priorities, but rather participatory model priorities: 1- the allotment of staff support for Council; 2- the existence of advisory committees; and, 3- the allotment of staff

support for committees.

These recommendations are very much in line with the participatory model principles of providing elected representations with the proper resources and support in the fulfilment of their duties as well as involving citizens in the decision making process.

However, it is apparent that the vast majority of recommendations made by the Board to the new council with regards to the political infrastructure reflect the entrepreneurial role of municipal government promoted by the province and the Board. On a whole, these recommendations are compatible with market model principles which advocate a reduced number of politicians, a reduced role for politicians, and a reduced support for politicians.

4.3 GOVERNANCE ISSUES

This grouping of Board considerations incorporates a number of concerns which, at the outset, appear less clearly compatible with the Board's expressed ideological positions. Once the Board settled on an expanded mandate of city building rather than a simple amalgamation, it was met with demands which fell outside the immediate purview of a market or entrepreneurial vision of governance. These demands (environmental, youth and other interest groups) imposed themselves as relevant and integral parts of governance responsibilities requiring policy recommendations and statements not clearly concerned with structural or purely administrative considerations.

In fact, the Shortliffe Report did not make reference to these issues, nor did it recommend that the Board address them.

The recommendations made by the Board in response to the work of these project teams speak primarily to the fourth aspect of local governance, links to the community. To a lesser degree, they also relate to the fifth and sixth aspects of local governance as shown in Table C and discussed in Chapter 2: the conception of the *public interest* and an overall conceptualization of what constitutes “good government”; and, the role of the citizen in the new City.

First, as summarized in Table C, the market model, by its very nature, tends to encourage links to the business community, whereas the participatory model, by its inherent nature, tends to encourage greater interaction with not only the business community, but also labour, women, racial and ethnic minorities, as well as the voluntary sector. In fact, the participatory model emphasizes the societal benefits of nurturing such links.

Second, advocates of the market model believe that government should be judged on the basis of how cheaply it can deliver public services. Also, that citizens be allowed to make consumer choices is of prime importance. Rather than viewing the clients of the organization as consumers, advocates of the participatory model view them as citizens. This model assumes that the public interest can be best served by

allowing citizens and employees the maximum possible involvement in decision making. Also, this vision attempts to involve societal interests in governance more explicitly.

Finally, the market model's conception of citizens as consumers/taxpayers greatly reduces the role of the citizen. Conversely, the participatory model's conception of citizens greatly enhances their role in the community.

Given that the governance issues discussed here are of a more social character, they would not normally be labelled as essential in a pure market model analysis of a healthy new city. It could be argued however that they represented a certain challenge to the Board and, in the end, may have imposed a shift away from purely bottom line considerations.

It is clear, however, that in some cases the Board did attempt to resist a broadening of social perspectives within its deliberations. The first example of this is the timing and sequencing of the establishment of the project teams dealing with these issues. As previously stated, the Board initially unveiled approximately 50 transition projects in April 2000 (i.e., service restructuring, integration and stand-alone projects).³⁶ Amongst these was the creation of two distinct project teams to deal with rural issues and voluntarism. However, a project team to deal with environmental issues was not created until June 2000. As for youth issues, the Youth Transition Committee (YTC)

³⁶See Table B.

was not established until July 24, 2000. This date marks the midway point of the Board's mandate. Finally, in September 2000, in the latter stages of its mandate, the Board created project teams to address diversity and community access issues.

As the Board itself oversold the importance and significance of the transition exercise, it was faced with demands by various interests groups who did not wish to be left out, as illustrated by these examples. At first, it would appear the creation of project teams dealing specifically with these issues (i.e., environment, youth and other interest groups) was a mere afterthought or a gesture of appeasement. If the Board sincerely believed in the importance and necessity of giving youth and other interest groups a voice in the creation of the new City, why were these initiatives not undertaken earlier? In the end, however, the Board pointed to these projects as examples of the openness and inclusiveness of the process it put into place in the creation of the new City.

A second example that shows that the Board did attempt to resist a broadening of social perspectives within its deliberations is revealed by the language services policy recommendations which reflect a more conservative view of services which is intended to prioritize pragmatic service considerations over the more politically contentious principle of bilingualism.

A third example is the prioritization of voluntary sector involvement in public service delivery as a means of obtaining low cost labour. This position has often been

identified as an example of the promotion of a corporate agenda.

However, overall, the nature of many of these issues did not lend themselves well to the entrepreneurial views promoted by the Board. As a result, these issues introduced into the Board's recommendations a broader perspective reflecting principles more compatible with a participatory model.

For example, in the voluntary sector recommendations there is a clear restriction against the use of volunteers as replacements for paid employees or for public participants of advisory roles. Furthermore, the recommendations support public financing for the voluntary sector.

A further example of the adoption of considerations contrary to a purely market model vision is the important number of recommendations regarding the establishment, implementation, and financing of equity, diversity and access programs and services equal to those of other city priorities.

The adoption of an environment charter and a report on quality of life indicators reflect, on the one hand, concerns that are not traditionally associated with market initiatives, and, on the other hand, potential costs that are not compatible with the Board's expressed budget priorities.

Perhaps the most striking indicator of the influence of non-market considerations

is the number and scope of initiatives recommended by the Board to ensure youth participation in the new City. For this reason, the recommendations made by the YTC to the Board, and subsequently adopted by the Board, deserve a more in depth analysis.

The YTC was comprised of approximately 25 youth who drew their membership from area high schools and universities as well as from several youth agencies. The YTC worked closely with a 15-member Partners Committee made up of prominent individuals, such as Max Keeping of CJOH-TV and Judy Bullis of the Ottawa Sun, to name but two, representing business, educational and not-for-profit communities. The goals of the YTC were:

To educate, inform, mobilize and involve young people from the Ottawa-Carleton Region in the new municipal government; to gauge the level of knowledge of the younger generation on municipal issues and appreciate the current and future needs of this important segment of the population; to make the new city better known to all citizens through the dynamism and involvement of a younger generation of citizens; to foster a sense of belonging, ownership and pride in the new city among young people; to establish permanent links between young people and the leadership of the new city; and to give young people in the new city a sense of hope and optimism about the future in Ottawa.³⁷

In its quest to achieve these goals, the YTC presented a series of workshops on municipal government to a select number of high schools across the region and conceived and distributed a booklet on municipal government entitled "*Ottawa 101*" to

³⁷Ottawa Transition Board. 2000. Final Report of the Youth Transition Committee. "*Youth: A Place at the Table*". Ottawa.

area high school students.

Furthermore, the YTC presented the Board with a set of recommendations aimed at creating a framework for significant youth involvement and input in the new City of Ottawa. A report entitled "*Youth: A Place at the Table*" containing the YTC's recommendations was tabled and accepted by the Board on December 5, 2000.

On December 19, 2000, the Board passed a motion recommending that the Council of the new City of Ottawa consider giving youth a formal voice in the new City of Ottawa using the YTC's report as a guide as well as consider this motion as a priority item in early 2001.³⁸

The YTC's report "*Youth: A Place at the Table*" contains four main recommendations: 1- that the new City of Ottawa have an Ottawa Youth Cabinet; 2- that Council elect two of its members to be Youth Advocates; 3- that Council establish the Youth Initiatives Program; and, 4- that an annual year-end report card on the status of youth be published.³⁹

With regards to the first recommendation, the report outlines that the Ottawa Youth Cabinet's principal tasks be:

³⁸Ottawa Transition Board. 2000. *Board Decisions - December 19*. Ottawa.

³⁹The following information was taken from the Youth Transition Committee's final report entitled: "*Youth: A Place at the Table*". December 4, 2000.

To advise, review for comment and make recommendations on any matter that affects the youth of the city; to identify and remove barriers that hinder youth from making full use of city services; to hold a yearly event to showcase youth and youth participation (beginning 2002); to hold an annual Youth Roundtable in partnership with the Mayor's Office (beginning 2002); to have an on-going, year-to-year initiative that informs and educates youth about the political process and civics in general; to ensure the voting process is "youth friendly". (p. 22-23)

The report goes on to provide the following direction with regards to the recommendation calling for two councillors be elected as Youth Advocates to the Ottawa Youth Cabinet. First, "when Council is electing the Youth Advocates, they should take into account experience working with youth and dedication to youth and youth-oriented issues". Second, "that the Youth Advocates act as a link between the Ottawa Youth Cabinet and City Council". Third, "that the Youth Advocates and Ottawa Youth Cabinet work in partnership to advise and/or address issues with senior staff". Finally, "the Youth Advocates are expected to attend all meetings of the Ottawa Youth Cabinet and to participate as full voting members of the Committee". (p. 23-24)

The most ambitious recommendation made by the YTC in terms of resources is the established of the Youth Initiatives Program (YIP). YIP's goals are:

To provide the financial resources to encourage the grassroots development of youth initiatives; to incorporate into the new city's alternative service-delivery and enterprise culture ideals by allowing outside not-for-profit organizations and individuals to deliver programs and carry out youth-specific projects with minimum financial assistance from the city; to foster a sense of civic pride amongst young people, by giving them both the organizational and financial tools to initiate a positive change in their communities. (p. 14)

The report makes the following YIP proposals:

- That the Ottawa Transition Board authorize the expenditure of \$75,000 for the initial start-up of the Youth Initiatives Program.
- That the \$75,000 be put into an account to be administered by the Corporate Services Department, with the caveat that it may not be spent until July 31, 2001.
- During the initial months of 2001, the Ottawa Youth Cabinet must define a terms of reference for the project and organize how to communicate and promote the program to the community. Additionally the structure of the YIP subcommittee of the Ottawa Youth Cabinet must also be developed.
- Post July 31, 2000, the Ottawa Youth Cabinet may spend up to \$50,000 of the fund. Subsequent to this, they must raise one-half dollar for every "city dollar" spent in order to encourage community-ownership of the program.
- In the following years, the City of Ottawa will contribute \$25,000 on an annual basis to the financial well-being of this program, again with the condition that one-half dollar of corporate sponsorship must be identified for every dollar spent. (p. 15)

The report also provides the following examples of "YIP-sponsored" projects: a community-oriented youth employment centre, youth entrepreneurship initiatives, the creation of youth sports/leadership programs at community facilities, a young person's leadership conference, and creative initiatives such as a drama production, an art exhibition, and a celebration of diversity event. (p. 16)

Finally, the YTC's report recommends that an annual year-end report card on the status of youth be published to measure the success of various youth-focussed initiatives taken on both by the Ottawa Youth Cabinet and the City of Ottawa, based on indicators set at the beginning of the year as well as indicators set to measure changes on an annual basis. (p. 24)

The estimated total financial implications (not including staff support) of the

recommendations made by the YTC to the Board for 2001 is \$93,000. For post 2001, the estimated total annual financial implications (not including staff support or youth event costs that are to be determined by the inaugural Ottawa Youth Cabinet) is \$43,300.

It is apparent that the recommendations contained in the YTC's final report "*Youth: A Place at the Table*" reflect principles and ideals which are wholly compatible and representative of a participatory model of governance. By recommending that the new Council consider giving youth a formal voice in the new City of Ottawa using the YTC's report as guide, the Board is encouraging a "dialogical" process between youth and policy makers, allowing youth the maximum possible involvement in decisions and giving them an active role to play in the overall governance of the new City. This recognition and focus on youth and youth concerns enhances the role and standing of young citizens within the new City. Such ideas are not compatible with market priorities which view citizens as consumers and taxpayers and strive to deliver services as economically as possible.

Furthermore, the YTC's recommendations appear to be incompatible with the administrative structure adopted by the Board, as it relates to policy making. As discussed earlier on in this chapter, the Board put into place an administrative structure which is top-down and relies heavily on expert council. This, coupled with the fact that the spirit and intent reflected in the YTC's final report is also found in the final reports of other project teams such as the Diversity and Community Access Project Team and the

Accessibility for the Disabled Project Team, which were also received by the Board and presented to the new Council for consideration, illustrates well the Board's ambiguity and difficulty in achieving its goal of implementing an entrepreneurial culture for the new City.

4.4 CLOSING REMARKS

Our analysis in this chapter has focussed on an attempt to outline the presence within the Board of a strong desire and intent to contain the restructuring and establishment of the new City of Ottawa within constraints reflecting market model priorities. By mapping the Board's final determinations onto the definitional elements of the two models of governance, the market model and the participatory model, as summarized in Table C, we identified amongst the major Board decisions and recommendations which ones are compatible with the market model principles discussed in Chapter 2, and which ones are not.

Our analysis has revealed that the Board was relatively successful at implementing administrative and political structures based on market priorities while having much less success when dealing with governance issues. With regards to these issues, a certain broadening of the Board's ideological perspective was noted. We also found that not all of the Board's pronouncements and intentions are reflected in its final decisions and recommendations (e.g., part-time councillors). The Board's lack of complete success in its endeavour to implement an entrepreneurial vision for the new

City of Ottawa will be the focus of our following chapter. In this final chapter, we will discuss this broadening of the Board's ideological perspective in the light of factors which may have influenced its deliberations.

5. REVIEW OF HYPOTHESIS

As stated in the introduction, although the provincial government and the Board's objectives and desired outcomes in the amalgamation process were clearly articulated at the outset, the path to their attainment was not as straightforward. As highlighted throughout the thesis, the Board's task was made more complicated by the interpretation of its mandate, which was ambitious in its scope on the one hand, and ideologically narrow on the other. These factors of scope and ideology as well as the serious time constraints imposed upon the Board (approximately one year) contributed to the creation of tensions with those who were advocating a broader ideological interpretation and a far less ambitious transition project. Furthermore, during the implementation of its mandate, the Board faced prevailing democratic constraints in the form of public opinion and media scrutiny, opposing lobbying efforts organized by concerned citizens and community organizations, as well as, diverging views expressed by elected representatives of the existing municipalities and by new council-elect hopefuls, whether officially declared as candidates, or not. As a result, all of these factors led to a variation in the Board's final determinations which reflect lesser than ideal manifestations of the entrepreneurial role of municipal government envisioned by the Board and the province for the new City. This chapter discusses the factors which influenced and eventually lead to variations in the initially projected expectations of the Board in this ambitious transition exercise.

First, the vision and scope of this restructuring exercise, as conceived by the Board, was so expansive that it required the creation and support of a very complex internal administrative structure. Also, as discussed in the previous chapter, it brought to the discussion table social issues and considerations which were not directly related to the restructuring of the local administration. Apparently caught up in its own rhetoric, the Board felt itself obliged to create project teams which, in the end, had very little to contribute to **this** particular stage of restructuring and were not necessarily compatible with their entrepreneurial vision of the role of municipal government (i.e., Governance Issues). However, once the Board settled on an expanded mandate of city building rather than simple amalgamation, it became difficult for the Board to refuse the demands of interest groups whose agendas fell outside the immediate purview of a market or entrepreneurial vision of governance. As discussed in Chapter 4, these demands (environmental, youth and other interest groups) imposed themselves as relevant and integral parts of governance responsibilities requiring policy recommendations and statements not clearly concerned with structural or purely administrative considerations.

In creating project teams to address social issues (e.g., diversity and community access, accessibility, volunteerism, and youth issues), the Board permitted and encouraged the free expression of a vision that was not compatible with its own. By definition, these teams did not share the objectives or the values promoted by an entrepreneurial vision. This undoubtedly made it more difficult to reach a consensus around the principles of the enterprise model. For the most part, the final

recommendations of these teams reflected a more expansive view of government based on community, and, therefore, did not lend themselves well to a restructuring plan based on market principles.

Within the narrow ideological perspective adopted by the Board, the aim was reducing government spending, the number of politicians, taxes, the infrastructures, personnel, in short, reducing the government's role in the public sphere.

It is clear that the application of such a profound revision of municipal governance will elicit reactions amongst the citizenry, especially amongst citizens who do not necessarily share the particular vision being advanced, but rather support a more expansive view of government based on community rather than entrepreneurial principles. Furthermore, the process of political change rarely occurs in the absence of an interplay of opposing forces. As such, the municipal amalgamation in the Ottawa-Carleton region was marked by a diversity of conflicting visions of municipal governance. Consequently, the Board was only partially successful in implementing its entrepreneurial vision.

As much as the time constraints did not allow for the application of such an ambitious restructuring project, the final result of the process was influenced by various groups and individuals who expressed their resistance. Many citizens, politicians, community groups, and members of the media did not share the entrepreneurial vision adopted by the Board and did not support its intention of completely restructuring local

government in the Ottawa-Carleton region. There are many examples that clearly illustrate this resistance. Here are but a few.

First, as previously stated in the introduction, we can trace the origins of this resistance back to the fact that the amalgamation was forced upon the citizens of Ottawa-Carleton by the provincial government. Moreover, the discontentment of this imposition was exacerbated by the fact that the seven Board members were appointed by the province and were not elected representatives. Even if many citizens supported the one-city model concept and a transition board to see its realization through to its end, the fact remains that these two assaults on democratic principles contributed to casting doubt on the legitimacy of the Board, the process, and, ultimately, on the Board's final decisions and recommendations. The expression of this doubt was most prevalent in the media via journalists, political commentators, editorialists, and letters-to-the-editor written by concerned citizens. Also, the watchdog group Boardwatch served as a vehicle of opposition to the Board's activities.

Throughout the entire process, this question of legitimacy proved to be a public relations challenge for the members of the Board. The Board was very sensitive to this criticism and went to great lengths to appear democratic, inclusive, open and transparent in their procedures and in their decision making processes. For example, when the Board unveiled its 10 Point Plan in early March 2000, it included the following two points: "The Board will ensure the citizens are informed and have ample opportunities to get involved, contribute perspectives and ideas, and participate in

shaping the new City of Ottawa” and “There will be an open and transparent process with Board operations and its work within the community. Communications on important transition issues will be regular and reliable”.⁴⁰ A year later, in its final report, the Board attempted to silence its critics by pointing out the following:

The Board implemented an extensive communications programs to ensure the public was well informed and able to participate in the transition process. By January 31st, 2001, the Board called over 30 public meetings and received both individual and group input from every sector and municipality. Public interest in the transition process was significant. Media releases and background information were regularly delivered via e-mail, fax and correspondence throughout the year to thousands of residents and community groups. Print materials were distributed to municipal offices, local libraries, and at every public meeting. At the height of the Board’s activity, its website had over 1,000,000 hits per month. Its outreach database had over 10,000 names of citizens, elected representatives and businesses.⁴¹

The clearest indication that the Board was influenced by this criticism is revealed by the change in discourse held by the Board from the beginning to the end of the process. In the beginning, the Board spoke clearly and directly of the application of an entrepreneurial model of governance for the new City. Mid-way through their mandate, the Board spoke more of alternative service delivery (ASD) options. In the Board’s final report, there is no mention of the entrepreneurial vision that had previously been espoused so vigorously. Rather, one finds references to the improvement of the

⁴⁰Ottawa Transition Board. 2000. *Press Release - March 3*. Ottawa.

⁴¹Ottawa Transition Board. 2001. *The New City of Ottawa: Fulfilling Its Potential*. Final Report and Recommendations. Ottawa. p.8.

quality and level of services offered to the clients. This example clearly demonstrates that the Board was forced to soften its entrepreneurial rhetoric in order to win over confidence and gain acceptance of a much broader segment of the population.

Furthermore, councillors of the "old" municipalities as well as the newly elected councillors of the new City of Ottawa, elected on November 13, 2000, played an important role in shaping public opinion with regards to the work of the Board. It is obvious, and not all that surprising, that the majority of councillors did not share the Board's enthusiasm for this expanded interpretation of its task, nor did they recognize its historical significance. In fact, in their public pronouncements, many councillors distanced themselves from the Board's work and declared they would simply allow themselves to ignore its contribution when necessary. For example, the newly elected Council started its very own budget process in January 2001 before receiving the Board's municipal budget for 2001 and budget forecasts for 2002 and 2003 as required by the Terms of Reference of its mandate. (see Appendix B)

A more revealing indication of the newly elected Council's opposition to the Board's enterprise culture was the swift and unequivocal reversal of certain Board recommendations pertaining to the new political infrastructure. For example, shortly after their election, many councillors began to move their belongings into offices at City Hall. The remainder of the councillors did so early in the new year even before their first public meeting. Second, judging that their office and personnel budgets were inadequate, the newly elected Council moved swiftly to increase them to what they

believed to be more reasonable levels. Finally, the newly elected Council passed a motion increasing the number of standing committees from 4 to 6. By implementing these changes, it appears that the newly elected Council of the new City of Ottawa has no intention of running the city like a business, as was promoted by the Board.

It is thus apparent that democratic factors intervened during and after the transition process in the creation of the new City of Ottawa.

At the outset, we set out to determine to what extent the decisions and recommendations made by the Ottawa Transition Board in the creation of the new City of Ottawa reflect the vision of the entrepreneurial role of municipal government held by the Board and obviously shared by the provincial government. We mapped the Board's final decisions and recommendations as well as its activities and pronouncements onto the definitional elements of two governance models, the market model and the participatory model. This analysis was done with regards to the recommendations resulting from the work of certain key project teams which were regrouped under three main headings: Administrative Structure, Political Infrastructure and Governance Issues. Let us then summarize our findings.

First, the Board was relatively successful at implementing an administrative structure based on market priorities. However, their restructuring efforts were impeded by many factors, such as the brevity of the mandate and the limitations of the terms of reference. In addition, media scrutiny and voices of opposition amongst the general

population also played against the Board. Many citizens voiced their concerns and misgivings about Mr. Bennett and the Board's entrepreneurial agenda. It would be safe to say that the vast majority of citizens in the Ottawa-Carleton region do not support the idea of privatizing municipal services, especially social services. As a result, the Board was forced to tone down its entrepreneurial rhetoric. In the end, it could not go as far as it would have liked in this area.

Second, the Board's success rate was also fairly high with regards to implementing a political infrastructure compatible with market priorities. But here again, media scrutiny and voices of opposition coming from many different quarters played a determining role in influencing public opinion. This opposition explains Mr. Bennett's stillborn suggestion of having part-time councillors as well as the unsuccessful recommendation of having councillors set up their offices in their wards as opposed to City Hall. Furthermore, the newly elected Council went a long way in watering down the entrepreneurial character of the new political infrastructure adopted by the Board by reversing many of its main recommendations.

Third, the Board's success in creating a municipal organization based on market principles is perhaps lowest with regards to the governance issues. Dealing with these issues at this time in the restructuring process was very much in line with the Board's interpretation of its mandate - one which was ambitious in its scope and vision. In some cases, dealing with these issues at this time was inevitable (e.g., language issue). However, in many instances it was a direct result of the Board's own doing. The Board

got caught up in its own rhetoric (e.g., youth, diversity and access). For the most part, these issues were not compatible with the enterprise model that was being promoted so vigorously by the Board.

Therefore, our initial hypothesis has been confirmed that factors related to time, mandate and democratic process lead to a variation in the Board's final determinations which reflect lesser than ideal manifestations of the entrepreneurial role of municipal government envisioned by the Board and the province for the new City.

The municipal amalgamation exercise undertaken in the Ottawa-Carleton region in the year 2000 illustrates an on-going debate in democratic societies today. This debate has to do with level of participation: How much is possible and desirable? How often should we participate and where? As argued by Ann Phillips (1991), democracy necessitates participation from people, including citizens, elected representatives, as well as stakeholders (i.e., employees). As was evident in our case study of the transition process in the former Ottawa-Carleton region, these many threads were inter-related. The issues at hand as well as the very nature of the dynamics of these groups within a democracy are, in practical terms, the same. People need and want to be involved in the decisions that directly affect their lives. This is true whether it be in the public or private realms. Our study focussed exclusively on the actions and decisions of the Ottawa Transition Board. Future research and studies would need to look more closely at the question of how a society understands democracy. In other words, how to balance the principles of representative democracy and the interests of participatory

democracy.

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APPENDIX A

Local Government Reform in Ottawa-Carleton¹

The current system of local government in the Ottawa-Carleton region originated in 1969 with the establishment of the Regional Municipality of Ottawa-Carleton (RMOC). Over the last thirty years, the Ontario government as well as the Regional and municipal councils have set up commissions, committees, and a citizen-based panel to study the system in place and offer recommendations on ways of improving the system in place. Some recommendations have been accepted and implemented while others have not. The result has been a progressive consolidation of responsibilities in the region. At the time of amalgamation, the RMOC was responsible for approximately 80% of the total municipal tax expenditures of the Ottawa-Carleton region. The following is a brief historical overview of these major reform initiatives undertaken in Ottawa-Carleton in the past thirty years.²

January 1, 1969

Creation of a regional government composed of 16 lower tier municipalities and the Regional Municipality of Ottawa-Carleton (RMOC)

The 16 municipalities include the Cities of Eastview (Vanier) and Ottawa, the Villages of Richmond, Rockcliffe Park and Stittsville, as well as the Townships of Torbolton, Osgoode, North Gower, Nepean, Marlborough, March, Huntley, Goulbourn, Gloucester, Fitzroy and Cumberland.

¹Taken from Marc Gervais. 2001. *Public Record of the Ottawa Transition Board*, Publication of the Ottawa Transition Board in collaboration with the University of Ottawa, Ottawa, Ontario.

²For a detailed assessment of the political evolution of the Regional Municipality of Ottawa-Carleton, up to 1990, consult: J. Douglas Cameron, Q. C., *A Quarter Century of Political Evolution, 1965-1990*, Ottawa-Carleton Legal Department, 1990; for a historical perspective of the major governance reviews in the Ottawa-Carleton region consult: Region of Ottawa-Carleton, "History of Regional Government and History of Governance Review in Ottawa-Carleton", pp. 23-30, in *Review of Governance in Ottawa-Carleton*, November 1996; Ontario, Municipal Affairs and Housing, "Appendix G: A Historical Perspective of Governance Reviews for the Ottawa-Carleton Region", in *Report to the Minister: Local Government Reform in the Regional Municipality of Ottawa-Carleton*, 25 November 1999.

December 4, 1973 Original 16 lower tier municipalities reduced to 11 as follows:

- The Township of West Carleton was created by the amalgamation of the former Townships of Fitzroy, Huntley and Torbolton;
- The Rideau Township was created from the former Townships of Marlborough and North Gower with annexation of small parts of Gloucester and Nepean and Osgoode Townships in the Manotick area;
- The present Goulbourn Township was formed by the amalgamation of the Villages of Richmond and Stittsville with the former Goulbourn Township.

October 1976 *Report of the Ottawa-Carleton Review Commission (Henry B. Mayo)*³

Mandate: "to examine, evaluate, and make recommendations on the structure, organization and operations of local government in the Ottawa-Carleton area."⁴

Main recommendation: that the two-tier system of government be retained with some change in boundaries

1987-88 *Report of the Ottawa-Carleton Regional Review Commission, Vol. 1 and Vol. 2 (David Bartlett)*⁵

Mandate: to examine political representation in the region and the allocation of functions and finances between the two tiers

Main recommendations:
-that the regional level be given responsibility for economic development

³See H. B. Mayo, *Report of the Ottawa-Carleton Review Commission*, Ottawa, 1976.

⁴*Ibid.*, p. xi.

⁵See D. W. Bartlett, *Ottawa-Carleton Regional Review Phase I Report: Accountability and Representation*, Ottawa, 1987, and D. W. Bartlett, *Ottawa-Carleton Regional Review Phase II Report: Functions and Finances*, Ottawa, 1988.

-that the regional chair and the majority of regional councillors be directly elected

November 1990

Report of the Electoral Boundaries Commission for Ottawa-Carleton (Katherine A. Graham)⁶

Mandate: to develop a new system of election boundaries for the regional and local governments in the area

Main recommendation: that a number of the electoral districts for the regional council cross local municipal boundaries

November 1991

Direct election of Regional Chair

November 1992

Ottawa-Carleton Regional Review Commission: Final Report (Graeme Kirby)⁷

Mandate: "To consult with municipalities and the public on the degree of interest and support for structural reform to municipal government in Ottawa-Carleton and for the direct election of members to regional council."⁸

Main recommendations:

- that the two-tier structure of government be retained
- that the responsibilities of Regional government be increased
- that elections be based on Graham's model of cross border boundaries
- that the regional councillors be directly elected by the citizens of the Region

⁶See K. A. Graham, *Report of the Ottawa-Carleton Electoral Boundaries Commission*, Ottawa, 1990.

⁷See Graeme M. Kirby, *Ottawa-Carleton Regional Review Commission: Final Report*, Ottawa, 1992.

⁸*Ibid.*, p. 1.

- **One City - One Tier:**¹⁰ This model proposed the creation of a new single tier city composed of the 12 municipalities in the Ottawa-Carleton region.
- **The Tri-City Model:**¹¹ This model proposed the abolition of the Regional Municipality of Ottawa-Carleton and the creation of three new cities composed of Ottawa, Vanier and Rockcliffe Park; Cumberland and Gloucester; Kanata and Nepean. Under this model, common services would be provided by an Authority composed of the new Mayors and some elected Councillors.
- **The Four Cities Model:**¹² The only difference in this model from the Tri-City model is that Nepean and Kanata would continue to be separate cities.
- **The Rural Alliance:**¹³ In the Rural Alliance model, services would be provided by four local municipalities (The Townships of West Carleton, Goulbourn, Rideau, and Osgoode) and would be retained at the same level as is currently provided by the Regional Municipality of Ottawa-Carleton.

September 24, 1999

Appointment of the Special Advisor Glen Shortliffe by the Government of Ontario.

Mandate: To recommend reforms in municipal government in the Ottawa-Carleton region which would lower taxes, improve services, reduce bureaucracy, clarify lines of

¹⁰See City of Ottawa, *One City, One Tier, One Taxpayer: Proposed Model of Governance*, April 28, 1998.

¹¹See Cities of Gloucester, Kanata and Nepean, *Right-Sizing Government in Ottawa-Carleton: The Tri-City Model*, June 1998.

¹²See City of Kanata, *The Right Size of Governance in Ottawa-Carleton: The Four City Model*, October 22, 1999.

¹³See BDO Dunwoody, *Rural Alliance Scenarios: Townships of Goulbourn, Osgoode, Rideau, West Carleton*, August 1997; and BDO Dunwoody, *Rural Alliance Scenarios: Townships of Goulbourn, Osgoode, Rideau, West Carleton*, October 1999.

responsibility, and foster greater municipal accountability.

November 25, 1999

*Report of the Special Advisor: Local Government Reform in the Regional Municipality of Ottawa-Carleton (Shortliffe Report)*¹⁴ recommending a One City - One Tier government with community satellite offices.

As summarized by the Special Advisor on page 8 of his report, highlights of his recommendations are:

- all existing municipalities and the Regional Municipality of Ottawa-Carleton to be dissolved and one new city called "Ottawa" to be legislatively established as a single tier municipality,
- the City of Ottawa to be legislatively designated a bilingual city with services to be provided in both official languages where warranted,
- the existing 18 regional wards, their names and boundaries to be continued as the electoral wards of the new City,
- Ottawa City Hall to be located at 111 Lisgar St.,
- the Mayor to be elected at large and the 18 Councillors by ward. All elected officials to be full-time,
- for the first two terms of the new Council the representatives from the Western Townships and Cumberland / Osgoode to have 2 votes each on all matters before Council, and on the proposed Standing Committees, in order to ensure enhanced representation of rural interests,
- for the first term of Council, six Standing Committees to be established to meet publicly. This will allow citizens greater accessibility to local decision-making and would contribute to greater accountability by Councillors. The Committees will be:
 - Corporate Services / Planning & Development,
 - Community Services,
 - Emergency Services,
 - Library Services,
 - Rural Affairs (responsibilities to include agricultural lifestyle, drainage and other issues of particular interests to rural citizens), and
 - Transportation and Works.

The Standing Committees will meet in different geographic locations in the new City.

¹⁴See Ontario, Municipal Affairs and Housing, *Report to the Minister: Local Government Reform in the Regional Municipality of Ottawa-Carleton*, 25 November 1999.

Also,

- a leaner City administration to be created as set out in the Special Advisor's Report,
- eight Community Satellite Offices (location guidelines included in the Report) to be created to provide front-line services to ensure accessibility and citizen engagement. These offices will provide some services, information, small community meeting rooms and other facilities. These Satellite locations will also provide office space for the ward Councillors to meet with constituents and to liaise on their behalf with City Hall,
- the ward Councillors to be, subject to the new City operating policies, responsible for such matters as parks, recreation facilities, community services, animal control, etc.,
- the five municipal electrical utilities to be amalgamated into one utility, and
- the former Village of Rockcliffe Park to remain a heritage area.

The Shortliffe Report also made many other recommendations for cost savings and increased efficiencies and fairness such as average levelling of salaries rather than raising them to the highest rate, pooling reserves and debts, amalgamating programs, and area rating of fire and transit services. The total savings of a One City - One Tier model were estimated at between \$70 and \$80 million.

December 22, 1999	<i>Bill 25, An Act to provide for the restructuring of four regional municipalities and to amend the Municipal Act and various other Acts in connection with municipal restructuring and with municipal electricity services, receives Royal Assent, thereby enabling the amalgamation of the 11 municipalities that make up the Regional Municipality of Ottawa-Carleton and the RMOC. (The short title of this Act is the <i>Fewer Municipal Politicians Act, 1999.</i>)</i>
January 26, 2000	Creation of the Ottawa Transition Board
November 13, 2000	Municipal elections - Election of the new City of Ottawa's first council and mayor
January 1, 2001	Birth of a «new» city: The City of Ottawa

January 7, 2001

New council and mayor officially sworn in

January 31, 2001

Ottawa Transition Board's mandate ends

APPENDIX B

February 8, 2000

Terms of Reference for the Transition Boards

Background:

The reform of municipal governments in Haldimand-Norfolk, Hamilton-Wentworth, Ottawa-Carleton and Sudbury will mean tax savings and fewer municipal politicians.

These reforms have been preceded by over 100 other restructuring initiatives across the province. The Government and the municipal sector have learned many lessons from these experiences. Key among them is the importance of effective transition planning and management. In this case, the Minister's authority to establish a Transition Board and the Board's purpose were set out in legislation:

"The primary function of the transition board is to facilitate the transition from the old municipalities and their local boards to the city and its local boards:

- by controlling the decisions of the old municipalities and their local boards that could have significant financial consequences for the city and its local boards; and
- by developing business plans for the city and its local boards in order to maximize the efficiency and costs savings of this new municipal structure." (Section 18 in the Greater Sudbury and Hamilton schedules; Section 21 in the Haldimand and Norfolk schedules; Section 19 in the Ottawa schedule.)

The January 26th "Backgrounder" accompanying the press release announcing the Transition Board members sets out the purpose of the Boards and outlines their executive, business planning and controllership powers. This is attached.

Regulations setting out the details of the Board's powers and duties have now been prepared and are attached. These regulations, along with the legislation and these terms of reference should enable the Transition Board to do its job of ensuring a smooth, effective transition to the new municipal structure(s).

Transition Board's Operations:

The Board is subject to rules about conflict of interest, freedom of information and protection of privacy and open meetings, and is required to have a procedural by-law. The Board is also to establish operational policies, including policies about:

- how and when to obtain public input on its business planning activities
- how to report to the public on its recommendations and decisions throughout the

- year
- the process to be used for hiring and contracting
- the process to be used for paying expenses incurred by the Board
- the safekeeping of the Board's files and records.

Controllership Powers of the Transition Board

The Board is to issue guidelines with respect to the year 2000 budgets, overseeing the decisions of the existing municipalities and their local boards that could have significant financial consequences for the city and its local boards. More specifically, it is to approve the types of transactions set out in the regulations - "Powers and Duties of Transition Board".

Business Planning Powers of the Transition Board

The Board's role is to recommend, for the new municipality and its local boards, a year 2001 budget and suggested tax levy and to forecast year 2002 and 2003 expenditures and revenues. These recommendations are to be made in the context of the Special Advisor's findings about potential tax savings. In building the budget and forecasts, the Transition Board is to identify its assumptions about the following matters:

- the core business of the municipality and its local boards
- the scope and level of services to be provided, including service level harmonization and where services should be provided in French
- the expected performance outcomes (in measurable terms) in each of the key service areas*
- the appropriate methods of service delivery and the inputs required to deliver the expected level of performance (including: the staff complement and volunteers; information technology; accommodation; equipment; service management contracts) and the projected costs of these inputs
- the human resource implications resulting from 1-4, including those service areas where there are projected surpluses or deficits of staff, where re-skilling will be required, what monetary entitlements or other benefits should be provided for surplus employees, and how to enable the new municipality to be an employer of choice for the staff that it does need
- the redundant assets that should be disposed of.

*Note that this is an iterative process so that the expected performance outcomes (item 3) may have to be adjusted after full exploration of the inputs (item 4) required to deliver the expected level of performance.

In its business planning role, the Board is to be guided by the following principles:

- **Best value** - The benefits of its recommended method of service delivery should clearly outweigh the benefits of other available options. Significant productivity

- gains for taxpayers should be an outcome of the restructuring.
- **Sustainability** - Sustainable municipal infrastructure and services financed at competitive tax and utility rates.
- **Materiality** - The focus of service improvements (economy, efficiency and effectiveness) should be on the functions of significant expenditure, not simply the amalgamating functions.
- **Community governance** - Municipalities play an important role, not just in delivering services, but in representing the community before other governments, community organizations and businesses.

Financing Methods:

The Board is also to recommend the financing methods for the municipal services in the new municipality, including:

- which services should be area rated, the "urban service" area for the rate and the minimum dollar thresholds required to implement an area rating scheme
- whether differences in service levels should be area rated, the "urban service" area for this purpose and the minimum dollar thresholds required to implement a service level area rating scheme
- how assets and liabilities of the former municipalities should be distributed, and which (whole or partial) assets and liabilities should not be shared by all of the new municipality's ratepayers. This should include the matter of whether the new municipality should retain reserves and reserve funds, other than the working capital reserve, of the former municipalities for the purpose for which they were established. If not, the Board would be expected to recommend how reserves and reserve funds should be treated, i.e., area rated (in whole or in part) back to the former municipality or used to offset the general levy of the new municipality
- whether to phase in tax changes arising from the restructuring and, if so, which costs to phase in, the time period for the phase-in and the floors and ceilings for the phase-ins.

Governance and decision-making systems

The Transition Board is also to make recommendations about the governance and decision-making systems that should be put in place for the municipality to plan and implement its business. Recommendations are required on the following:

- the role of the municipal councillor, council and staff
- the salary and compensation of municipal councillors and the appropriate type and level of administrative support, if any
- the council committee structure
- the accountability framework for local boards (those matters beyond statutory requirements, e.g., frequency, timeliness of financial planning & reporting; HR,

IT, purchasing protocols, types of performance measures & program reviews required)

- the strategic & business planning processes
- the alternative service delivery framework
- the decision-making processes and protocols for the municipal administration.

In developing its advice about governance and decision making systems, the Board is to consider the following principles:

- community participation and the need to design the councillor role to make it easier for leading citizens to consider serving the community in civic office.
- accountability - the need to focus political accountability on policy and community governance; allows professional management and staff accountability for service management and customer service.
- cohesive governance - council decision making structures and processes should encourage the council to act as a team and a corporate body.

Executive Powers of the Transition Board

The Board's executive powers are as set out in legislation and the regulations. These include:

- hiring the new municipality's officers required by statute and any other employees of executive rank that the Transition Board considers necessary for the good management of the municipality
- establishing the key elements of the municipality's organizational structure to implement its business plan
- determining the disposition of municipal electric utility assets, e.g., incorporation, sale, lease back
- negotiating with unions (and where unsuccessful, apply to the Ontario Labour Relations Board) to determine the bargaining units and agents for the new municipality
- preparing a procedural by-law for the new Council and determine, in consultation with the incoming council, the date and time of the first meeting of the new council
- establishing and testing electronic or manual information systems, records and books of accounts for the new municipality and its local boards
- appointing the Returning Officer for the year 2000 municipal election.

In hiring executive staff, designing the organization and determining the bargaining units, the Board is to:

- pay particular attention to the opportunity to create a new restructured, customer focussed organization, not just an amalgamated organization. Experience in the design and implementation of customer focussed approaches should be sought

- in recruiting executive staff.
- build service delivery and organizational arrangements with the customer as the starting point.
- design organizational structures and systems to promote organizational learning, i.e., be designed to permit a high capacity for the organization to learn about and fit with its customers' changing needs.