



# Amalgamation

## The “A” Word: Unnecessary or Unavoidable?

Prepared for Councillor Rob Deutschmann

Held March 16, 2023

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Waterloo Region is no stranger to name changes and fluid internal boundaries. Berlin became Kitchener after a referendum in 1916. Cambridge was created out of the towns of Galt, Preston, and Hespeler in 1973. Waterloo was a village in 1857, a town in 1876, and a city in 1948. Since 1973, Waterloo Region has been a two-tier municipality consisting of 3 cities (Cambridge, Kitchener, and Waterloo) and 4 townships (North Dumfries, Wellesley, Wilmot, and Woolwich).

Despite this familiarity with changing municipal structures, Amalgamation has been a contentious topic in the region. In the 1990s, the provincial government of Mike Harris initiated a wave of municipal amalgamations and Waterloo Region very nearly became one of them. Referendum questions about amalgamation in 2011 were met with strong opposition (in Waterloo) and strong support (in Kitchener).

In 2019, the provincial government of Doug Ford commissioned Ken Seiling and Michael Fenn to report on municipal government reform, but their report was never made public. In the fall 2022 the same provincial government passed legislation focussed on reform and with Waterloo Region as one of the regions to be considered.

In this context, Waterloo Regional Councillor Rob Deutschmann gathered a panel of speakers to reflect on whether amalgamation is the future of governance in Waterloo Region. Their perspectives ranged from historical, to supportive, to opposed. They considered academic research on amalgamation, questions of civic identity, and the state of competition amongst the regions of Ontario.

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## Ken Seiling

Ken was a Councillor and Mayor in Woolwich township, and then chair of Waterloo Region from 1985 until 2018. Ken set the stage for later speakers by reviewing the history of Waterloo Region and Waterloo County before that. From the establishment of a courthouse to discussions of amalgamation in the 1990s and beyond, this history is characterized by “glacial inaction” when municipal restructuring and reform is considered. Cost savings from successful reforms are very difficult to quantify, as they took place in the context of service realignments that added more responsibility to local governments. Unfortunately for the audience, his work on a recent engagement and analysis report is covered by a non-disclosure agreement, and we weren’t able to hear about what it recommended.

### Takeaways

- Reform has not emerged organically except in narrow areas such as garbage collection and transit.
- Reform is most often considered under the possibility of provincial intervention.
- Regional reform is more important than ever. The status quo is not a recipe for the future health of the Region.

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## Zac Spicer

Zac is an Associate Professor in the School of Public Policy and Administration at York University. He spoke about his work in the City of Hamilton, a city whose current structure came from an amalgamation in 2001. The current city incorporates urban, suburban, and rural areas, leading to unresolved “simmering resentments” 20+ years after amalgamation. Zac described the advantage of two-tier regions in their ability to tailor the delivery of services to smaller sub-regions. Trying to do the same in a single-tier region leads to complexity (such as area ratings) and conflict between areas. However, a single-tier structure is better able to redistribute tax income, providing services in low-income areas that might not be able to do it on their own as an independent municipality.

### Takeaways

- Hamilton is the result of an amalgamation of urban and rural areas in 2001, with ongoing conflicts between those areas.
  - It is difficult to quantify any financial benefits of amalgamation
  - De-amalgamation, the process of separating parts of a single-tier region, is very difficult and should lead to caution in amalgamation processes.
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## Phil Marfisi

Phil is the Governance Coordinator at Wilfrid Laurier University and a fan of community engagement but participated in the panel as a concerned and engaged citizen. Phil began by emphasizing the importance of engaging with the public and considering formal research. Confusion coming from complicated two-tier structures emerges as a real problem in situations such as the attraction of investment, or in managing a public health crisis such as the pandemic. Antonio Tavares of Minho studied amalgamations and concluded that economies of scale are unlikely, but that improved service delivery is possible. Connecting back to a previous town hall, mergers also tend to depress election turnouts. Research at the University of Guelph focussed on Ontario amalgamations, found that savings were “marginal at best”. Faculty at the University of Toronto found pros and cons that make it draw unequivocal conclusions about the benefits of amalgamations.

*Q: What did the regional government say to the lower level municipality that was upset about amalgamation hot happening?*

*A: This isn't worth shedding any tiers over!*

## Takeaways

- Amalgamation is not a silver bullet for the challenges facing municipalities
  - Financial benefits are at best, mixed.
  - Mergers can have negative effects on democratic engagement
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## Deb Chapman

Deb is a faculty member at Wilfrid Laurier University and the councillor for Ward 9 on Kitchener City Council. She strongly advocates that any major reform to municipal structures ought to go through a community engagement and referendum process. This

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is in stark contrast to the usual process, where reform is imposed downward by the provincial government. Deb also distinguishes between amalgamation of councils and amalgamation of services. With fewer elected leaders, they would be further away from the people that they are to represent. Considering Kitchener and Waterloo, the two cities are already engaged in many joint projects - Vision Zero approach to traffic safety, a plan for inclusionary zoning, an affordable housing strategy. Collaborative services include the maintenance of border streets, and advocacy for GOTrain Service between the Region and GTA. Deb highlighted the uncertainty around Bill 39, and the facilitation of municipal reform that it prescribes. Deb also related research into de-amalgamation in the Montreal and Winnipeg areas.

### **Takeaways**

- Decisions should be taken locally, and not imposed from above
  - Amalgamation of councils will further separate them from the people.
  - Amalgamation of services is already very common.
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## **Doug Craig**

Doug is a Waterloo Region councillor and Former Mayor of Cambridge. Cambridge was formed from an amalgamation, and has experienced the effects first-hand as a leader in that city. He recounted the experience in Toronto, where fiscal savings never materialized. Doug observes that municipal government are among the best-run in the country, with balanced budgets and good connection to the people. Particularly concerning is the regular interventions by the provincial government in municipal affairs, creating worrying uncertainty about the direction we're being taken in. Fewer politicians mean people have less access into the system, and bureaucrats accumulate more power than they would otherwise have had. By many measures, Waterloo Region has been very successful with its current structure, leading one to wonder what the proposed benefit would be. Comparisons to the United States, London (UK), and Paris (France) show that unamalgamated cities with multiple tiers are common and successful.

### **Takeaways**

- Amalgamations don't work, and don't bring the promised benefits.
  - Having multiple municipalities in Waterloo Region gives newcomers a meaningful choice about where to live.
  - Any decision about amalgamation should be approved through a referendum.
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## Jim Erb

Jim is a Waterloo Region councillor and is a former councillor for the City of Waterloo. Jim began by asking the audience to imagine the region from up in the air, and asking themselves if the seven municipalities make sense today. Based on his experience as a city and regional councillor, the municipal structures are getting in the way of effective governance. In comparison to London, Hamilton, and Toronto, Waterloo Region has more municipal politicians by a considerable margin (although many of these are not full-time). Likewise, municipal staff spends much of their time in collaboration and competition with their counterparts in other organizations. Coordination on matters such as the Official Plan and the Pandemic was slowed by having 8 councils and staff. Duplication in fire service, legal support, and planning makes for inefficient service provision. With many services already consolidated at the Regional level, Waterloo Region is closer to being a single-tier government than many others were twenty years ago (Ottawa, Hamilton, Toronto, etc). Having a single voice for economic development is necessary to act on the same level as local comparators. Nonprofit organizations have led the way in merging or evolving into regional organizations, and Jim highlighted the Community Foundations, YMCA, Community Connections, and Sustainable Waterloo Region as examples. Finally, Jim disputed that amalgamation would lead to a loss of civic identity. Communities within the townships thrive as distinct communities within a larger municipality.

### Takeaways

- Waterloo Region has more politicians for the population than any regional comparators
- Competition and complexity amongst municipalities create inefficient structures and convoluted experiences.
- Provincial and municipal leaders are the ones responsible for dragging their feet on reform.

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## Audience Voices

With six excellent speakers, there wasn't much time left for discussion but the chat section was very active throughout the panel discussion. A few highlights of this discussion are below...

*“Better two-tier models might be interesting to discuss more at some point as well, eg regional council be composed of all regional councillors to simplify the voting process, etc. Local councillors are who citizens like myself turn to about issues, but they often have little power over most things except for very minor concerns/issues, leaving citizens confused, feeling a lack of agency... I find myself and others I know are much more likely to talk to our councillor because of how locally rooted they are. 9000 per politician seems pretty good to me. I think the either/or of keeping very local representation and some kind of further amalgamation is a false question. I think we can be more creative in how we amalgamate our local political systems if we want to amalgamate our services.”*

**Andrew Reeves**

*“we can make the residents experience more seamless through collaboration among the municipalities, and find any relevant cost savings, without taking on the cost and workload of an amalgamation transformation.”*

**Jason Hammond**

*“Our social service sector is tired of dealing with 8 different governments and 60 political office holders to bring their services online. Our labyrinth of local governments is chasing away or hindering home building, investments, and social service delivery. Waterloo Region lost out on 1400 jobs – representing nearly as many families who rely on those jobs – because when Schneider’s Meats had to decide about where to grow its business, we couldn’t compete fast enough against Hamilton. Hamilton could go faster and be a better economic development partner because they are one single-tier city.”*

**Rose Greensides**

*“When looking for non-profit or business support, the option of dealing with one department/manger who is now dealing with a bigger portfolio scares me just as much as managing several relationships. I honestly don’t know what is better. The research showing it’s not actually more efficient to amalgamate makes me wary.”*

**Alex Szaflarska**

*“I worked at the City of Toronto before, during, and after amalgamation. After amalgamation very little got done in Toronto’s council Where before all councillors in the individual cities could agree on matters in their city, after amalgamation the councillors who weren’t representing an area of a former city would vote against items that would benefit that former city, no matter how beneficial. But that was multi-city to one-tier amalgamation, different from what we have in Waterloo Region. Small government is good government.”*

**Bob Jonkman**

*“One theme that comes up repeatedly is that different levels of government point fingers at each other. We are thinking amalgamation will solve this because the area municipalities can’t point fingers at the region and vice versa, but we will all continue to point fingers to and from the province. That part won’t change.”*

**Paul Nijjar**

“Currently, we have made it clear that our rural townships will keep a rural focus and our local farms are thriving as the most profitable in Canada earning more per acre than others and being one of the largest components of our regional economy. Under amalgamation how do we protect these rural lands when rural Councillors are so easily outvoted by far more numerous urban Councillors? The pressures of growth, developers and development is intense and so far we have avoided the land speculation seen in most of the province because of the expectation set that our four townships will remain rural.”

**Kevin Thomason**

*“66 politicians is not too many decision-makers but far too few. Communities at the neighbourhood level should be meeting in assemblies to decide how their communities are to function. Workplaces should be organized in the same way. Then we might be able to talk meaningfully about “democracy” - rule by the (common) people - including in its most important settings, where people work.”*

**Peter Eglin**

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The town hall is available on YouTube, and there will be more to come. Connect with us online to find out more about future events in this series:

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