



Cooperation, Coordination and Competition: The Mechanics of Formalizing Inter-Municipal Agreements in Canada

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Strategies for Linking Regions

Policy-makers have a number of options at their disposal:

- Single-Tier
- Two-Tier
- Special Purpose Districts
- *Inter-Municipal Cooperation*



Presentation Outline

- Tools for Inter-Local Cooperation
- Incentives and Motivation for Inter-Local Cooperation
- Necessary Conditions for Inter-Local Cooperation
- Transaction Costs
- Agreement Types
- Study of 6 Metropolitan Areas
- Examination of Intensity Measures
- Accountability and Transparency
- Provincial Role



The Tools of Inter-Local Cooperation

Easiest

- Informal Cooperation
- Inter-Local Service Agreements
- Joint Powers Agreements
- Contracting

Middling

- Extraterritorial Powers
- Planning and Development Districts
- Local Special Districts

Hardest

- Annexation
- Consolidation and Restructuring



Motivation and Incentives

Fiscal Incentives

Control Externalities

Fill Service Gaps

Mandated Integration



Conditions for Effective Inter-Local Cooperation

Capacity

Resources, institutions, Leadership

- How constrained are leaders?
- How constrained are institutions?
- How significant is the commitment?
- What is the term of the commitment?
- Multi-level involvement?
- Multi-level influence?
- Can partners fulfill terms?

Willingness

Needs, Desires, Benefits, Incentives

- Is there a need to cooperate?
- Are there political benefits?
- Are there fiscal benefits?
- Is there a history of cooperation?
- Is there consistent communication?
- Are the transaction costs high/low?
- Is there community support?

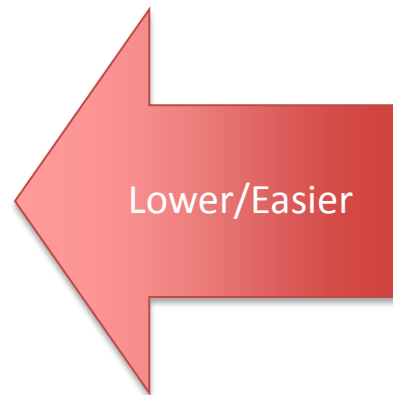


Transaction Costs and Inter-Local Agreements

Transaction Cost	Description
Information and Coordination Costs	Information on the preferences of all participants over possible outcomes and their resources must be common knowledge
Negotiation/Division Costs	The parties must be able to agree on a division of their mutual gains
Enforcement/Monitoring Costs	There can be at most low costs associated with monitoring and enforcing the agreement
Agency Costs	The bargaining agents must well represent the interests of their constituents

Types of Agreements

Adaptive Agreements	Restrictive Agreements
Memoranda of Understanding Mutual Aid Agreements Informal Agreements	Contracts Special Authority Agreements





Study Structure

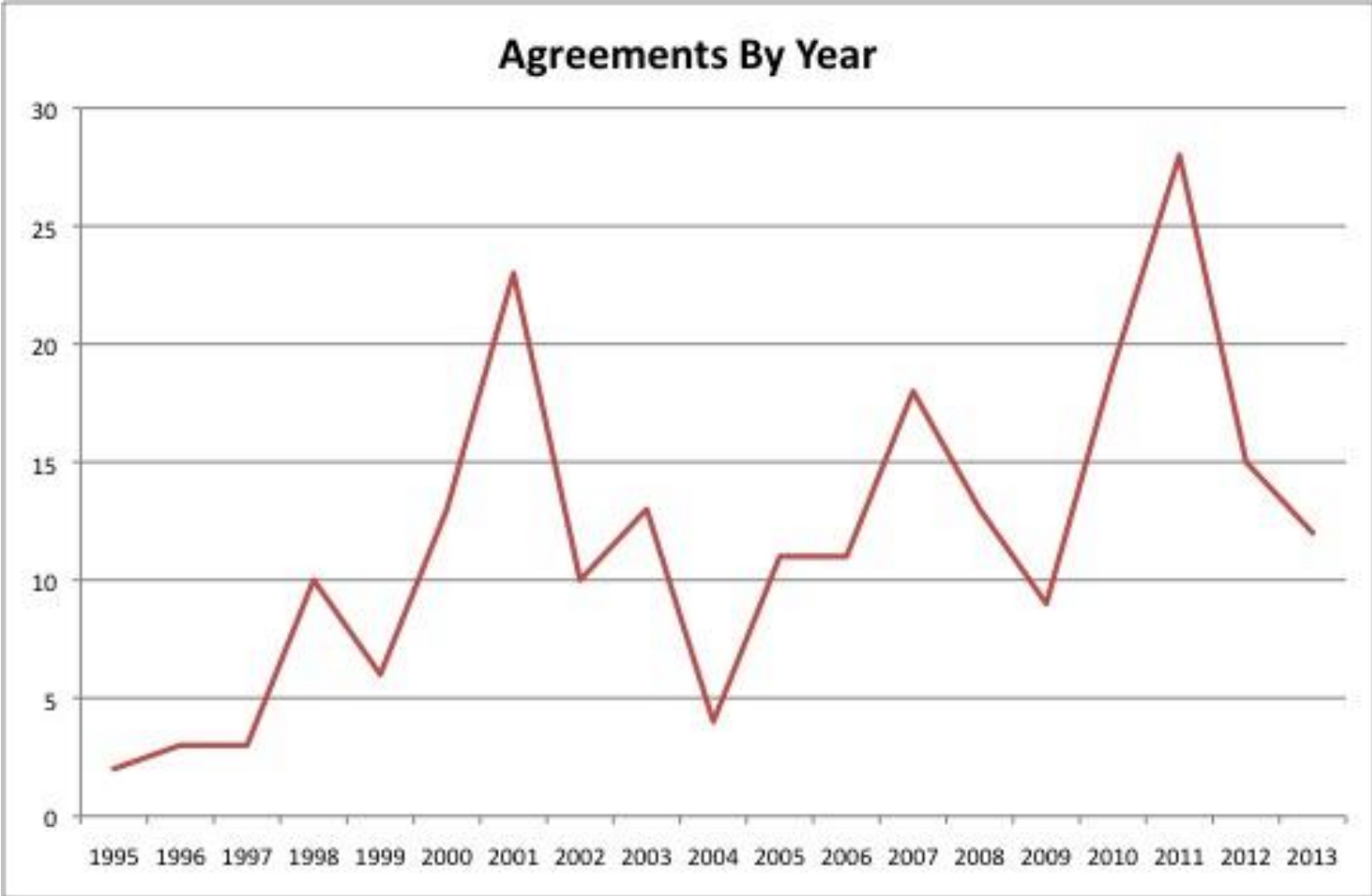
Six Canadian Metropolitan Areas

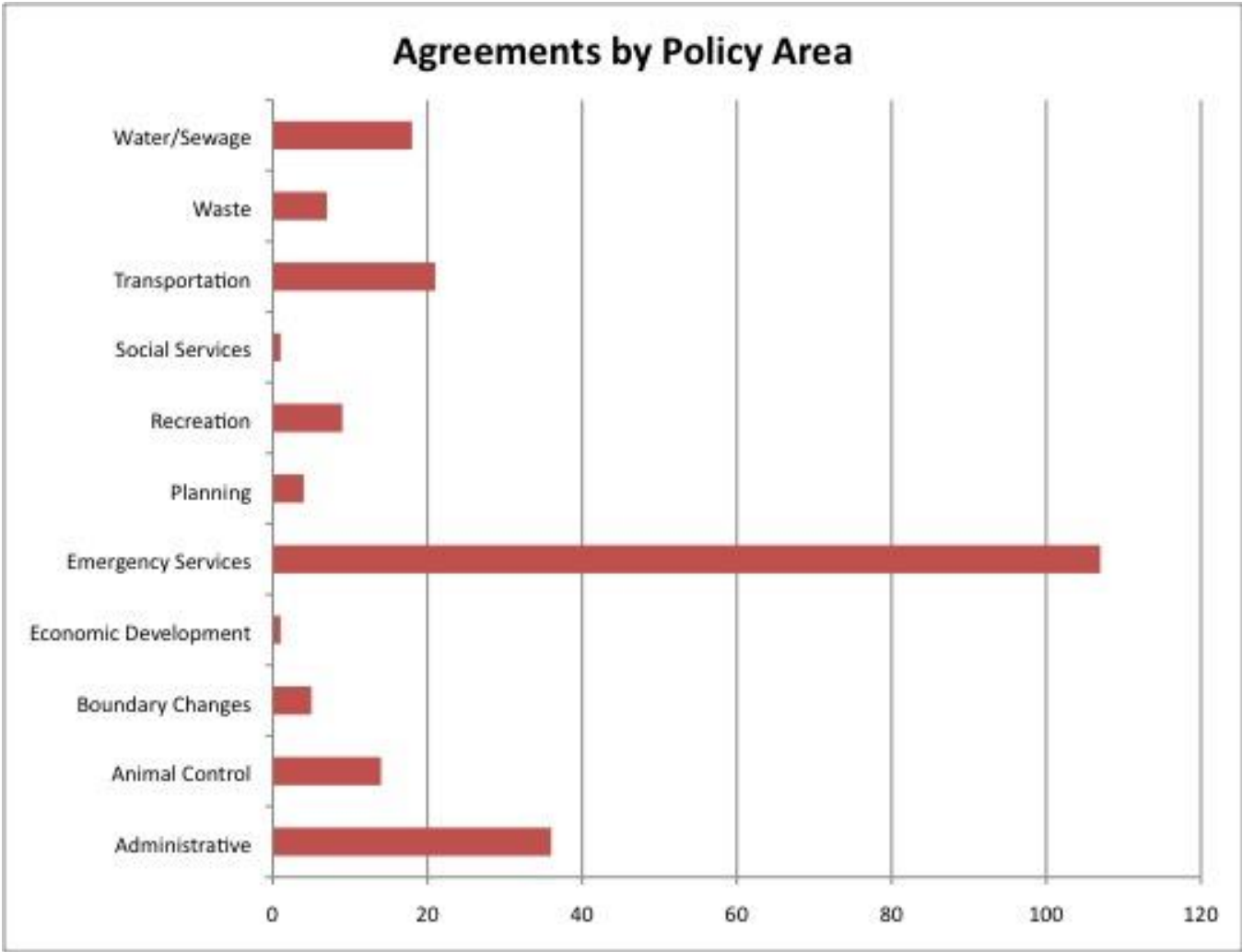
- Toronto (Ontario)
- Calgary (Alberta)
- Edmonton (Alberta)
- Winnipeg (Manitoba)
- Regina (Saskatchewan)
- Saskatoon (Saskatchewan)

1995 → 2013



CMA	Gov. Units	Population	Land Area	Pop. Density	Agreements
Toronto	27	5,583,064	5,905.71	954.4	130
Winnipeg	10	730,018	5,303.09	137.7	15
Saskatoon	24	260,000	5,214.52	50.0	11
Regina	16	210,556	3,408.28	61.8	13
Edmonton	31	1,159,869	9,426.73	123.0	41
Calgary	9	1,214,839	5,107.88	237.9	13







Few Agreements

Average number of actors 3.15

Only 20% of the agreements are signed with a central city



CMA	Contract	MOU	Mutual Aid
Toronto	111	7	12
Winnipeg	8	6	1
Saskatoon	10	0	1
Regina	9	4	0
Edmonton	23	10	8
Calgary	9	4	0
Total	170	31	22



	Total	Percent
Agreements with Expiry Clauses	128	57.3%
Agreements with Termination Clauses	160	71.7%
Agreements Leading to the Creation of Joint Committees or Boards	11	4.9%
Agreements with Dispute Resolution Mechanisms	12	5.3%
Number Restrictive Agreements	170	76.2%
Number of Adaptive Agreements	53	23.7%

APPROVED AS TO FORM

City of Toronto

WATER SUPPLY AGREEMENT

This Agreement made in quadruplicate this 1st day March, 2003

BETWEEN

CITY OF TORONTO

("Toronto")

- and -

THE REGIONAL MUNICIPALITY OF YORK

("York")

WHEREAS The Municipality of Metropolitan (hereinafter referred to as "Metro") entered into an agreement, dated December 23, 1974, pursuant to the provisions of the Ontario Water Resources Act, with Her Majesty the Queen in Right of Ontario as represented by the Minister of the Environment (the "Crown") for the provision of water to York and, subsequently, by agreement, dated April 18, 1975, entered into a tripartite agreement with the Crown and York with respect thereto (the "Original Water Supply Agreement");

AND WHEREAS Metro and York participated in joint studies to identify capital improvements in Metro which would enable the delivery of additional water to York and participated in cost sharing of specific capital improvements to date;

AND WHEREAS Toronto was incorporated on January 1, 1998 and, pursuant to the provisions of the City of Toronto Act, 1997, stands in the place of Metro for all purposes;

AND WHEREAS pursuant to the provisions of section 15 of the City of Toronto Act, 1997 (the "City of Toronto Act") Toronto may enter into contracts for the supply of water to a regional municipality for its use or for resale to the inhabitants thereof;

AND WHEREAS pursuant to the Municipal Act 2001, York may enter into a contract for the purchase of water from Toronto;

AND WHEREAS in 1998 Toronto and York entered into a further agreement for the supply of additional water from Toronto to York upon the terms and conditions set out therein (the "1998 Agreement");

AND WHEREAS Toronto and York are desirous of continuing the supply of water from Toronto to York as further set out in this Agreement;

EXHIBIT A TO BYLAW No. 1-2003

AGREEMENT DATED April 22nd, 2003

Between

THE CITY OF REGINA
(the "City")

- and -

THE RURAL MUNICIPALITY OF LINDSEY
OF SASKATCHEWAN NO. 189
(the "R.M.")

FIRE SERVICES AGREEMENT

INTENT

- 1.1 The Parties enter this agreement pursuant to section 33 of *The Cities Act* and section 214.1 of *The Rural Municipality Act, 1989*, with the intention of the Parties to provide in all respects for the terms and conditions upon which fire-fighting and related emergency services may be provided by the City to the R.M.
- 1.2 This Agreement replaces a prior agreement by the Parties dated July 30, 1992.

DEFINITIONS

2.1 In this Agreement:

"Alarm" means any call to the RFD or any call routed to the RFD in connection with any Emergency or request for Fire Services;

"Emergency" means any situation to which the RFD would normally respond, excluding first-response medical services;

"Fire Services" means all those services typically provided by the RFD in response to Alarms, including fire suppression, rescue, and hazardous materials response, but excluding first-response medical services;

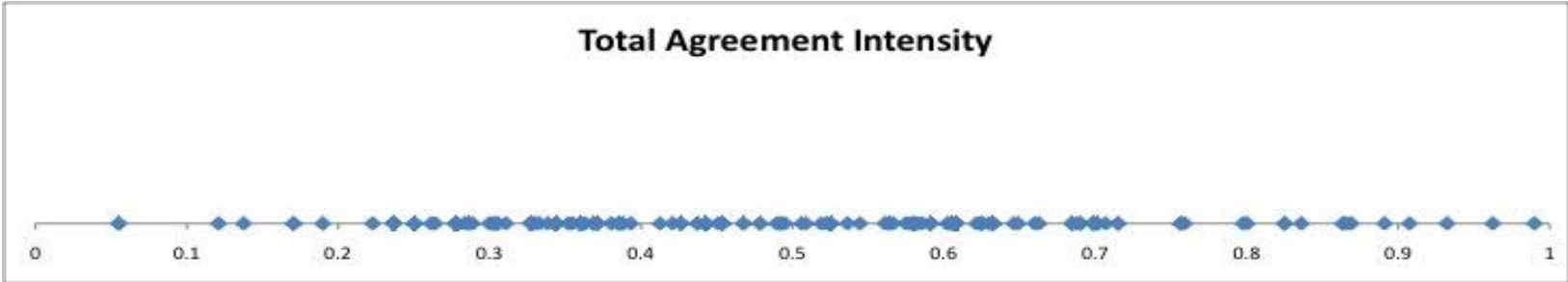
"Fire Service Area" means that portion of the geographic area of the R.M. shown

Agreement Intensity Measures

Scale	Measures	Description
Cooperative	Timing	Duration of Partnership
	Binding	Dimension of Institutionalization Exhibited
	Integration	Distance from Regular Decision-Making
Fiscal	Exchange	Degree of Resources Sharing/Payment
	Risk	Amount of Risk Mitigation and Insulation
Policy	Mandatory	Centralized Mandate for Delivery
	Necessary	Basic Level Municipal Function
	Optional	Unnecessary for Basic Functioning

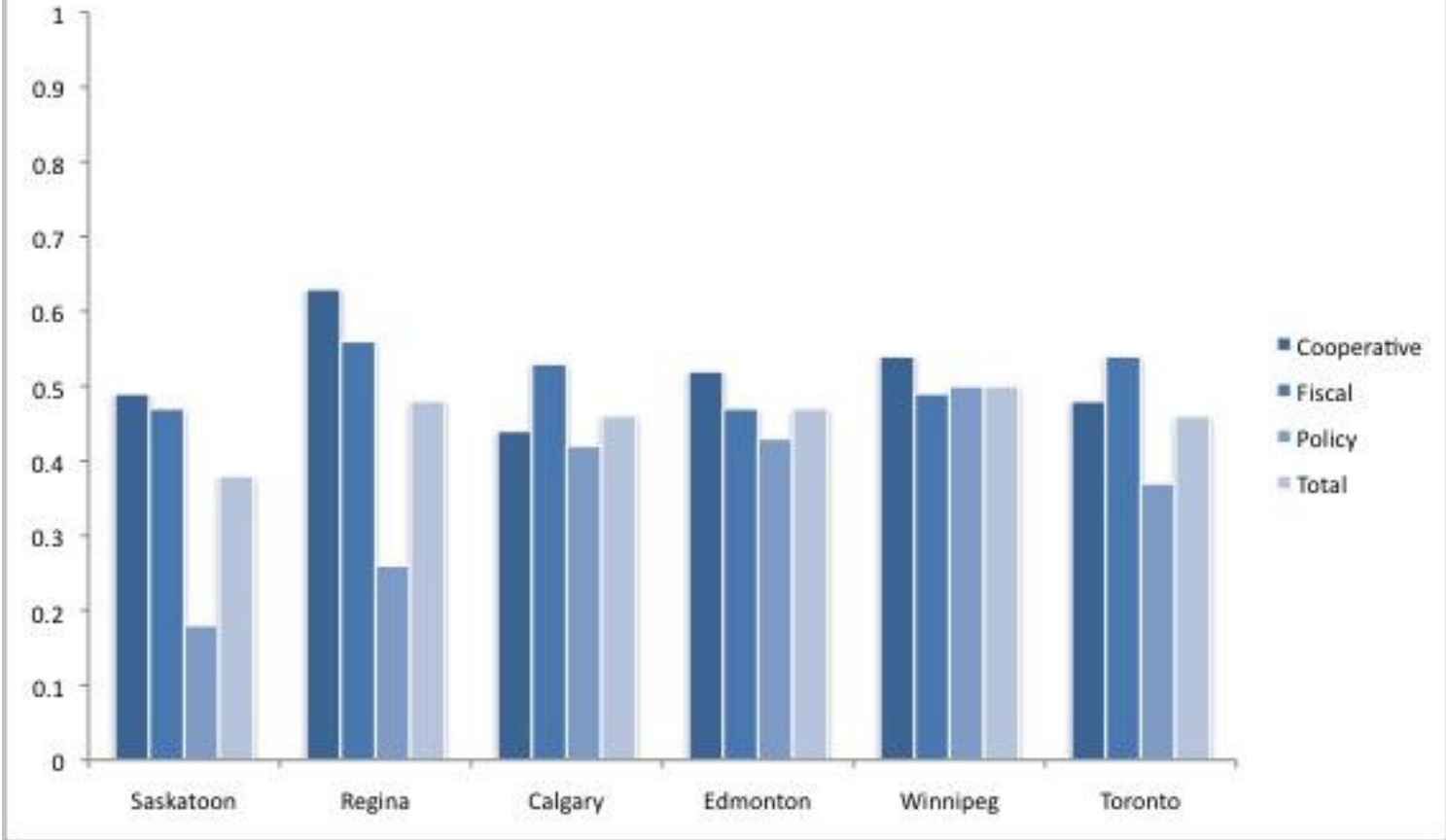


Total Agreement Intensity





Average Agreement Intensity By City





A Note on Accountability and Transparency

- Agreements are not publicly accessible
- Many agreements are redacted
- Not available in a timely manner
- Problems with count and content accuracy
- Little public knowledge of agreements or contents
- Low public involvement
- Low organizational knowledge



The Role of the Province

Part of the reason we see so few agreements is provincial control and approval of boundary expansions

“[inter-local agreements] can be time-consuming to negotiate, can foster dispute, and can create confusion about accountability...further, these agreements create uncertainty about lines of policy-making responsibility”

- Government of Ontario (*Patterns for the Future*, 1987)



Conclusion

- Very few agreements
- Mostly for emergency protection
- Little cooperation on large capital projects
- Low-to-mid range intensity
- Remarkable consistency in intensity levels across the country
- Large provincial role
- Low accountability and transparency