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The Pre-Election Series

The Times They Are A-Changin' (Mostly): A 2014 Election Primer for Ontario's Biggest Cities

Edited by Zachary Spicer

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About IMFG

The Institute on Municipal Finance and Governance (IMFG) is an academic research hub and non-partisan think tank based in the Munk School of Global Affairs at the University of Toronto.

IMFG focuses on the fiscal health and governance challenges facing large cities and city-regions. Its objective is to spark and inform public debate, and to engage the academic and policy communities around important issues of municipal finance and governance.

The Institute conducts original research on issues facing cities in Canada and around the world; promotes high-level discussion among Canada's government, academic, corporate and community leaders through conferences and roundtables; and supports graduate and post-graduate students to build Canada's cadre of municipal finance and governance experts. It is the only institute in Canada that focuses solely on municipal finance issues in large cities and city-regions.

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Zachary Spicer is a SSHRC post-doctoral fellow with the Laurier Institute for the Study of Public Opinion and Policy. In the 2013-2014 academic year, he held a post-doctoral fellowship with the Institute on Municipal Finance and Governance.

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The Times They Are A-Changin' (Mostly): A 2014 Election Primer for Ontario's Biggest Cities

Introduction

Zachary Spicer

Laurier Institute for the Study of Public Opinion and Policy

In the 2010 municipal election, Ontarians sorted through more than 8,000 candidates to select about 2,800 council members and 700 school trustees. During that election, voter turnout across the province was estimated to be below 50 percent. Although municipal governments deliver most of the services we use every day, municipal elections receive less media coverage than provincial and federal elections. As a result, fewer people tend to vote in them.¹

This paper, which is part of the IMFG's *Pre-Election Perspectives* series, profiles election campaigns in six of Ontario's biggest cities – Hamilton, London, Mississauga, Ottawa, Toronto and Windsor. Stripping away the slogans and electioneering, we focus on the unique economic, demographic, and fiscal conditions in each city, and the major policy challenges candidates should be talking about and voters should be considering as they head to the ballot box. For each of the six cities, we have recruited a local expert to take on this task.

What's Old Might Not Be New Again

The 2014 municipal election will usher in some big changes. There will be a new mayor elected in five of the six cities we are examining. London's Mayor Joe Fontana has resigned and pledged not to seek re-election. In Hamilton, Bob Bratina has decided not to seek re-election. Windsor's Eddie Francis announced that he would not seek a fourth term as mayor. In Mississauga, voters are preparing to elect the fourth mayor in the city's 40-year history, as political matriarch Hazel McCallion retires. In Toronto, Rob Ford recently withdrew from the Mayor's race, citing health challenges, and is focusing his efforts on reclaiming his old Ward 2 council seat. Ottawa Mayor Jim Watson is the lone incumbent in our study seeking re-election.

While most of these cities will see a new mayor in place after October 27, they will likely face familiar challenges. Mississauga, for instance, has for decades been focused on

outward expansion, but is now building highrises, developing its “core,” and planning for transit. Hamilton and Toronto are still dealing with the repercussions of amalgamation, as suburban and downtown interests clash as each city attempts to add or extend rapid transit networks. London and Windsor are struggling to diversify their traditionally manufacturing-based economies.

What's on the Agenda?

During the 2010 municipal election, fiscal issues were at the forefront of several campaigns across the province. Voters in many cities opted for politicians who promised spending cuts and tax reductions.

Toronto's Rob Ford and his pledge to “Stop the Gravy Train” might have made for the best bumpersticker, but London's Joe Fontana found success with his “taxication” (tax vacation) pledge, as did Windsor's Eddie Francis with his promise to hold the line on property taxes. In

2014, however, while some campaigns are still focused on fiscal issues, different themes have emerged.

Transit is a central issue in Toronto, Hamilton, Ottawa, and Mississauga. Transit funding is linked closely with provincial government relations. The Province has pledged \$29 billion for transportation infrastructure across Ontario. In short, money is available, but local solutions seem elusive. While certain communities, such as the Region of Waterloo, are preparing for construction of their rapid transit projects, others, such as Hamilton and Toronto, appear hopelessly deadlocked over their transit futures. In both communities, however, mayoral contenders have laid out a range of transit visions.

In London and Windsor, the local economy should be a prominent issue, given the loss of manufacturing jobs following the economic downturn of the last decade. The question is, how can city councils best create jobs and prosperity? Those advocating for infrastructure development, lower tax rates, and even “creative economy–style” cultural investments have made convincing cases, but concrete plans have yet to take shape.

Income inequality has received less media attention. In Ottawa, the city's relative prosperity and position as a “government town” have meant that inequality is largely overlooked, but poverty is present in certain parts of the city. In Hamilton and Toronto, the incomes of top earners have

been rising swiftly while unemployment remains high. Housing and the cost of living are also a constant concern in Toronto.

Governance is another important issue that has been on the backburner. The scandal-plagued administrations of Rob Ford and Joe Fontana have contributed to a raucous environment at City Hall, leading to legislative deadlock. While some may argue that new leadership in both cities may help reduce the tensions on council, lingering governance issues will likely remain.

Some cities also require greater regional coordination, particularly those in and around the Greater Toronto and Hamilton Area. Reconciling urban and suburban factions – and in Hamilton and Ottawa, urban, suburban, and rural – has proven to be difficult; this divide is at the heart of each city's debate on transit and fiscal issues.

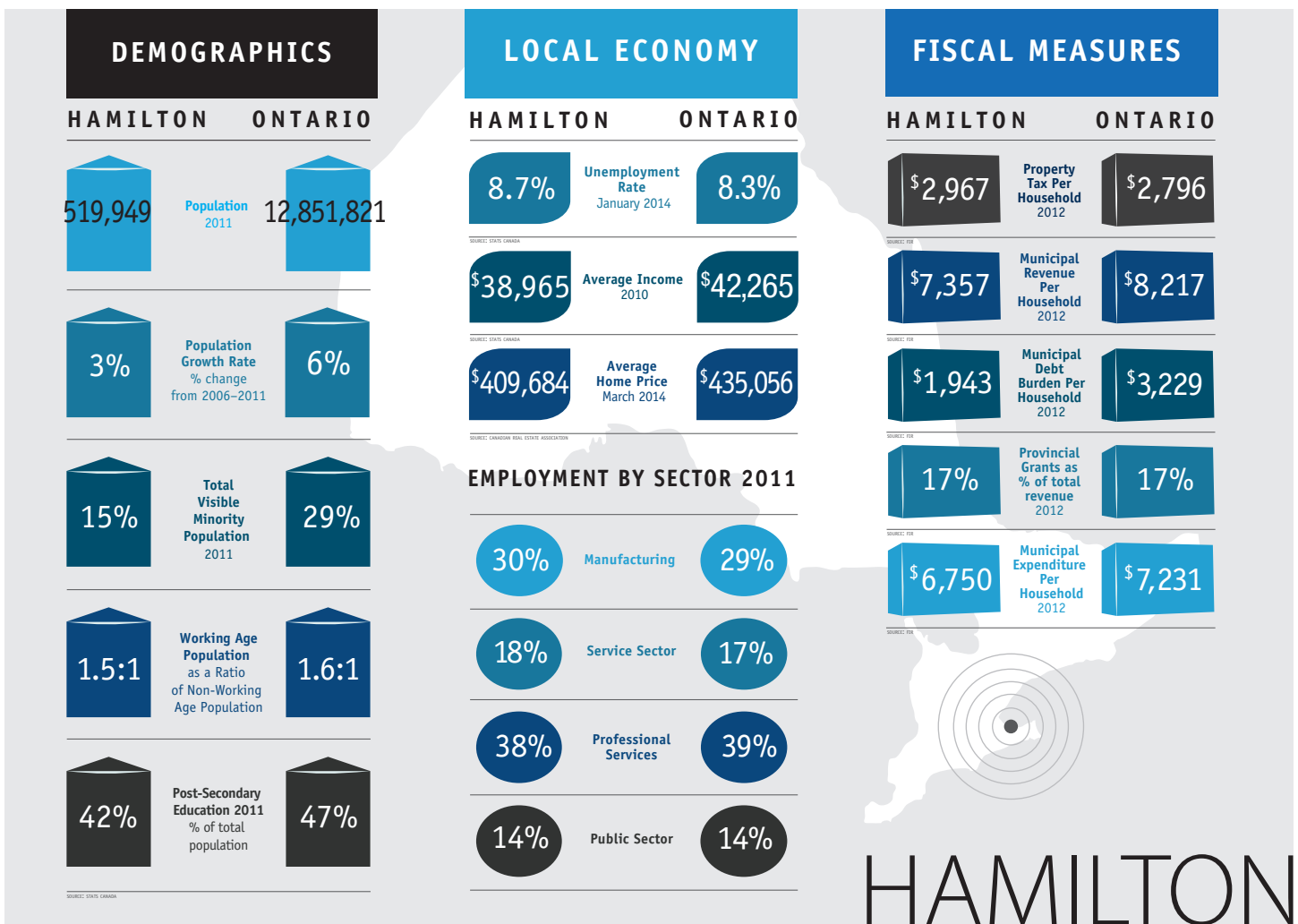
A change in local leadership and a provincial government that has indicated a desire to settle many long-standing disagreements, such as those over social services and transit, offer Ontario cities a real opportunity to break with the past.

Overall, Ontarians should be especially attuned to their local politics in 2014. A change in local leadership and a provincial government that has indicated a desire to settle many long-standing disagreements, such as those over social services and transit, offer Ontario cities a real opportunity to break with the past.

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Endnotes

1 Association of Municipal Managers, Clerks and Treasurers of Ontario, *2010 Ontario Municipal Elections AMCTO Post-Election Survey*, 2011. The highest turnout was in the Municipality of Greenstone (66 percent), while the lowest was in Gilles Township (0.6 percent).



HAMILTON

Hamilton

Peter Graefe
McMaster University

Hamilton, Ontario's fifth-largest municipality, is a city that includes active manufacturing facilities and underused brownfields, a downtown undergoing renewal but with persistent social service needs, various generations of postwar suburbs stretching eastward and southward, and sizeable agricultural areas. When this diversity is overlaid with continued resentment over the forced amalgamation of the city a decade and a half ago, one can appreciate the difficulty in holding a city-wide conversation during an election campaign, or in creating strong consensus on city priorities among councillors.

Despite Ontario's weak economic and employment performance, Hamilton's employment rate is above the provincial average and above pre-2008 recession levels. These results reflect Hamilton's diversified economy, and the fact that the city experienced industrial job losses a decade

before the 2008 crisis. On the other hand, the current mix of jobs has tended towards less secure (non-permanent, part-time) employment, and male median wages have declined significantly. Only 46 percent of men have full-year, full-time work, compared to 77 percent in 1978. Poverty remains in the 20 percent range, if measured by before-tax low-income-cut-off criteria, and housing problems (such as a nearly 50 percent jump in the length of the affordable housing waiting list between 2008 and 2011) are exacerbated by a hot real estate market.

The Political Landscape

The 2010–2014 term started with the rapid and amicable resolution of two contentious issues that had previously divided council: area rating (the assignment of specific program costs to different areas within the city) and the construction of the Pan-American Games stadium. Within a year of the 2010 election, however, relations between the mayor and council soured considerably. Relations with the province are also an ongoing source of tension. Council members feel that their attempts to develop bargaining

leverage are undermined by the mayor's strategy of avoiding public criticism of provincial actions.

On the budget, however, a high degree of consensus and cooperation allowed council to keep tax increases below inflation (an average increase of 1.3 percent over the past four years). The middle of the mandate was consumed by the Ontario Lottery and Gaming Corporation's modernization plans, which raised the question of whether the city would welcome a casino downtown, especially as it would imperil the slot machine operations of the Flamborough racetrack. Council voted to endorse a casino at the racetrack site, but not in a manner that definitively ruled out the downtown as a possible location in the future.

Ongoing issues include defining Hamilton's position on next-generation rapid transit (light rail? who pays?), the airport (should it remain as the centrepiece of economic development plans, particularly as passenger and freight volumes decline?), and policing (a key cost-driver in the budget over which council has limited power). Given the city's high social services costs, provincial moves to cut the Community Start-Up and Maintenance Benefit (CSUMB) – a program that helps fund local housing and homelessness initiatives – and cap special benefits under Ontario Works pose ongoing budgetary challenges.

A bone of contention between the city and the province involves policy uploading and downloading. While the uploading of some social assistance programs was felt to benefit Hamilton, given the city's above-average social services caseload, the net impact has been limited, as other transfer programs were ended at the same time. There is disagreement about the effects of uploading: the province claims that Hamilton was \$78 million better off in the 2009–2014 period, while the City reckons the net benefit at \$12 million.

Increased costs in other provincially mandated services (such as land ambulance, public health, and courthouse security), as well as provincial offloading of CSUMB and social assistance special benefits, have angered Hamilton council members. These moves led to a to a cross-community planning day on the CSUMB and special benefits in December 2012.

Relations with the province over transit have also been complicated. While council members voted in favour of a light rail transit (LRT) system, in part due to its significant

development potential in the downtown core, they have resisted paying for it, insisting on 100 percent provincial funding for capital costs. This hesitancy to take the lead on LRT, coupled with the mayor talking down LRT while lobbying the province for all-day GO service, has allowed provincial cabinet ministers to make a variety of contradictory commitments on transit, potentially pushing Hamilton down the priority list of projects or knocking it off the list altogether.

The Defining Issues

Unlike other cities in the GTHA that have used gas tax funds to upgrade public transit and grown their ridership as a result, Hamilton instead used its money to extend transit to the Canada Bread plant and Wal-Mart. While the question of whether Hamilton can afford LRT is likely to be important in the mayoral race, the overall question of how to go about

upgrading transit (and paying for it), including in expensive-to-serve suburban areas, is likely to play out in ward races. Council has generally failed to see transit as an economic development tool or as a key support to women's labour force

participation (women represent a higher share of public transit commuters, and nearly 70 percent of users of the affordable transit pass).

While the employment situation is relatively bright in Hamilton, the city faces issues of job quality and wages, and of access to training opportunities for higher-end jobs. Municipalities hold few levers to directly affect employment levels. The municipality's overall vision for development (laissez-faire vs. focusing on clusters; greenfield vs. brownfield; airport jobs vs. knowledge-based work) makes a difference. How the mayor and council engage community stakeholders around existing joint tables, such as the Jobs Prosperity Collaborative or Workforce Planning Hamilton, to meet these challenges also has an impact, as do efforts to support labour force participation through reducing the childcare subsidy waiting list or upgrading transit.

Given the diversity of the city and continued tensions between amalgamated communities, the ability of candidates to set out a vision for the city and its development may sway voters. Although the mayor alone can accomplish only a limited amount, the capacity of council to deliver on its agenda depends on leadership that can sketch out a greater vision and gather councillors behind it. It is not clear

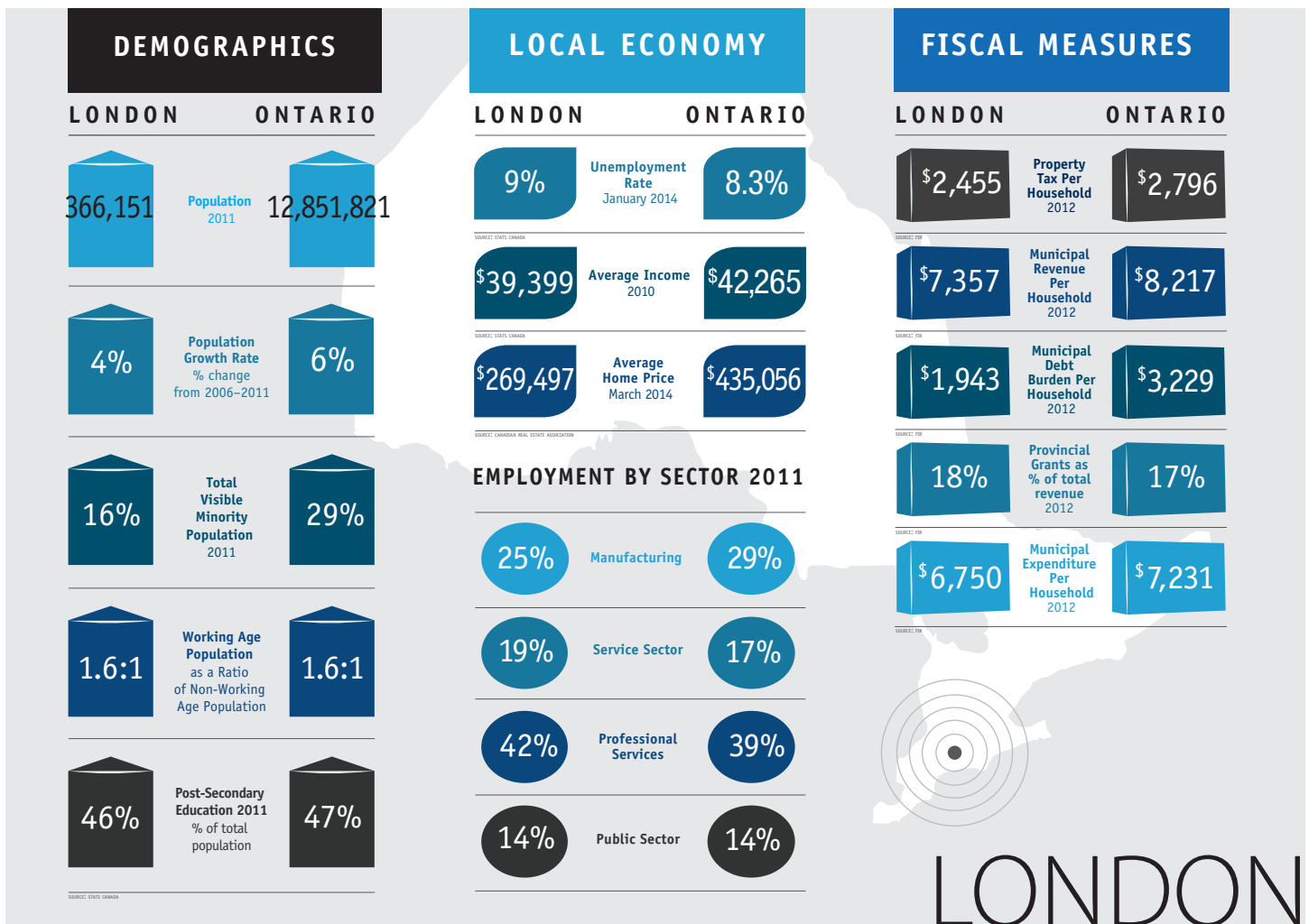
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Hamilton has had such leadership since amalgamation, and certainly not in the past seven years.

Issues such as the stadium, LRT, and the airport development project known as Aerotropolis have dragged on partly because of a lack of clear vision, including whether the city's economic future is further suburbanization and

development of transportation and logistics industries along the highways and the airport, or if it should have a downtown focus that builds on clusters around the university, hospitals, and redeveloped brownfields.

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LONDON

London

Andrew Sancton
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In 2011 the population of the City of London was 366,000, while the population of the census metropolitan area (CMA) was 475,000. The biggest local issue is the lack of growth. Between 2006 and 2011, the London CMA population dropped from tenth to eleventh in Canadian CMAs ranked by size. It was narrowly surpassed by neighbouring Kitchener-Cambridge-Waterloo (KCW). With a five-year growth rate of only 3.7 percent as of 2011, London's rate was also below those of the 10 more populous metropolitan areas (KCW's growth rate over the same period was 5.7 percent).

London is too far away from Toronto to benefit from Toronto's ceaseless outward expansion, yet it is still too close for it to be at the heart of a city-region with its own dynamic economy.

The Ontario government recently announced that more GO trains will be serving Kitchener. The response in London has been, "Why can't London get GO Train service?" KCW has been growing because of the health of its high-tech sector and because of its proximity to Toronto. By contrast, London is too far away from Toronto to benefit from Toronto's ceaseless outward expansion, yet it is still too close for it

to be at the heart of a city-region with its own dynamic economy.

Fifty years ago London could be characterized as a major Canadian corporate centre. John Labatt, Canada Trust, London

Life, and local media all had corporate headquarters in London. Now all of them are gone. London's private-sector economy is made up primarily of branch plants, and

even some of the most prominent of these have left, the best-known recent examples being Ford, Caterpillar, and Kellogg's.

With such limited growth, there is concern in London about how to retain young people who have grown up in the city and about providing opportunities for students at Western University and Fanshawe College who have come from other places and might want to stay. Even if young people do not stay, however, London benefits economically from its educational and healthcare institutions. Without these, the city would be little more than a service centre for the productive agricultural area that surrounds it.

The Political Landscape

Concerns about the local economy dominate municipal politics in London. Joe Fontana won the 2010 mayoral election on promises to freeze property taxes and "create" 10,000 jobs. For the first couple of years, he was successful in freezing property taxes. But jobs lost seem to have outweighed jobs gained, certainly in manufacturing. The only glimmer of hope appears to rest with the defence industry, as London's General Dynamics plant has obtained major contracts for building armoured personnel carriers. But if London's major private-sector employment cluster has developed in the defence industry, it is not because of Mr. Fontana or of anything the municipal government may or may not have done. In any event, nobody, none of the 2014 municipal candidates, can now credibly claim to be able to affect the job situation.

Meanwhile, Fontana is not a candidate in 2014 because he has been convicted of using public funds while he was a federal cabinet minister to pay for part of the costs of his son's wedding, and is confined to his own residence until after the election. There are three serious candidates to replace him: Matt Brown, a rookie councillor with strong Liberal connections (like Fontana) who, though not charismatic, has the virtues of being seriously interested in local policy issues; Roger Caranci, a former councillor with strong connections to the development industry; and Joe Swan, a long-time councillor who once ran as an NDP candidate in a federal election but who was more recently a strong Fontana ally.

Three other incumbents (in addition to Brown and Swan) have already announced that they will not be standing for re-election to council. All three have been critics of Fontana's pro-development policies and all are stepping down after more than one term on council, each suggesting that they are doing the right thing by allowing for much-needed council turnover. Fontana's informal council majority shows signs of disintegrating, but the decision of his main critics not to run again can only be seen as good news for London developers.

The Defining Issues

This brings us to issues that London City Council *can* do something about (subject to the vagaries of the Ontario Municipal Board): the quality of the local built environment. The most significant cleavage in London city politics is between those who favour almost any proposal for land development and those who want to control development. The former believe that development of any kind creates jobs and the latter maintain that developers' threats to take their capital elsewhere are mostly hollow and that the city's long-term prospects are best served by occasionally saying "No" to particularly egregious proposals for new manifestations of urban sprawl.

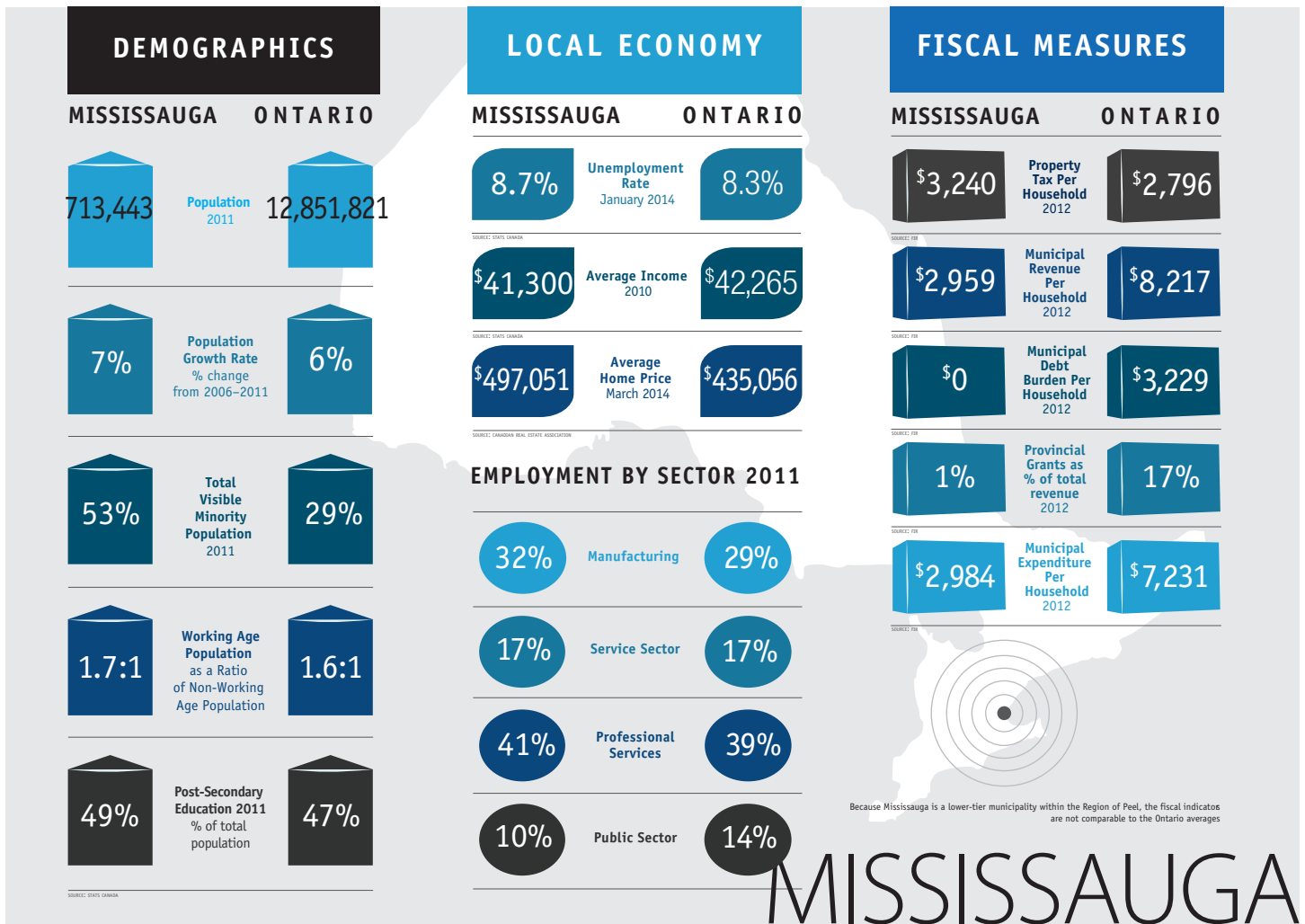
Two potential projects relating to downtown are already dividing mayoral and council candidates as the election draws closer: first, whether to provide further financial assistance to Fanshawe College in relocating some of its programs to an abandoned department-store building; and second, whether to build a new performing arts centre.

Attracting provincial (and federal) funds to subsidize the performing arts centre and other infrastructure projects remains a constant preoccupation of London's city government. There is a general belief, probably justified, that because it is in southern Ontario, but not part of the Greater Golden Horseshoe, London gets ignored (as with the absence of GO train service).

The last time London's economic well-being seemed a priority of the Ontario government was in 1992, when the NDP sponsored an annexation to facilitate manufacturing development around the intersection of Highways 401 and 402. More than 20 years later, no such development has taken place. Provincial and local politicians still claim it is a priority, even though it likely requires a new sewage treatment plant on the Thames River not far from the City of Toronto's landfill site. Whether nearby First Nations will agree to yet another environmental imposition is far from clear.

London's economic future probably does not depend on new manufacturing facilities requiring direct access to provincial highways. Fast, reliable train connections to Toronto might well be a superior strategy for London's growth, but most Londoners are probably not yet ready to see their economic future defined by their connections with the mammoth Toronto city-region to the east.

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MISSISSAUGA

Mississauga

Tom Urbaniak
Cape Breton University

Hazel McCallion once told me that her successor would be a one-term mayor. She could foresee that conflict would follow her strong leadership, her pervasive presence, and the generation-long absence of serious electoral competition for the office of mayor. McCallion is retiring this year after 36 years as head of council of the city of Mississauga and 46 consecutive years in public life. We shall soon have a chance to test her prediction.

A new era is dawning in Canada's sixth largest city, the huge suburban municipality that is still finding its core and identity, albeit with some confidence now. But the next council mandate will also have some shades of an earlier generation, the much smaller Mississauga of the 1970s.

The Political Landscape

"It was like big-city politics, it really was."¹ So said a former

Mississauga City Hall-beat reporter, recalling the dramatic clashes between the developer-friendly "old guard" and slow-growth, neighbourhood-activist reformers on the councils of 1974-78. The city came into being in 1974 as the result of the province's forced merger of the former town of Mississauga and the towns of Port Credit and Streetsville. The "city" of Mississauga had trouble finding its footing. The last mayor of Streetsville, Hazel McCallion, had in fact steadfastly opposed the merger.

As the election of 1978 approached, the city was looking for stability. Into the void stepped McCallion. By this time, much of the city was, or could easily be, serviced for development. Abandoning her previous advocacy of "phasing" (opening up a new section of the city to development only when existing development areas were built out), McCallion now advocated opening up the whole land mass to developers – provided they paid development charges, calculated based on current and future needs.

It was a recipe for relatively low-temperature politics. Development charges paid for extensive new infrastructure

and amenities. They allowed the city to hold the line on tax-rate increases, especially in the anti-tax, anti-government political climate of the 1990s. Because most of the development was not directly in anyone's backyard, the neighbourhood groups were either non-existent or docile.

Today, the era of major "greenfield" development is over. The city's population is growing more slowly than ever. In 2014 it is estimated at 756,000, expected to grow only 10 percent by 2031. (By contrast, there were some years in the 1970s when Mississauga's population grew almost by the same percentage in a 12-month period!) Some of the more established neighbourhoods are seeing no increases, and will experience population decline.²

Many neighbourhoods are now better politically organized. Try now for a zoning change or even a minor variance to put in a small apartment building in Mineola or Streetsville and neighbourhood opposition will surface, with "concerned citizens" arguing that development would mean loss of trees or views, or more of a burden on the existing infrastructure.

The Defining Issues

Infrastructure is coming due for repair and replacement. Without the major influx of development charges Mississauga is no longer a "debt-free" city, as McCallion so often boasted during her time. Steve Mahoney, a veteran politician and leading contender in the mayoral race, is promising to keep tax-rate increases to the rate of inflation.³ Fellow front-runner Bonnie Crombie vows to "look to find ways to reduce the tax burden on residents."⁴ That will be hard, just as it has been in the latter years of the McCallion mayoralty.

Drivers fume under gridlock, as a built-out city has little room in which to widen already wide thoroughfares. Except in the older neighbourhoods – which have a more urbane feel – walkability is low. McCallion herself often concedes that Mississauga erred in not planning for transit. Thus, all the serious candidates for mayor and council will call for better transit. On transit investment and other issues, expect McCallion's successor to follow in her footsteps by trying to cultivate a good rapport with the provincial Liberal government.

The new municipal regime will have some very typical, but very complex, urban issues. There are clusters of high poverty and generalized sentiments of social exclusion in

densely populated neighbourhoods like Malton, Cooksville and Dixie-Bloor, as well as less visible but under-served marginalized populations. For a decade and a half many agencies in the Region of Peel have come together under a "Fair Share" banner, arguing that funding and programs never kept up with growth.

City Hall was late to acknowledge the deep cultural diversity of Mississauga. The mosaic is certainly not reflected well on council or in the willingness of senior staff to provide municipal services in languages other than English. The City's engagement with social service agencies is similarly limited. In recent years, however, with McCallion partially loosening her grip, the city bureaucracy has dug into these needs and made some progress.

The 2014-2018 council will actually inherit a strong civic bureaucracy. As dominant as the McCallion icon was, there was always a competent technocratic core, although

it was sometimes reactionary and highly conscious of the tone at the top. The staff gained confidence in recent years as McCallion's hold lessened and after the city adopted, in 2009, the multi-year *Our Future Mississauga Plan*, focused on a more green, transit-

friendly, youth-inclusive, design-oriented city. The city's almost spectacular success in capturing post-2008 federal and provincial infrastructure dollars for libraries, parks, community centres, fire stations, trails, squares and other features was a testament to detailed staff preparatory work.

Despite Mr. Justice Douglas Cunningham's finding, in the report of the Mississauga Judicial Inquiry, that McCallion acted inappropriately, and contrary to common-law conflict of interest principles, in helping her son's upstart and inexperienced shell company to secure a multimillion dollar deal (eventually aborted) to acquire and develop the last best piece of land in the City Centre,⁵ the mayor claimed vindication. But it was a wake-up call for the city – Cunningham called his report *Updating the Ethical Infrastructure* – which had previously no code of conduct in place for its elected officials. The public will not be as forgiving of other office holders as it was of its ageless matriarch. Watch for some steps in early 2015 to further enhance transparency at City Hall.

Although Mississauga's municipal politicians are among the best paid in the country, also watch for the new mayor

Without the major influx of development charges Mississauga is no longer a "debt-free" city, as McCallion so often boasted during her time.

to try to follow some of McCallion's day-to-day practices, such as eschewing handlers at public events and being visible, accessible, and seemingly raw and authentic. He or she will accept a chauffeur, however. The no-entourage McCallion can brush off all her accidents caused by her own careless driving. The next mayor of Mississauga will be under more scrutiny. And the scrutiny will not just be about the rules of the road.

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Endnotes

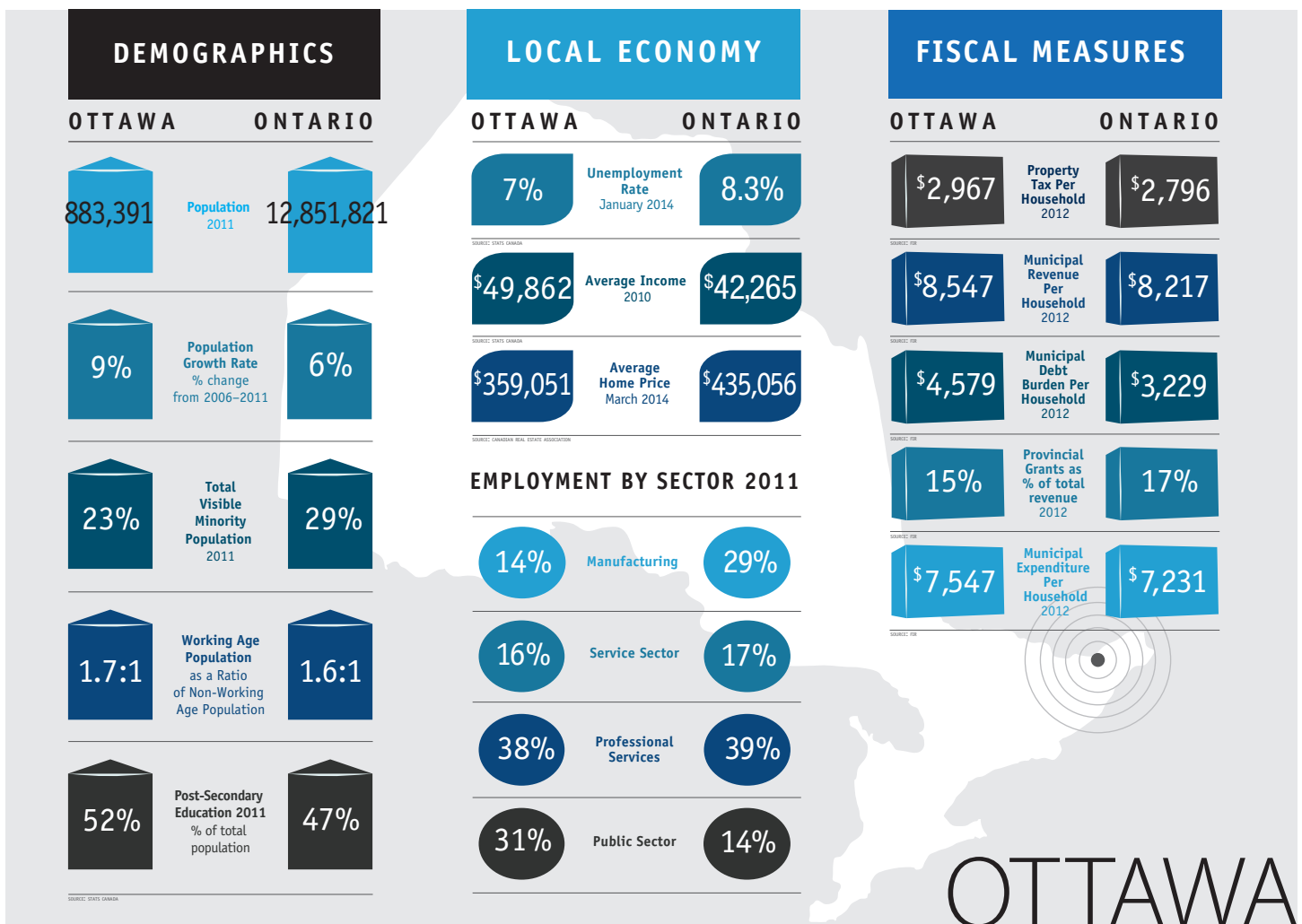
1 Tom Urbaniak, *Her Worship: Hazel McCallion and the Development of Mississauga* (Toronto: University of Toronto Press, 2009), p. 9.

2 Mississauga, Department of Community Services, *2014 Future Directions for Library Services*, pp. 8-10.

3 Joseph Chin, "Mahoney unveils ambitious blueprint in bid for mayor's job," *Mississauga News*, June 25, 2014.

4 Crombie makes this statement on her campaign website: http://www.bonniecrombie.ca/respect_for_taxpayers; accessed on July 3, 2014.

5 The Honourable J. Douglas Cunningham, *Updating the Ethical Infrastructure: Report of the Mississauga Judicial Inquiry*, 2011.



Ottawa

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Ottawa is a government town, with a small manufacturing sector and a large public-service sector. Civil service jobs account for over 30 percent of workers, compared to less than 15 percent for Ontario as a whole. This also means that Ottawa is a relatively well-off community with an average income in 2010 about \$7,000 higher than the average for Ontario as a whole. Since amalgamation in 2001, the City of Ottawa covers a very large area with urban, suburban, and rural sections. Perhaps because amalgamation was imposed by the provincial government, different parts of the City have remained distinct and there is little sense of a common direction.

Municipal relations with the federal government have always been somewhat strained. The City resents being dictated to by the federal government, while it accepts federal expenditures on parks and driveways. Relations continue to be less than cordial, as the current federal government's

enthusiasm for cuts to the federal civil service are bad news for the local economy.

The Political Landscape

Four years ago, Jim Watson left the provincial cabinet and returned to his earlier career in municipal politics, where he had been the last mayor of the old City of Ottawa before amalgamation. He won the 2010 municipal mayoralty race in a large field of candidates, including the then-incumbent mayor Larry O'Brien. Watson was convinced that the Ottawa electorate was tired of the fights, personal animosity, and general rudeness of the previous municipal council. From the beginning of his term in office, Watson kept a tight rein on the council. Council adopted a list of priorities for the term of office, and Watson insisted that nothing could be approved that was not part of those original priorities.

A number of significant policies, programs, and strategies were created during the 2010-2014 term of council. Many originated as staff-led projects and many were organized in partnership with community-led organizations, such as the implementation of the Equity and Inclusion Lens

(in partnership with the City for All Women Initiative), the creation of the Older Adult Plan (in partnership with the Council on Aging), the City of Ottawa Municipal Immigration Strategy (in collaboration with the Ottawa Local Immigration partnership), and a Youth Strategy and a Public Engagement Strategy. Each was designed to increase the inclusion of often-marginalized groups within the city's politics and community. None were controversial. This apparent consensus may have come about because the City-community partnerships ensured at least some visible community buy-in.

The results of the June 2014 provincial election were seen as good news for municipal Ottawa. The provincial Liberals had promised support for three of the major municipal election issues: cleaning up the Ottawa River, further transit investment, and continuing the upgrading of social services.

Provincial funding for infrastructure projects will include \$65 million for the Ottawa River Action Plan to end sewage overflow directly into the river, and support for the next phase of investment in the City's light rail transit line. This funding will decrease public pressure for increased municipal expenditures during the election campaign.

The Defining Issues

The municipal election will not be a dramatic one for Ottawa. There is no true race for the mayoralty: Jim Watson will likely be re-elected. There are few candidates running against him. He attends every public event in Ottawa, is recognized by a huge percentage of the Ottawa population, and is active on social media. But there are some important local issues that voters need to consider.

Two major demographic shifts Ottawa is experiencing – aging and ethnic diversity – have important political implications. The aging of the population combined with

rising housing costs means that a substantial part of the senior population is “property-rich and cash-poor,” and tends to vote for lower taxes. This trend has a substantial political impact, as seniors vote in large numbers. Rather than supporting enhanced city services adapted to an aging population, they usually vote for lower taxes (that will likely result in service cuts).

At the same time, municipal elections are good arenas to debate policies that can alleviate the worst impacts of growing

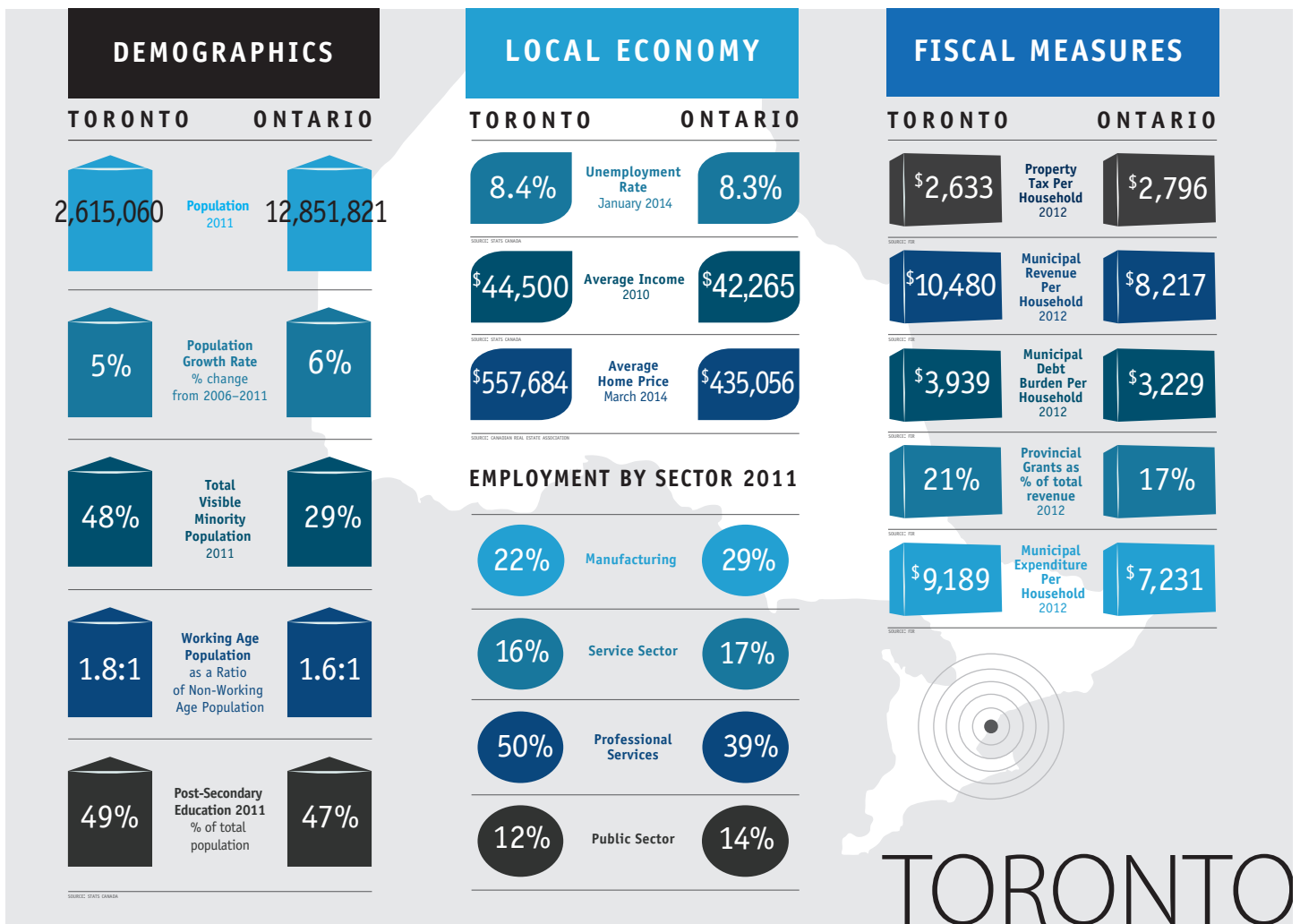
Municipal elections are good arenas to debate policies that can alleviate the worst impacts of growing income inequality, such as those relating to childcare, public transportation, and financially and physically accessible recreation options.

income inequality, such as those relating to childcare, public transportation, and financially and physically accessible recreation options. Yet, Ottawa's increasingly diverse population includes many who cannot vote because they are recent immigrants and do not have Canadian citizenship.

Improving political participation is another important issue, particularly among low-income residents who tend not to vote. An interesting program called *Making Votes Count Where We Live* has been organized by two local civic organizations. The program has four main objectives: “Make it easy to vote. Make it fun to vote. Ignite the passion to make a difference. Build bridges between elected officials and residents.”

Also active in citizen engagement is a new organization: the *Citizens Academy*. It was established about two years ago and has been slowly working to engage citizens in political issues. Whether these activities will increase voter turnout is perhaps the most exciting reason to watch how the Ottawa municipal election unfolds.

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TORONTO

Toronto

André Côté
Institute on Municipal Finance and Governance

In spite of its recent politics, Toronto is a city on the rise. But the 2014 elections mark a critical juncture, with important decisions to be made about the future of Canada’s largest city.

Toronto is one of the most culturally diverse cities in the world and boasts a strong and diversified economy. Toronto City Council is made up of a directly elected mayor and 44 councillors elected at the ward level – who also sit on community councils that deal with local issues. With a few minor tweaks, this governance arrangement has been in place since the tumultuous amalgamation in 1998. Council is supported by the Toronto Public Service, a public administration with more than 50,000 staff members – larger than the civil service of most provincial governments.

The Political Landscape

The political dysfunction at Toronto City Hall over the past four years, caused largely by the scandals engulfing Mayor Rob Ford, not only made news around the world, but was a barrier to effective governance. Transportation planning, driven by political agendas rather than evidence, is in shambles. Council was frequently distracted by heated, ideological debates about everything from casinos to plastic bag “taxes.” In general, there was a lack of leadership and coherence in the council agenda. Nevertheless, there have been some positive developments, such as the Regent Park revitalization, which has demonstrated the potential of innovative public-private financing arrangements to rejuvenate the cash-starved social housing sector.

Toronto is the only municipality in Ontario to have its own legislation – the *City of Toronto Act* – and to manage its relationship with the Government of Ontario separately, outside the Association of Municipalities of Ontario (AMO). The city’s size and political voice have a significant impact on provincial-local relations. The most obvious example has been

the wrangling over transit planning and investment, where the Province has largely acquiesced to Toronto council's many reversals of policy. In other areas, such as the uploading of social services costs that began in 2008, Toronto has received the same treatment as other municipalities.

To put it mildly, the last four years were disheartening for Toronto residents. The carnival at City Hall distracted attention from more important challenges. If there is a silver lining, it is that levels of citizen awareness and interest in local issues have increased, creating an opportunity for an engaging election campaign that can refocus the City on its long-term priorities. There are many of them.

The Defining Issues

Transit will be the top issue during the election campaign, as candidates line up to support a variety of investment proposals. Yet, the focus on big, new transit lines partly misses the big picture. Most of Toronto's capital funding actually goes towards state-of-good-repair (SOGR) – the unglamorous maintenance of the aging transit, sewer pipes, and social housing infrastructure the city already has. The City does not have the financial capacity to tackle its SOGR backlog, much less to fund major new investments to accommodate continued growth. It's unlikely that the provincial or federal governments will come to the rescue with the large infusions of cash that is needed.

Toronto has many economic strengths. The City is home to Canada's financial services industry and many other important business clusters. It has top-notch educational institutions. The property market has been booming, especially in the urban core.¹ Yet, as the Toronto Region Board of Trade has pointed out, the productivity rate of the metropolitan economy has been falling – and Toronto now lags behind other city-regions such as Montreal, Vancouver, Chicago, Boston, and Atlanta. The business community's advice to City Hall: stop being so inward-focused and start to plan, coordinate and act like a region.²

Toronto's prosperity has not been evenly shared. Incomes have been rising fastest for Toronto's top earners,³ while the unemployment rate remains persistently higher than in the "905" municipalities or province-wide.⁴ There is a long waiting list for the City's 60,000 social housing units. The University of Toronto's "three cities" research shows the growing spatial gap between "have" and "have-not" communities.⁵ While this issue is at the root of the alleged

"downtown-inner suburbs" divide in the city, it has received little political attention at City Hall over the past four years.

Fifteen years after amalgamation, it is also clear that Toronto's governance structure is an unresolved problem. On the one hand, Greater Toronto Area (GTA) coordination mechanisms are desperately needed to address planning, funding, and decision-making gaps in core areas such as transport, economic development, and growth management. On the other, council is bogged down by the volume of items on its agenda, and needs to delegate more responsibilities to community councils or other local decision-making bodies. Arrangements with the Province also need to integrate and coordinate services in areas of shared responsibility, such as social assistance, employment supports, and other "human services."⁶

Toronto's 2014 election is a defining moment. Mayor Ford was elected in 2010 on a simple platform that promised low taxes and efficient government (less "gravy"), with a subway-focused transportation plan largely intended to tap the vein of suburban resentment towards the subway-served

core. While it's difficult to overstate Mayor Ford's detrimental impact on Council's effectiveness or on Toronto's international reputation, the mayor can take credit for delivering some elements of his agenda. The ballot

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What Toronto lacks is a coherent long-term vision for the City's future, and honest discussion about the choices and sacrifices needed to achieve that vision. It is growing too quickly for piecemeal approaches, politicized investment decisions, or parochial resistance to change. As another IMFG *Pre-Election Paper* noted, Toronto lacks the financial capacity to maintain public service levels and invest for the future if property taxes continue to grow at below-inflation rates and difficult decisions are avoided about how to generate new revenues for infrastructure.⁷

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Endnotes

1 Open Data Toronto, "Economic Indicators," 1 May 2014.

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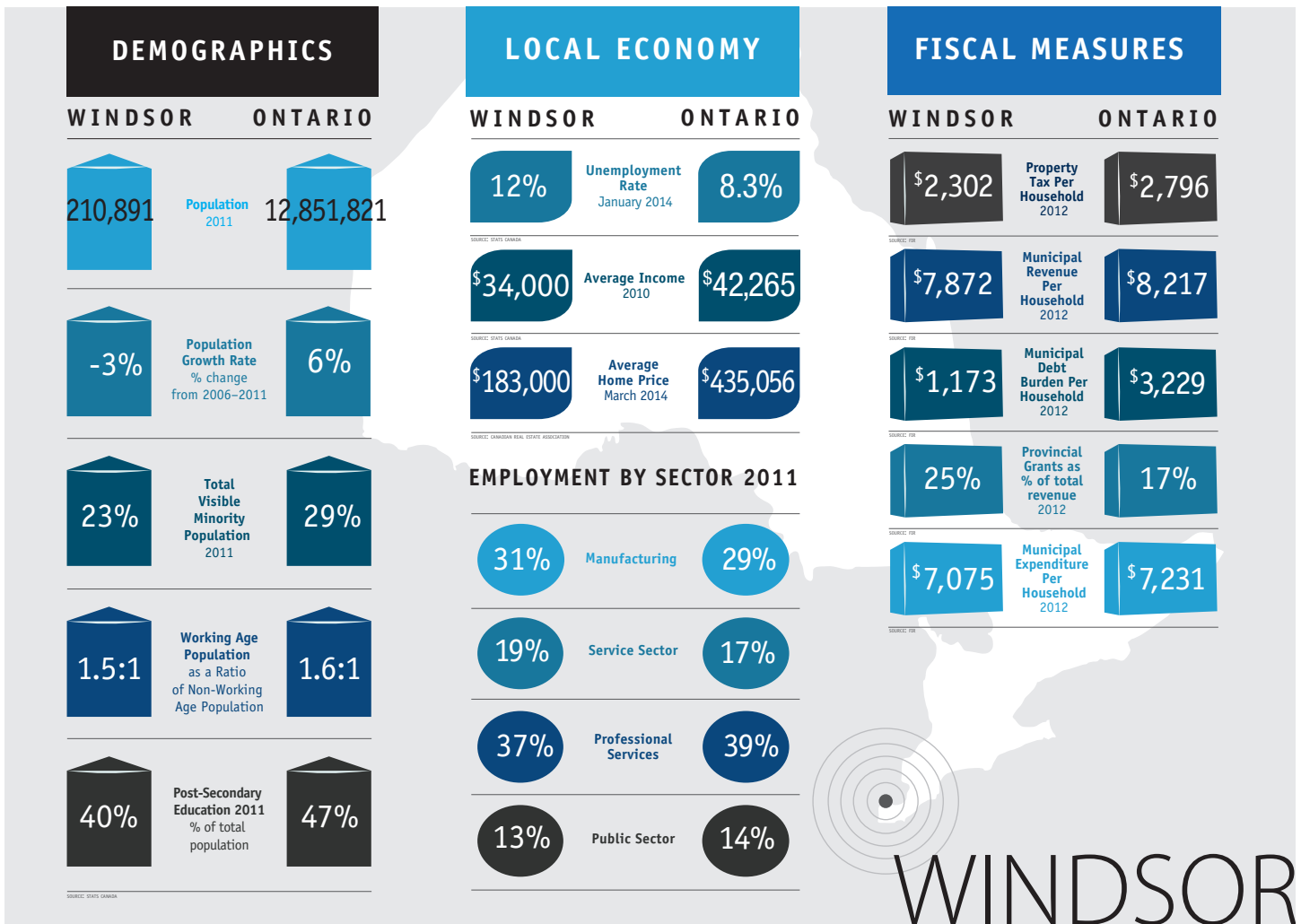
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WINDSOR

Windsor

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The City of Windsor is a separated, single-tier municipal government with an elected council consisting of a mayor, elected at large, and ten councillors elected in single-member wards. The population of the city was nearly 211,000 in 2011, which represents a decline from 2006 when the population was over 216,000. There is speculation that this population loss may have been halted or even reversed in recent years and certainly the greatest population loss was connected with the post-2008 recession and the associated decline in the automotive sector.

The Political Landscape

Municipal turnover is the major feature of the 2014 Windsor municipal elections. Three long-standing council members announced their decision not to run for re-election in July. Even more significant was the January announcement by

three-term mayor Eddie Francis that he would not seek re-election.

Francis has been a dominant force in Windsor's municipal politics since his victory in the mayoral race of 2003 (he was first elected to council in 1999). In spite of controversies relating to his leadership style, he will leave office with a high approval rating. It was widely expected that he would win again had he decided to run in 2014; as a result no prominent candidate was openly preparing to run against him at the time of his announcement.

There was initial speculation about who would run for mayor. After some delay, councillor Drew Dilkens declared his candidacy in August and immediately became the frontrunner in the race that by that time had six other candidates. Among others most frequently mentioned as possible mayoral contenders, sitting councillor Bill Mara announced early that he would not run, while former Ontario Liberal MPP and government minister Teresa Piruzza, who was mentioned as a possible candidate in her home city, announced in August that she was not running.

As a result, Dilkens is the favourite to replace Francis. His campaign announcement and literature indicate that he will run on the Francis council record, of which he was a part.

The Defining Issues

The 2014 municipal election is likely to be dominated by the legacy of Eddie Francis. At least two issues will be prominent in the mayoral race and may play a part in all of the ward races. The first is the issue of contracting out municipal services and the relationship between the municipality and unionized employees. In the wake of the 101-day municipal strike in 2009, the mayor pushed the city council to contract out more of its services and reduce retirement benefits to new employees. These issues remain controversial and may prove to be a source of disagreement between candidates seeking to maintain the post-2009 pattern and those wishing to reverse this course.

Fire protection service is a prominent example of this debate. In spite of recent pay rises awarded to firefighters, Francis spearheaded a plan to keep expenditure on fire protection services stable by reorganizing and reducing the number of fire halls. The firefighters' union is leading a public campaign against this plan.

The second issue concerns the municipality's approach to property taxes and spending, and whether council will maintain its commitment, first advanced by Eddie Francis, to hold the property tax levy stable or whether taxation rates will be increased to allow for greater municipal spending. Council's ability to keep the property tax stable while reducing the city's overall debt and completing significant capital expenditure projects helps explain the mayor's popularity. At the same time, however, there are demands from various quarters for greater municipal spending as well as demands for greater support for unionized workers.

Other city-wide issues will likely feature in the election. Although the worst of the post-2008 recession is over, and the danger of one or more of the Big Three automobile manufacturers going bankrupt has receded, the overall health of the automotive sector remains a central issue in Windsor's municipal politics. Automobile manufacturers and their suppliers are the main employers in Windsor and the local economy is closely linked to the state of this industry. Almost every candidate for municipal office recognizes this fact and emphasizes the importance of municipal support for the manufacturing sector and the automotive sector in particular.

One important example of this support has been municipal pressure, and eventual approval, for the construction of a new border crossing linking Windsor with Detroit, as well as the construction of a new road (the Herb Gray Parkway) linking Highway 401 to the border.¹ This issue is likely to be a factor in the 2014 election, but with limited disagreement among candidates about the need for a new government-funded bridge and the completion of the new parkway access road. On a related note, the overwhelming majority of municipal candidates will continue the municipal government's longstanding opposition to plans for an Ambassador Bridge replacement span, with its associated impact on the Sandwich area of the city.²

At least three seats will be open in the 10 wards and these are certain to be fiercely contested. These races may turn on issues exclusive to particular wards. Ward 10 has, for example, attracted a large number of candidates as a

result of the financial scandals surrounding the first term of the sitting councillor. The race in that ward is likely to focus on the incumbent's record and past financial indiscretions.

The 2014 municipal election in Windsor should attract a higher-

than-normal level of public interest. The absence of an incumbent mayor and the certainty of at least three first-time councillors being elected indicates that there will be change at City Hall. It is less clear whether this changing of the municipal guard will result in new policy directions for the City of Windsor.

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Endnotes

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