Hidden in Plain View: Local Agencies, Boards, and Commissions in Canada

Jack Lucas
Department of Political Science, University of Toronto
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Author and Acknowledgements

Jack Lucas is a PhD candidate in the Department of Political Science at the University of Toronto and a 2012-2013 Graduate Fellow at the Institute for Municipal Finance and Governance. In his doctoral research, Jack is exploring the history of local special purpose bodies in Canada with a focus on processes of institutional change.

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Executive Summary

Many of the most explosive local controversies today—spending scandals, service disruptions, political disputes—share one thing: they involve local agencies, boards, and commissions (or ABCs). In Toronto, controversies about waterfront redevelopment, libraries, public housing, and transit planning have been complicated—even caused—by the ABCs in these fields. The same is true in many other Canadian cities.

This should not come as a surprise. Everywhere we turn in municipal politics, from transit to housing, conservation to libraries, education to policing, we encounter ABCs: local or regional public agencies, with a single or limited set of functions, that receive their revenue partly or wholly from municipal governments, provincial governments, user charges, or some combination of these. These ABCs (or “special-purpose bodies”) provide hugely important services, spend large sums of money, and raise serious questions about democratic accountability. Yet we spend little time thinking about how they are governed.

Supporters of local ABCs argue that some services should be kept at arm’s length from municipal politics and that ABCs allow certain operations to be governed by those with an interest or expertise in the field, rather than by municipal politicians. Those who oppose ABCs argue that they keep local councils from coherent budgeting, priority-setting, and policymaking and that ABCs are nearly invisible to the public, making important decisions without sufficient local oversight and accountability.

This paper poses three practical and important questions. The first concerns existence: do we need to have ABCs at all? The second is about scale: what is the appropriate geographic boundary (local, regional, provincial, etc.) for a particular policy task? The third is about personnel: who should sit on the board of the ABC and should they be appointed or elected? We consider each of these questions in light of experiences with local ABCs in Canada and abroad.
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Introduction

At the bottom of Cherry Street, on an ordinary summer morning, the city of Toronto seems a world away. Early risers walk dogs through the cool lakefront air. Gravel trucks rumble past. Tourists loiter at the water’s edge, their cameras pointed at the skyline across the harbour. Standing in the sand at Cherry Beach, looking across at the morning roar of the city’s downtown expressway, visitors could be forgiven for thinking that they had stumbled into a completely forgotten world.

In August of 2011, however, this small corner of the city was anything but forgotten. That month, local media reported that members of the city’s executive committee had plans to transform the city’s waterfront redevelopment program. Naturally, the headlines focused on the striking new suggestions for the waterfront: a monorail link to the downtown, a massive shopping mall and waterfront hotel, and the world’s largest Ferris wheel. But the real debate that summer—and the question that Toronto’s council was required in September 2011 to answer—was whether responsibility for redevelopment in the Port Lands should be transferred from Waterfront Toronto, a tri-level redevelopment body, to Toronto Port Lands Co., a city agency.

Waterfront Toronto, with four appointees each from the federal, provincial, and municipal governments, was criticized by some as being too distant from the city and too cautious for speedy action. A reorganized Port Lands Co., on the other hand, would have two municipal councillors on its board, along with two municipal bureaucrats and five council appointees, and would therefore be linked much more directly to Toronto’s city council. For all the talk of shopping malls and Ferris wheels, the waterfront debate in summer 2011 was really a debate about special-purpose governance.1
When we refer to local ABCs, then, we are speaking about public agencies of limited purposes, operating locally or regionally, that are more or less formally separated from the ordinary council-committee structure. The best-known special-purpose bodies have been around for decades, even centuries: school boards, library boards, transit commissions, and boards of health. In many municipalities, however, special-purpose bodies have proliferated. In Toronto, for example, they range from the massive Police Services Board to much smaller operations like the William H. Bolton Arena Board of Management.

The fiscal arrangements for local special-purpose bodies also vary widely. In most cases, municipal councils have the final authority to approve the budgets of special-purpose bodies. But this authority is a matter of degree. In some cases, such as libraries, council can review and adjust the board’s submitted budget. In other cases, like policing, council can approve or reject a budget, but it cannot specify particular items that the board should increase or decrease. And in the peculiar case of school boards in Ontario, council is required by law to levy taxes on behalf of the board, but has no control over the board’s budget. In many cases, local boards also receive funding from the province, and particular tasks and services are often mandated and funded, wholly or in part, by the province. Whatever the fiscal arrangements, however, the money involved is no small matter: in many Canadian cities, more than a third of the city’s operating budget is handed over to special-purpose bodies every year.

Consider Vancouver. In 2012, of the city’s $1.1-billion operating budget, $243 million—more than a fifth of the budget—was devoted to policing; a further $103 million was budgeted for parks and $42 million for libraries. These three policy areas are administered by special-purpose bodies and, in the case of parks, by a separately elected Park Board. The three ABCs alone represent more than a third of the city’s operating budget, not to mention thousands of its employees. Moreover, a full account of local spending by ABCs in Vancouver would include regional bodies such as Vancouver Coastal Health (health care) and TransLink (public transit). How ever we do the calculations, in other words, we fi nd enormous public funds under the control of Vancouver’s local and regional ABCs. The same is true in many other Canadian cities.
Thinking about Local ABCs: Three Key Questions

Across Canada, thousands of local ABCs are performing important tasks in dozens of widely varying policy fields. Are they improving local governance, or worsening it? If we decide to create or reform local ABCs, where should we begin? To clarify our thinking on these issues, there are three general questions that we need to ask about special-purpose bodies. They concern existence, scale, and personnel.

1. Should the ABC exist?

The first question is the simplest: should the ABC exist? While advocates and critics of special-purpose government have made many arguments for and against local ABCs through the decades, there are a few arguments to which those on both sides of the debate have returned again and again. Those who advocate local ABCs often claim that a particular service, such as policing, should be insulated from local politics, either because the service is too important or complex, or because it would create conflicts of interest or patronage if councillors were allowed to control the service directly. In some cases, this is cast as an argument for efficiency: by separating particular services from councillors who might impede or micromanage them, tasks like policing, utilities, or transit can be operated in a more efficient and “businesslike” manner.

This argument emerged in Canada’s urban reform era (c.1890–1920), but it is still alive and well today. “Do not leave the future of our city to our city council,” wrote Toronto columnist Royson James during the 2011 waterfront debate. “Too many of the councillors too often don’t know the details of an issue, fail to understand the core principles governing many policies and are like a political weather vane that spins in the direction of the prevailing political power source.” If we allow our politicians to get too involved, the argument goes, our policies will suffer from short-term, inefficient, and excessively political thinking.

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A second, related argument is that local ABCs provide an opportunity to recruit people into public service who might not otherwise be involved. There may be people with particular interests, acumen, or expertise who would not seek municipal office, but might be willing to sit on the board of a special-purpose body. Historically, this argument has been used to justify the recruitment of businesspeople for “businesslike” services (like utilities) and experts for “scientific” services (like planning). But it could as easily be used to justify the need for environmentalists on waterfront commissions, poverty activists on housing corporations, or novelists on library boards. What is central to the argument is the belief that some policy areas should be overseen by those with a special interest or expertise, rather than by uninterested or uninformed local politicians.

Of course, many disagree with these arguments—and not just the municipal politicians who are implicitly or explicitly besmirched by them. Those who oppose special-purpose bodies often begin with the problem of fragmentation. If we create local ABCs to administer particular tasks, they argue, no one body or agency will be able to make coherent decisions for the city as a whole. How, these critics ask, can a city like Toronto develop a coherent waterfront policy, when responsibility for the waterfront is divided among a conservation authority, a port authority, a tri-level waterfront commission, and three levels of government? The same criticism could be made of transit policy, urban homelessness, health care, and a range of other issues. For critics of local ABCs, it is better to empower a general-purpose government—a municipal council, a regional government, or the province—with enough authority to make policy decisions across a range of fields and to make these decisions on the basis of the needs of the community as a whole.

A second common argument against ABCs concerns accountability. When a policy is the responsibility of council, the lines of praise and blame are usually clear. But the same cannot be said of local ABCs. If a conservation authority makes an unpopular decision, who should be held responsible? If local residents object to the sums being spent on policing, or transit, or housing, to whom should they complain? Recent research on the Toronto waterfront has suggested that special-purpose bodies can sometimes be so distant from ordinary lines of accountability that they virtually constitute a separate, unelected level of government. Even in less extreme cases, the lines of responsibility and accountability can be perplexing for careful observers and altogether bewildering for the general public. The result, according to critics, is a system of local policymaking that would score low on any reasonable evaluation of democratic accountability.

In addition to these common arguments for and against local ABCs, there are many others, pertaining to particular services, in particular places, at particular times. Speaking generally, however, local ABCs are often supported by those...
who are focused on a single local service, such as hydro, planning, or conservation, who hope that a local ABC will protect and insulate the policymaking process in their favoured domain. Those who care passionately about public libraries, say, but have little interest in municipal government in general, may defend the existence of their local library board. Those who are more concerned about the operation of local government in general, on the other hand, tend to be more skeptical.  

Advocates of “localism,” who believe that local communities should be empowered with more autonomy, tend to be critical of specialized ABCs. Ultimately, then, our answer to the first question about existence depends on our reaction to these broader arguments for and against local ABCs. But we must remember that there is nothing “natural” about the arrangement of local special-purpose bodies in Canada today. Some policy tasks that were once thought to require special-purpose administration, such as water distribution and urban planning, have been safely under the control of municipal councils for decades. In many jurisdictions, tasks like policing, education, and watershed management are carried out by general-purpose municipal, regional, and provincial or state governments rather than ABCs. When we compare ourselves to other jurisdictions, in other words, we quickly realize that our way is not the only way: we might choose to create ABCs similar to those being used effectively in other jurisdictions, or we may realize that certain ABCs can safely be eliminated.

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Like most organizations, public and private, special-purpose bodies are easier to create than to eliminate. When the legislation to permit library boards was first passed, for example, it provoked almost no debate or discussion. But legislation to abolish library boards would surely provoke a passionate reaction. Once they are created, special-purpose bodies quickly gain important resources that help them survive over time: local clients who become accustomed to interacting with an ABC rather than with council; inter-municipal and inter-provincial organizations in which members of local ABCs meet to discuss and coordinate their policies; provincial departments whose officials prefer to work directly with specialized local agencies; and, of course, politicians of every stripe who cry “local autonomy!” whenever reforms are proposed. When we are considering a new special-purpose body, therefore, we should ask ourselves if we want the new special-purpose body to persist for ten, twenty, even fifty years into the future.

2. What’s the right scale?

Suppose we decide that an ABC does deserve to exist. Our next question might concern scale: what is the best geographic boundary for the ABC? In theory, the possible answers are limitless, but in practice, the choice is restricted to three options. First, a special-purpose body might be located at the municipal scale, sharing a border with a single municipality. Many well-known ABCs, such as library boards and planning commissions, are organized at the municipal scale.

If the local scale is too restrictive, we might consider the regional scale, larger than a single municipality but smaller than the province as a whole. In some cases, such as policing and education, a regional ABC might share a border with an upper-tier municipality like a county or a regional government. In other cases, like conservation or public health, the boundaries of the regional ABC might be drawn exclusively for the purposes of a particular policy task. The range of possibilities at the regional level are nearly limitless, from smaller ABCs that incorporate just two or three municipalities, like a small utilities commission, to huge ABCs, like Conservation Authorities, whose geographic territory sometimes includes dozens of municipal governments. Among the policy fields in which regional ABCs are employed, one recent area of innovation has been in public transit: in the past two decades, several of Canada’s largest cities—including Vancouver, Toronto, and Montreal—have created regional public transit agencies.

The third scale is provincial. Many hundreds of ABCs operate at the provincial scale, performing a wide range of tasks, and we can occasionally find calls for a particular local service to be relocated to the provincial level. During recent debates on hydro distribution in Ontario, for example, some argued that the province should create a single distribution
utility to cover the entire province. Others have made similar arguments, with varying success, in the areas of public health, water treatment, and education.

When it comes to scale, the story of the past century in many policy fields, such as education, public health, and policing, has been one of consolidation. In an attempt to capture economies of scale, to simplify the administrative system, and to build agencies with the capacity to carry out highly specialized modern services, local ABCs once bounded by a single municipality have been consolidated into much larger boards at the county, regional, or mega-regional level. In many cases, consolidation began as a voluntary local option, stimulated by funding incentives from the provinces. Provincial governments have often found it easier to introduce and defend a voluntary approach, rather than face the charges of centralization that inevitably accompany mandatory changes to entrenched local institutions.

We must remember, however, that voluntary consolidation is rarely a panacea for policy problems, and the result is almost always a system that is more complicated than the one it replaced. No matter how attractive the incentive, some municipalities will choose not to consolidate, leaving some parts of the province under the old form of administration and others under the newer consolidated structures. In Ontario, for example, voluntary consolidation programs in education and public health resulted in adoption rates of roughly 50 percent—that is, half of the province’s local governments decided not to adopt the new structures—which made governance, accountability, and funding all the more complicated. More recently, a voluntary consolidation program in hydro has resulted in a handful of very large utilities, a number of mid-sized utilities, and a few extremely small distributors. The current hydro system in Ontario is arguably as difficult to coordinate as the system it replaced.

Consolidation is rarely painless. There is no easy path to regional ABCs, and if the process is to be completed, compulsory legislation will probably be necessary. If the goal in a consolidation process is to simplify the administrative landscape, only compulsory consolidation, with all of its political risks and challenges, is likely to make such simplification a reality.

3. Should ABC boards be elected or appointed?

Finally, we must also ask: who should govern the ABC? Who should sit on its board? How—and by whom—should senior staff be appointed? Answering these questions requires that we decide, first of all, whether members should be elected or appointed. These days, with just a few exceptions—such as school board trustees or the Vancouver Park Board—most ABCs are governed by appointed board members. If we decide that an ABC should be elected, however, there will be further decisions to make. Will the board members be elected in wards, or at large? How many will be elected? For how many years will they serve? These questions could be answered in a thousand ways, but those who have supported elected ABCs throughout Canadian history have typically advocated at-large systems with relatively lengthy terms of office in an attempt to insulate the ABC from parochial and short-term thinking.

If we decide that an ABC should be appointed, we also face a host of questions. First, we will need to decide who gets to make the appointments. In many cases, board members are appointed by municipal councils, but some appointments are also made by provincial governments (e.g., some boards of health), by outside associations (e.g., local heritage boards), and even by other ABCs (e.g., some library boards). A second question concerns the eligibility of municipal councillors to serve on the board. Some local ABCs are composed entirely of municipal councillors, making them very similar to committees of council; in others, one or two councillors are selected along with a handful of non-politicians; and sometimes, councillors are forbidden from serving on the board.

These eligibility rules often appear poorly thought-out—at one point, Ontario had two sets of provisions for creating local park boards, one requiring local councillors, and the other forbidding them—and it is useful to think very carefully about the nature of the people who sit on the board. In general, provincial statutes have grown more flexible on this issue over time, giving local councils more freedom to decide whom to appoint to their local special-purpose bodies.

The most obvious consideration to keep in mind when thinking about personnel is insulation: how closely should the ABC be linked to the municipal council? As we have seen, a common argument for local special-purpose bodies is that they insulate sensitive tasks from the local political sphere. In many cases, this claim is accurate: mayors and councillors often pay little attention to the day-to-day decisions of their conservation authorities, library boards, or transit commissions. When those bodies make more far-reaching or controversial decisions, however, the insulation provided by the ABC structure often proves to be very drafty indeed.
Recent events in Toronto provide examples of this problem. On the one hand, local politicians rarely hesitate to get involved in a policy issue, even when the issue has been entrusted to an agency, board, or commission. From policing to transit to housing, local councillors feel free to make criticisms and suggestions, even when they are not directly involved with the relevant ABC. On the other hand, when controversies do arise within special-purpose bodies—controversies from which local politicians might prefer to be insulated—it is rare that they avoid blame. Controversies in Toronto about social housing, for example, have spilled over into council debates, despite the “insulation” that is supposedly provided by the Toronto Community Housing Corporation.

The insulation provided by local ABCs often seems to break down precisely at the moments of heightened controversy for which it was created. If the goal is to insulate a policy arena from local politics, other options—such as a transfer of responsibility to a regional or provincial government—might do the job in a more lasting and effective way.

A Final Observation

At the end of September 2011, the waterfront controversy that had been boiling in the city of Toronto was back to a simmer. Despite their strenuous efforts, those who had advocated for the proposed changes failed to secure enough support to transfer responsibility for the Port Lands from Waterfront Toronto to the Toronto Port Lands Co. In the end, council voted only to speed up the redevelopment process along the waterfront. Although Waterfront Toronto survived, the debate in summer 2011 illustrated the accountability and governance challenges that are ever present in the relationship between municipal governments and ABCs.

The story of Toronto’s 2011 waterfront debate illustrates a final, very simple observation about local ABCs in Canada: each of them has its own story. The more that we investigate the history and organization of local ABCs, the more we realize that we are dealing with an extraordinary variety of very different species. Special-purpose bodies can be local or regional, elected or appointed, fiscally independent or dependent, publicly prominent or largely invisible. They can be large or small, permanent or temporary, prestigious or pilloried. While all of them might be accurately defined as “special-purpose bodies,” there is as much that differentiates these agencies, boards, and commissions as unites them.

The role of special-purpose bodies in local governance is significant and under-appreciated in Canada. They are responsible for policies and services in important areas ranging from policing to transit to public health. They spend considerable sums of money. And they raise ongoing questions about accountability and efficiency, flexibility and independence, fragmentation and oversight. Local ABCs have been with us, in Canada, for more than a century. But our quest to understand them has only just begun.

Endnotes

2. A note for readers from Toronto: “ABCs” and “ABCCs” are the same: the latter acronym merely adds “corporation” to the original list. In my view, this addition was unnecessary, since such corporations have always been included in discussions of local ABCs.
4. This definition is from Susan J. Dolbey, Local Special Purpose Bodies in the Province of Ontario, Toronto: Municipal Affairs, Municipal Research Branch, Regional Government Studies Section, 1970, p. 2.
6. If the police board disagrees with council’s decision, it can appeal to the Ontario Civilian Police Commission. R.S.O. 1990, c.P15 s.39.
8. Toronto City Manager, 2011 Budget Committee Recommended Tax Supported Operating Budget, Toronto: City of Toronto, p. 6.
9. All three areas of administration also bring in revenues, particularly parks. However, if we subtract these revenues from expenditures to determine how much these three areas are pulling from taxation and general revenue, the situation is even more pronounced: after the revenues are subtracted, the operating expenses for police, parks, and libraries constitute more than 40 percent of the city’s taxation and general revenues. See http://vancouver.ca/your-government/current-operating-budget.aspx.
11. For an example of this argument, see the report of Toronto’s 2008 Fiscal Review Panel, “Blueprint for Fiscal Stability and Economic Prosperity: A Call to Action,” p. 50. The debate about the efficiency of local ABCs when compared to council is difficult, controversial, technical, and ongoing. For an early negative statement in the Canadian case, see Harry Kitchen, “Some Organizational Implications of Providing an Urban Service: The Case of Water,” Canadian Public Administration, vol. 18, no. 2 (1975): 297–308; for a more positive view, see Mark Sproule-Jones, “The...


17. In Vancouver, TransLink was created in 2008 (it grew out of the Greater Vancouver Transportation Authority, created in 1998); in Toronto, Metrolinx (originally the Greater Toronto Transportation Authority) was created in 2006; in Montreal, AMT (Agence métropolitaine de transport) was created in 1996.

