



Apples and Oranges?

Urban Size and the Municipal-Provincial Relationship

A Canada West Foundation Discussion Paper

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This report builds on a previous Canada West Foundation report entitled *Rationale for Renewal: The Imperatives Behind a New Big City-Provincial Partnership*. Please visit our website (www.cwf.ca) to download a free copy. Additional reports on urban issues conducted as part of our ongoing *Western Cities Project* are also available.

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Executive Summary

The relationship between provinces and municipalities in Canada is governed by the Canadian constitution, which gives provincial governments jurisdiction over municipalities. This one-sided relationship has been criticized on the grounds that it has not kept pace with the opportunities and challenges facing municipalities today.

In a recent Canada West Foundation Report entitled, *Rationale for Renewal: The Imperatives Behind a New Big City-Provincial Partnership*, the case is made for a new relationship between the provinces and western Canada's big cities. The report calls for more consultation between the provinces and the big cities on issues that affect them directly, greater autonomy for the big cities in making their own decisions, and a new fiscal framework to enable more efficient and sustainable financial management. Such recommendations constitute the Big City Agenda and its proponents contend that the big cities, because of the multiplicity and magnitude of challenges they currently face, require a special relationship with their provinces—the sooner, the better.

This report shares the assumption that a new municipal-provincial relationship is needed, but goes beyond the big cities and asks if the Big City Agenda applies to smaller municipalities. We ask a series of related questions to determine whether municipalities of varying size differ in fundamental ways (is it a matter of apples and oranges?) or if they share enough in common to be considered apples of different size:

- Do smaller municipalities face similar challenges with respect to the relationship with their province, do they seek greater autonomy in decision-making and is there a need for a new fiscal framework?
- Do municipalities of varying size face similar or different issues and challenges? If there are differences, does this warrant a different relationship with the province?
- Do smaller municipalities want similar changes, consistent with the Big City Agenda? *Should* they get them?
- To what degree is population size a factor in working out a new relationship for municipalities with their provinces?

We conclude that the differences that exist between larger and smaller municipalities are at once outweighed by the similarities they share *and* are key factors in the design of provincial policy toward local governments.

This suggests that a one-size-fits-all approach by provinces is not going to work. Yet, at the same time, two completely different approaches—one for big cities and one for other municipalities—also will not work. What is needed is an approach that takes both the similarities and differences into account.

Reforming the current outdated and unsustainable municipal-provincial relationship requires a rejection of the two extremes; neither a hard line drawn between big cities and other municipalities, nor an approach that treats all municipalities the same, will work. We propose a more nuanced approach that reverses the polarity of current provincial legislation. This reversal involves switching from a policy that starts with the idea that big cities are the same as smaller municipalities and creating exceptions for the big cities, to one that views all municipalities as big cities and makes exceptions for smaller municipalities. In this way, the Big City Agenda pulls along other municipalities with it.

This report argues that, because of the varying degrees of size, attendant levels of capacity, and desire for autonomy that municipalities possess, it is of little value to provinces to negotiate different arrangements with municipalities on an individual basis. This would be far too cumbersome and, as a result, impractical. Such an approach would weaken any momentum toward renewing municipal-provincial relationships.

This does not negate the need, identified in *Rationale for Renewal*, for a new relationship between provinces and big cities, but rather suggests that this new relationship could be available to all municipalities. We offer a best-of-both-worlds solution: an opt-in framework that is flexible enough to enable those municipalities that desire greater autonomy or new fiscal tools in certain areas to adopt them, but one that does not require those municipalities that do not possess the capacity to take on the roles sought by the big cities to abandon the security of their current arrangement.

We do not advance a series of concrete proposals for precisely what this opt-in solution should look like—this will require more intensive debate about the municipal-provincial relationship. Instead we offer this general discussion as a means of sparking an important debate about the need to reform and renew the municipal-provincial template. We hope to launch a much-needed dialogue, to engage municipalities, provinces, researchers and citizens, to begin to re-think the municipal-provincial relationship. The fate of western Canada's municipalities depends on it.

1. Introduction

Canada's urban landscape has changed considerably; Canada began as a largely rural nation but is now predominantly urban. Given the magnitude of this change, it is time to stop viewing municipalities as a "junior" order of government and to re-examine carefully relations between municipalities and their provincial "masters."

To date, much intellectual energy has been devoted to sorting out provincial-federal relations but relatively little time has been spent renewing the municipal-provincial relationship. Canada's municipalities are being called upon to adopt new responsibilities and to face new challenges, such as responding to rapid growth and related issues of infrastructure deficits and the social and environmental costs associated with growing communities. The existing system of municipal-provincial relations has not kept pace. It is time to catch up.

The existing system of municipal-provincial relations is out of date.

Through its *Western Cities Project* and a recent report entitled *Rationale for Renewal: The Imperatives Behind a New Big City-Provincial Partnership*, the Canada West Foundation has focused its attention on the relationship between big cities and provincial governments by calling for a new partnership—one that recognizes and incorporates the valuable role that big cities play in promoting Canada's political vitality, economic growth, environmental sustainability, and social development.

The Canada West Foundation has outlined a new municipal-provincial template for the "big cities"—one that would allow for increased input into provincial decision-making, enable greater autonomy for big cities, and facilitate a new fiscal relationship between big cities and their provincial governments.

While these efforts demonstrate that there is indeed a Big City Agenda that can, and should, be addressed through a new big city-provincial partnership, it leaves unanswered the extent to which this agenda is unique to the big cities or applies more broadly to municipalities of varying size. In the West, the range of municipalities in terms of population is huge. Some municipalities have populations in the tens-of-thousands while others are communities of only a few hundred. This begs a key question: is a one-size-fits-all approach to reforming municipal-provincial relations the best option, or do we need to tailor a new municipal-provincial template to reflect the fact that municipalities vary greatly in terms of population size?

This discussion paper takes the case for a new partnership between big cities and their provincial governments, outlined in *Rationale for Renewal*, as its point of departure and asks a series of related questions:

- What are the key issues facing municipalities? Are there differences across municipalities, and to what degree are these differences a function of population size? Where differences exist, are they a matter of degree or of kind? Should large, medium and small municipalities be viewed simply as different sized apples, or are these differences significant enough for us to speak of them in terms of apples and oranges?
- If we find ourselves with different sized apples, or with a fruit salad, so what? If there are differences in municipal agendas, does this difference necessarily demand a different response? Should reform of the current municipal-provincial relationship take into account the population size of municipalities or treat them all the same? Is the big city template for a new partnership with their provincial governments applicable to smaller municipalities?
- And finally, *if* the Big City Agenda does apply to smaller municipalities, do they *want* these changes to the municipal-provincial relationship? Do smaller municipalities have the *capacity* to carry out the new roles and responsibilities implied by the Big City Agenda?

Box 1: A Super-Sized Problem: Form vs. Function in the International System

The question of how to strike an optimal balance between equality of *form* and inequality of *circumstance* is a challenge at both the domestic and the international level. Whether we are talking about municipal governments or member states of the United Nations, there are significant differences among governments with respect to size, circumstance and influence. The United Nations institutionalized an awareness of this important distinction between equality of form and inequality of function by creating the General Assembly, based on the principle of equality of form (one state, one vote), and the Security Council, based on the principle of inequality of circumstance (tasking peace and security with those member states best equipped to administer it).

However, this is not an easy balance to strike, and even the UN has faced rising criticism of the degree to which it has favoured function over form in its disproportional empowerment of the great powers. Similarly, the European Union's system of qualified majority voting has also been criticized for giving larger member states comparatively more weight in decision-making. These concerns are not unique to the international system; municipal governments in western Canada come in a variety of sizes, and we can pose similar questions about form vs. function. Arguably the solution to this global challenge may be found in striking a balance between inequalities in circumstance (e.g., size) and equalities in form (e.g., governance).

Put another way, consider the analogy of the rock in the pond. The pond represents the spectrum of intergovernmental relationships into which the rock—that is, the Big City Agenda—has been tossed. The question at hand is: do these ripples extend outward to other municipalities and, if so, in what ways? Does the Big City Agenda pull other municipal relationships along with it? This paper explores the impact of this “rock” on the relationships between provinces and municipalities of varying sizes, and investigates whether a one-size-fits-all template for provincial-municipal relations is appropriate. Or, if municipalities have different agendas based on their population size, does this necessitate a different relationship with their provincial governments?

2. Study Parameters and Method

Through six years of research on western Canada's big cities, the Canada West Foundation has concluded that the region's big cities need a new partnership with the provinces. This case is outlined in *Rationale for Renewal*. There is no doubt that there is a need to advance the public policy agenda if we hope to get the relationship between the big cities and the provinces right. Our prosperity and quality of life depend on it.

This report starts with this case and asks if it applies to other municipalities. We review the literature, consult with municipalities to get their sense of this, and we offer ideas for debate about strengthening the municipal-provincial relationship. In pursuit of the above questions about size and the municipal-provincial relationship, this report proceeds by combining a review of what experts have said (or have not said) about the extent to which municipal population size matters, with the view from smaller municipalities.

This study uses municipalities in Alberta as a case study, though the findings are anticipated to be more widely applicable. We “take the pulse” of Alberta municipalities by presenting the findings of thirty-eight interviews and fifty-one online surveys conducted with mayors, councilors, and senior municipal managers about their perception of the size issue and if it is, or should be, a factor in forging a new relationship with the province. Through these instruments we tap into views from sixty-three different municipalities in Alberta on the following questions:

- Do municipalities of varying population size believe the Big City Agenda applies to them? If not, why not?
- Is there common ground that exists across municipalities of all sizes?
- In what ways are municipalities different, and what does this mean, in their view, for relations with their province?

Box 2: The Survey

We conducted a series of telephone and in-person interviews, as well as online surveys with urban municipalities in Alberta. We invited mayors, councilors and senior officials in urban municipalities—excluding Calgary and Edmonton—to comment on the three central questions in our survey: what are the current issues facing their community; did their issues differ significantly from those of the big cities (Calgary and Edmonton); and did they want a renewed relationship with the province?

In total, we heard from 63 *different* municipalities in Alberta, consisting of eight in-person interviews, thirty telephone interviews and fifty-one online surveys.

Online survey requests were sent electronically to every Chief Administrative Officer (CAO) and Senior Manager of every urban municipality in Alberta. This included cities—excluding Calgary and Edmonton—towns, and municipal districts. Requests for interviews went out personally to a number of Mayors and CAOs representing municipalities of varying size, and invitations to participate in the interviews were extended to all online survey respondents as well.

Range of Communities by Population Size:

Under 5,000 People

Interviews: 4
On-line surveys: 33

Between 10,000–25,000 People

Interviews: 11
On-line surveys: 6

Over 50,000 People

Interviews: 10
On-line surveys: 4

Between 5,000–10,000 People

Interviews: 8
On-line surveys: 7

Between 25,000–50,000 People

Interviews: 5
On-line surveys: 1

Intuitively, a municipality's location (e.g., is the municipality located near a large centre or is it in a remote location?) and economic circumstance (e.g., is the municipality experiencing rapid economic expansion? is it a service centre or a transportation hub?), are influential variables when considering reform of the municipal-provincial relationship. But these and other variables remain outside the scope of this report; our focus herein is the variable of population size and its implications.

While the survey results are useful for getting a sense for the way smaller municipalities are likely to approach the problem of reform to the municipal-provincial template, their responses do not necessarily direct our recommendations. Instead, they tell us that there are some concerns among smaller municipalities about the big cities, the leverage they are currently perceived to hold, and how greater empowerment of the big cities *vis-à-vis* the province could leave smaller municipalities behind. The survey results enable us to get a sense for the political climate in which any targeted discussion of a new municipal-provincial relationship will take place.

It should also be noted here that this discussion paper deals with urban municipalities in particular and not, by extension, *rural* municipalities. The extent to which our findings might be applicable to rural municipalities has yet to be determined.

But first, in order to determine whether or not the Big City Agenda applies to smaller municipalities, a review of what the Big City Agenda involves is necessary.

3. The Big City Agenda: What Is It?

Rationale for Renewal argues that there is a clear need to revamp the outdated big city-province relationship in western Canada. This Big City Agenda is based on the challenges and priorities that the six big cities in western Canada (Vancouver, Calgary, Edmonton, Regina, Saskatoon and Winnipeg) share in common as they struggle to adapt to an increasingly globalized world and a more complex environment.

Woven through the Big City Agenda are policy concerns about, for example, immigration, infrastructure deficits, homelessness and affordable housing, social services, environmental sustainability, economic competitiveness and development, international trade, arts and culture, urban Aboriginals, and terrorism. While it is true that smaller municipalities also face these kinds of challenges, some to a greater degree than others, there is a point at which the experience of the big cities distinguishes itself from those of smaller centres. While smaller municipalities may face one or more of these challenges, the big cities face them in aggregate form; big cities face most, if not all, of these challenges in an order of magnitude much greater than other municipalities do.

The big cities are different creatures and this needs to be acknowledged.

– survey respondent

The *cumulative effect* of issues such as immigration, homelessness, international trade and terrorism, for example, flavours the Big City Agenda. Western Canada's six big cities confront a long list of challenges that require a new relationship with their provinces in order to enable them to meet these challenges with greater flexibility and efficiency. In support of this, *Rationale for Renewal* proposes important renovations to the municipal-provincial relationship. The three cornerstones of this reformed relationship are: 1) consultation and consensus-based decision-making; 2) autonomy and accountability; and, 3) a new fiscal framework (see Box 3 on page 9).

Certainly there is great value for the big cities in this proposal. But are these recommendations more widely applicable? It would be a mistake to view all municipalities the same; few would argue that there are no inherent differences between a city of a million people and a summer village. Therefore, public policy must take this into account. But how? To what degree does the Big City Agenda apply to smaller municipalities, in what areas are the big cities different, and does the case for a new partnership between the big cities and the province apply equally to all municipalities? The remainder of this report presents responses to these questions from our survey respondents as well as our assessment of the extent to which the Big City Agenda is germane to municipalities more generally.

4. What Have Others Been Saying About Municipal Size?

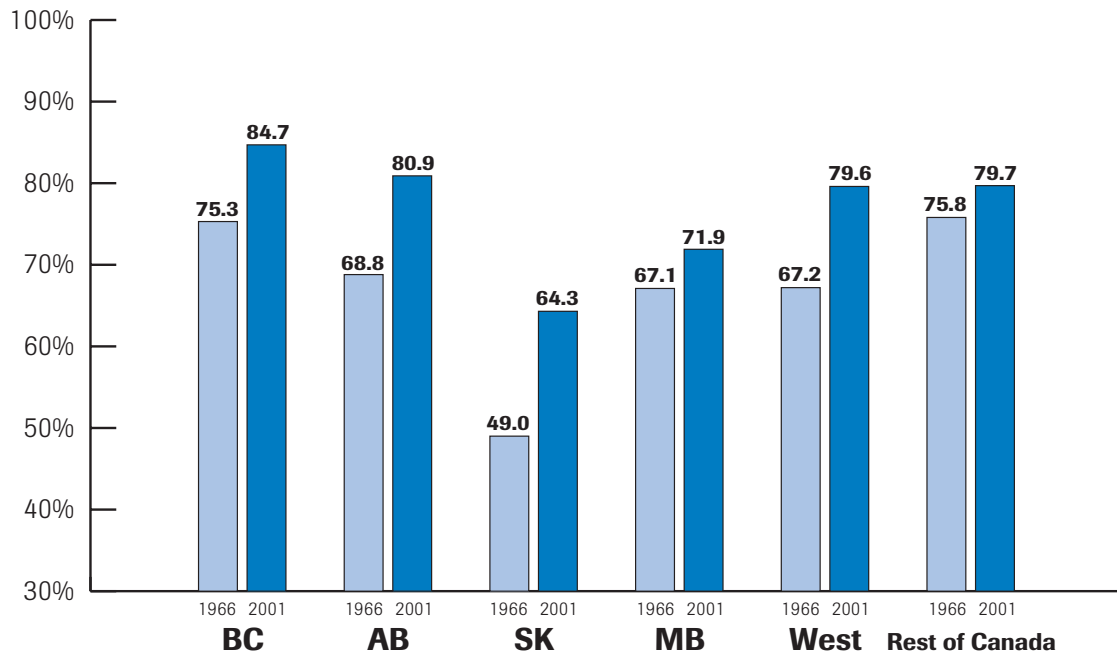
There has not been a wealth of research that incorporates the issue of municipal population size into considerations of intergovernmental relations and municipal issues. Urban researchers have identified a number of key issues facing urban municipalities *vis-à-vis* their relations with their provinces, but size factors in only peripherally.

Where there is a discussion of size, it is with regard to influencing issue agendas and fiscal arrangements. And here, the existing body of research parallels the results of the online survey and interviews that animate this discussion paper. Municipalities of varying size face varying degrees of challenge with respect to growth, infrastructure needs, social and environmental sustainability, and their fiscal relationship with the province.

As far as the relationship between size and setting the issue agenda, Eeckhout claims that size is not a factor in municipal growth (2004). He argues that growth rates between different cities vary substantially, but there is no systematic pattern with respect to size—instead growth is proportional. Thus, differences in this regard are of degree and not of kind; he disputes the prevailing assumption that larger cities, on average, grow faster (or slower) than smaller cities and face different attendant problems.

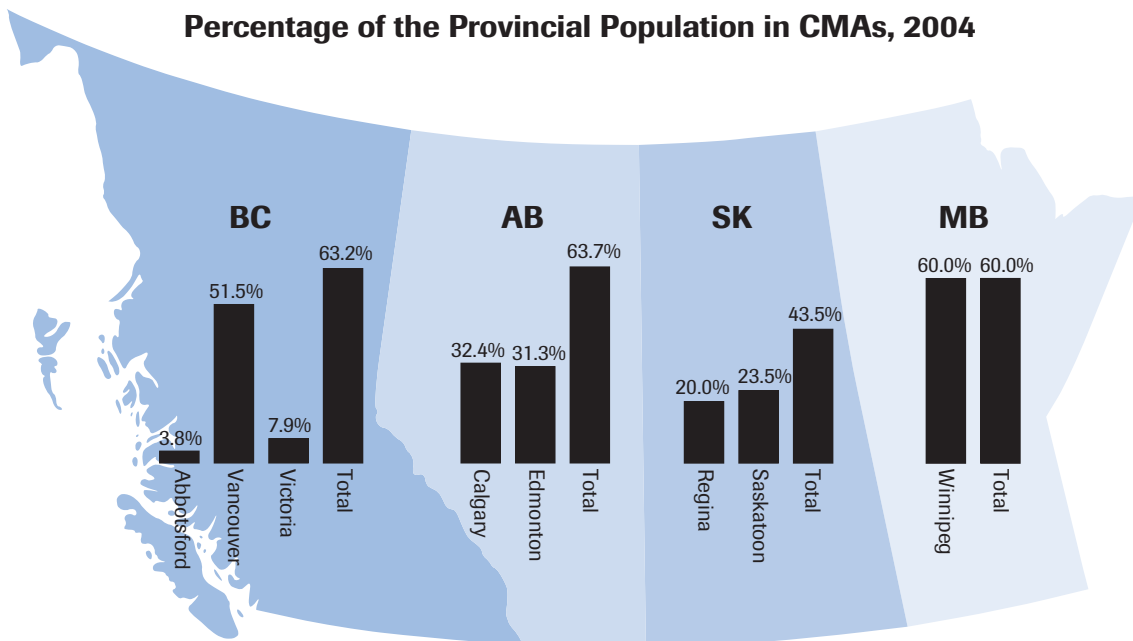
The figures on the following pages provide some context for this report. They illustrate the high rate of urbanization that characterizes the western provinces, the demographic weight of large metropolitan areas (what Statistics Canada calls Census Metropolitan Areas or CMAs), and the tremendous diversity of municipal size both within provinces and across them.

Percentage of the Population Living in Urban Areas, 1966 and 2001

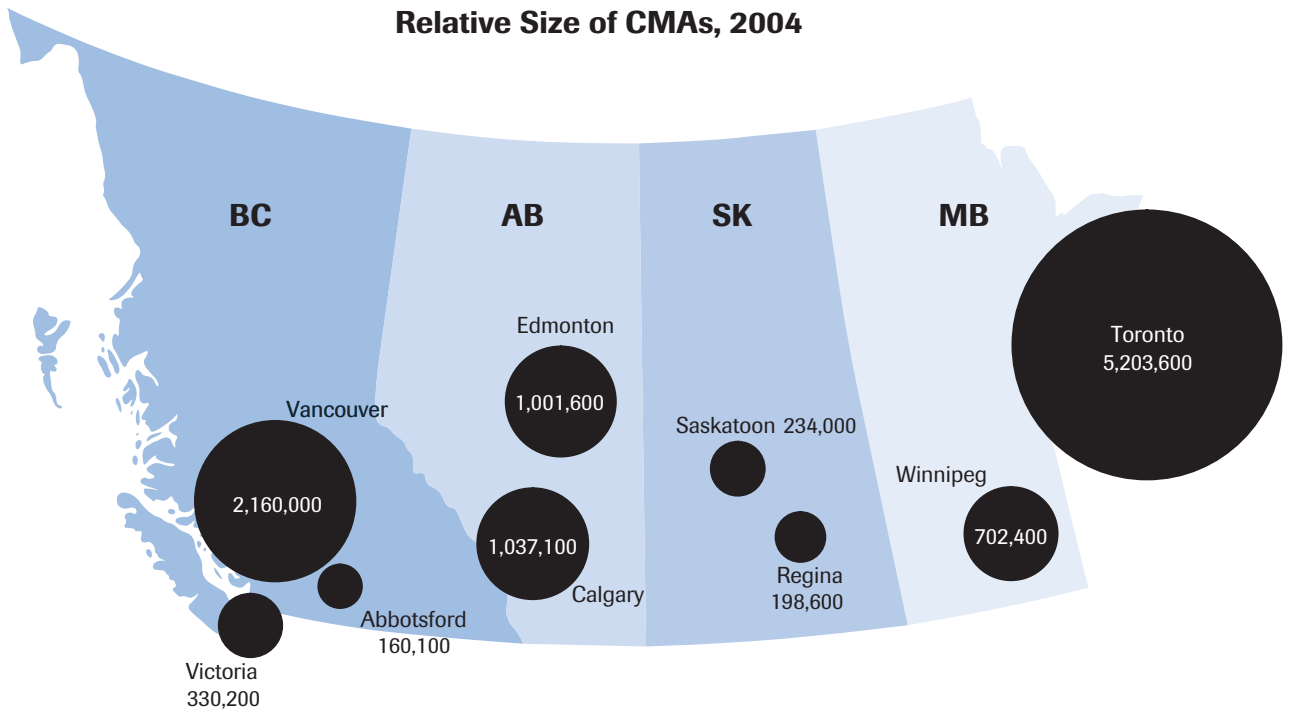


An "urban" area has a minimum population concentration of 1,000 persons and a population density of at least 400 persons per square kilometre. All territory outside urban areas is classified by Statistics Canada as "rural." Taken together, urban and rural areas cover all of Canada. In 1966, urban areas included: all incorporated cities, towns and villages with a population of 1,000 persons or over; all unincorporated places with a population of 1,000 persons or over and a population density of at least 1,000 persons per square mile (386 per square kilometre); and the urbanized fringe of these urban areas, known as the urbanized core of a census agglomeration or census metropolitan area, where a minimum population of 1,000 persons and a density of at least 1,000 persons per square mile (386 per square kilometre) existed. Provincially defined municipal structures (e.g., a "rural municipality") do not necessarily correspond to Statistics Canada's urban and rural designations. Source: Derived from Statistics Canada Census data.

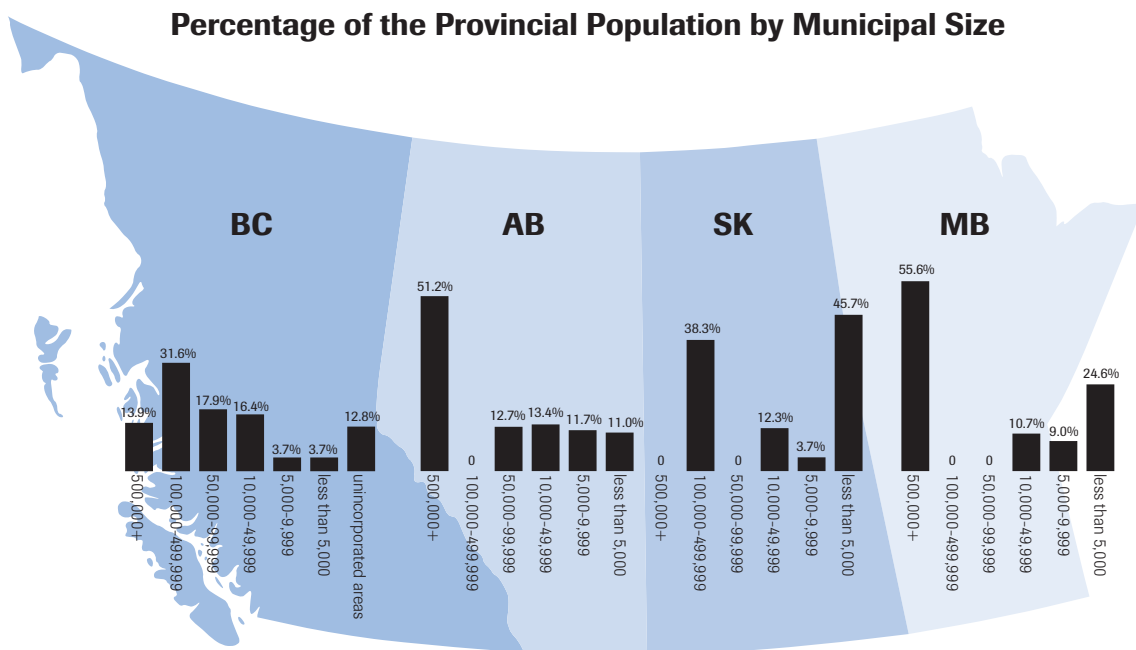
Percentage of the Provincial Population in CMAs, 2004



A Census Metropolitan Area (CMA) is formed by one or more adjacent municipalities centred on a large urban area (known as the urban core). The population count of the urban core is at least 100,000 to form a CMA. To be included in the CMA, other adjacent municipalities must have a high degree of integration with the central urban area, as measured by commuting flows derived from place of work data. CMAs are defined by Statistics Canada for statistical purposes and do not coincide with provincially defined municipal structures or with other definitions or perceptions of what constitutes a large metropolitan area. **A complete list of the municipalities included in each CMA as defined by Statistics Canada can be found in the Appendix.** Source: Derived from Statistics Canada annual population estimates.



A complete list of the municipalities included in each western CMA as defined by Statistics Canada can be found in the Appendix. Source: Derived from Statistics Canada annual population estimates.



Figures for BC, AB, and MB are for 2004; figures for SK are for 2001. These figures are estimates that reveal basic trends and orders of magnitude and should not be considered exact. There are communities of various size within "unincorporated areas" in BC administered by Regional Districts that include incorporated municipalities within their borders. Municipalities in the West are defined provincially and include provincial definitions of cities, towns, villages, summer villages, improvement districts, specialized municipalities, municipal districts, district municipalities, island municipalities, Métis settlements, Indian reserves, First Nations communities, rural municipalities, and northern hamlets. Sources: Adapted from BC Stats, Alberta Municipal Affairs 2004 Official Population List, Saskatchewan Bureau of Statistics, and Manitoba Health Population Report, June 2001.

British Columbia			Alberta		
Municipality	pop.	% of BC	Municipality	pop.	% of AB
Vancouver (City)	583,296	13.90%	Calgary (City)	933,495	29.88%
Surrey (City)	383,831	9.15%	Edmonton (City)	666,104	21.32%
Burnaby (City)	202,966	4.84%	Strathcona County (SM)	75,949	2.43%
Richmond (City)	172,714	4.12%	Red Deer (City)	75,923	2.43%
Abbotsford (City)	126,634	3.02%	Lethbridge (City)	72,717	2.33%
Coquitlam (City)	121,463	2.89%	Regional Municipality of Wood Buffalo (SM)	67,105	2.15%
Saanich (District Municipality)	109,639	2.61%	St. Albert (City)	54,588	1.75%
Kelowna (City)	105,621	2.52%	Medicine Hat (City)	51,249	1.64%
Delta (District Municipality)	101,843	2.43%	Grande Prairie (City)	40,226	1.29%
Langley, Township of (District Municipality)	94,524	2.25%	Rocky View No. 44 (Municipal District)	30,418	0.97%
North Vancouver (District Municipality)	86,334	2.06%	Parkland County (Municipal District)	27,252	0.87%
Kamloops (City)	81,699	1.95%	Airdrie (City)	25,606	0.82%
Nanaimo (City)	78,271	1.87%	Red Deer County (Municipal District)	18,639	0.60%
Prince George (City)	77,721	1.85%	Sturgeon County (Municipal District)	18,067	0.58%
Victoria (City)	77,538	1.85%	Foothills No. 31 (Municipal District)	17,682	0.57%
Maple Ridge (District Municipality)	70,411	1.68%	Sruce Grove (City)	17,082	0.55%
Chilliwack (City)	69,009	1.64%	Camrose (City)	15,669	0.50%
New Westminster (City)	58,286	1.39%	County Grande Prairie No. 1 (Municipal District)	15,638	0.50%
Port Coquitlam (City)	56,114	1.34%	Leduc (City)	15,630	0.50%
North Vancouver (City)	47,074	1.12%	Fort Saskatchewan (City)	13,824	0.44%
Total Top 20	2,704,988	64.46%	Total Top 20	2,252,863	72.10%

Saskatchewan			Manitoba		
Municipality	pop.	% of SK	Municipality	pop.	% of MB
Saskatoon (City)	196,811	20.10%	Winnipeg (City)	650,850	55.64%
Regina (City)	178,225	18.21%	Brandon (City)	43,725	3.74%
Prince Albert (City)	34,291	3.50%	Steinback (City)	15,995	1.37%
Moose Jaw (City)	32,131	3.28%	Portage la Prairie (City)	14,383	1.23%
Yorkton (City)	15,107	1.54%	Thompson (City)	14,215	1.22%
Swift Current (City)	14,821	1.51%	St Andrews (Rural Municipality)	13,240	1.13%
North Battleford (City)	13,692	1.40%	Springfield (Rural Municipality)	12,186	1.04%
Estevan (City)	10,242	1.05%	Winkler (town)	11,145	0.95%
Weyburn (City)	9,534	0.97%	Selkirk (Town)	9,888	0.85%
Corman Park (Rural Municipality)	8,093	0.83%	Hanover (Rural Municipality)	9,160	0.78%
Lloydminster (City)	7,840	0.80%	Dauphin (Town)	8,596	0.73%
Melfort (City)	5,559	0.57%	East St Paul (Rural Municipality)	8,354	0.71%
Humboldt (City)	5,161	0.53%	The Pas (Town)	7,619	0.65%
Meadow Lake (Town)	4,582	0.47%	Tache (Rural Municipality)	7,563	0.65%
Kindersley (Town)	4,548	0.46%	Morden (Town)	6,907	0.59%
Melville (City)	4,453	0.45%	Rockwood (Rural Municipality)	6,544	0.56%
Martensville (Town)	4,365	0.45%	Flin Flon (Town)	6,369	0.54%
Nipawin (Town)	4,275	0.44%	Burntwood (Unorganized Territories)	6,267	0.54%
Battleford (Town)	3,820	0.39%	Portage la Prairie (Rural Municipality)	6,112	0.52%
Buckland (Rural Municipality)	3,529	0.36%	St Clements (Rural Municipality)	6,085	0.52%
Total Top 20	561,079	57.32%	Total Top 20	864,663	73.92%

NOTE: Figures are for 2004. Unincorporated areas are not listed as municipalities but are included in the total population of BC. Source: BC Stats.			NOTE: Figures are for 2004. SM = Specialized Municipality. Strathcona County includes the community of Sherwood Park and Wood Buffalo includes the community of Fort McMurray. Source: Alberta Municipal Affairs 2004 Official Population List.		
NOTE: Figures are for 2001. Source: Saskatchewan Bureau of Statistics.			NOTE: Figures are for 2004. Population estimates are based on health records. Source: Manitoba Health Population Report June 1, 2004.		

Box 3: What Are The Big Cities Asking For? The Formula For A New Relationship

Consultation and Consensus-Based Decision-Making

The municipal-provincial relationship should be a true partnership, one that guarantees the active engagement and collaboration of interested parties. Big cities need to have a seat at the provincial decision-making table when it comes to decisions that affect them directly.

Autonomy and Accountability

Big cities must have the authority and freedom to address matters under their purview. This does not mean the usurpation of areas under provincial jurisdiction, but simply that municipalities should have the independence of action to make autonomous decisions in areas of jurisdiction they currently hold. That being said, what naturally follows from this greater empowerment of big cities is the ability to hold them publicly and democratically accountable for these decisions. This will only be possible when other orders of government respect the authority of local governments to act independently within their defined areas of jurisdiction.

New Fiscal Framework

Big cities are shouldering greater responsibilities in the form of offloading from the provinces and also with respect to citizen demands for service provision. It follows that big cities should also have at their disposal new tax tools, or a new framework for provincial tax revenue sharing, to enable them to generate revenue commensurate with demand. However, more money alone is not the answer. Simple cash injections are, by definition, unsustainable, and therefore new structures of governance and agreements about revenue sharing in the long-term are recommended.

Richardson (1976) agrees but, while he notes that all cities have problems regardless of size, he believes large cities possess inherent socio-economic problems that smaller urban areas do not, and these considerations should be factored into devising strategies for limiting municipal growth.

Slack, Bourne and Gertler, (2003) also note that larger cities often face social challenges of a greater magnitude than do smaller communities, such as: shifting demographic trends; changing lifestyles and living arrangements; aging societies; increasing social and ethnic diversity; and, more intense concentrations of poverty and special needs groups.

With respect to the fiscal relationship, Bird (1993) advocates changes to the transfer payment structure and an end to the provincial tendency to view municipalities as like units; uniform transfer payments to all municipalities of varying sizes will yield

non-uniform results in richer and poorer municipalities. For example, per capita grants for roads in sparsely populated or mountainous areas could be higher because the tax base is smaller and the per capita costs of developing roadways will be higher. So, for Bird, size does matter because it influences priorities and budgets.

Money is power. Larger governments collect more than they spend directly and use the rest to influence or make beggars of smaller governments. Sounds like a dysfunctional family to me.

– survey respondent

While size is mentioned by a number of urban researchers, collectively, they have not zeroed in on size as a specific variable when considering the relationship between urban municipalities and other orders of government. Though size is obviously relevant, the extent to which it should bring about a change in the relationship between orders of government—to what degree should inequality of circumstance predicate inequality of form—remains undeveloped. This is likely due, in part, to the fact that the provinces themselves have continued to view urban municipalities as like units. A reconsideration of this assumption is long overdue.

Box 4: Where Does The Federal Government Fit?

The “New Deal” For Cities and Communities

The question of municipal population size is also an issue for the federal government. The Government of Canada’s New Deal for Cities and Communities recognizes that “Canada’s quality of life depends on the vitality of its cities and communities.” With this in mind, the New Deal provides for a new partnership between all stakeholders—the federal government, provincial and territorial governments and local communities themselves—and promises all a seat at the table in making decisions that directly affect the vitality and integrity of local communities. But this is the crux of the problem. Is there a table at all? And if there is, what does this table look like and what does a seat at this table imply? The New Deal seeks to facilitate the delivery of “stable, predictable, long-term funding for cities and communities in urban and rural areas;” it is an investment in Canada’s future. These are laudable goals, but precisely how this will be characterized and operationalized is unclear. (Infrastructure Canada http://www.infrastructure.gc.ca/index_e.shtml)

John Godfrey, the Minister of State for Infrastructure and Communities, underscored the importance of reform to the federal-municipal agenda in an address at the Conference on the Future of Canada’s Infrastructure in September 2004. He said, “We need to face the fact that small and large, urban and rural, are not separate solitudes. They are interconnected communities and economies made up of real people and their families—not widgets—who together make up our country. Moreover, you can’t disengage discussion of the challenges facing one from the other.” Minister Godfrey also took care to note that the government has avoided, and should avoid, a one-size-fits-all policy toward municipalities. He claims government must “deliberately tailor its infrastructure programs to respond to a reality—while they share certain problems and challenges, each of our communities is also different with respect to diverse infrastructure needs.” (Available at: http://www.infrastructure.gc.ca/speeches-discours/20040930_e.shtml)

And in the words of Prime Minister Paul Martin, “cities and communities are where it all happens.” Yet for too long municipalities have been under-recognized and under-funded, and have insufficient input into the national agenda. With the New Deal, “communities are gaining access to new, reliable and predictable sources of funding—those who represent our communities... are gaining a greater voice in the national conversation.” (Address by Prime Minister Paul Martin to the conference of the Federation of Canadian Municipalities, 5 June 2005, St. John’s, Newfoundland and Labrador. Available at: <http://pm.gc.ca/eng/news.asp?id=507>)

Undoubtedly this “national conversation” is needed; a new framework for municipal-provincial relations offers benefits to all three orders of government—municipal, provincial, and federal. The Government of Canada and provincial governments have both a stake and an interest in the health, vitality and sustainability of municipal governments and the communities they support.

The New Deal promises an invigorated *federal* relationship with municipalities, but this is no small task. It is difficult enough for a provincial government to accommodate the wishes of its many communities, numbering in the hundreds; it follows that the challenge of implementing reform in this regard is an order of magnitude greater for the federal government. Intuitively, it follows that, if this proverbial nut can be “cracked” provincially, perhaps success in this regard might be uploaded and might assist in building a federal solution.

5. Applying the Survey Results: Do Smaller Municipalities Believe the Big City Agenda Applies to Them?

Our survey was conducted via 38 interviews with, and 51 online surveys of, mayors and municipal managers throughout Alberta. (Alberta was chosen as a case study but the results are expected to be more widely applicable.) The objective was threefold: 1) to get a sense of the issues confronting smaller urban centres and to compare them to the issues facing big cities (i.e., the Big City Agenda); 2) to discover how smaller centres think about the municipal-provincial relationship, whether or not and the degree to which they think it should change and if their prescriptions match those of the big cities; and, 3) to gain an understanding of the political environment across the province to help predict how the Big City Agenda will be received by smaller municipalities.

In relation to public transit, maybe the big cities should have a different relationship with the province—regarding governance, no way.
– survey respondent

The purpose of the survey was to ensure we are asking the right questions in order to frame properly the future debate about reform to the municipal-provincial template. However, it should be noted that the survey results do not answer one important question integral to this study: *does* the Big City Agenda apply to smaller communities? While respondents might have opinions about this connection, these responses do not solely form the basis of the recommendations we make in this discussion paper. Rather, they enable us to assess critically and objectively just what the political climate is across municipalities with respect to challenges confronted, views about the big cities, and relations with the province.

Based on the online surveys and interviews, it is clear that urban municipalities in Alberta face a host of common issues and challenges, and share similar attitudes toward their “provincial masters” and the municipal-provincial relationship. However, there are some notable differences in the degree to which our survey respondents felt that the big cities (Calgary and Edmonton) are different from them and the extent to which they would be willing to support a different relationship for the big cities with the province.

This section presents the results of the electronic survey, and telephone and in-person interviews. The following questions provide the organizational framework for the presentation of the findings:

- What key issues do respondents identify as priorities on their municipal agendas?
- Does population size matter and, if so, to what degree? Do their concerns and needs parallel those of the big cities of Calgary and Edmonton?
- Do they support fiscal or legislative changes to the municipal-provincial relationship?

What Are the Key Issues on the Municipal Agenda?

With the exception of communities facing population decline or stagnation, the bulk of respondents identified growth management as the key priority presently facing their community. A rapid pace of growth—whether from a small base or a large one—has wide implications for infrastructure, and for social and environmental sustainability.

The municipal-provincial relationship figured prominently on the issue agenda for most of the municipalities we heard from; however, because this was a subject discussed directly in our survey, and because we make recommendations for upgrading this relationship in this report, we present the discussion of the provincial-municipal relationship in a separate section.

Infrastructure

With rising populations and provincial standards come demands for increased and improved services such as water and sewage treatment services, better transportation planning, access to quality education and health services, and the need for affordable housing. Communities located farther away from major regional centres have difficulty addressing these challenges due to difficulty in attracting developers and retaining competent, skilled professionals. The majority of our respondents pointed to a connection between infrastructure deficit and human resources challenges. They expressed concern over the need to develop improved strategies to attract and retain qualified professionals in a highly competitive environment.

Also related to population growth and infrastructure challenges is the issue of crime (though this was identified by only a handful of respondents). As municipalities become larger, criminal activity rises and the costs of policing increase. As the RCMP respond to an increased case load, this slows response time and is an issue of concern in communities where demands for better provision

for public safety are becoming more frequent. A higher standard of service provision in this area is being demanded (especially in metro-adjacent areas). Issues of local policing are of special concern to municipalities that simply cannot afford to rely on the services of the RCMP.

Existing infrastructure is often heavily burdened and this raises questions about sustainability, let alone growth and the development of new infrastructure. Even communities experiencing negative growth still face the challenge of trying to attract it. And even though theirs may not be a growth management issue, they still face the challenges of aging infrastructure and fiscal constraints.

Social and Environmental Sustainability

Some respondents identified concerns about environmental sustainability and the strain on the environment stemming from changes in land use; there is a need to balance better growth with protecting the environment. Additionally, as populations age, there are concerns about the provision of social programs and higher demands for services for seniors. Growing municipalities also face the need to adapt and respond to more heterogeneous societies; they struggle with the need to balance urban and rural interests, and with cultural diversity.

That being said, most of the communities we spoke with, regardless of size, faced growth and its attendant challenges, though some admitted that large cities do possess inherent socio-economic problems that many small towns do not. For example, officials from the largest centres we spoke with (with populations in the 40,000-50,000 range) identified affordable housing as a greater cause for concern than did smaller communities. Overall though, respondents felt that *size affects the scale of issues, but not the issues themselves*.

The majority of respondents identified difficulties with respect to growth and its associated challenges, but the differences among them were attitudinal. Some respondents viewed growth as a negative—a hurdle to be tackled. Some raised concerns about an inability to respond adequately to growth and entertained the idea of formally restricting the size of their communities. Others viewed growth more favourably, recognizing the potential opportunities it presents, enabling vibrant and dynamic communities to become regional “employers of choice.”

Certainly, growth poses challenges, but the benefits that attend growing communities can contribute to their long-term success and the enhancement of living standards within them. Municipalities located within a wider area of closely linked communities placed an emphasis on the need for better regional planning, especially when major regional centres experience spillover and the usurpation of resources and services by residents from local areas. There is a “who-gets-what-who-pays-for-what” gap that needs to be addressed; capacity sharing needs to be managed better.

Is Size a Factor?

The sentiment from a number of smaller communities we surveyed was that respondents do not want to see their communities, challenges and priorities judged strictly in terms of size. That being said, responses to the question of municipal size did reflect divergent views among respondents. Some claimed not to have given much thought to the size factor, suggesting this issue is not on the radar screens of all municipal governments in the province. However, when asked to consider this issue, respondents argued that all urban municipalities face the same issues, but on a different scale. In the words of one respondent, “the major centres have the same problems as smaller ones—but with more zeroes.” So, according to the survey, municipalities are all apples, but of varying size. This is the dominant perspective of municipal officials in Alberta.

There has to be some standard for all communities regardless of size.

– survey respondent

Survey respondents expressed concern over conceptualizing the big cities differently as this could lead to a privileging of big city interests over those of smaller communities. Some respondents were concerned that the big cities already enjoy more authority and flexibility because they have a louder voice at the provincial table; one respondent described this as, “the big dogs eat first.”

Here respondents pointed to the fact that Calgary and Edmonton already receive a percentage of the gas tax. It may be true that big cities need more money, proportional to their size, but worry exists that they are already “throwing their weight around” too much.

On the other hand, some respondents believed that size is an issue and that the big cities have different modes of operation, different economic climates, and should be recognized as separate economic engines. However, views on what the appropriate response should be to differences in size diverged. Many felt that, despite differences in size, and therefore differences in priorities and financial challenges, big cities should not be treated differently—they should not have a different relationship with the province. A small minority of respondents were comfortable with a separate legislative arrangement for the big cities, but this was an anomaly—most felt the major centres were not entitled to a different legislative relationship, regardless of different and/or unique priorities. In short, a difference in circumstance was not seen as a rationale for a difference in form.

The big cities are our natural allies—I don't want to see them in a different camp.

– survey respondent

As well, some smaller municipalities recognized the benefits to their own communities from proximity to the big cities and noted that it enabled them to “piggyback” onto the services provided by major urban centres, such as medical care or retail and entertainment services. And while it is true that the big cities may need to work out their own arrangements with the province in certain areas, both parties need to take into account the potential for a “ripple effect.” Decisions made by the big cities and the province can have an impact upon surrounding areas—airport usage provides an excellent example.

With respect to size, one respondent did believe that size was important, but that size differentiation should not be between big cities and all other municipalities, but rather that the cut-off point for differentiation should be for communities of less than 5,000 people. According to this respondent, populations this small are in a league of their own because they do not suffer the pressures of growth, and are unable to provide necessary amenities and to attract people to their communities. Some believed that these smaller municipalities that are less viable on their own should consider amalgamation with other regional communities to give them greater voice and better governance. This, of course, is a highly infectious topic in most provinces. One respondent, somewhat more sympathetic to the plight of smaller communities, suggested that communities experiencing a decline in population should have special consideration, perhaps involving more unconditional provincial transfers to help meet their unique needs.

Interestingly, the majority of respondents claimed that size was not, and should not, be a factor in the municipal-provincial relationship, yet many acknowledged the different agendas of big cities and the differences in the magnitude of challenges faced. Notwithstanding this recognition of scale, few seemed willing to recognize and formalize this disparity. The consensus seemed to be that, while municipalities may differ in terms of size and the degree to which this influences need and ability, all municipalities should have the same rights, autonomy and tools to solve their own problems. Ultimately, with respect to size, there seems to be a tension rooted in apprehension; there is an unwillingness to acknowledge the issue of size, perhaps because of concern over a big city agenda detracting from the needs of smaller municipalities and their access to the province.

When it came to the issue of the municipal-provincial relationship, there was no shortage of opinions and responses to the question of whether, and the extent to which, this relationship is in need of an upgrade.

What Needs to Change in the Relationship With the Province?

Among the more notable responses provided about the relationship with the provincial government, one respondent claimed it was time municipalities stopped being treated as teenagers—“give us the keys to the car, let us take care of it too.” The sentiment among many respondents was that, “everybody is gaining from rapid growth—business, the provincial government, the federal government—except for municipalities.” To stress the inherent weakness of municipalities across the country, one respondent claimed, “it is ridiculous that a city the size of Toronto or Montreal has less power than the province of PEI.”

Overwhelmingly, urban municipal governments in Alberta favour more flexibility and more autonomy in making local decisions. There is widespread concern that the provinces fail to consider municipal governments as partners and their approach to municipalities is not progressive; the current relationship is not dynamic, nor is it sustainable. There is a desire for better strategic planning with 20-30 year goals in mind.

Respondents acknowledged that there is no easy solution. They recognized the inherent challenges in tailoring a new relationship with the provinces, but most believed a new relationship was possible, one that was based on the principle of equity. There may be differences across municipalities in terms of the scale of challenges facing communities, but the need for equity at the provincial table was echoed repeatedly.

When questioned about needed changes to the provincial-municipal relationship, a number of common themes emerged. First, many respondents expressed the sentiment that local governments know best what is needed in their communities and how to plan for the future, so they should be empowered to do this. As one respondent argued, “most problems can and should be solved at the grassroots level.”

I would like to see a well-defined transfer program such as a percentage of income tax—sustainable, expandable, and reliable—for municipalities so they could do long-range planning.

— survey respondent

In support of this, respondents identified two key inadequacies with respect to the funding dilemmas facing municipalities: the conditional grants system employed by the province; and the absence of a formal, institutionalized, and permanent tax revenue sharing arrangement with the province.

Some respondents sought a more flexible tax structure, one that would enable municipalities, if they so chose, to levy their own taxes—for example a local improvement tax or a hotel tax. There was not widespread support for new independent tax tools though, and some expressed concern that greater local taxing authority could lead to the emergence of competitive tax regimes within the province and this would be neither popular politically nor efficient. Those who did support greater local taxing authority felt that it should be optional, because some municipalities might not have the capacity to implement such tools.

Ultimately, many respondents felt the tax system needed to be more “logical,” that there should be a closer relationship between the taxes collected and the services they fund. In this regard, many respondents identified extracting the education tax from the property tax as an important goal.

Also with respect to financing, many respondents saw little logic in the way the province doles out money to municipalities and some expressed frustration about the cumbersome nature of the present system of grant applications to the Province of Alberta. This was one area in which respondents overwhelmingly felt there was room for improvement. It should be noted here that this sentiment parallels what the big cities have been asking for.

Urban researchers have suggested an increase in unconditional grants that enable more local autonomy in prioritizing and spending, (see Kitchen and Slack, 2003). They claim transfers are essential for some municipalities, but are virtually unnecessary for those with larger tax bases and therefore adequate resources to be independently sustainable.

Many survey respondents felt that transfers must be designed to meet the diverse needs of municipalities. This is especially germane when it comes to service delivery. Those responsible for the efficient delivery of services can be successful only when they can charge directly for services and get the price right. This requires that those administering them have a clear mandate, adequate resources, sufficient flexibility to make decisions, and are accountable for the decisions they make. Here we see the appeal of the recommendations for greater autonomy for the big cities advanced in *Rationale for Renewal*. Survey respondents also favoured greater autonomy, especially in the realm of unconditional grants, but to varying degrees. However, few sought to enshrine this legislatively.

Box 5: Overview of Survey Results

Below is a summary of the key issues facing municipalities in Alberta today, their perspectives on population size, and their perspectives on the municipal-provincial relationship.

The Issues: The majority of Alberta's urban municipalities view growth and its attendant challenges of infrastructure and social and environmental sustainability as their greatest challenge.

The Size Factor: By virtue of their size, big cities have different modes of operation, different economies, and are separate economic engines. Some believe this necessitates a special relationship with the province. Others believe that all municipalities face the same challenges; any difference is merely a matter of scale.

The Provincial Relationship: There is concern that a special relationship for big cities implies a prioritization and that this could put smaller communities at a disadvantage as regards the provincial agenda. Relations with the province need to be improved: some saw this happening in the areas of greater taxation authority and smarter fiscal transfers that enable local autonomy in deciding how to use them. Most favoured greater autonomy and local authority, but were reluctant to enshrine such changes legislatively.

There was a general hesitation to enshrine a new arrangement with the province legislatively, especially for the big cities alone. Some felt that big cities need to be treated the same and that the current provincial legislation already allows for the possibility of municipalities taking more ownership of decision-making and service provision, but they just need to be encouraged to exercise these full powers more within the existing framework. While some favour a change to the fiscal framework, they do not necessarily desire a change to the legislative framework—the Municipal Government Act (MGA) may not need to be amended.

Returning to the issue of local autonomy in decision-making, respondents saw a need for more effective balancing of need and capacity. For example, one respondent claimed that, with respect to policing, towns are expected to be able to pay for policing and Municipal Districts (MDs) are not, although some MDs have a stronger financial base and are better able to afford it. Greater autonomy from the province could help to address this—municipalities know best what they need and how to implement it. One respondent suggested that the province should provide the finances and allow the municipalities greater autonomy in terms of determining their usage. A new and more secure and predictable fiscal arrangement is necessary for all municipalities, irrespective of size. Interestingly, this parallels the provincial argument for more unconditional transfers from the federal government. That said, another respondent argued that it is not as simple as more money—that a change in sentiment is required including constitutional recognition of municipalities.

In the final analysis there was an expressed need for a renewed relationship between municipalities and the Province of Alberta. However, most respondents were quick to stress that they want to ensure a level playing field across municipalities. Respondents agreed that Alberta Municipal Affairs could do a better job of being a “single window of entry to government,” for all municipalities, regardless of size. And while some respondents recognized that the big cities were different, to varying degrees, they did not favour a special relationship for them. It is clear that, from the perspective of respondents, we do not have a case of apples and oranges—but rather different sized apples, for which a single but flexible solution is favoured.

There is support for a separate-but-equal arrangement. According to respondents, there is no need for provinces to respond differently to municipalities based on size. In fact, some expressed concern that some municipalities might try to strike different deals with the provinces based on size, whereas they would have a much larger and more effective voice if they work together.

Overall, the message from the majority of respondents was that a Big City Agenda is of great concern to them. The rationale for trepidation about a Big City Agenda is rooted in the concern over equity. If big cities can negotiate with the provinces for a special relationship, then so, too, should smaller municipalities; size does not warrant a difference in treatment in this case.

That being said, many respondents claimed they would be less resistant to a special relationship for big cities, based on their unique challenges and opportunities, as long as the same basis for consideration of a special relationship was extended to them as well, if they so desired. However, one respondent felt strongly that, should there be different arrangements, they should not be based on size because, “I have seen better financial management in some small towns than in some big cities.” Those who were willing to consider a special arrangement for the big cities felt that this should come at a cost: “if the cities are going to get more, they would have to give more”—or, put another way, “with great power comes great responsibility.”

As stated above, the purpose of the survey was to take the pulse of municipalities, to get a sense for the key issues they confront today as well as their view of their relationship with the province, if it needs to change, and how this might be done. We wanted to take a reading of the political context—the political environment in which discussions about reforming the municipal-provincial template will take place.

With respect to issue-agendas, the survey was very informative. We were able to determine that municipalities face many of the same concerns, irrespective of size, although the degree to which they experience these challenges often intensifies on the basis of population size.

With respect to relations with the province, overwhelmingly respondents felt that it had to change, but precisely what the solution should be remains to be developed. With respect to the viability and applicability of a Big City Agenda, in some ways the responses were unsurprising: smaller municipalities seem to fear a special relationship for the big cities. When asked if size matters, respondents were reluctant to acknowledge its relevance.

There appears to be an identifiable difference between perception and reality when it comes to size. Although respondents either did not see a difference between municipalities based on population size, or were reluctant to identify a difference due to possible political implications, this does not mean that there is no differentiation to be made based on size. While there may not be a stark difference between big and small municipalities, there is something that sets them apart.

6. Framing the Debate: Does the Big City Agenda Apply to All Municipalities?

There is no clear dividing line between big cities and other municipalities. There is no hard and fast set of rules for distinguishing municipalities; there is no magic population level that divides municipalities into neat categories. A city of a million people is not necessarily fundamentally different from a city of 500,000 or 50,000; a small town may have some issues in common with a metropolis of several million. That being said, there are also some obvious differences between Calgary and Edmonton and the remaining municipalities in Alberta. The challenge for provincial and federal policy-makers is to navigate the huge grey area that encompasses this range of circumstance. The challenge is to account for the things that set big cities apart while also recognizing shared challenges and interests.

The challenge is to account for the things that set big cities apart while recognizing the shared challenges and interests.

This report has underscored the idea that the big cities are *different to a degree*—though they face similar issues as other municipalities do, these are differences of scale. This is what respondents told us. Overwhelmingly, we heard that municipalities shared key priorities (many of them emphasized the same issues), but acknowledged that the differences among them (including the big cities) were of scale. Many respondents were reluctant to acknowledge *major* differences from the big cities; differences in degree, yes, but not differences in kind.

Notwithstanding the findings of the survey, there are subtle differences between big cities and smaller municipalities that present themselves. It is true that there is a great deal of common ground shared by municipalities in terms of the issues they face, the services they provide, and, to some degree, the public policy responses they need from other orders of government. So perhaps it is best to consider municipalities along a continuum rather than as discrete types.

Theoretically, there are at least three ways that big cities might differ from smaller communities: 1) big cities could be unique due to the *magnitude* of the issues they face; 2) the cumulative effects of multiple issues may be greater in big cities; and, 3) the capacity of big cities to respond to urban issues may also be greater. Though survey respondents claimed to share many of the same issues, we found that there was often a difference with respect to the scale of issue faced. Put another way, we believe this is where a difference of degree becomes one of kind.

Magnitude

A handful of characteristics are unique to big cities. For example, public transportation systems involving light rail or subway systems are almost exclusively found in big cities. Similarly, the vast majority of new immigrants live in major Canadian cities. The immigration example highlights the fact that the scale of issues confronting the big cities makes them unique. Many communities can point to the arrival of immigrants from other parts of the world, but the scale is simply not the same as the inflow into places like Vancouver or Winnipeg.

Admittedly, magnitude is a subjective matter and it is important to consider proportionate effects. A handful of immigrants arriving in a small town may have the same, or greater, impact upon the local community as thousands of new Canadians arriving in a large metropolitan area. This, however, highlights the importance of scale. For example, a small town is unlikely to need a standalone social service agency devoted entirely to assisting and helping to integrate new immigrants and might be better served by a program delivered by a multi-purpose agency in the town, or indeed by the provincial government.

Another example of the importance of magnitude can be drawn from the troubling circumstances in Vancouver's East End. Municipalities of all sizes can point to social problems in their communities, but—without suggesting that the social problems in smaller places are insignificant—the *degree* of homelessness, addiction, HIV infection, and crime concentrated in Vancouver's East End sets it apart in important ways.

The demographic and economic weight of big cities also distinguishes them in terms of their importance to provincial economies and their role as service centres. Transportation provides an example: the sheer volume of goods flowing through a city like Edmonton means that a breakdown in its transportation system can have a large ripple effect on the provincial economy. A breakdown in a smaller transportation hub, while important, may not have the same consequences at the provincial level.

This same demographic and economic weight also means that big cities tend to be sites of, for example, major post-secondary schools and research centres, specialized health care facilities, corporate head offices, and large shopping and entertainment amenities. Again, it comes down to scale; the University of British Columbia in Vancouver, for example, is simply bigger than Thompson Rivers University in Kamloops.

Cumulative Effects

The second factor that tends to distinguish big cities from other municipalities is the fact that they confront a broad range of issues *simultaneously*. A smaller centre may have some things in common with a big city, but it is unlikely that it has characteristics and challenges under every heading that a big city does. When combined with the greater magnitude of many big city traits and issues, the *cumulative* effect puts them in a different category.

For example, Drumheller's Royal Tyrrell Museum is comparable to, or better than, similar facilities in bigger cities such as Calgary. The Tyrrell is a truly world-class institution and, on this register, puts Drumheller on par with much larger jurisdictions. But, this comparison overlooks the fact that Calgary also has a National Hockey League franchise, traffic jams that inconvenience tens of thousands of people for several

Big cities face a broad range of issues that generate cumulative effects. This critical mass of issues sets them apart from smaller municipalities.

hours a day, a serious homelessness problem, several major post-secondary institutions, and the head offices of hundreds of oil and gas companies, to name but a few examples.

Using another example, it is true that Red Deer faces mass transportation issues, and Brooks faces issues related to immigration, but in *aggregate* terms, when the Big City Agenda is considered as a composite package, it is difficult to see where smaller municipalities face the same sort of pressures, to the same degree, across the board.

Capacity

Just as population size determines the presence, degree and aggregate effect of urban issues, it is also a factor in the amount of public policy capacity a municipality possesses, which affects the roles it can assume and the services it can provide. For example, a municipality needs a critical mass of population and a sufficient municipal staff and budget before it can take over a service delivery role performed by a provincial government or implement new tax tools. Big cities simply have more of this capacity than smaller communities do.

So where does this leave us with respect to the question of whether or not there should be a special public policy response just for big cities based on their idiosyncratic qualities or circumstances? The answer is threefold:

1) While big cities are different from other municipalities, they are not that different; there is a core set of commonalities that makes a strong case for treating municipalities as like units, at least to some degree. The unique qualities of big cities and the differences in degree should be taken into account, but the many similarities that exist across municipalities of varying size suggest the need for public policy that recognizes *both* the similarities and the differences.

Population size affects the amount of public policy capacity a municipality possesses.

2) Although it is not clear to what extent a special response to big cities is required, the differences in kind, degree, cumulative effects and capacity discussed above suggest that provincial policy should differentiate between big cities and other municipalities in some way.

3) The sheer size of big cities and their impact upon the economy and upon public policy mean that provincial governments simply cannot afford *not* to tackle the thorny issue of a new partnership with them and to do so as soon as possible. Provincial governments have to get their relationships with big cities right because the economic and social consequences are too great to ignore and are important to broader provincial goals.

This does not, however, preclude getting it right across the board, but the crass reality is that big cities are driving the debate, getting the attention, and have the demographic and economic muscle to initiate change. The task at hand is to determine the degree to which this wave of change can and should carry smaller municipalities with it. Can smaller centres successfully surf the waves being generated by the big city mayors across western Canada?

This discussion paper does not purport to provide the final word on the subject of population size and reforming the municipal-provincial relationship, but rather it seeks to inform a debate. We have found that population size should feature prominently in any future discussion about renewing this relationship, although we wish to make some important qualifications regarding our conclusions about the relevance of size:

Why the big cities are important

Admittedly, it is a judgment call between shades of grey; there is no clear dividing line between big cities and other municipalities. The challenge for provincial and federal policy-makers is to develop policies that take into account not only the things that set big cities apart, but also the areas of similarity.

While this discussion paper has highlighted important similarities and differences between municipalities of varying size, we believe there is greater value in focusing on similarities rather than differences. This is not to diminish the importance of differences, but rather to suggest that there may be some practical value in pursuing reform at the provincial level that is more widely applicable. While this report has emphasized the notion that a one-size-fits-all approach by the province is inappropriate, it is also appropriate to consider the benefits of “pooling resources” on behalf of municipalities, numbering in the hundreds, for which independent and unique relationships with the province are impractical.

This being said, for the sake of a broader coalition, if the big cities get it right, then terms for a new relationship may then be more widely applicable across all municipalities, save perhaps for some areas of difference. Observably, the big cities are key economic drivers—not the only economic drivers to be sure—but significant ones. It is fair to say that the implications of the big cities “getting it wrong” are greater for smaller communities than are the implications for the big cities should the smaller centres fail.

The Big City Agenda can be a vehicle for change for all municipalities.

Put another way, Edmonton’s economy has a greater single impact upon the wider fiscal health of the Province of Alberta than does the economy of Wetaskiwin. This does not imply that Edmonton’s economy is more important—we are not suggesting a pecking order exists here—but rather that it may be the first order of business to address the Big City Agenda—to get it right for the big cities—and then to apply this new template to smaller municipalities. The Big City Agenda can be a vehicle for change for all municipalities.

What constitutes “big” and “small?”

Here it is important to note that population size should be considered beyond simply big and small municipalities. Where do mid-sized cities fit? And what about small towns or villages of less than 1,000 people? It is not the goal of this report to label municipalities strictly on the basis of size, but to ask whether, in the first stab at re-considering municipal-provincial relations, the big cities stand apart from other municipalities. Our survey results indicated that there was more to the size issue than simply the big cities and everybody else, and that smaller cities of varying size could also be differentiated with respect to the degree to which they faced the challenges of growth management, sustainability, infrastructure and social development.

“Big” and “small” are not value-laden terms

To suggest that big cities are unique because they face a cumulative agenda of big city issues, to a degree not mirrored by smaller centres because they do not confront such an agenda on an aggregate basis, does not suggest a value judgment. Bigger is not necessarily better; to acknowledge that big cities may have a greater capacity for autonomy and may therefore require a special relationship with the province is not tantamount to saying they are more important. Nor do we wish to imply that a disproportionate amount of resources should be used to improve the fate of big cities with comparatively less attention paid to smaller ones. We simply suggest that perhaps, due to the magnitude of the many issues they face, provincial policy responses should account for this difference. How this might be characterized remains a subject for further debate. Perhaps one way to consider this is to suggest that the principles applied to the municipal-provincial relationship be the same, but that how these principles are implemented may be different. In other words, equity may not mean equality.

Big cities are from Mars and small cities are from Venus?

Not at all. The Big City Agenda, while it does speak of big cities in unique ways, does not stem from a view that big cities and smaller municipalities have nothing to say to each other in terms of negotiating better relationships with the provinces. Instead, the purpose of the Big City Agenda is to kick-start a process of reconsidering the municipal-provincial template. It is rooted in the recognition that municipalities of all sizes face increased areas of jurisdiction, demands for more and better services, fiscal constraints, and that the existing framework is sub-optimal. Therefore, municipal-provincial relations must be re-thought and the Big City Agenda is an excellent point of departure for this review.

Big cities are in the best position to drive a process of change in the broader municipal-provincial relationship.

On this subject, perhaps it is worth adding a comment about how big and small cities view and engage each other. The survey results indicate that smaller municipalities fear that a better deal for the big cities will somehow leave smaller communities at a disadvantage. On the other hand, the position of the big cities is one of concern over being “lumped in” with the smaller municipalities and of having to make do with the “cookie-cutter” approach the province currently employs, which does not adequately account for the unique (in their view) situation big cities face. We advocate a third way of looking at this. We believe that a new deal for the big cities is just the tip of the iceberg—if it succeeds it could lead to a new province-wide framework for municipal-provincial relations. This could potentially benefit all municipalities, large and small, leaving none behind.

This does not mean that smaller municipalities should sit back and let the big cities lead the charge (there is no guarantee that big cities will/should view the interests of smaller municipalities as a priority), but that any move forward with a Big City Agenda be done with a degree of input from, and coordination with, a broader coalition of municipalities. The Big City Agenda, while it does advance and promote the interests of big cities, may have much to offer smaller municipalities too, and they would do well to emphasize areas of similarity and overlap, rather than difference.

As stated above, we do not suggest the big cities are first among equals, but rather that they may be in the best position to *drive* a process of change to the municipal-provincial relationship. Big cities are unique in the degree of capacity they possess to adopt greater autonomy and in their ability to apply pressure to their provincial governments to respond to this desire. Any new deal they might strike with their provinces in this regard can have important ripple effects for smaller municipalities.

Equity: at some point, they’re all apples

The case has been made in this report that municipalities cannot be differentiated strictly on the basis of population size, but that there are important differences in terms of scale; the degree to which big and small municipalities face certain issues varies. That being said, to ascertain at what point this difference of degree becomes one of kind, or if it does, is an important question to be debated. This discussion paper points out that the Big City Agenda is an aggregate of the many pressing issues big cities confront, but that smaller municipalities are challenged by many of these same issues, perhaps in different ways, and not necessarily in all of the issue areas we have identified. When considered this way, acknowledging that larger and smaller municipalities face related challenges, perhaps it is helpful to consider them in light of our governing analogy: as different sized apples.

Capacity: can big and small municipalities adopt new roles and greater autonomy?

The question of capacity is a critical one. Certainly the West’s big cities—Vancouver, Calgary, Edmonton, Regina, Saskatoon and Winnipeg—desire a louder voice in provincial decisions that directly affect them. *Rationale for Renewal* discusses the possibility of new tax tools for the big cities to enable them to generate revenue more independently. This is consistent with the notion that local governments will be more fiscally responsible with their own locally-sourced revenue, and because local governments know best the needs of their communities.

Without question, greater autonomy is valued by the big cities and is not only desired, but is achievable. However, it is prudent to consider whether or not smaller municipalities have the capacity to gain greater autonomy in the same manner. Consider again the example of new fiscal tools. Though the big cities have not directly requested an ability to implement a local tax (e.g., a hotel tax), *Rationale for Renewal* argues that they have the capacity for such an arrangement. But do smaller municipalities? Some concern was expressed among our survey respondents about their ability to take on increased capacity due to smaller population bases, smaller bureaucracies, and a smaller pool of experts able to implement such changes and manage elevated degrees of responsibility.

It would appear that there is a hierarchy of capacity based on population size. This difference in capacity is important, because capacity is a practical measure of policy applicability. Perhaps one way of addressing this challenge is the notion of shared services

or regional arrangements that might enable smaller communities to act in concert—to advocate their interests and address their challenges in clusters—in order to maximize regionally on different capacities across neighbouring municipalities.

At some point, do very small municipalities diverge from the municipal agenda?

At the outset of this study, we began with the question of whether or not the big cities were different enough from smaller municipalities that this meant a difference in terms of the issues they confronted and how the province should deal with them. But interestingly, where a distinction was made *was* with respect to municipalities of extremely small size.

One respondent identified communities of less than 5,000 as having unique concerns, of being in a league of their own. This is because these communities often experience negative population growth and therefore, according to a few respondents, should perhaps receive special consideration and special assistance from the province.

There is a clear need for a new and different relationship for smaller municipalities, but it may not be facilitated by the same template as the Big City Agenda. Here we acknowledge the possibility that perhaps the cut-off point in terms of difference may not be at the top of the population size continuum, but rather at the bottom.

Alternate influences: population size is not the only factor

Intuitively, population size is not the only factor to be considered when listing the key challenges confronting municipalities or when contemplating a new municipal-provincial relationship. Rates of economic growth are also important (e.g., Fort McMurray is growing at a rapid pace and this places excessive demands upon its infrastructure). Location is also influential (e.g., Airdrie's proximity to Calgary and its location along the North-South corridor have an impact upon its rate of growth and its infrastructure challenges as well). Though this report is focused on size, there are a host of other factors that cannot be ignored and should be included in subsequent discussions of reform to the municipal-provincial template.

Promoting healthy democracies: where does the citizen fit in?

No discussion of the intergovernmental relationship is complete without consideration of the citizen. And for many citizens, this debate over municipal size may appear, at first glance, trivial. One might ask what difference all of this makes to him? After all, it might sound like little more than semantics and technicalities used to discuss which level of government is responsible for what. Our response to this question is simple: the payoff is better governance. A renewed relationship between municipalities and provinces is in everyone's interest: provincial and municipal governments and the citizens they represent. In support of this, we believe there are three ways in which citizens benefit:

- Better communities—premised upon the idea that local decision-makers know best about their own communities.
- Economic prosperity—premised upon the notion that local governments can administer services more efficiently and this can improve economic performance.
- Healthy democracy—based upon the belief that more citizen involvement is always a good thing.

Any change to the relationship between municipalities and their provinces, enshrined legislatively or otherwise, must only be done in the interests of providing better services to, and enhancing the lives of, citizens—this is what it is all about, after all.

Consider our case study of Alberta. We proceed in our discussion of population size, issue-agendas, and needed change to the municipal-provincial template, governed by the overarching assumption that, for example, a family in Fairview is equally entitled to the sustainability of their community, economic opportunity, service provision and quality of life, as is a family in Edmonton, Cardston or High Level.

For this reason, we take the basic equality of municipalities with respect to these issues as our starting point, though we do

recognize differences. Put another way, we recognize that municipalities may not always be fully equal in terms of local character, economic base, population size, or local challenges, but we recognize the importance of equity with respect to their dealings with the province. Each citizen counts, irrespective of the size of his or her community.

On the one hand, this makes a case for treating municipalities the same, regardless of size. But, this may not necessarily be the case if there is benefit to smaller municipalities should the Big City Agenda pave the way for more widespread reform to the municipal-provincial relationship. At the end of the day, we advocate a process that, among other things, takes as its priority better and more effective governance.

The Big City Agenda overlaps with that of smaller municipalities in some ways, which suggests big and small centres are apples and apples. Yet, when an aggregate account of the issues facing big cities is taken, it becomes clear that smaller municipalities do not share the same agenda in cumulative terms. Thus, small and big municipalities become apples and oranges. Well, so what? What are the benefits to understanding and appreciating these differences for the province and how might the province proceed in forging new relationships with municipalities? In the next two sections, we provide a rationale for provincial interest in improving its municipal partnerships and also recommendations for how this might be undertaken.

7. What's in it for the Provinces?

Although the Canadian constitution dictates that municipalities are “creatures of the provinces,” Canada has changed a great deal since the structures that define the municipal-provincial relationship were implemented. Once a predominantly rural country, Canada is now mostly an urban nation, and municipal governments are increasingly playing a critical role in the health and vitality of Canada’s urban communities. As a consequence, the health and vitality of municipal governments themselves must become a higher priority both for provincial and federal orders of government. We know for certain that big cities are increasingly confronting the pressures of global competition, and face higher expectations for service provision due in part to offloading from the provinces. We heard similar concerns expressed by smaller municipalities.

Canada has changed a great deal since the structures that define the municipal-provincial relationship were implemented.

With respect to our case study, the Government of Alberta alone cannot meet the goals set forth in its 20-year strategic plan; these can only be met through constructive collaboration across all governments within the province. Consequently, the province has a stake in rebuilding the municipal-provincial relationship. This will require an approach that recognizes commonalities across all municipal governments, but also accommodates differences in need and circumstance. All parties benefit from a search for constructive common ground—one that occupies the space between the rigidity of a one-size-fits-all approach and the impracticality of idiosyncratic relationships with hundreds of municipal governments.

Urban researchers have asserted that, when it comes to municipal governance, there is no one-size-fits-all model and that a more flexible approach to governance is required. A better model, one that “mirrors differences in local and regional attributes,” is needed. However, they do not discuss in depth precisely what these tailored regional or municipal arrangements should look like, though they do suggest some form of region-wide authority is needed to address regional issues. (See Slack, Bourne and Gertler, 2003). So, while there is some discussion about the extent to which size matters with respect to the municipal-provincial relationship, more in-depth solutions are needed.

As discussed above, one suggestion offered by some survey respondents was reform of the tax system, and there is some support for this among urban researchers. Bird (2000) argues that the size of the municipal tax base is an important consideration when constructing financial arrangements between provinces and municipalities. He argues that the size of the tax base affects a local government’s ability to administer and pay for services; a higher tax base enables fiscal autonomy. This could be beneficial for the provinces because it could reduce intergovernmental transfers and could lend itself to greater accountability, as local governments

would “face the full marginal tax price of the spending decisions for which they are responsible,” thereby yielding “hard budget constraints.” Everybody wins.

With respect to local taxation, mid-sized municipalities that tend to see greater tourism and that might have the capacity to administer a local sales tax, also express a desire for the authority to generate such revenue. But not all respondents favoured this. Some, even among the larger municipalities, expressed concern about generating a “patchwork of fiscal regimes” throughout the province, causing confusion, disparity, and perhaps political tension. There was concern over local taxation driving away business (nobody likes to pay more tax). Some felt municipalities should use the tools they already have to generate needed revenue, but that there should be fewer provincial “strings attached.”

Kitchen and Slack (2003) also argue in favour of greater autonomy for municipalities when it comes to taxation authority; large cities should have more flexibility in this regard because they can afford to absorb the administrative costs of doing so, whereas smaller municipalities may not be able to derive sufficient revenues from additional tax sources in order to justify the costs. When smaller urban municipalities lack the fiscal capacity to provide adequate local services with their own-source revenues, intergovernmental transfers take over. Therefore, as discussed above, transfers could be tailored to “expenditure needs and the ability of local governments to levy taxes.” This would allow for standardization, but also the flexibility to attend to differences in capacity.

Ultimately, the municipal-provincial relationship must be mutually reinforcing; this is not a zero-sum situation, but instead one in which gains are absolute—the success and sustainability of communities benefits provinces and municipalities alike. While municipalities grapple with questions of governance and ways to improve the municipal-provincial relationship, so do the provinces, and both have an interest in forging the best possible relationships. But, there is a desire for some degree of standardization across the board, though this should be balanced with an incorporation of localized need and context.

The municipal-provincial relationship is not a zero-sum game.

Some standardized agreement between the provinces and their municipalities is both needed and desired, as surely smaller communities—leaving aside the big cities, which may require a unique relationship with the provinces—cannot possibly hope to forge individual relationships with the provinces. Arguably, given the sheer multiplicity of smaller urban communities within Alberta alone, municipalities run the risk of getting lost in the multitude should they seek to strike out on their own in their transactions with the province. It seems the best way for them to approach a “new deal” is to deal with the province collectively—to pool their resources.

Certainly this collective bargaining principle is not a new idea; countless mayors and municipal administrators we interviewed emphasized the value of collective voices in dealing with the province; many feared that special status for some municipalities could weaken the position of others. However this study contends, consistent with what experts and practitioners have said, that a one-size-fits-all policy toward municipalities is neither efficient nor sufficient, but rather that some form of standardized provincial arrangement whereby municipalities may embrace an opt-in solution may be the answer. Such an option is premised upon the notion of equality of form, while recognizing differences in circumstance. This might enable municipalities to maximize their strengths and address limitations.

In a similar vein, this resembles the federal government’s approach to the Canada Pension Plan in which provinces were given the option of opting-out—an opportunity seized by Quebec, though the hope was that others would not follow suit. This reflects the sentiment that orders of government with broader regional mandates—the Government of Canada and the provinces—have a role to play in setting national and/or provincial standards that enable consistency and the efficient administration of services for all western Canadians.

Box 6: Charter Cities

Any future discussion about a new municipal-provincial relationship would do well to consider the experience of Canada's charter cities. There are a handful of cities whose provinces have enacted legislation declaring them "Charter Cities," thereby enacting separate enabling legislation, conferring upon them additional powers and responsibilities not given to other municipalities in their respective provinces.

These special relationships between major urban centres and their provincial counterparts are: Winnipeg with Manitoba; Montreal with Quebec; St. John's with Newfoundland and Labrador; and, Vancouver with British Columbia. Each charter city was granted a greater capacity to "respond to its environment," based on the assumption that different cities had different priorities and needs:

In the case of Vancouver, the City was granted greater municipal control over the development and ownership of public areas within its boundaries. Additionally, a trilateral agreement between Vancouver, British Columbia and the federal government was created; it was designed to work with residents in neighbourhoods in and around the downtown eastside to develop a healthy and sustainable community.

In Winnipeg, the City was granted increased power with respect to remedial health and sanitary measures, an independent property assessment system, and a separate planning administration.

Montreal received the ability to obtain special legislation to invest in private enterprises and to incorporate non-profit corporations and provide them with financial incentives, to accept, take, purchase, hold, alienate and convey movable and immovable property, and to annex any territory within the island of Montreal (with the agreement of the annexed territory).

And finally, under the Newfoundland Municipalities Act, St. John's received increased municipal autonomy in administration and financial management, expanded taxation and collection capacities, and new and expanded authority for service delivery and municipal controls. (See City of Toronto, "The Relationship of Five Canadian Cities and Their Provinces" 2001.)

These types of specific and limited arrangements may not be possible for all municipalities, but they may be informative in any future discussion of the types of special relationships that might be struck between municipalities and their provincial counterparts. The above examples reflect the empowerment of cities to zero in on their most critical issues and areas in which they desire more autonomy. Interestingly, the full potential of the Charter City idea has not been fully realized, and any future discussion of potential legislative changes to the municipal-provincial relationship should perhaps take the experiences of some of these Canadian cities into account.

However, while this may be the case, it is also true that not all provinces within Canada, and not all municipalities within western Canada, have identical interests and they may need to tailor their programs according to local interests. This supports an ability to choose to be independent where necessary. Although the findings of this study suggest that tailor made solutions are not always necessary, nor are they always desired, it is the capacity for choice that may make the difference. So perhaps a new provincial-municipal relationship should have a common structure across municipalities, but should be flexible enough to accommodate difference.

8. *Where to Go From Here? Mapping the Municipal-Provincial Relationship*

There are two commonly held attitudes, or schools of thought, about the municipal-provincial relationship—perhaps it is helpful to cast them as opposite ends of a spectrum. On one end is the view that municipalities are all the same, that population size is not a suitable feature to distinguish between them, and that the province should deal with big cities and smaller municipalities uniformly. The opposite view is that there are a host of factors, including population size, that set the big cities apart—that constitute a separate agenda—and that demand the province deal with them differently than they deal with smaller municipalities.

One school of thought favours a one-size-fits-all approach and the other favours a significant distinction be made for big cities. We believe neither of these tells the whole story.

This discussion paper rejects both ends of the spectrum in favour of striking a new and middle ground between them. We take the view, similar to *Rationale for Renewal*, that the time for a renewed municipal-provincial partnership is long overdue. However, while *Rationale for Renewal* emphasizes the big cities alone, we believe that a new relationship is needed for *all* municipalities in western Canada, though there are characteristics that differentiate the big cities and some accommodation is needed to distinguish between their needs and those of smaller municipalities.

Provincial policy should avoid both a one-size-fits-all approach and an approach that defines big cities as completely different than smaller municipalities.

Many of the principles upon which the big city argument for a new partnership with the province rests can be exported to smaller municipalities. Where there are differences, they are usually of scale and of capacity. The aggregate effects of the many pressing issues facing big cities mean the time for a new relationship has long since passed and the big cities can scarcely afford inaction as regards forging a new relationship. This is not to imply that timing

is not crucial for smaller municipalities as well, but perhaps the big cities may be in a higher state of readiness to take on greater autonomy and employ new fiscal tools to begin to remedy their problems.

Success in a new relationship for the big cities can then be used to improve the circumstances of smaller municipalities, many of which lack the immediate ability to drive this process—in this regard it is useful to consider the big cities as an engine for needed reform that can benefit all municipalities. A one-size-fits-all solution is not the answer, but the big cities—by virtue of scale, capacity to respond to challenges, and the autonomy they have themselves been asking for—may be the place to start.

We recommend an end to the “cookie cutter” approach to the way the province deals with municipalities and rather promote tailor made solutions—though not too tailor made because this becomes unmanageable. Some communities do not want more autonomy because they cannot handle it or afford it. An appreciation of these differences necessitates a need for new and special treatment for the big cities.

An excellent example is the principle of a new fiscal framework outlined in *Rationale for Renewal*. Here the argument is made that the big cities would benefit from a new set of tax tools, perhaps an ability to levy local taxes (e.g., a local sales tax or hotel tax), which would enable greater consistency and fiscal responsibility. The argument for a new fiscal framework could apply across all municipalities, but its application may be different; a big city may want and have the capacity to manage a local sales tax, whereas a small town may want more consistent grants from the province.

We believe that a new municipal-provincial relationship should take the differences that exist across municipalities into account. But, we do not recommend an array of different solutions to the problem either. The solution lies in the development of a new approach that is at once common to all municipalities and yet flexible enough to account for the qualities that differentiate them.

The province is in no position to negotiate with municipalities individually, and municipalities themselves, especially smaller ones, are better off pooling their resources and dealing with the province collectively—they run the risk of getting lost in the multitude should they attempt to strike out on their own.

Thus, a new framework is achievable as long as it is flexible enough to accommodate difference in capacity and scale, and leaves room for choice in the way municipalities manage the new relationship with the province and the new tools they are given to govern themselves more effectively and efficiently.

This leads us toward an approach that could allow municipalities to opt-in where they are able—either seizing greater autonomy

in decision-making or employing different fiscal tools—should they so choose. We heard from survey respondents that some municipalities would embrace the opportunity for independently generated revenue, others were reluctant, and some rejected the idea outright, arguing it was not possible for them, given the size of their tax base. An opt-in solution would enable larger municipalities with larger population bases to take advantage of their capacity and to maximize their strengths, while still enabling smaller municipalities to guard against weakness and benefit from provincial capacity to administer certain services where they are most needed.

More research needs to be done on factors other than population size to better inform provincial policy toward municipalities.

An opt-in solution would also free the province from some of its micro-management responsibilities and would allow for a more efficient administration of services. Complicated solutions that are too cumbersome are likely not to be embraced by the province. But an opt-in solution could benefit all parties—municipalities and the province alike—and is an achievable goal in the short to medium term. If municipalities are going to continue to experience

offloaded responsibilities from the province, they might as well receive offloaded autonomy and authority to make decisions as far as these new areas of responsibility are concerned.

That being said, we entertain the idea that perhaps limited reform to provincial legislation should be considered to incorporate the big city template, and that this be used as a point of departure for designing a suitable arrangement for the smaller municipalities—one that upholds the principle of equity and also enables choice (opting in).

This discussion paper recommends that population size be taken into account in understanding challenges faced by municipalities today. However, due to considerable overlap across municipalities of all sizes in key issue-areas, the response from the province should be flexible enough to account for similarity and accommodate difference.

9. Concluding Thoughts – Apples and Oranges are Both Fruit

Are big cities and small municipalities a case of apples and oranges or apples of different size?

The answer is both. We have made a case for both apples and oranges and for different sized apples. There are some similarities between municipalities of all sizes—which suggests we are dealing with different sized apples—but there are also some important differences—which suggest we are in fact dealing with apples and oranges.


While this conclusion seems to blur the lines, this is, in fact, a reflection of our finding that the line *is* blurred. We are dealing with apples of varying size *and* with apples and oranges—but in the end, they are all fruit! The differences embodied in the apples and oranges analogy can be considered this way:

- Some issues facing municipalities may be similar, but the magnitude of the challenges they pose and manner in which they are able to address them may vary.
- Some issues are simply unique to the big cities (e.g., mass public transit), although medium sized municipalities should prepare for a time when these issues could well present themselves in their communities too.
- There are also practical differences between big cities and smaller municipalities (e.g., capacity—a smaller municipality may lack adequate human resources to adopt a new revenue generating scheme).

Ultimately, one-size-fits-all does not work, but drawing a *sharp* line between big cities and smaller municipalities is also not the answer—this is too easy and it would cause concern among municipal officials throughout the province and would not be

in the best interests of efficient governance. A new municipal-provincial relationship must be flexible and must enable local governments to seize upon their strengths and secure against weakness.

There are no quick fixes to this problem, and we do not claim to have all the answers; this discussion paper seeks to get the “lay of the land” and to inform a debate that is important to the long-term prosperity and quality of life in western Canada’s municipalities. Further research will be required to inform changes to public policy that might flow from the ideas presented in this report.

The debate that we hope ensues is of tremendous value. We are working toward identifying a clear problem and this discussion paper makes important headway in taking the pulse of smaller municipalities to determine their degree of openness to the Big City Agenda, to determine the reasons for their apprehension, and to identify and bring into the public discourse the observable reality of the need for better municipal-provincial relations. 

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Appendix

Municipal Components of Census Metropolitan Areas

Abbotsford		% of CMA	Saskatoon		% of CMA	Victoria		% of CMA
Abbotsford (City)*		78.35%	Allan (Town)		0.30%	Becher Bay 1 (Indian Reserve)		0.05%
Fraser Valley H (Regional District Electoral Area)		0.26%	Asquith (Town)		0.25%	Capital H (Part 1) (Regional District Electoral Area)		1.22%
Matsqui Main 2 (Indian Reserve)		0.05%	Blucher No. 343 (Rural Municipality)		0.65%	Central Saanich (District Municipality)		4.92%
Mission (District Municipality)		21.22%	Bradwell (Village)		0.07%	Cole Bay 3 (Indian Reserve)		0.08%
Upper Sumas 6 (Indian Reserve)		0.12%	Clavet (Village)		0.16%	Colwood (City)		4.41%
			Colonsay (Town)		0.19%	East Saanich 2 (Indian Reserve)		0.46%
Calgary		% of CMA	Colonsay No. 342 (Rural Municipality)		0.14%	Esquimalt (District Municipality)		5.17%
Airdrie (City)		2.14%	Corman Park No. 344 (Rural Municipality)		3.58%	Esquimalt (Indian Reserve)		0.00%
Beiseker (Village)		0.09%	Dalmeny (Town)		0.71%	Highlands (District Municipality)		0.54%
Calgary (City)*		92.38%	Delisle (Town)		0.39%	Langford (District Municipality)		6.04%
Chestermere (Town)		0.36%	Dundurn (Town)		0.26%	Metchosin (District Municipality)		1.56%
Cochrane (Town)		1.24%	Dundurn No. 314 (Rural Municipality)		0.25%	New Songhees 1A (Indian Reserve)		0.60%
Crossfield (Town)		0.25%	Elstow (Village)		0.04%	North Saanich (District Municipality)		3.35%
Irricana (Village)		0.11%	Langham (Town)		0.51%	Oak Bay (District Municipality)		5.71%
Rocky View No. 44 (Municipal District)		3.23%	Martensville (Town)		1.93%	Saanich (District Municipality)		33.23%
Tsuu T'ina Nation 145 (Sarcee 145) (Indian Reserve)		0.21%	Meacham (Village)		0.04%	Sidney (Town)		3.50%
			Osler (Town)		0.36%	Sooke (District Municipality)		2.80%
Edmonton		% of CMA	Saskatoon (City)*		87.11%	South Saanich 1 (Indian Reserve)		0.19%
Alexander 134 (Indian Reserve)		0.09%	Shields (Resort Village)		0.06%	T'Sou-ke 1 (Sooke 1) (Indian Reserve)		0.03%
Beaumont (Town)		0.75%	Thode (Resort Village)		0.06%	T'Sou-ke 2 (Sooke 2) (Indian Reserve)		0.02%
Betula Beach (Summer Village)		0.00%	Vanscoy (Village)		0.15%	Union Bay 4 (Indian Reserve)		0.03%
Bon Accord (Town)		0.16%	Vanscoy No. 345 (Rural Municipality)		1.16%	Victoria (City)*		23.77%
Bruderheim (Town)		0.13%	Warman (Town)		1.54%	View Royal (Town)		2.33%
Calmar (Town)		0.20%	White Cap 94 (Indian Reserve)		0.07%			
Devon (Town)		0.53%						
Edmonton (City)*		71.02%	Vancouver		% of CMA	Winnipeg		% of CMA
Fort Saskatchewan (City)		1.40%	Anmore (Village)		0.07%	Brokenhead 4 (Indian Reserve)		0.06%
Gibbons (Town)		0.28%	Barnston Island 3 (Indian Reserve)		0.00%	East St. Paul (Rural Municipality)		1.14%
Golden Days (Summer Village)		0.01%	Belcarra (Village)		0.03%	Headingley (Rural Municipality)		0.28%
Itaska Beach (Summer Village)		0.00%	Bowen Island (Island Municipality), British Columbia		0.15%	Ritchot (Rural Municipality)		0.74%
Kapasiwin (Summer Village)		0.00%	Burnaby (City)		9.76%	Rosser (Rural Municipality)		0.21%
Lakeview (Summer Village)		0.00%	Burrard Inlet 3 (Indian Reserve)		0.06%	Springfield (Rural Municipality)		1.88%
Leduc (City - Cité)		1.60%	Capilano 5 (Indian Reserve)		0.11%	St. Clements (Rural Municipality)		1.36%
Leduc County (County [Municipality])		1.34%	Coquitlam (City)		5.68%	St. François Xavier (Rural Municipality)		0.15%
Legal (Town)		0.11%	Coquitlam 1 (Indian Reserve)		0.00%	Taché (Rural Municipality)		1.28%
Morinville (Town)		0.70%	Coquitlam 2 (Indian Reserve)		0.00%	West St. Paul (Rural Municipality)		0.61%
New Sarepta (Village)		0.04%	Delta (District Municipality)		4.88%	Winnipeg (City)*		92.29%
Parkland County (County [Municipality])		2.91%	Greater Vancouver A (Regional District Electoral Area)		4.40%			
Point Alison (Summer Village)		0.00%	Katzie 1 (Indian Reserve)		0.01%			
Redwater (Town)		0.23%	Katzie 2 (Indian Reserve)		0.00%			
Seba Beach (Summer Village)		0.01%	Langley (City)		1.19%			
Spring Lake (Village)		0.05%	Langley (District Municipality)		4.37%			
Spruce Grove (City)		1.70%	Langley 5 (Indian Reserve)		0.00%			
St. Albert (City)		5.66%	Lions Bay (Village)		0.07%			
Stony Plain (Town)		1.02%	Maple Ridge (District Municipality)		3.18%			
Stony Plain 135 (Indian Reserve)		0.12%	Matsqui 4 (Indian Reserve)		0.02%			
Strathcona County (Specialized Municipality)		7.68%	McMillan Island 6 (Indian Reserve)		0.00%			
Sturgeon County (Municipal District)		1.93%	Mission 1 (Indian Reserve)		0.02%			
Sundance Beach (Summer Village)		0.00%	Musqueam 2 (Indian Reserve)		0.07%			
Thorsby (Village)		0.09%	Musqueam 4 (Indian Reserve)		0.00%			
Wabamun (Village)		0.06%	New Westminster (City)		2.75%			
Wabamun 133A (Indian Reserve)		0.11%	North Vancouver (City)		2.23%			
Warburg (Village)		0.06%	North Vancouver (District Municipality)		4.14%			
			Pitt Meadows (District Municipality)		0.74%			
Regina		% of CMA	Port Coquitlam (City)		2.58%			
Balgonie (Town)		0.64%	Port Moody (City)		1.20%			
Belle Plaine (Village)		0.04%	Richmond (City)		8.27%			
Buena Vista (Village)		0.21%	Semiahmoo (Indian Reserve)		0.01%			
Disley (Village)		0.03%	Seymour Creek 2 (Indian Reserve)		0.00%			
Edenwold (Village)		0.12%	Surrey (City)		17.51%			
Edenwold No. 158 (Rural Municipality)		1.56%	Sawwassen (Indian Reserve)		0.02%			
Grand Coulee (Village)		0.19%	Vancouver (City)*		27.46%			
Lumsden (Town)		0.82%	West Vancouver (District Municipality)		2.08%			
Lumsden Beach (Resort Village)		0.00%	White Rock (City)		0.92%			
Lumsden No. 189 (Rural Municipality)		0.85%	Whonnock 1 (Indian Reserve)		0.00%			
Pense (Village)		0.28%						
Pense No. 160 (Rural Municipality)		0.26%						
Pilot Butte (Town)		0.96%						
Regina (City)*		92.44%						
Regina Beach (Town)		0.54%						
Sherwood No. 159 (Rural Municipality)		0.55%						
White City (Town)		0.53%						

* Anchor city or urban core.

These figures are for 2001. Source: Derived from Statistics Canada 2001 Census data.



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