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Amalgamation costs more: Fraser Institute

[Brent Richter](#) / North Shore News

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A new study that finds a series of municipal amalgamations in Ontario wound up costing taxpayers more than they saved is breathing life into the 108-year-old debate between the two North Vancoovers.

The Fraser Institute studied the financials of three rural municipalities that were forced to consolidate by the Progressive Conservative government of the 1990s, and compared them to unamalgamated ones.

"We find very little evidence of tax savings or cost reductions," the report stated. "In most of our cases, the tax burden on individual households increased."

The report says it may not have been the act of restructuring that doomed the municipalities to higher spending, but rather the speed they were required to do it in — in some cases, less than a year.

"The process was quick and received little provincial assistance. As a result, wages were harmonized upwards in this period, which had a significant impact on the cost of service delivery," the report stated.

Beyond that, residents in the more far-flung parts of the larger municipalities began to demand the same level of service offered in the denser parts.

The report does note, however, some factors that make a before-and-after comparison difficult, among them: dramatic changes in financial reporting and property tax assessment methods in the same period, as well as entrenched downloading of responsibilities from the province, including big-ticket items like social housing and highway maintenance.

Rather than slamming the door on prospective future amalgamations, the report goes on to suggest cities pursue partial amalgamations or shared service agreements to find efficiencies.

Former city council member Guy Heywood, who fought to bring about amalgamation from within during his last term,

rubbed the report.

"It has no applicable context," Heywood said, noting the unpopular amalgamations were forced on unwilling participants with unnecessary haste, mismanaged by bureaucrats and used by opportunistic unions as a chance to "level up."

The two North Vancoovers, by contrast, share every important social, recreational, cultural, educational and health institution, and the only reason they were separated was to satisfy the developers of the day, Heywood said.

"(The report) is a cloak or a tactic for distracting from what's obvious to a fair-minded, common-sensical person in North Vancouver," he said.

Heywood continues to press for amalgamation and is in the process of setting up a citizens' forum, using volunteers from the community with expertise that could better inform a new study into local amalgamation.

City of North Vancouver Mayor Darrell Mussatto said he has not read the Fraser Institute report but it reaches the same conclusions he has been preaching for years.

"All the research that I've done has said that those costs are enormous. The savings that you get never make up for those costs that you spend," he said.

Mussatto said people still make "ludicrous" assumptions that amalgamation will result in just one municipal hall operating with half the staff.

"Ninety-five per cent will still remain. You'll have one city manager instead of two, one mayor instead of two, but the costs are huge to changing those systems. You'll find if you're doing it for financial reasons, it does not make sense," he said.

Mussatto said the city and district, along with Metro Vancouver, already share in the services where it makes the most financial sense for taxpayers — water, sewer, garbage, air quality.

According to my tax records these regional costs have risen substantially faster than inflation.- cjk

"Those things that the region is doing now are already achieving big savings," he said.

Mussatto, a staunch NDPer, said he finds himself in the rare position of standing in agreement with the right-wing Fraser Institute.

"They must have hired some new people at the Fraser Institute because, usually, I am not in agreement with them on a whole lot of what they say," he said with a laugh.

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