

Municipal amalgamation:

The impact on economic development in Chatham-Kent

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A series of municipal amalgamations that took place in the 1990s in Ontario, which were justified as a means to “reduce the size of government and to promote economic development” (Sancton, 2000). However, it is unclear if the latter goal has been met. This paper will discuss the impact of amalgamation on economic development using the Chatham-Kent experience as a case study. An analysis of the impacts reveals that the amalgamation process was tumultuous and resulted in a loss of significant institutional intelligence. However, it also forced the new entity to review its economic development approach; the investment in strategy development, resource mapping, information technology support and infrastructure has resulted in stronger support provided to the business community.

Keywords: amalgamation, municipal government, regional planning, economies of scale, Ontario

Introduction

The Municipality of Chatham-Kent was established January 1, 1998. The amalgamation of the County of Kent and the 22 municipalities within the County was one of a series of municipal amalgamations that took place in the 1990s in Ontario.

Andrew Sancton (2000) states that the amalgamations of the 1990s (including the Municipality of Chatham-Kent) were justified as a means to “reduce the size of government and to promote economic development.” In fact, economic development has been a common justification for municipal amalgamation. (Dann, 2000; Feoick and Carr, 1997; Sancton, 2000; Vojnovic, 2000)

Municipal amalgamations have resulted in reductions in the number of councils along with huge upheavals for staff and changes to the delivery of services to the region’s constituents. Sancton is very succinct in his opinion: “Municipal amalgamation has nothing to do with economic development” (2000).

Sancton (2000) further states:

Business interests are supportive of amalgamation because they think it favours economic development. But the notion that investors favour single-municipality city-regions has not been proven.

In “Is Bigger Local Government Better? An Evaluation of the Economic Case for Australian Municipal Amalgamation Programs” Dollery & Crase (2004), evaluated the economic impact of municipal amalgamations in seven categories: optimum community size, economies of scale, economies of scope, local government capacity, administration and compliance costs, coincidence of municipal and natural boundaries and public choice considerations.

Vojnovic (2000) analyzed the impacts of municipal consolidation using similar matrices. He expanded the list of impacts to include municipal efficiency, equity of services, regional planning and economic development practices.

This paper will discuss the impact of amalgamation on economic development using the Chatham-Kent experience as a case study. We will analyze the impacts of economic development using the categories identified by Dollery and Crase and Vojnovic.

Background

Chatham-Kent is one of the many Ontario municipalities that underwent the tremendous upheaval of amalgamation in the last decade. Between July 1996 and January 2001 the number of Ontario Municipalities decreased from 815 to 447. (Municipal Affairs and Housing)

As part of the **Savings and Restructuring Act of 1996**, the Ontario government promoted municipal amalgamation to achieve their vision of:

- Less government
- Reduced duplication and overlap
- Accountable and accessible local government
- Ability to provide desired community services
- Efficient and competitive delivery of municipal services
- Ability to attract businesses and economic development to create jobs and promote economic growth. (Sajecki, 2005)

A commissioner was appointed to develop the Chatham-Kent amalgamation model when the local politicians were unable to come to an agreement.

The restructuring order dissolved 23 municipalities - cities, towns, villages, townships and a county, 13 public utility commissions and five police service boards. The 117 elected officials that governed the region were replaced by 17 councillors and one mayor.

As of January 1, 1998, the new Municipality of Chatham-Kent had a population of 110,000. There are nine urban areas in Chatham-Kent including Chatham, Wallaceburg, Ridgetown, Blenheim, Tilbury, Bothwell, Thamesville, Tilbury and Wheatley. The remaining population lives in very small villages or rural areas. Although manufacturing is the dominant industry, agriculture represents a large part of the culture and the economy of the region.

Table 1. Chatham-Kent population at amalgamation

Area	1996 Population
Chatham-Kent	109,350
Breakdown by Community:	
Chatham	43,409
Wallaceburg	11,772
Harwich Township	6,594
Chatham Township	6,321
Raleigh Township	5,566
Blenheim	4,780
Tilbury	4,448
Dover Township	4,040
Ridgetown	3,454
Dresden	2,589
Howard Township	2,449
Tilbury East	2,304
Romney Township	2,176
Camden Township	2,142
Wheatley	1,657
Orford Township	1,359
Bothwell	990

Zone Township	1,039
Thamesville	972
Erieau	499
Highgate	446
Erie Beach	251

Source: Statistics Canada, 1996 Census

Prior to amalgamation, economic development duties were performed on an “ad hoc basis without structured departments” (Economic Development Task Force, 1997) in all but one of the Chatham-Kent communities. Only the City of Chatham had staff dedicated to the delivery of economic development projects.

The City of Chatham had two staff in the Economic Development Department. Tilbury’s Business Improvement Area outsourced the marketing of their industrial lands to the neighbouring Windsor- Essex Economic Development Corporation.

Tourism activities were managed by both the Chatham Economic Development Department and the County’s Chatham-Kent Tourist Bureau.

Only two communities, Chatham and Wallaceburg, had community profiles, considered by economic development practitioners as the foundational document for economic development promotion and information support.

Municipal industrial lands were dispersed in all the urban communities ranging in price from \$5,000 per acre to \$40,000 per acre with various levels of servicing and quality.

The task of transitioning from 23 municipalities to one was monumental. A transition board with 19 task forces and 30 sub-committees was established to oversee the process. The new Municipality of Chatham-Kent required new operating and capital budgets, a new organizational structure, new administrative and management systems and new staff positions.

Economic development was identified as a priority for the new municipality.

Our goal is to set the stage for an improved environment for economic opportunity and development. We will accomplish this by ensuring that the new operation is structured in a fiscally responsible manner and that creativity and collaboration between business people and the new municipality is encouraged. (Economic Development Task Force, 1997)

The emphasis on economic development was furthered through the goal statements established to guide the task forces during their work:

- Establishing a Sense of Community
- Ensuring Ongoing Communication of the Transition
- Ensuring Accessibility and Accountability of Representatives and Staff
- Creating a Viable Organizational Structure
- Focusing on Maintaining Quality of Services while Reducing Costs, if Possible
- Ensuring Fair and Considerate Management of Employee Impacts
- Establishing an Environment for Economic Opportunity. (Transition Board, 1997)

In their report to the Transition Board in September 1997 the Economic Development Task Force identified its main functions as follows:

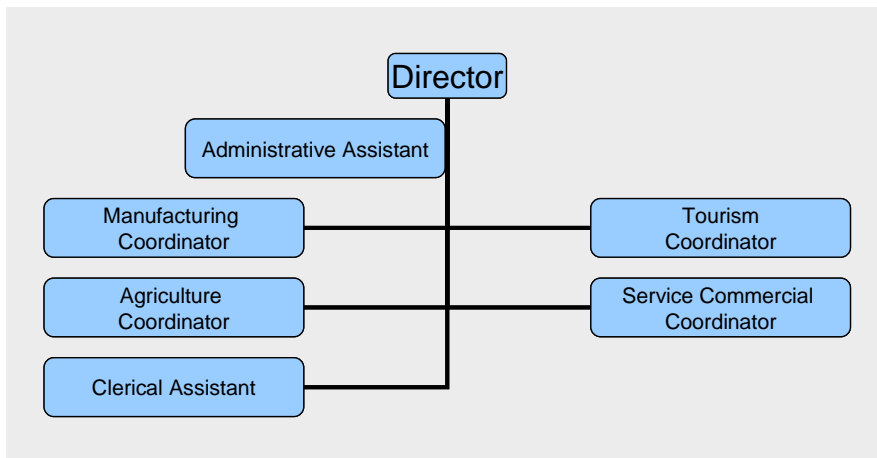
- a. Development of a strategy for economic development services (including agriculture and eco-tourism)
- b. Development of partnerships with Chambers of Commerce, tourism committees, etc.
- c. Tourism literature
- d. Structure for the delivery of programs. (Economic Development Task Force, 1997)

The Economic Development Task Force identified six Economic development objectives in their Final Report:

1. To create employment opportunities by locating new and expanding existing businesses.
2. To assist businesses in expanding their markets through export and reduced reliance on imports.
3. To establish and foster a business-friendly environment for businesses to grow.
4. To encourage entrepreneurship.
5. To create increased tourism activity with the support of local tourism partners.
6. To service all sectors throughout the community, including manufacturing and industrial development, agriculture, tourism, commercial and service development (including nine downtown areas), and community development. (Economic Development Task Force, 1997)

The new economic development department structure consisted of a director and four sector specialists in manufacturing, agriculture, tourism and service/commercial.

Figure 1. Economic development services organization chart (1998)



Source: Chatham-Kent Economic Development Services

Optimal community size

Dollery & Crase (2004) describe the *correspondence principle* as follows:

This [correspondence] principle holds that the size of a specific governmental entity should correspond to the area of benefit from the goods it provides to its citizens.

The new Municipality of Chatham-Kent covers an area of 962 square miles or 2,494 square kilometres, approximately half the size of the province of Prince Edward Island. From an economic development perspective the area has similar employment patterns and industry sectors. In fact HRSDC combines the Municipality of Chatham-Kent along with the neighbouring Essex and Lambton Counties in one region for the purposes of reporting monthly employment figures.

Economies of scale

Economies of scale are frequently referenced as a reason for municipal amalgamation. Economies of scale refer to the decrease of costs per unit that can be achieved by increasing the quantity of units. In the municipal context it would refer to the decreasing cost of providing service per capita as the population increases.

Lower service delivery costs could result in either lower taxes and, or additional services to constituents and businesses, both of which could make a community more attractive for business investment.

The Commission's guiding principle directed municipalities undergoing amalgamation to do so in order to achieve the following:

- Reduced municipal spending
- Efficient service delivery
- Reduced duplication and overlap
- Supportive environment for job creation, investment and economic growth by providing high quality services in a fiscally responsible manner
- Creativity and collaboration between business people and the new municipality. (Order of the Commission 1997)

When delivering his order, Commissioner Dr. Meyboom indicated that the Municipality of Chatham-Kent should achieve annual savings of \$12 million.

A number of studies (Sancton, 2000; Dollery & Crase, 2004; Vojnovic, 2000) have concluded that the economies of scale vary depending on the good or service in question and, furthermore, governments that are unable to achieve economies of scale on their own can take advantage of such by participating in regional organizations.

Prior to amalgamation, the Tilbury Chamber of Commerce and BIA did contract services from the adjacent Windsor-Essex Development Corporation for the marketing of their industrial lands and achieved some notable successes. Entrepreneurs received a wide range of services from the federally funded Community Futures Development Corporation.

With the exception of the Tilbury BIA however, the communities within Chatham-Kent were not working cooperatively on economic development initiatives prior to amalgamation. In the post amalgamation era, the Municipality of Chatham-Kent has been participating in cooperative economic development activities at a regional level within a five county area.

Chatham-Kent Economic Development Services has also participated in a number of cooperative marketing programs with the provincial Ministry of Economic Development and Trade (MEDT). Prior to amalgamation, these activities would have been cost prohibitive for the individual communities.

Dollery & Crase (2004) identified that there would be economies of scale in some areas and diseconomies of scale in others. Sancton (2000) further argued:

There is no functionally optimal size for municipal governments because different municipal activities have quite different optimal areas.

The Municipality of Chatham-Kent is a member of the Chatham-Kent Lambton Administrators Group (CKLAG) which incorporates local governments, hospitals and school boards in the Chatham-Kent and Lambton County areas. This organization allows Chatham-Kent to access economies of scale beyond that available by operating at the amalgamated community level. It is impossible to determine if the various Chatham-Kent communities would have participated in CKLAG if they were not part of an amalgamated municipality.

Chatham-Kent Economic Development Services now operates an Enterprise Centre and six satellite offices (including one at the Community Futures offices) on behalf of the Ontario Ministry of Economic Development and Trade. CKEDS works in cooperation with Community Futures but there is some overlap in services.

Cost savings were a large part of the justification for amalgamation and therefore cost savings were also a large part of the focus of the transition process.

Economies of scope

Economies of scope represent the “economic advantages from providing a range of goods and services in a single organization.” (Dollery & Crase, 2004) The organization can spread the fixed costs across many of the services it produces.

The most dramatic example of the benefits attributed to economies of scope in the Municipality of Chatham-Kent is in the area of information technology. The development of an overall information technology strategy was identified as a priority for the new municipality to address the need for a municipal wide networked computer system and the Year 2000 computer threat.

The need for the consolidation of information was also an important consideration. The new Public Utilities Commission needed to harmonize the data from the 11 public utility companies, nine of which also supplied water services.

A Geographic Information System (GIS) became the solution to this data management challenge. GIS data management was also eligible for funding through the Ministry of Municipal Affairs and Housing Municipal Restructuring Fund. The Chatham-Kent GIS system provided easy access to information on water, waste water, hydro, road networks, ownership data and tax information.

Chatham-Kent’s Geographic Information System (GIS) system was born out of a need for consolidated data management. The result was a system that is among the best in its

class in Ontario municipalities. This easy access to information benefits a wide cross-section of Chatham-Kent administration departments.

The economic development implications attributed to the implementation of the GIS have been enormous. The GIS system allows Economic Development Services to provide highly detailed technical information required to expedite development projects anywhere in the municipality.

At the birth of the new municipality, the consolidated community data, available land and building inventories, municipal policies and processes for economic development activities were not established.

Until the consolidated information was assembled, even responding to a routine task such as an inquiry about property availability was a major undertaking consuming considerable staff time in economic development as well as supporting departments like the Public Utilities Commission and Engineering.

With the integration of technology and data management systems, Chatham-Kent moved to the leading edge in information technology. Chatham-Kent Economic Development Services could now provide accurate and timely information on properties throughout the municipality. Chatham-Kent met or exceeded competing municipalities' ability to provide this data. Furthermore a "computer savvy" culture has been established within the Municipality which will likely contribute to further computer advances.

Local government capacity

Another argument in support of amalgamation is that the larger size "permits the employment of specialist skills that cannot be acquired readily by smaller municipalities." (Dollery and Crase 2004)

Transition of staff into the new economic development department resulted in changes for all employees. The two Chatham employees with economic development experience left the municipality prior to the establishment of the new department. The Agricultural Coordinator for Agri-Development Kent, formerly an employee of the local Community Futures organization, was transferred into the new department. The Executive Director of the Chatham-Kent Tourist Bureau also moved into the new organization as the Tourism Coordinator.

The Director of Economic Development was hired in the fall of 1998 with the first task being to fill the remaining positions.

The transition of staff continued into the new millennium. The first Manufacturing Coordinator was in place for a 12 month contract which ended in December 1999. The Service Commercial Coordinator left in late 2000. By March 2001, the Director of

Economic Development role was vacant and remained vacant for over a year. During these foundational years when the department's strategies and processes were being developed, the upheaval and vacancies were keenly felt.

Prior to amalgamation, staff in all but one municipality completed economic development tasks in addition to other responsibilities. They were required to have a general knowledge across a wide range of activities. Post amalgamation, the larger size allowed the municipality to identify and hire specialists. The Economic Development team now consists of sector specialists in manufacturing, agriculture, service/commercial and tourism.

All senior staff members have private sector experience. Two of the 12 staff members has received certification from the Economic Developers Association of Canada. An additional five staff are in the process of completing the requirements for certification.

Further as a result of the amalgamation process the human resource department conducted a compensation analysis. This process ensured that the municipality was competitively positioned to attract and retain the brightest and best human resource talent.

Hollick (2000) identified the human resources costs as one of the diseconomies of scale attributed to amalgamation. The review of salaries during amalgamation typically results in salaries rising to the highest level of compensation. The increased specialization across administration also creates pressure to increase compensation levels.

The stress felt during the upheaval of amalgamation was particularly felt by municipal administration. Hollick (2000) and Sancton (2000) both comment on the impact on the morale of municipal administration during the transition.

One of the most elusive challenges we face is the merging of the different organizational cultures. Staff resistance to cultural change was and is a major cause of internal conflict at all levels. (Ken Meech in Sancton, 2000)

Administration and compliance costs

Administrative costs refer to the compensation paid to elected officials, and overhead to support those officials. Compliance costs are the costs to keep municipal voters informed on issues and candidate positions, hearings, meetings, public consultation and voting.

Dollery & Crase (2004) argue that despite what policy makers propose, it is not necessarily true that administrative costs and compliance costs will decrease as a result of amalgamation.

It could just as easily be argued that administrators become less effective the further removed they are from their constituents and operations they are supposed to coordinate.

In Chatham-Kent's experience, public consultation has become a much larger task than in the days before amalgamation. There are five BIAs, five Chambers of Commerce and three area business committees representing various geographic areas of the Municipality of Chatham-Kent. The Chatham-Kent Coalition of Chambers was established by the Chambers of Commerce to represent all the chambers in Chatham-Kent but has been challenged to find a governance model and mandate that satisfies the needs of all members.

Coincidence of municipal and natural boundaries

Dollery & Crase (2000) refuted the merits of establishing boundaries of the amalgamated community that align with natural boundaries. They propose that "the region captures the greatest similarities of environmental landscape, which reflects land uses, management of ecological resources, water supply, and so on." (Dollery and Crase 2004)

One of their arguments against establishing boundaries based solely on natural boundaries is that "it ignores the cultural and historical legacy embodied in existing council boundaries, it neglects the critical concept of the "community of interest of the people involved."(Dollery and Crase 2004)

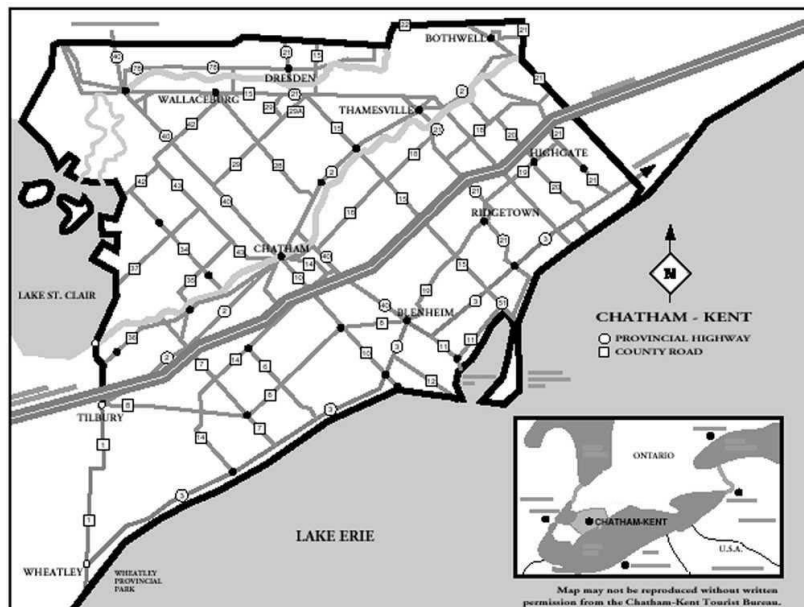
Historically, the people residing in the communities of Chatham and Wallaceburg met as competitors on the sports field and competed for new business investment. The amalgamation of these two communities has not been easily accepted and adopted by these historical competitors.

Two large bodies of water make up the "natural boundaries" on two sides of the municipality. The southerly portion of Chatham-Kent is the north shore of Lake Erie. The northern portion of the municipality extends west to Lake St. Clair. At the southwest, north and east there are few natural boundaries for the new municipality.

The boundary on the west side of the municipality was established along Tremblay Creek, a minor tributary that is not included in many maps. This boundary puts the industrial lands of Tilbury with Highway 401 visibility inside the Municipality of Chatham-Kent but the 401 interchange (less than 1 kilometre from these industrial lands) in the adjacent Essex County. The access road to the interchange is four lanes until it reaches the Essex County border where it changes to two lanes. Essex County does not have the economic development incentive nor responsibility to the impacted constituents to justify investing in this roadway. This access road is very important to the businesses and residents of Chatham-Kent.

Also west of Chatham-Kent at the base of Lake St. Clair, the town of Lighthouse Cove has more in common with its tourism partners within the Municipality of Chatham-Kent than it does with its regional government in Essex County. The Lighthouse Cove tourism attractions and accommodations have a long history of participating in Chatham-Kent tourism publications and activities. Despite their position on the “wrong side” of the Chatham-Kent border, the Lighthouse Cove businesses benefit from and make a significant contribution to the tourism initiatives of Chatham-Kent and yet the municipal tax benefit goes to the neighbouring community of Lakeshore.

Figure 2. Municipality of Chatham-Kent map



Public choice

The public choice argument suggests that greater difficulties are involved in monitoring large municipalities. “Smaller councils are often less complex operations with a greater degree of transparency and consequently more amenable to scrutiny by ratepayers.” (Dollery and Crase, 2004)

In the amalgamated Municipality of Chatham-Kent, a new investment in one corner of the municipality benefits all members of the municipality. Yet it is difficult for the resident of Blenheim to even be aware of or appreciate the benefit they receive from a new investment in Tilbury.

The local media coverage of investments in another part of the municipality is spotty to non-existent. When residents cannot see the impact in their immediate surroundings, it is an easy leap to assume that there has been no new investment in the community.

Dollery & Crase (2004) conclude by saying that “Councils often represent the focal point of small communities and enhance people’s ‘sense of place’ and identity with their towns and regions... It captures the benefits of detailed local knowledge.”

Equity of services

Proponents of municipal amalgamations have argued that urban fragmentation can result in polarization of services. (Vojnovic, 2005) This was certainly the case in the delivery of economic development activities throughout the Municipality of Chatham-Kent prior to amalgamation. The larger urban areas had some established economic development activities but there is little evidence suggesting that there were proactive economic development initiatives in the rural communities.

The inequities were also very evident in the provisioning of infrastructure. In one particularly colourful example, Chatham Township and the former City of Chatham had some very public disagreements about access to water services for a commercial corridor in Chatham Township on the boundary of the more densely populated City of Chatham. The City refused to allow Chatham Township access to the municipal water or sanitary sewer system for these businesses. As a result a 264,000 sq. foot commercial development operated with a septic system and was serviced by water transported to the location by truck.

Since amalgamation, the Municipality of Chatham-Kent has invested approximately \$25 million annually in water and waste water infrastructure. These investments have resulted in expansions at a number of manufacturing facilities that were previously limited because of the water and waste water capacity in the region. The Municipality has also experienced a mini-boom in greenhouse construction that would not have been possible without the cooperation and the investment in water and waste water infrastructure.

Regional planning

One of the most dramatic impacts that came as a result of the amalgamation was the huge number of planning activities that were initiated.

One way consolidation supports growth is by enhancing the planning capacity of local government. Comprehensive planning on a metropolitan wide basis under a single authority is viewed as a necessary condition for attaining coordinated development. (Feoick and Carr, 1997)

The single tier government also created a streamlined approval process. It could be argued that a larger municipality has the capability to produce more sophisticated planning strategies that have the potential to have a larger influence on the economic opportunities in the region. (Schwartz, 2004)

Chatham-Kent Council identified the need for a strategic plan to direct the Municipality's economic development initiatives. In fact the Municipality needed strategic plans for a host of municipal departments. In March of 1998 the Municipality applied to the Ministry of Municipal Affairs and Housing for financial support to conduct transition work in 12 areas under the Municipal Restructuring Fund.

The Municipality of Chatham-Kent received \$18 million to undertake the task of consolidation. The expenses included the practical elements of facility consolidation, moving expenses and labour adjustments. The fund also included planning and by-law consolidation and information technology and communications systems integration.

One of the first planning documents was the Community Strategic Plan. The Community Strategic Plan 2000 provided an opportunity for all constituents (and not solely municipal administration) to engage in the work of establishing a vision and directions for the municipality.

The Community Strategic Plan's vision statement reads:

Chatham-Kent is a proud, proactive and progressive community committed to celebrating its diversity and ensuring a high quality of life for all its people. (Municipality of Chatham-Kent, 2001)

The plan outlined objectives and corresponding strategic directions in six categories: health, economy, environment, heritage, leadership and learning. The economy objective statement is:

Working aggressively to develop a diversified economic base.

- Brand and promote Chatham-Kent
- Nurture complimentary new and existing businesses
- Develop and promote Chatham-Kent as a desirable tourist destination
- Ensure that agriculture continues to be a key economic sector of the Chatham-Kent economy. (Municipality of Chatham-Kent, 2001)

Economic Development Services received funding for a three phase report consisting of an Economic Opportunity Study, an Employment Land Needs Analysis and the establishment of an Economic Development Strategy.

The Economic Opportunity Study consisted of an analysis of the Chatham-Kent economic base and local attributes. This was the first time this information was compiled. The study identified the key sectors of the local economy and the issues facing these sectors. The report then went on to identify target industries for Chatham-Kent based on the existing strengths, weaknesses opportunities and threats that had been identified earlier. The report also included a retail and service commercial needs analysis, a tourism situation analysis and agri-business opportunities in Chatham-Kent. Finally, the economic development staff had some identifiable targets.

The Economic Development Strategy, “Chatham-Kent: Moving the Economy Forward” was released in June 2001. Strategy authors, PriceWaterhouse Coopers suggested that the expectations of Council, administration and the public exceeded what the Economic Development Services staff could deliver. It recommended changes in staffing levels to meet the challenges of a five point strategy for the Chatham-Kent Economic Development Services team. The report also identified time-lines for achieving various deliverables for the municipality and establishing benchmarks for future analysis.

The need for industrial land central to the municipality and with Highway 401 visibility was a goal for Council and administration alike. In May 2001, The Employment Land Needs Analysis – a component of the development of the new Chatham-Kent Official Plan – was prepared to address the issue.

The report recommended the establishment of an industrial park central to Chatham-Kent. Complimentary reports on the provisioning of water and waste water services by the Public Utilities Commission identified that the Bloomfield Road and Highway 401 interchange was the most cost effective and most expedient location for a new industrial park for the municipality.

This study provided an opportunity to analyze the inventory of employment lands throughout the municipality. The study also determined existing and future business needs and the suitability of the existing employment lands to meet the changing needs. The study ultimately led to the establishment of two nodes of employment lands that provided direct access and visibility to Highway 401. One node provided for future service/commercial needs while the other resulted in the establishment of a 120 acre municipally owned industrial park.

During the development of the economic development planning documents, other municipal departments were also developing strategic plans to build consensus and provide guidance for the Municipality’s long term work plans.

As other municipal departments developed their department strategies, Economic Development Services was regularly consulted about the impact that each respective department’s policies would have on economic development initiatives.

In early 2005, the Municipality of Chatham-Kent endorsed a new Official Plan for the new Municipality.¹ This document replaces past official plans of varying ages from the former entities. The official plans in the former municipalities ranged in age from six to over thirty years.

The age of these official plans were detrimental to the timely processing of planning applications. In Chatham for example, the official plan was drafted in 1988 prior to the “big box” retail concept. A Home Depot development proposed in 2004 could not proceed without an official plan amendment including a commercial residual land needs analysis and a traffic impact study. The new official plan takes into consideration big box retailers, the changing pattern of commercial shopping, industrial land needs analysis and minimum distance separation requirements for intensive livestock operations.

A new zoning by-law act which is anticipated to be accepted by Council in the late 2005 will further expedite the planning requirements and therefore reduce the red tape that developers experience in Chatham-Kent.

Another important element arising from the amalgamation is a new single tier status. Developers only have to seek one level of approvals.

As part of their strategic planning exercise, the Public Utilities Commission completed a water/waste water master plan in 2000. The Chatham-Kent PUC represents the amalgamation of 13 former Public Utilities Commissions. The master plan identifies what new or improved water and waste water infrastructure will be required for the next 20 years and the implementation process to prioritize and finance the investments.

In the years since amalgamation, the Municipality of Chatham-Kent has invested approximately \$25 million annually on the extension of water lines to add or augment municipal water services. These investments have supported new industrial needs and have resulted in a growing greenhouse industry within the community. For example, a major expansion in the Autoliv facility in Tilbury in late 2004 would not have been possible if not for the construction of a waste water treatment facility.

Similar strategic planning was also conducted to prioritize the future needs and maintenance requirements for roads, bridges and culverts throughout the municipality with a view to anticipating community needs and delivering the services in an efficient and effective manner.

Other considerations

Economic Development Resources

¹ As the time of writing this paper, the Official Plan was being reviewed by the Ontario Ministry of Municipal Affairs and Housing with approval anticipated for mid to late 2005.

The Economic Development Service Task Force compared the budgets of seven Ontario municipalities and determined the economic development expenditures per capita. Under the pre-amalgamation model the municipalities spent \$4.99 per capita. The task force proposed per capita spending of \$4.58 for the new municipality. The proposed cost savings were expected to be achieved by eliminating the duplication of tourism services.

The Municipal Transition Board identified communication with the public as an important part of the transition process. Continuing needs to communicate with a population spread across a wide area continued to push the Municipality to develop the web capabilities. As a result, Chatham-Kent was an early innovator in web site development. Chatham-Kent was one of the first municipalities to provide GIS information over the internet. The web presence evolved into an award winning Chatham-Kent web-portal.

In 2004 Chatham-Kent launched an on-line site selector tool incorporating GIS. This innovative tool is in its early stage of adoption for Economic Development organizations across Ontario. Chatham-Kent was among the early adopters of this technology.

In the years since amalgamation the Municipality of Chatham-Kent has initiated a number of other programs that may not have been pursued in the smaller communities previous to amalgamation. For example, the Municipality has introduced community improvement plans for Downtowns and a municipal wide strategy for brownfield and bluefield sites. Chatham-Kent has also recently established urban design guidelines for the nine downtowns in Chatham-Kent.

Bylaw Review

In the initial order for amalgamation, Dr. Meyboom directed that all municipal by-laws for the former entities expire two years after amalgamation. The process of reviewing all the by-laws was a tedious exercise but it forced the issue of harmonizing the by-laws to provide equal standing across the municipality. The by-law review took into consideration the current and future needs of the municipality. The two years post amalgamation represented a period of municipal 'housekeeping'.

As part of the by-law review, Economic Development Services became responsible for developing a consolidated Business Improvement Area (BIA) bylaw for the five BIAs. The new by-law harmonized the rules and operating procedures for the five BIAs in Chatham-Kent. The previously established BIA bylaws were introduced at different dates and reflected the time in which they were developed. The new bylaw reflected changes to legislation regarding BIAs. By providing a common foundation for the BIAs, Economic

Development Services hopes to be able to provide more support through common systems, training workshops and programming.

The establishment of a common Retail Business Holiday Act Exemption across the municipality was a more challenging process. Councillors were reluctant to modify exemptions granted by the former municipalities. Eventually in December of 2004, Municipal Council approved a by-law for the entire Municipality that established common retail business holiday exemptions thus providing a level playing field for all Chatham-Kent retailers.

The Marketing of Chatham-Kent

Economic development has been characterized as the ‘marketing of places’ (Kotler, Haider and Rein, 1993). The new Municipality of Chatham-Kent ‘product’ offers the prospective investor many more choices. The municipality has employment lands in small rural towns and urban centres. Through the amalgamation process, the municipality can now provide municipally owned industrial land adjacent to Highway 401.

The former entities no longer compete against each other for new or relocating businesses. For instance, an investment in Wallaceburg benefits the residents of Blenheim and vice versa.

A larger municipality means a larger workforce. Even though the population base in Chatham-Kent has remained stable, the consolidated population figure has changed prospective employers’ perception of the community. Site selectors that discounted communities with populations under 100,000 are now prepared to consider an investment in Chatham-Kent.

Comprising the data required for economic development has been a challenge. Statistics Canada data did not automatically match the new geographic boundaries. It was not until the 2001 census material which became available in 2003 that staff could provide consolidated community data directly from Statistics Canada. The staff assembled binders of information on each former municipality to compile the Chatham-Kent data their clients requested. Trend analysis based on Statistics Canada data is still not available in all categories.

Despite the municipality’s size, Human Resources and Skills Development Canada does not provide monthly unemployment figures for Chatham-Kent. Economic development staff must refer to the unemployment figures for Economic Region 570 which includes Windsor-Essex, Chatham-Kent and Sarnia-Lambton.

Record keeping practices for the former municipalities varied. In the tumultuous times immediately after amalgamation, some records were lost or simply not reported. The municipality does not have building permit figures for the first quarter of 1998.

Once assembled, the process of maintaining municipal data for economic development purposes has become a routine function. With the development of a comprehensive database, data management has become an important part of the department's role. Easy access to this data by prospective investors removes one more potential barrier to new investment.

The branding of Chatham-Kent did not proceed without controversy. A municipal crest was developed that reflected the heritage and culture of the community. A logo was also developed and incorporated into all municipal signage and economic development materials. Both the logo and the crest are used on different municipal materials. This cross-over has been the source of much debate at both the Council and administration level.

In the meantime, Chatham-Kent Economic Development Services is working to establish recognition for the new Municipality of Chatham-Kent through its many marketing initiatives. Residents are still confused about what to call the new entity (city, town, or municipality). Amalgamation has not changed spatial patterns as the population remains dispersed across the municipality. The communities that once governed themselves are still in existence, they are just part of a larger picture now.

The transition from 23 smaller entities to one large municipality is not relevant or important to those who don't live in the community (and many who do). The new municipality is still an unknown entity to many beyond its borders, even eight years post amalgamation.

Many community members are resistant to the imposed change of amalgamation. A de-amalgamation movement among some of the Chatham-Kent residents resulted in media coverage across the province. This coverage may well be the only thing that non-residents learn about the municipality and it does not help portray Chatham-Kent as a stable, business-friendly environment for new investment opportunities.

In the community of Wallaceburg, local business leaders established 'Wallaceburg.ca' a community economic development organization made up of volunteers. The organization has occasionally supported but other times competed with the municipality's economic development initiatives. The Wallaceburg.ca web-site was developed to attract new investment in Wallaceburg. There is no reference on the site to the trained staff and comprehensive economic data available through Chatham-Kent economic development department. In fact there is little reference to the Municipality of Chatham-Kent.

A parochial hangover from pre-amalgamation times occasionally challenges new investment initiatives that are perceived as favouring one area of the municipality over another.

The Economic Development Focused Organization

Economic Development was identified as a priority for the new municipality at the onset of amalgamation. As other municipal departments developed their department strategies, Economic Development Services was regularly consulted about the impact the department's policies would have on economic development initiatives. The industrial advisory committee was also used by various departments as a sounding board for new policy directions and the annual budget process.²

Economic Development staff consults regularly with all municipal departments. The Smart Growth Team, consisting of representatives from Economic Development, Planning, Building and Partnership Development Services is chaired by the Director of Economic Development Services. The committee meets weekly to review all major strategic and development projects. Economic Development Services also participates in the weekly Technical Advisory Committee meetings to review all routine planning and building projects.

Conclusion

Whether the amalgamation of Chatham-Kent achieved all the outcomes initially anticipated by the provincial government is beyond the scope of this report. From an economic development perspective however, it is clear that the transition resulted in a number of profound changes in the operation and delivery of economic development activities.

Vojnovic (2000) concludes that:

Many of the problems encountered, and successes achieved, were particular to the circumstances of the municipalities that amalgamated. Ultimately the success of consolidation in achieving greater efficiency and effectiveness in governance and service delivery will depend on the distinct history as well as the special circumstances, of the region considering reform.

The amalgamation of Chatham-Kent forced the new entity to assess the environment for economic development. The task force was given the opportunity to reinvent economic development for the region with a view to the optimal levels of service and desired

² The Industrial Advisory Committee was disbanded in 2003. The committee was reinstated with a new name and modified mandate in 2005.

outcomes. It was also given the opportunity to review the budget levels of other similar sized communities and make recommendations accordingly.

The fact that amalgamation was the driver behind the development of the new Economic Development Services department meant that the plan was done within a comprehensive frame work established first by the Task Force Coordinating Committee and then post amalgamation by the Community Strategic Plan.

All options were considered with a view to achieve cost savings, maximizing efficiency and achieving results. A variety of different delivery models were considered and ultimately a model based on sector specialists was established.

Through the amalgamation process, the transition board had the luxury of rethinking all processes. The economic development task force reviewed the former municipalities based on budgets, staffing and economic development programs. The task force consulted with all potential private and public sector partners within the municipality including the Chambers of Commerce, BIAs and Community Futures, etc. They studied economic development models and practices in similar sized municipalities to determine best practices. The board also assembled a resource inventory of all the existing resources and support to the economic development programs presently underway in the municipality.

The requirement to review all pre-amalgamation by-laws within two years of amalgamation forced an important piece of municipal ‘housekeeping’ that has ensured that all municipal policies are current and relevant.

The periods immediately prior and immediately after amalgamation were very tumultuous times. A number of employees left the organization. The loss of institutional intelligence during this transition period was significant. The change in the size and scope of the task of economic development was also dramatic and provided an opportunity to attract sector specialists that have the expertise to provide more sophisticated economic development services.

The key influence of the transition was the development of a coordinated set of strategies with a focus on economic development. The investment in strategy development, resource mapping, information technology support and infrastructure has resulted in stronger support provided to the business community.

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