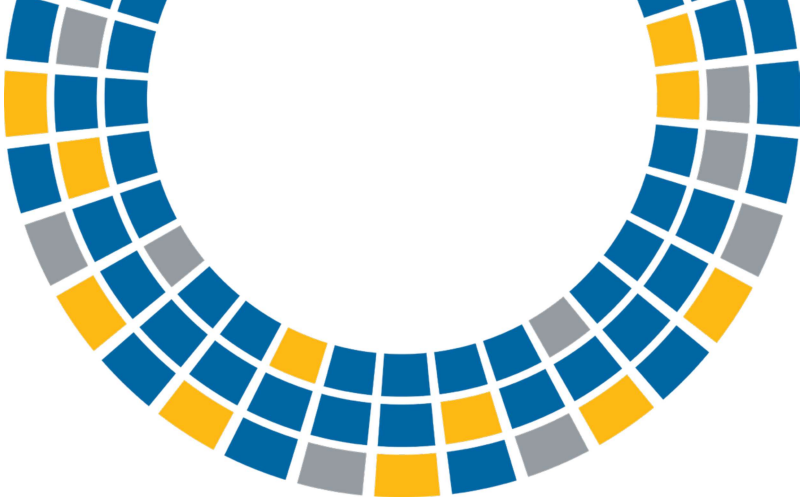




NORTHERN POLICY INSTITUTE | INSTITUT DES POLITIQUES DU NORD

Giwednong Aakomenjigewin Teg
ᑲ ᐃᑕᔭᐊᓂᐠᐋᑊ ᑭᐅᐱᓇᓄᑊ ᐊᑐᖏᑫᐃᑲᒥᐣ
Institu dPolitik di Nor

Research Report No. 45 | February 2021

Time to Reorganize:
Why Northern Ontario Should Follow BC's Lead in Local Governance

By: Anthony Noga

northernpolicy.ca

NPI – Who We Are

President & CEO

Charles Cirtwill

Board of Directors

Pierre Bélanger (Chair)
Florence MacLean (Vice-Chair Northwest)
Dwayne Nashkawa (Secretary)
Dr. Brian Tucker (Treasurer)
Charles Cirtwill (President & CEO)
Suzanne Bélanger-Fontaine
Kim Jo Bliss
Dave Canfield
Dr. Harley d'Entremont
Kevin Eshkawkogan
Ralph Falcioni
Pierre Riopel
Dr. Donna Rogers
Alan Spacek
Mariette Sutherland

Advisory Council

Jean Pierre Chabot (Chair, NPI Advisory Council)
Michael Atkins
Adam Castonguay
Katie Elliot
Shane Fugere
George Graham
Peter Goring
Cheryl Kennelly
Winter Dawn Lipscombe
Dr. George C. Macey
Ogimaa Duke Peltier
Danielle Perras
Bill Spinney

Research Advisory Board

Dr. Heather Hall (Chair, NPI Research Advisory Board)
Dr. Hugo Asselin
Riley Burton
George Burton
Ken Carter
Sophie Dallaire
Carolyn Hepburn
Dr. Peter Hollings
Brittany Paat
Dr. Barry Prentice
Leata Rigg
Dr. David Robinson
Dr. Lindsay Tedds

Land Acknowledgement

NPI would like to acknowledge the First Peoples on whose traditional territories we live and work. NPI is grateful for the opportunity to have our offices located on these lands and thank all the generations of people who have taken care of this land.

Our main offices:

- Thunder Bay on Robinson-Superior Treaty territory and the land is the traditional territory of the Anishnaabeg and Fort William First Nation.
- Sudbury is on the Robinson-Huron Treaty territory and the land is the traditional territory of the Atikameksheng Anishnaabeg as well as Wahnapitae First Nation.
- Both are home to many diverse First Nations, Inuit and Métis peoples.

We recognize and appreciate the historic connection that Indigenous people have to these territories. We recognize the contributions that they have made in shaping and strengthening these communities, the province and the country as a whole.

This report was made possible through the support of our partners, Northern Ontario Heritage Fund Corporation and the Township of Terrace Bay. Northern Policy Institute expresses great appreciation for their generous support but emphasizes the following: The views expressed in this report are those of the author and do not necessarily reflect the opinions of the Institute, its Board of Directors or its supporters. Quotation with appropriate credit is permissible.

Author's calculations are based on data available at the time of publication and are therefore subject to change.

Editor: Mark Campbell

© 2021 Northern Policy Institute
Published by Northern Policy Institute
874 Tungsten St.
Thunder Bay, Ontario P7B 6T6
ISBN: 978-1-989343-82-1

About the Author

Anthony Noga



Anthony Noga is a former Labour Market Analyst at the North Superior Workforce Planning Board. He was born in Thunder Bay and grew up in the city's rural outskirts. After graduating from Lakehead University with an HBA in History and Political Science, he spent time volunteering with an economic development agency in Israel before getting his Master of Arts in Political Science from the University of Waterloo.

This paper was completed prior to Anthony joining the public service. Any views expressed in the paper are his own and are not reflective of his current employer.

Contents

Executive Summary 5
List of Abbreviations 6
Introduction 7
Methodology 9
Data Challenges and Solutions 10
Overview of the Current System 13
- Local Services Boards 16
- Local Roads 18
- The Northern Fire Protection Program 19
- District Social Services Administration Boards 21
- Rural Planning Boards 22
- Umbrella Organizations 23
- Provincial Land Tax Reform 24
- Summary 28

Regional Government 29
- Why Regional Government? 30
- Why the British Columbia Model? 31
- What is a Regional District? 32
- Addressing the Issues 34
- Service Delivery 35
- Efficiency 36
- Coordination 37
- Fringe Development 38
- Weaknesses of Regional Districts 39
- Additional Benefits of Regional Districts 40
- Boundaries 41
- Summary 44

A Case Study of Northern Ontario Governance 45
Conclusion and Recommendations 58
- Main Recommendations 59
- Additional Recommendations 60

Works Cited 61

Executive Summary

Ontario's northern regions would benefit from implementing Regional Districts (RDs) inspired by what is in place in British Columbia. This project examined unincorporated areas in Ontario's North and how they interact with municipalities and First Nations communities, with the goal of enhancing local governance for Northerners. Research and consultations with Northerners helped provide an overview of the existing structure in Northern Ontario, including how services are delivered and what government bodies are involved. This research phase identified that there are common issues across Northern Ontario, but also that each community has its own unique issues and requires the flexibility to make its own decisions on what is best for them. A case study in the Pawgwasheeng (Pays Plat), Rossport, Schreiber, and Terrace Bay region of Northwestern Ontario helps to ground the project.

The study identifies five potential remedies, ranging from tweaks to the status quo, all the way to outright secession, and evaluates the merits of each by comparing them to similar efforts elsewhere in Canada. Based on the evidence analyzed, the optimal solution is British Columbia's RDs, a form of regional governance that was designed to address the same issues this study looked at, has operated successfully for over 50 years, is flexible to local needs, appears to lower costs and raise service levels, and fosters collaboration among municipal, unincorporated, and First Nations communities.

Non-standardized data collection and measurement make municipal performance comparisons unreliable. As such, the study avoids a quantitative comparison of performance indicators, especially since data for unincorporated areas are of extremely low quality. Replacing the existing Unorganized census subdivisions with new ones that better align with local communities would greatly improve this situation. Further recommendations include research on where the geographic boundaries of the RDs should be set; an economic impact analysis of the effects of unincorporated fringe populations on municipalities; and an examination of the role the Municipal Property Assessment Corporation (MPAC) can and does play in setting tax burdens in the North.

List of Abbreviations

CA	Census Agglomeration
CMA	Census Metropolitan Area
CRD	Capital Regional District
CSD	Census sub-division
DA	Dissemination Area
DoKURA	District of Kenora Unincorporated Areas Ratepayers Association
DSSAB	District Social Services Administration Board
KRG	Kativik Regional Government
LCC	Local Community Commission
LOWDSA	Lake of the Woods District Stewardship Association
LHIN	Local Health Integration Network
LSB	Local Services Board
LRB	Local Roads Board
MENDM	Ministry of Energy, Northern Development and Mines
MFA	Municipal Finance Authority (of British Columbia)
MNRF	Ministry of Natural Resources and Forestry
MMAH	Ministry of Municipal Affairs and Housing
MPAC	Municipal Property Assessment Corporation
MTO	Ministry of Transportation of Ontario
NFPP	Northern Fire Protection Program
NSBA	Northern Services Board Act
OFMEM	Office of the Fire Marshal and Emergency Management
PLT	Provincial Land Tax
RD	Regional District
SLA	Self-contained labour area
SLB	Statute Labour Board

Introduction

Northern Ontario is governed very unevenly, and not just in relation to the rest of the province. Local governance within Ontario's diverse northern regions is also very uneven and can be broken down into three categories, based on the type of governing institutions. The first category covers cities, towns, villages, townships, and municipalities; the second consists of First Nations reserves and settlements; and the third is unincorporated territories. This latter category gets relatively little attention, but it plays an important role in the North's local governance framework. As such, it is worth examining the operating environment of unincorporated territories, and how it relates to the other jurisdictions.

All told, there are 278 local boundaries in close proximity in Northern Ontario (Northern Policy Institute 2017), a situation which causes a slew of problems. For example, municipalities are wary of fringe development, whereby the population in adjacent unincorporated areas grows and 'free-rides' on municipal services without paying for them. These municipalities argue, in effect, that it is unfair for their residents to pay higher property taxes in order to subsidize services for those who choose to live in adjacent, lower-tax jurisdictions. The higher property taxes can then make their community a less attractive place to live, thus encouraging more of the municipality's residents to move to lower-tax unincorporated areas. On the other hand, residents in unincorporated areas argue that they unfairly receive substantially lower quality services, even when they pay for them, and that, where services are delivered, they are often administered by bodies in which unincorporated residents feel they are not fairly represented.

This current system breeds at least two critical governance deficiencies. The first is that it compromises fiscal equivalence, which is where "citizens who benefit from the expenditure are those who make or influence the decision and pay its costs" (Bish 2001, 8). Fiscal equivalence here refers to tax-service packages that are effective, efficient, equitable, allow for meaningful representation, and are responsive to local context. A second, and related drawback, is that the current structure lacks a framework to foster collaboration among local units. That is not to say there is no collaboration among northern communities, but what does occur tends to be ad hoc and limited, rather than systematic and comprehensive. The result is a fragmented and siloed system laced with some mix of low-quality, overlapping and duplicated services, missed economies of scale, and administrative burdens with which individual communities struggle to cope.

The current model has two other significant governance drawbacks that are not directly tied to unincorporated areas, but still illustrate issues within the overall governance framework. One is that it lacks effective local decision making (Everett 2019; Mcgrath 2018; Robinson 2016; Mackinnon 2016; Coates, Holroyd and Leader 2014; Coates and Poelzer 2014; Conteh and Segsworth 2013; Nickerson 1992). Decisions that affect Northern Ontario are not often made in the North, or by those who know the North best: Northerners. The other issue is that the current model is not conducive to economic growth. At worst, it could actually be the reason that Northern Ontario is struggling to develop (Everett 2019; Conteh 2017; Coates and Poelzer 2014; Conteh and Segsworth 2013).





The question thus is not whether Northern Ontario's local governance model should be reformed, but, rather – what institutional reform(s) can best overcome the hurdles listed above while balancing the needs of the various jurisdictions in the North? Fortunately, there is a solution tailored to remedy the issues unique to unincorporated areas, and it unintentionally checks off other important policy objectives. Half a century ago, British Columbia implemented a system of Regional Districts (RDs) to deal with the exact issues now plaguing Northern Ontario and its unincorporated regions. These multipurpose special districts are a loose federation of municipalities, unincorporated communities, and, in some cases, First Nations that have "lowered the cost of cooperation among neighboring jurisdictions, encouraged fiscal equivalence, and improved the performance of local government" (Bish 2002, 34). They have a long track record of successfully managing issues related to unincorporated areas, and would leave existing communities intact, rather than absorb them into municipal structures. As a form of regional governance, RDs would also offer the potential for greater local decision-making and economic development. As an added bonus, they have an administrative structure similar to that of the District Social Services Administration Boards (DSSABs) already in place in Northern Ontario.

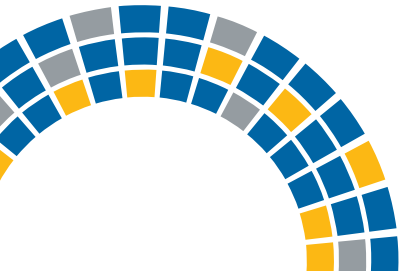
The case for the new government model will be made in the six sections following this introduction. Section two outlines the research methodology. Next, section three identifies limitations and challenges related to the data and offers ways to rectify them. Section four provides an overview of governance in unincorporated Northern Ontario. Section five introduces and explores British Columbia's Regional Districts and explores why they are the best option for addressing issues stemming from the governance of unincorporated areas in Northern Ontario. Section six is a case study of the Terrace Bay, Schreiber, Rossport, and Pawgwasheeng (Pays Plat) region of Northwestern Ontario. Section seven concludes the study with a list of recommendations to enhance local governance and data collection in and for Northern Ontario.



Methodology

This study employed an extensive literature review, stakeholder/rights-holder engagement, quantitative analysis, and comparisons with existing practices in other Canadian and international jurisdictions. The project was hampered by the fact that Northern Ontario's unincorporated areas have been largely overlooked by researchers. The research that has been done reveals trends common to the study of municipal governance, however, so examinations of municipal government formed a large part of the literature review. This review determined that the most common measures of municipal performance are suspect at best, so the project veered away from comparing performance standards and toward a comparative analysis of other jurisdictions.

This analysis included an examination of the local governance structures of virtually every Canadian province, a process that eventually led to BC as the optimal comparator for Northern Ontario. This investigation identified five possible approaches that were examined for their potential to best remedy the deficiencies in the operating environment surrounding Northern Ontario's unincorporated areas. Each was assessed on its merits, including whether it had a proven track record of success. The first approach is to review and renew the system through piecemeal fixes, such as legislative review and property tax changes. These have proven ineffective in Northern Ontario, while both New Brunswick (Finn 2008) and BC (British Columbia 2006) tinkered with them before regionalizing. The second approach is to implement Area Service Boards, a partnership between municipalities and unincorporated areas. Although promising, these have never been tested, and the strict division of powers between the boards and local governments makes them problematic. The third approach is municipal consolidation, although the evidence strongly indicates this does not succeed often enough to be a blanket recommendation (Holzer et al. 2009a). The fourth strategy is a form of regional governance, with a variety of possible compositions available. The final avenue, secession, is at best a distant prospect, with monumental hurdles to overcome, even if political will and organization were not lacking (Robinson 2016). Discussions with Northerners were key in determining which avenues to pursue. Fifty-eight individuals generously offered their perspectives on this project between January 2018 and July 2019; their names and positions are omitted to protect their privacy. These contributors included municipal and First Nations politicians and administrators in multiple provinces; members of Local Services Boards (LSBs) and Local Roads Boards (LRBs); local business owners; officials from post-secondary institutions, multiple provincial ministries, agencies, and Crown corporations, and a Chamber of Commerce; economists; and Northern Ontario residents unaffiliated with any political or business organization.





Data Challenges and Solutions

Finding useable data for this project was an immense challenge, one that went well beyond hampering research. The extremely low quality – not to mention availability – of data on northern communities is a real barrier to informed decision-making. As it stands, the data cannot measure important questions about service efficiency or even population totals in unincorporated areas. Improving this situation would go a long way toward developing better policies and measuring their impact in northern communities.

A comprehensive literature review of municipal performance measurement found that the most common metrics to compare efficiency – cost per capita or per household – are suspect since they overlook local context and fail to account for outputs and outcomes (Holzer et al. 2009c). Measures of service effectiveness were tracked by Ontario's Municipal Performance Measurement Program, but this is no longer the case. Likewise, Municipal Benchmarking Network Canada cites "influencing factors" that can cause variances and are not accounted for when comparing municipal services (MBN 2018).

In short, most measures of municipal performance in Ontario do not measure how well a service is provided, and when they do, they fail to account for other factors that could influence the results. Lower provision costs could result from more efficient service delivery as easily as from lower service levels, favourable geography, greater population density, or other variables not taken into consideration. These were among the reasons an assessment of the Ontario Municipal Benchmarking Initiative found that it was not meeting its objective of improving performance (Gebremicael 2010), and that was before municipalities stopped reporting on outcomes. Performance measurement and benchmarking are valuable, but their value is limited.

If there is an appetite to improve performance measurement, the best method likely is Data Envelopment Analysis, a form of benchmarking "which accounts for multiple inputs and outputs and distinguishes between technical, scale and allocative efficiency" (Holzer et al. 2009c, 24), allowing for meaningful comparisons that show where improvements are possible. This method would eliminate some of the problems with performance measurement but requires expertise and resources that many northern communities do not have, especially unincorporated ones.

The difficulties are exacerbated in the abysmal data environment for unincorporated areas, where information generally ranges from incomplete to entirely lacking. Correspondence with the Provincial Land Tax (PLT) office, the branch of the provincial Ministry of Finance responsible for administering tax collection in unincorporated areas, revealed that the province tracks service expenditures only for the entirety of the unincorporated territory. Worse still, the immensity of the Unorganized census subdivisions (CSDs) makes census data virtually unusable. The most striking example is the Kenora Unorganized CSD, which has an area larger than Germany (World Bank 2018). There are more than a dozen distinct communities within this territory, few of which have their own census data. In fact, nearly 80 per cent of the total unincorporated population lives in communities without distinct census data.[1] As such, it is next to impossible to know with certainty how many people and households are in a given community. In sum, it is exceptionally difficult, or completely impossible, to track down the data necessary to make calculations that are ultimately very limited, if not outright worthless, in actually measuring the performance of service delivery in unincorporated communities.

[1] *Author's calculations based on 2016 census data.*

One reason the province reviewed the PLT in 2013 was concern by municipalities over development in unincorporated areas on their fringes, as noted above (Ontario 2014, 9). Municipalities were accusing people and businesses in these areas of using municipal services without paying for them, something the Ministry of Finance says has not been proven (Stewart 2014, 1). Some studies have shown that cities tend to benefit when local businesses are able to draw customers and employees from a large fringe population (Bish 1999). This research focused more on large urban centres, however, and might not be applicable to Northern Ontario. On the other hand, a 1988 study by the Ontario Ministry of Municipal Affairs and Housing (MMAH) reported that municipalities experiencing fringe development had expenditures 10 to 20 percent higher than a control group of municipalities with no fringe development (Nickerson 1992, 45–6). Fringe populations generate both benefits and costs to a municipality and there appears to be no single answer as to when one outweighs the other. In the data-poor environment of Ontario's northern regions, this is especially difficult to calculate. The crux of the matter is that most municipalities are not aware of how many people live on their unincorporated fringe.[2] Statistics Canada's GeoSearch tool, however, can begin to close this data gap, as Table 1 shows.

Table 1: Unincorporated Population on Municipal Fringes, Northern Ontario, 2016

Municipality	Unincorporated Population	Municipality	Unincorporated Population
Thunder Bay	5,228	Nipigon, Red Rock, Dorion	330
Sault Ste Marie	4,873	Thessalon	445
Dryden	3,621	Temiskaming Shores	418
Kenora	2,393	Wawa	271
North Bay	1,784	Iroquois Falls, Black River-Matheson	259
Greater Sudbury	1,661	Magnetawan	181
Kirkland Lake	1,564	Terrace Bay, Schreiber	177
Powassan, Nipissing	1,146	Manitoulin Island	169
Englehart	1,133	Kapuskasing	121
French River	1,101	Elliot Lake	100
Hearst	1,000	Sioux Lookout	99
Timmins	918	Dawson, Lake of the Woods	94
Fort Frances	805	Ear Falls, Red Lake	69
Moosonee	677	Smooth Rock Falls	55
Cochrane	628	Greenstone	38
Machin	608	Marathon	35
Atikokan	486	Hornepayne	30
Chapleau	458	White River	20

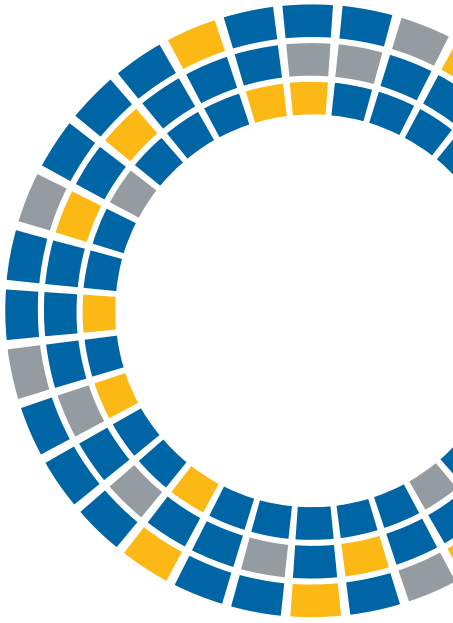
Source: Author's calculations derived from Statistics Canada's 2016 Census Geosearch tool; communities with a fringe population of fewer than 20 were excluded for privacy reasons.

[2] *According to multiple meetings with the author in spring and summer 2018.*

Statistics Canada is currently working with the Organisation for Economic Co-operation and Development (OECD) to develop a method to measure self-contained labour areas (SLAs) — essentially, clusters of CSDs with strong interdependent commuter flows.[3] The behemoth Unorganized CSDs are unhelpful in this regard. Table 1 shows that Thunder Bay has the largest unincorporated fringe population of any Ontario municipality, so it makes sense that the Thunder Bay Unorganized CSD would be assigned to the Thunder Bay SLA (Munro, Alasia, and Bollman 2011). However, there are at least seven other CSDs in the district with a fringe population, some hundreds of kilometres from Thunder Bay, and their commuting flows are overridden by the city's overwhelming share of the total. Just as data for Northern Ontario is often subsumed under totals for the whole province, data for smaller northern centres are glossed over when the net is cast too widely.

Parry Sound offers a great example of how reorganizing the Unorganized CSDs would be helpful. Parry Sound Unorganized is divided into two CSDs, with the northeast part in the Huntsville-Bracebridge-Gravenhurst SLA, and the centre part in the North Bay SLA (Munro, Alasia, and Bollman 2011). Had there been only one CSD, it likely would have been assigned entirely to one SLA or another, and valuable information would have been lost. Smaller CSDs would improve tracking for fringe populations, as well as act as a springboard to better understand the dynamics of the municipal-unincorporated relationship. Furthermore, it would alter the North's Census Metropolitan Areas (CMAs) and Census Agglomerations (CAs), most of which currently do not include the Unorganized CSDs. These seven hubs[4] have a combined fringe population of 16,957 – two per cent of Northern Ontario's total – but just 1,784 people are currently accounted for in CMAs or CAs. As it stands, only North Bay CA includes adjacent unincorporated territory. North Bay also happens to be in one of the few districts with more than one Unorganized CSD. Smaller CSDs would close this data gap, giving researchers and policymakers better tools to make better-informed decisions.

Another major challenge lies in accurately assessing property values in unincorporated areas. The Municipal Property Assessment Corporation (MPAC), which is responsible for determining how much each property is worth, issues methodology guides that explain their assessment process, but this has not blunted criticism from many Northerners. The most common, though perhaps unsurprising, refrain in discussions with people in municipal and unincorporated communities throughout the North was that a property was overvalued, thereby forcing the owners to pay higher taxes. A related challenge stems from MPAC's inability to get out and physically assess every property, as also noted in discussions with MPAC officials and property owners. Overall, there is a great deal of confusion over what role MPAC does and should play, both in unincorporated and incorporated communities, how they arrive at their assessments, and to whom they are accountable. To that end, MPAC's capacity could be strengthened to ensure that it provides accurate and up-to-date assessments for all northern properties. This could involve a mechanism to include unincorporated communities into MPAC's fee structure, although not without representation. The effect of MPAC's assessments on property taxes in small northern communities is an area that seems ripe for further exploration.



[3] *Author's correspondence with Statistics Canada.*

[4] *The CMAs are Thunder Bay and Greater Sudbury; the CAs are Kenora, Sault Ste. Marie, Elliot Lake, Timmins, and North Bay.*

Overview of the Current System

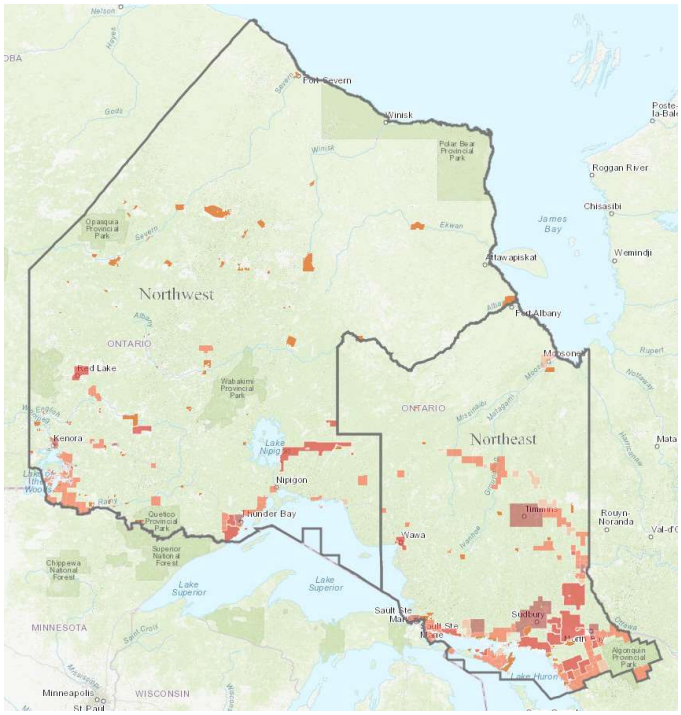
Northern Ontario communities can be divided into three categories, based on how they are governed locally. The first category, collectively called municipalities, consists of 144 individual bodies (Northern Policy Institute 2017, 3). Municipalities fall under provincial jurisdiction, are legally incorporated, have local representatives elected from the populace, entrenched political institutions with powers of taxation, and mandated responsibilities for service delivery. They are Northern Ontario's hubs, and contain over 91 per cent of the population.[5]

The next group is First Nations communities, which can be either reserves or settlements. Reserves are tracts of land set aside for First Nations peoples, often carved from their traditional territories (Federation of Canadian Municipalities 2015), whereas settlements are unofficial areas where Indigenous peoples have settled more or less permanently (Statistics Canada 2015). When it comes to governance, First Nations communities have different local structures, usually consisting of a chief and council, and deal more with the federal government than the province. There are 118 reserves or settlements in Northern Ontario (Northern Policy Institute 2017, 3), and they vary greatly as to how they are governed and how services are provided. They comprise nearly 4.5 per cent of Northern Ontario's population.[6]

Unincorporated areas, by contrast, have no traditional local governance. Instead, the province acts as the closest level of government, providing some services that municipalities are traditionally responsible for in their areas. Unincorporated territory can be divided further into areas with and without formal local service apparatuses. Local services are most often administered by a board of volunteers elected from the population. The most notable examples are the LRBs and LSBs, volunteer bodies found only in the North that are run by an annually elected board (Ontario n.d.b). In total, there are 16 Unorganized CSDs, which contain 46 LSBs (Ontario 2017a, 5) and 198 LRBs.[7] Unincorporated areas without a board have virtually no local-level government.

93 per cent of Northern Ontario's landmass falls into Unorganized CSDs (Statistics Canada 2016) — see Figure 1. At the time of the 2016 census, this area of over 880,000 square kilometres boasted only 33,011 residents, or four per cent of the North's population. There is only a single LSB in the Far North, run by MoCreebec Eeyoud, a Cree community with 'near-band' status. The rest of the unincorporated population is spread across dozens of communities, and no two are the same. As one interviewee stated, once you understand one unincorporated community, you understand one unincorporated community. Although each community is unique, there are some notable unifying threads that affect all of them.

Figure 1: Northern Policy Institute Infrastructure Map



Note: Green area is unincorporated.

Source: Northern Policy Institute.

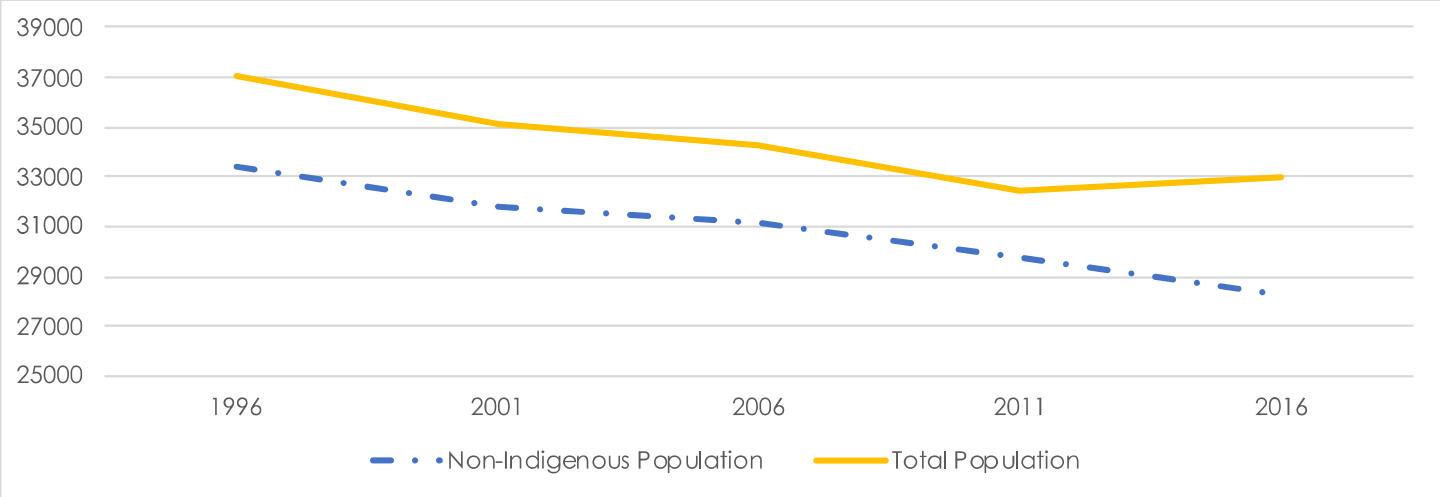
[5] *Author's calculations based on 2016 census data.*

[6] *Ibid.*

[7] *"Local Roads Board Act," regulations 734-5, online at https://www.ontario.ca/laws/statute/90l27?search=local+roads+board.*

The first trend is that of an aging and declining population. Figure 2 shows that the population of unincorporated Ontario plummeted 10.9 per cent between 1996 and 2016, more than twice as quickly as the rest of the region.[8] There is, however, an exception. The Indigenous population has grown over those two decades and accounted for all of the increase in the overall population between 2011 and 2016. Still, there were 4,000 fewer residents in unincorporated areas in 2016 than there were in 1996. Part of this decline stems from some municipalities annexing neighbouring unincorporated communities, but most of it is simply due to more people leaving than coming. Roughly 8,000 people moved to unincorporated areas between 2001 and 2016, but the total population still declined by more than 1,000 (Statistics Canada 2016; 2001). The result is a smaller tax base and shallower pool of volunteers to pay for and provide increasingly expensive services to increasingly higher provincial standards. Not only is the population shrinking, but it is aging as well. The median age of the population in every Unorganized CSD is 7 to 44 per cent higher than the census division it is in — save for Parry Sound Unorganized North East, where the population is only 1.3 per cent older than that of the district (see Table 2).

Figure 2: Population Change, Unincorporated Areas, Northern Ontario, 1996 – 2016



Source: Author's calculations based on Statistics Canada, 2016, 2006, 2001, and 1996 Census Profiles, and 2011 National Household Survey Profiles.

Table 2: Median Age of Population in Districts and Unorganized CSDs, Northern Ontario, 2016

District	Census Division	Unorganized CSD(s)
	(age)	
Nipissing	45.9	50.9/51.5
Parry Sound	52.6	61/53.3
Manitoulin	49.5	65.9
Sudbury	50.4	55.6
Timiskaming	47.2	51.4
Cochrane	43.3	46.4
Algoma	49	52.5
Thunder Bay	45	51.4
Kenora	36.5	52.7
Rainy River	44.7	55.5

Source: Statistics Canada, 2016 Census.

[8] *Author's calculations based on 2016, 2011 2006, 2001, and 1996 census profiles.*

While it might not be true in every single community, in general, the unincorporated population is shrinking dramatically, to the point where there are nearly twice as many properties as there are people. Indeed, there are 63,000 private properties in unincorporated Ontario (Ontario 2015), and over 70 per cent of them lie within 20 kilometres of a municipal boundary (Ontario 2016a). Likewise, for more than 60 per cent of the region's First Nations reserves.[9] Northern Ontario, while huge, has a population that is largely clustered in, or just outside municipalities. Yet there are few mechanisms to govern these abutting jurisdictions. The result, in some cases, is wildly different tax-service packages in small geographic areas.

This discrepancy can be an appealing reason to live in an unincorporated area. These areas tend to be rural, immersed in natural beauty, have fewer people, lower property values, fewer regulations, and lower tax rates than their municipal counterparts. Many services, such as policing or social services, are provided by the province, through the Ontario Provincial Police (OPP) and the DSSABs. The PLT, a tax levied on all properties outside municipalities and First Nations, helps cover some of the costs. As always, there is a trade-off: in many cases, service quality is substantially lower, and service providers sometimes lack meaningful representation from unincorporated areas (Coccimiglio et al. 2017).

The situation in First Nations is less clear, partly because the federal government has not legislated a basis for service delivery on reserves across Canada. The result is uncertainty and, more important, lower service quality than elsewhere (Canada 2011, 4.87). People living in these areas often have to either provide their own services or go to a municipality for them. The lack of a legal framework can make the former option difficult, a situation in stark contrast to unincorporated territory. Unincorporated regions have a pair of tools to provide their own services: LRBs and LSBs. Residents have made good use of these tools, with nearly two-thirds of the unincorporated properties being within a board's territory (Ontario 2016b, 16). These volunteer entities, enabled by the Local Roads Board Act and the Northern Services Board Act (NSBA),[10] have become integral to how Northern Ontario is governed. They wield significantly less power than a municipality, yet both are crucial in facilitating service delivery in their territories. Together, they form one of the major responses to the service delivery gap in unincorporated Northern Ontario.



[9] *Author's calculations.*

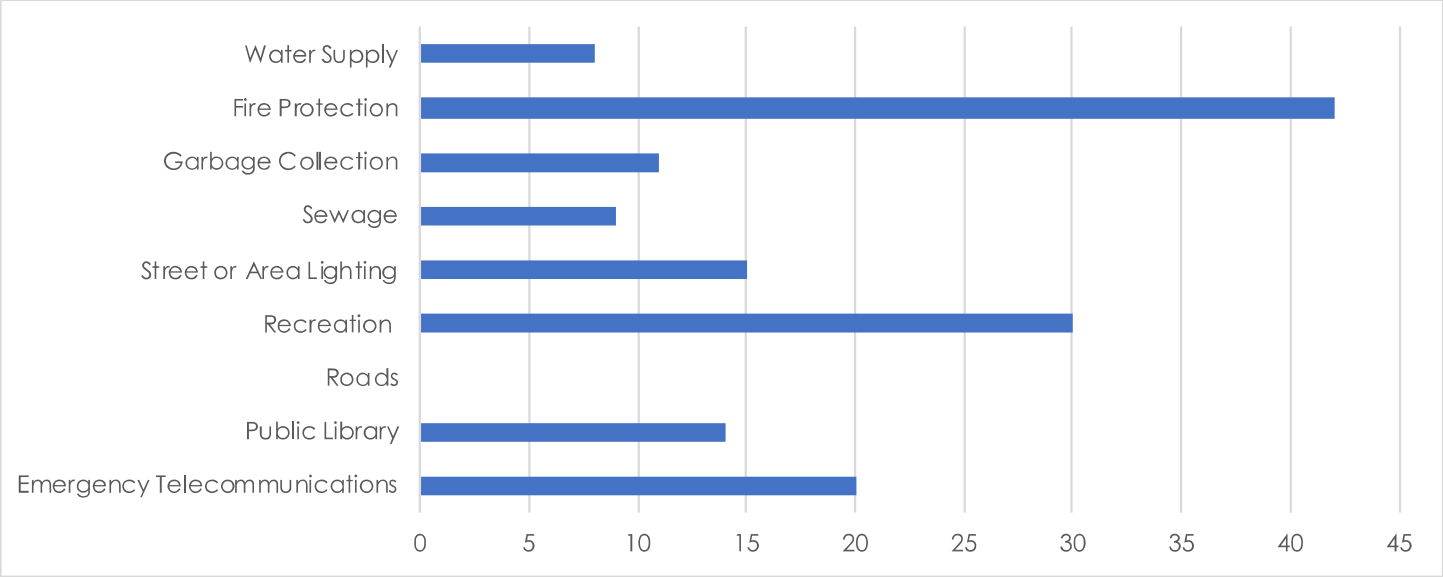
[10] *The NSBA is a modernized version of the 1979 Local Services Board Act that initially established LSBs in Northern Ontario*

Local Services Boards

LSBs, as noted, are enabled by the NSBA, and fall under the purview of the Ontario Ministry of Energy, Northern Development and Mines (MENDM). They come into being when the Minister approves the application of 10 or more individuals in a specific territory to form a board. The NSBA gives LSBs the authority to provide up to nine specific services (Ontario 1990 [Ministry of Energy, Northern Development and Mines], Schedule), as well as to impose levies on properties, akin to a tax, in their jurisdiction to pay for said service provision. Legislation also obliges them to hold yearly elections. There are currently 45 LSBs, 44 of which receive funding from MENDM (Ontario 2017a, slide 5);

The NSBA is strict on what services can be delivered and where, but flexible on how they are actually provided. For example, an LSB can run its own volunteer fire department or contract out to a municipality or volunteer department to provide fire protection in their territory. Figure 3 shows how many LSBs provide each allowed service. Clearly, fire protection is the most common service offered by LSBs, while water and sewer are among the least popular.

Figure 3: Number of Local Services Boards Providing Each of the Nine Allowed Services



Source: MENDM March 2018

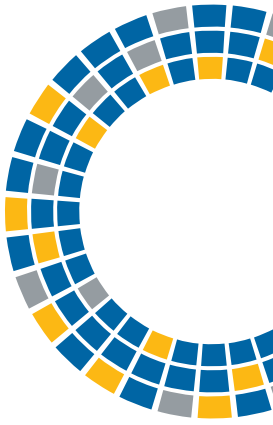
Fire protection was a catalyst for the advent of LSBs, as many northern communities had no defence against forest fires prior to the late 1970s (Rochon 2008). Note that this does not mean each LSB has its own fire department. Many contract the service out. Water and sewer are very cost intensive and subject to strict provincial health standards, two objectives that LSBs, with limited capacity and tax base, struggle to meet. It is worth noting that no LSB provides roads services, despite being eligible. In interviews, LSB and LRB members and officials from the Ministry of Transportation of Ontario (MTO) all speculated that this was due to the funding model in place. LRBs are entitled to two dollars of funding from the MTO for every dollar they spend on maintaining local roads, but if an LSB was to assume this function in place of an LRB, the consensus is that it would lose that generous arrangement.

LSBs are a "laudable solution" to service delivery challenges, but many find it increasingly difficult to remain afloat (Rochon 2008, 4). Declining population, increased provincial regulation, and a funding freeze that capped provincial contributions at 1997 levels are major threats to the viability of LSBs (Rochon 2008, 4, 17), though the MENDM has taken some steps to address this by extending financing to six LSBs that did not previously qualify (MENDM 2017a, slide 5). Since the 1997 freeze, however, ministry support is no longer indexed to an LSB's expenses, meaning funding ratios for all the other LSBs have fallen from the initially prescribed 50 per cent of an LSB's costs (Rochon 2008, 17). As costs rose, the share covered by ministry funding has fallen below 40 per cent for all LSBs, below 30 per cent for all but three, and below 20 per cent for 32 of the 45 LSBs.[11] This change, coupled with declining population, has put immense strain on LSBs' capacity.

Most LSBs have even more limited tax-bases than northern municipalities. Some self-report their population to be dozens, rather than hundreds or thousands.[12] Still, they are able to provide at least some services, due in part to contracts and operational grants from various ministries. Total MENDM operational funding for the LSB program has been entrenched at $625,000 annually for the past decade,[13] but some LSBs have contracts with the MTO, the Ministry of Natural Resources and Forestry (MNRF), and/or the Office of the Fire Marshal and Emergency Management (OFMEM). In short, the amount that each LSB receives from the province varies widely. The rest of the money comes from a combination of levies raised by the LSBs, operational grants, and local fundraising campaigns.

Rochon (2008) and LSB officials across the North have identified changes to the NSBA that could improve the way LSBs operate. Many of these are minor administrative improvements, such as including e-newsletters as an acceptable public place where a notice of election can be posted, replacing registered letters to the Minister with e-mail, and extending the length of Board members' terms from one year. These are simple and natural procedural efficiencies, but they do not address the fundamental issues. Larger demands generally involve making it easier for LSBs to access more operational money from the government, with less oversight and restrictions on how it can be used. Although there are definite improvements to be made, these will not change the demographic or economic realities facing Northern Ontario. The NSBA should be updated, but only as part of a much larger reform that addresses fundamental issues of fiscal equivalence, service delivery, local decision-making, and economic development (or lack thereof).





[11] *According to unpublished data supplied to NPI by MENDM and confirmed by the yearly budgets available on the Ontario Ministry of Finance website. See Ontario Ministry of Finance, "Northern Economic Development Vote 2202," online at https://www.fin.gov.on.ca/en/budget/estimates/2014-15/volume1/MNDM_2227.html; the LSB program is the line item "Community Services."*

[12] *Ibid*

[13] *Ibid*

Local Roads

Three formal organizations service local roads in unincorporated Northern Ontario: Statute Labour Boards (SLBs); Special Maintenance Agreements, commonly called 50-50 Agreements; and LRBs.[14] SLBs are a peculiar creature that allow residents to perform physical labour on roads in lieu of paying local property taxes. The four remaining SLBs cover 96 kilometres of roads. 50-50 Agreements earned their moniker from the even split of local and provincial service expenditures. There are 86 such agreements, covering roughly 500 kilometres of roadway. All told, the province contributes roughly $25.1 million annually for local roads in unincorporated areas. 50-50s and SLBs play a rather minor role in service delivery, and are overshadowed by LRBs.

LRBs are volunteer bodies tasked by the MTO to "determine the work to be performed on local roads in the local roads area and enter into contracts for the performance of such work."[15] They are not required to pay for capital-intensive projects such as bridge repairs or projects deemed to be in the interest of the travelling public, which are covered up to 100 per cent by the province. The 198 LRBs oversee more than 4,000 kilometres of roads throughout Northern Ontario. As mentioned, LRBs are responsible for levying one-third of all funds to service these roads, the rest is covered by the MTO, whose budget for unincorporated roads is funded by the MENDM. This process appears to be a prime target for improved efficiency. Once a year, LRB representatives and MTO officials decide on the work to be done and calculate the costs. Property owners in the LRB pay their share via property taxes to the PLT office of the Ministry of Finance, which remits the money to a fund overseen by the MENDM that the MTO accesses and combines with its two-thirds share to pay third-party contractors to carry out the work in the LRB area. A more efficient process seems possible, though it would not likely lead to immense cost savings.

All told, roughly 70 per cent of the cost for road maintenance in unincorporated regions is shouldered by the province. In addition, all LRBs are eligible for infrastructure funding through the federal Gas-Tax Revenue program, and some are entitled to a Crown lot allowance, a payment in lieu of taxes arrangement when Crown land fronts onto LRB roads. Furthermore, unlike municipalities, LRBs do not need to provide annual reports on the conditions of their roads. All in all, LRBs have a very generous funding arrangement, and are less burdened by provincial regulations than LSBs and municipalities.

LRBs, like their LSB cohorts, are an important cog in unincorporated service delivery, and there are methods that could make the system more efficient. Again, these adjustments would, at best, superficially improve elements of a system that ultimately falls short of providing governance solutions for Northern Ontario.



[14] Information in this section was provided by the MTO for the purposes of this project. Unless otherwise stated, information comes from discussions with the ministry.

[15] Local Roads Board Act, s. 10.

The Northern Fire Protection Program

The fact that 91 per cent of LSBs provide fire protection shows how important a service this is. The Ontario Fire Marshal oversees the Northern Fire Protection Program (NFPP) in unincorporated areas to ensure that residents have some defence against fires.[16] As fire protection involves a great deal more than simply responding to blazes, OFMEM espouses three lines of defence: public education, public safety standards and enforcement, and emergency response. The better the first two lines work at preventing fires, the less likely it is that there will be a need for the final line. As a result, the first two lines are the only avenues of fire protection a municipality or unincorporated community must provide — emergency response is optional (Ontario 1997). These preventative lines include ensuring that homes have working smoke detectors, distributing informational materials, and enforcing the fire code. Public education and standards enforcement are carried out throughout the unincorporated areas, regardless of whether a community has a local department. Should an unincorporated community choose to provide emergency response, the NFPP can help.

There are 48 fire departments that operate a total of 60 fire stations under the NFPP, all of which are in unincorporated areas. They are mandated to conduct the first two lines of defence in their area, with the expectation that they will report to OFMEM on their activities. Only 22 departments are attached to an LSB, the rest are run by a volunteer fire board, an unofficial analogue to an LRB. There used to be more departments, but a number left the NFPP because they could not enlist enough volunteers to meet minimum OFMEM requirements. In other words, some unincorporated communities no longer have the population and/or volunteer base to offer an organized response to fire, the very service that spurred the creation of LSBs decades ago.

OFMEM describes its role in the NFPP as providing the tools necessary for local residents to look after themselves. It does not fund the departments directly, except in rare, one-time cases. Instead, LSB departments are funded through levies and the PLT, while volunteer departments are supported almost exclusively through donations. There are quite literally people in Northern Ontario who have no emergency response to fire unless their community raises sufficient funds through bake sales, raffles, or other drives, something that would be inconceivable in a municipality. OFMEM sets minimum standards of protection it expects in the community, provides the basic equipment departments need, as well as some assistance to cover training costs. Beyond that, it is up to the community to manage and maintain their assets, including the fire hall, train staff/volunteers, and provide the actual fire protection services, limited as they might be in some cases.



[16] *Information in this section was provided by OFMEM for the purposes of this project; unless otherwise stated, information comes from discussions with OFMEM.*

According to the 2016 NFPP community profiles (Ontario 2016c), only three departments list that they would make a rescue attempt on persons trapped in a burning building. Only five others self-reported that they conduct "limited interior attack" — meaning 40 of the 48 departments state that they will perform exterior fire suppression operations only. Of course, a department might self-report offering a particular service, but that does not mean it does so in all situations. Given how quickly fires evolve and the response times of volunteer departments in rural settings, interior attack and rescue attempts may not be reasonable to expect in most circumstances. Based on population estimates in the NFPP community profiles, in 2016 only 5,200 of 33,011 unincorporated residents lived in communities with a department that might make a rescue attempt if a person was trapped in a burning building and if the situation allowed for it. Some 27,000 permanent residents — roughly one of every 29 Northerners — lived in communities where the fire department reported they would not make a rescue attempt, and that number is much higher when seasonal residents are accounted for. Although admirable, there are simple logistics involved in volunteer based rural firefighting that the NFPP cannot overcome.

While the NFPP does not operate in First Nations, there are some efforts to enhance the level of fire protection on reserves. First Nations fall outside provincial jurisdiction, meaning fire codes are not enforced by OFMEM, but First Nations can and do approach OFMEM for advice. A First Nations band can choose to adhere to the Ontario Fire Code through a resolution passed by Chief and Council, but it is left to the community to decide. Some reserves have a tripartite agreement with the provincial and federal governments that cover some service provision, but these are determined on a case-by-case basis, rather than systematically.

The NFPP is currently being reinvigorated, notably through a series of community risk assessments undertaken by OFMEM to meet provincial regulations. These assessments will list the assets each community possesses, as well as identify threats or other risks for the department to be aware of and will help inform decision-making regarding future fire protection efforts. Conversations with OFMEM representatives revealed that the fire marshal's office faces the same data limitations as this study, notably the lack of accurate population data. Some collaboration on data tools helped OFMEM estimate that roughly 75 per cent of unincorporated residents are covered by an NFPP department.

District Social Services Administration Boards

District Social Services Administration Boards (DSSABs) are special-purpose bodies in Northern Ontario that administer social services such as land ambulance, social housing, and act as intermediaries between the province and municipalities and unincorporated territories. There are 10 DSSABS, whereas the City of Greater Sudbury is instead covered by a Consolidated Municipal Service Manager (Stewart 2016). The boards are composed of officials from municipalities and unincorporated territories within their boundaries. They are cost-shared between the province and local communities, with the latter contributing an amount to the DSSAB based on the assessed property value of each territory. The one lacuna in the DSSABs' jurisdiction is that they generally do not service First Nations communities (Thunder Bay DSSAB 2017). DSSABs operate across municipal boundaries and are currently the closest thing Northern Ontario has to regional governance. Nevertheless, unincorporated residents often feel that they are over-taxed, underrepresented, and/or underserved by these bodies (Coccimiglio et al. 2017).[17] On the other hand, some municipal officials lament the power that unincorporated residents have in their DSSABs.

DSSABs offer a promising template for regional governance in Northern Ontario, though much work remains. While they are imperfect, many municipal and unincorporated officials interviewed felt they have improved significantly since they were first enacted nearly 20 years ago. Disagreements remain, and not just between municipalities and unincorporated. Cochrane DSSAB narrowly approved a proposal to lower the amount Timmins and small communities paid to the DSSAB, while raising the contributions from Cochrane, Hearst, and Kapuskasing. Despite the agreement, the province stepped in to annul the new funding formula while it reviewed the governance and administration of the DSSABs (Autio 2017). The review was expected to be completed by the end of 2017, but it has not yet been made public.[18]



[17] *This was also mentioned to former NPI Research Analyst Curtis McKnight in meetings related to this project.*

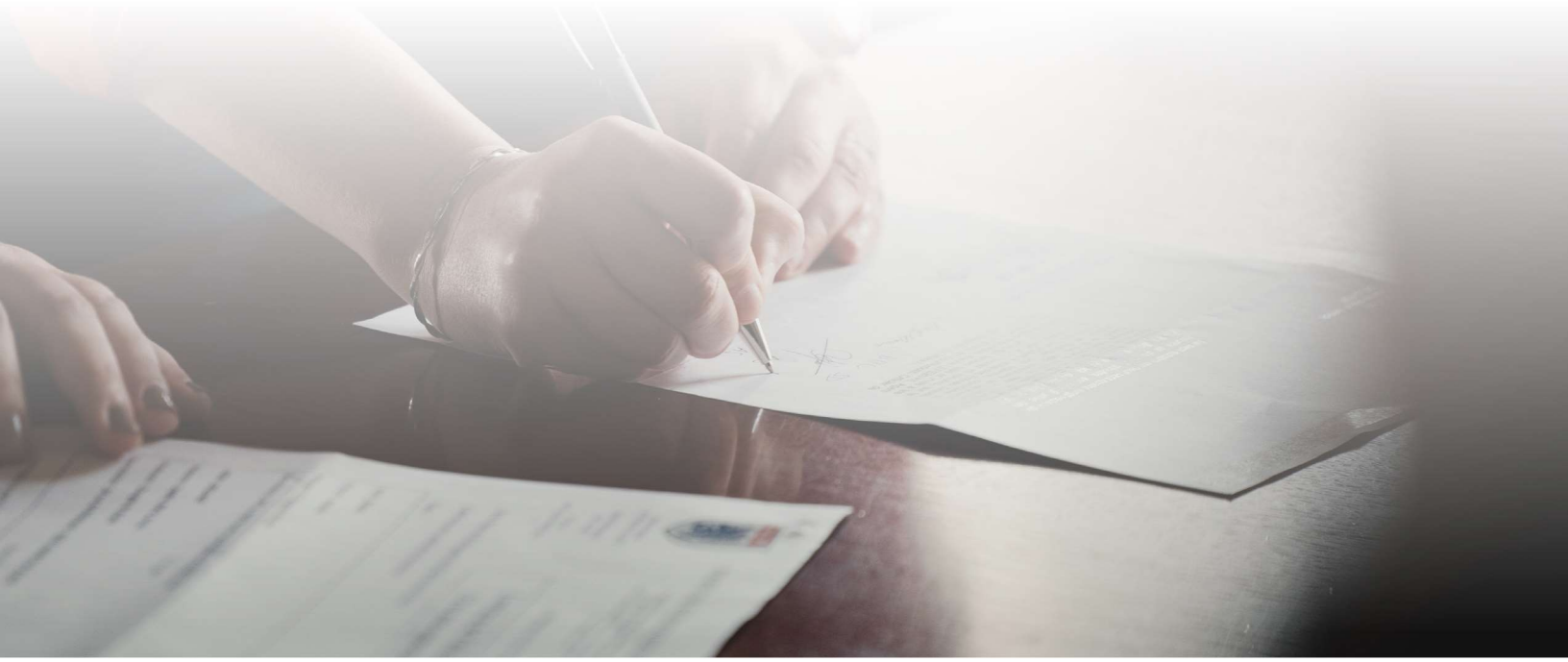
[18] *Last checked spring 2020.*

Rural Planning Boards

Land-use planning is not handled the same way in Northern Ontario as it is in the rest of the province. Indeed, the first subsection of the province's "Citizen's Guide to Land Use Planning" has a section specifically for Northern Ontario, and the first subsection is titled "How Planning is Different in Northern Ontario" (Ontario 2019a). The different municipal structure means that planning is shared by the MMAH, MNRF, and rural planning boards. Planning boards are another single-purpose body exclusive to Northern Ontario that provide limited land-use planning in the region. They often encompass both small municipalities and unincorporated territory, and their role is to develop official plans, manage zoning bylaws, and advise municipal councils and the Minister of Municipal Affairs on matters related to land-use planning and zoning.

Planning boards, like LSBs, LRBs, fire boards, and DSSABs, are governed by a volunteer board of directors. There are 17 planning boards in Northern Ontario, 16 of which are in the Northeast. All of the Northwest, save for an area surrounding Thunder Bay, is outside planning board jurisdiction. There were other boards, but, according to conversations with MMAH officials, municipal consolidation rendered them obsolete, and they ceased to exist. Those unincorporated areas that do fall into a planning area receive planning services, but do not pay for them, and receive questionable representation on the boards. A provincial official stated that planning board functions in non-municipal areas are funded by the province on behalf of unincorporated residents because the limited tax-bases could not pay for the service. On the other hand, the Planning Act states that the Minister of Municipal Affairs and Housing determines how many directors are on the board, as well as "the number of members, if any, to be appointed by the Minister" to represent unincorporated areas.[19] This means that the Minister determines how much representation unincorporated areas get on planning boards, and has the final say on who specifically the representatives will be.

This situation is not conducive to effective local governance. The Planning Act (s. 17) states that the Minister is the approval authority for all official plans, except in cases where the Minister delegates that authority to an upper-tier municipality. Given that there are no upper-tier municipalities in the province's northern regions, all land-use planning authority for Northern Ontario is ultimately decided in Queen's Park. Planning boards are a useful avenue to closing this gap in unincorporated areas, but they are of no use to those areas outside their jurisdiction.



[19] *Planning Act, part 2, s. 9 and 10, online at https://www.ontario.ca/laws/statute/90p13#BK33. The "if any" refers to the fact that not all planning boards operate in unincorporated territory.*

Umbrella Organizations

Many communities have banded together to form overarching organizations to represent their perspective. Municipalities have formed the Northwestern Ontario Municipal Association (NOMA) and the Federation of Northern Ontario Municipalities (FONOM), among others, while unincorporated residents in Kenora District banded together in 1996 to form the District of Kenora Unincorporated Areas Ratepayers Association (DoKURA) and the Lake of the Woods District Stewardship Association (LOWDSA), among others. These non-profit, volunteer bodies represent their regions' unincorporated populace during discussions with municipal and provincial officials (LOWDSA 2019; DoKURA 2016a, 2016b).

Unfortunately, similar cohesion has been lacking for LSBs. Rochon (2008, 18) recommends that LSBs form an umbrella organization to present a unified voice, build capacity, and otherwise coordinate their efforts. LSBs and LRBs currently lack formal avenues on each of these fronts, with many operating in virtual isolation.[20] Some LSBs claim they had tried to organize, only to be told by the MENDM that the Northern Services Board Act prohibited it.[21] The legislation does not appear to expressly prohibit an umbrella group, nor does it have a provision to establish one. Regardless, formal inter-LSB coordination is lacking.

These barriers have not deterred LSBs. A group of them drafted an amended NSBA, held an informal vote on the proposed changes, and hoped to present their legislation to the Minister of MENDM.[22] They also claimed a pivotal role in convincing the ministry to host information sessions to train new board members and in lobbying to increase funding levels for LSBs.[23] These examples demonstrate why the term 'unorganized' is inappropriate for areas without municipal government. There is clearly a high degree of organization and coordination within these territories, even if it does not take the form of municipal incorporation.



[20] *Ac cording to meetings with representatives of LSBs and LRBs between February and August 2018.*

[21] *Ibid*

[22] *Both these documents were provided to the author after a meeting with Thunder Bay District LSBs in February 2018. Also, the Steering Committee was dissolved.*

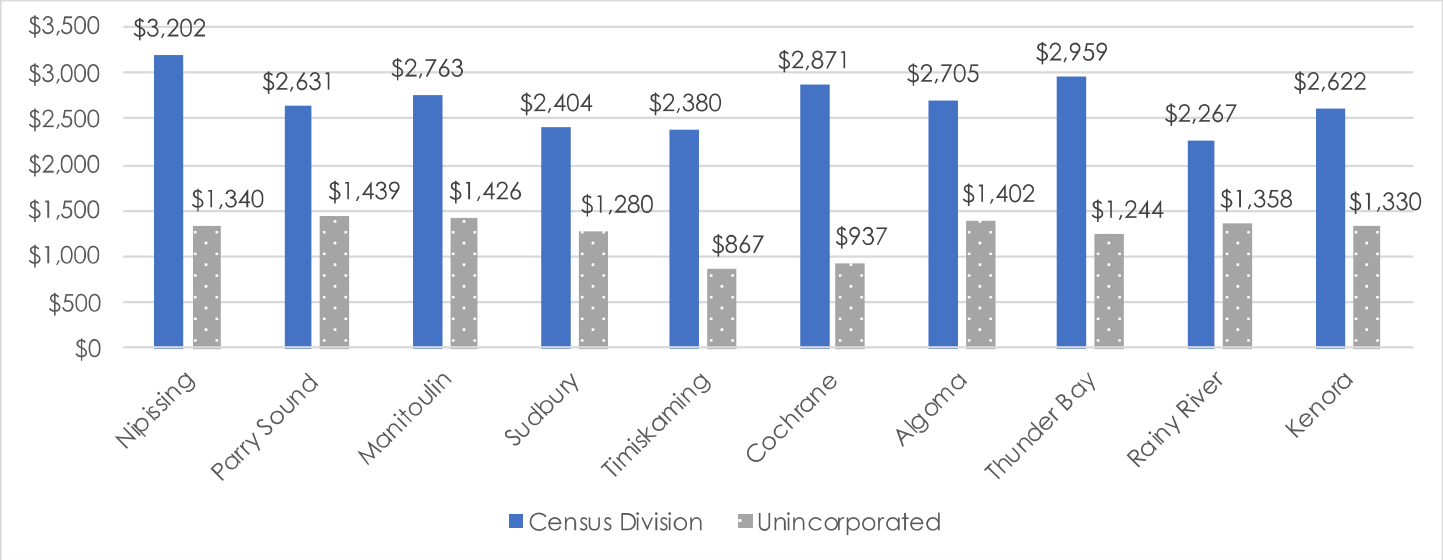
[23] *According to meetings with members of LSBs in February 2018.*

Provincial Land Tax Reform

The PLT was reviewed and reformed between 2013 and 2017, the first time the rates had been updated since the 1950s. Tax rates in northern municipalities, on the other hand, continued to increase steadily until they were, on average, ten times higher than in unincorporated territories (Ontario 2017b, 2). Municipal residents paid an average of $2,200 in property taxes in 2013, compared with $164 that unincorporated residents paid in PLT (Ontario 2014). This discrepancy prompted the province to raise PLT rates throughout unincorporated territories, and to equalize the PLT paid by property owners inside and outside school board territories. PLT rates inside school board areas were about six-and-a-half times higher than those outside, despite there being virtually no difference in the number or quality of services available.

The PLT is only one slice of the property tax pie, however. The amounts noted above do not include education taxes, nor payments to LRBs and/or LSBs, all of which are included in the province's sample property tax statements (Ontario 2015). As Figure 4 shows, the levies for local services do change the picture rather noticeably. When all property taxes are accounted for, the gap is much closer. Unorganized CSDs still pay significantly less on average than the district as a whole, but they also pay significantly more than the $164 stated by the Ministry of Finance. District averages are not always representative of each municipality. For example, all but one municipality in each of Nipissing, Thunder Bay, and Cochrane districts have average property taxes at least $300 lower than the district average. Still, 113 of 144 municipalities in Northern Ontario had average residential property taxes of over $2,000 in 2016.

Figure 4: Average Residential Property Taxes, by Census Divisions and Unorganized Census Subdivisions, Northern Ontario, 2016



Source: Statistics Canada 2019.

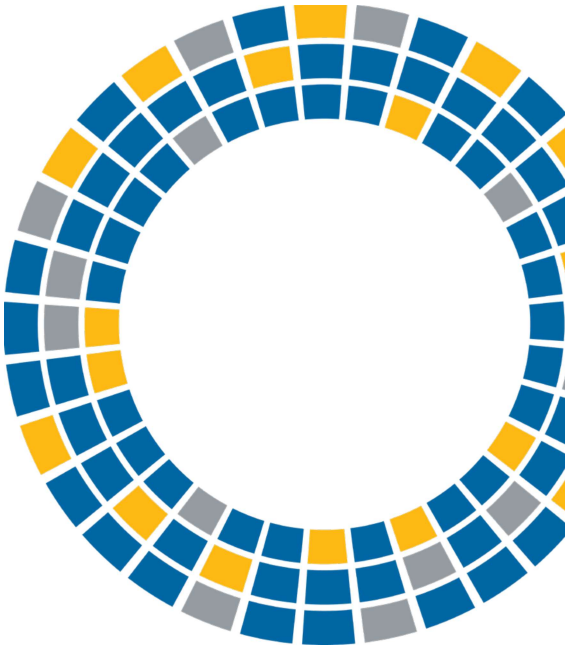
There are two very important notes regarding the data above. First, PLT rates have gone up since then, and will continue to do so until 2021. Second, MPAC conducted their 2016 property assessments, and people across the North have stated their assessments are much higher than they were previously. MPAC's assessment cycle is four years, meaning the values will change again in 2020 and, in turn, that average property tax burdens will be much higher when they are next calculated using 2021 census data. The changing nature of both the rates and assessed values prevents any definitive conclusions. Table 3 shows how PLT rates will increase until 2021.

Table 3: Provincial Land Tax Amount for Residential Properties per $100,000 of Assessed Value, Northern Ontario, 2014–21

	2014	2015	2016	2017	2018	2019	2020	2021
	$							
Inside school board	162	172	212	232	237	242	247	250
Outside school board	25	35	75	115	155	195	235	250

Source: Ontario Ministry of Finance PLT Reform website.

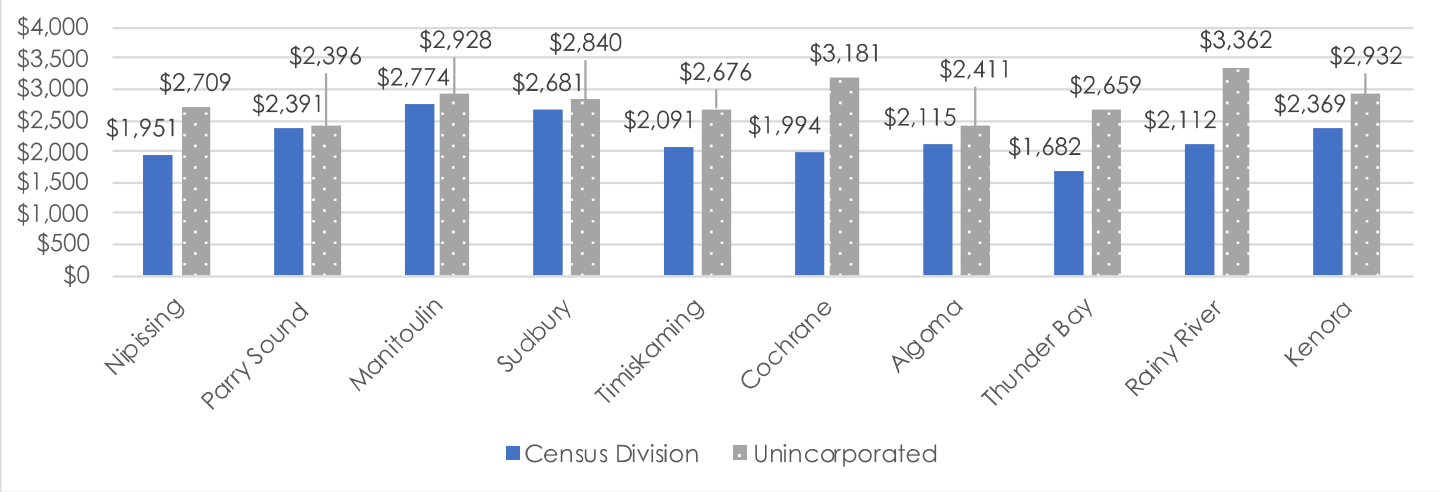
At the 2013 rates, the PLT generated $11 million (Ontario 2017b, 4). The Ministry of Finance estimated that the province shouldered an additional $65 million servicing unincorporated areas compared to what it would have incurred "as part of the normal Provincial-municipal cost-sharing" of services (Ontario 2014, 26). The goal of PLT reform was not to close this gap completely, since northern municipalities receive provincial funding that unincorporated areas cannot access, most notably, the Ontario Municipal Partnership Fund (Ontario 2017b, 5). The province projects $40 million in annual PLT revenue by 2021, although that does not account for the spike in property values in the latest MPAC assessment. Regardless, the Ministry of Finance concluded that, by 2021, "all property owners will contribute their fair share towards the cost of important services" and that "no further adjustments will be required" (5).





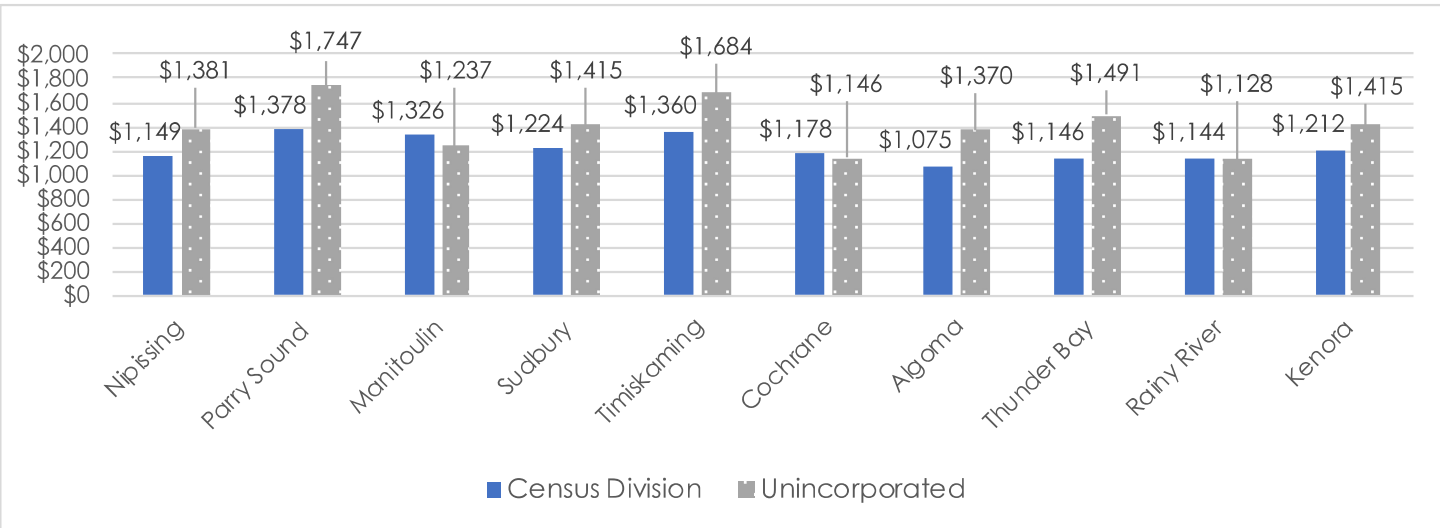
Despite the attractive tax rates, there is very little evidence to suggest that people are moving to unincorporated areas for cost savings. Most of those interviewed scoffed at the suggestion they were saving money, pointing to the tens of thousands of dollars it cost them to install wells and septic tanks, the higher property insurance for living in areas with limited fire protection, the elevated electricity costs of being in a low-density network, and the costs of commuting to the nearest service centre. Figures 5 and 6 show that unincorporated residents do, in fact, tend to pay more for electricity and home heating.

Figure 5: Annual Average Electricity Costs, Residential Properties, by Census Divisions and Unorganized Census Subdivisions, Northern Ontario, 2016



Source: Statistics Canada 2019.

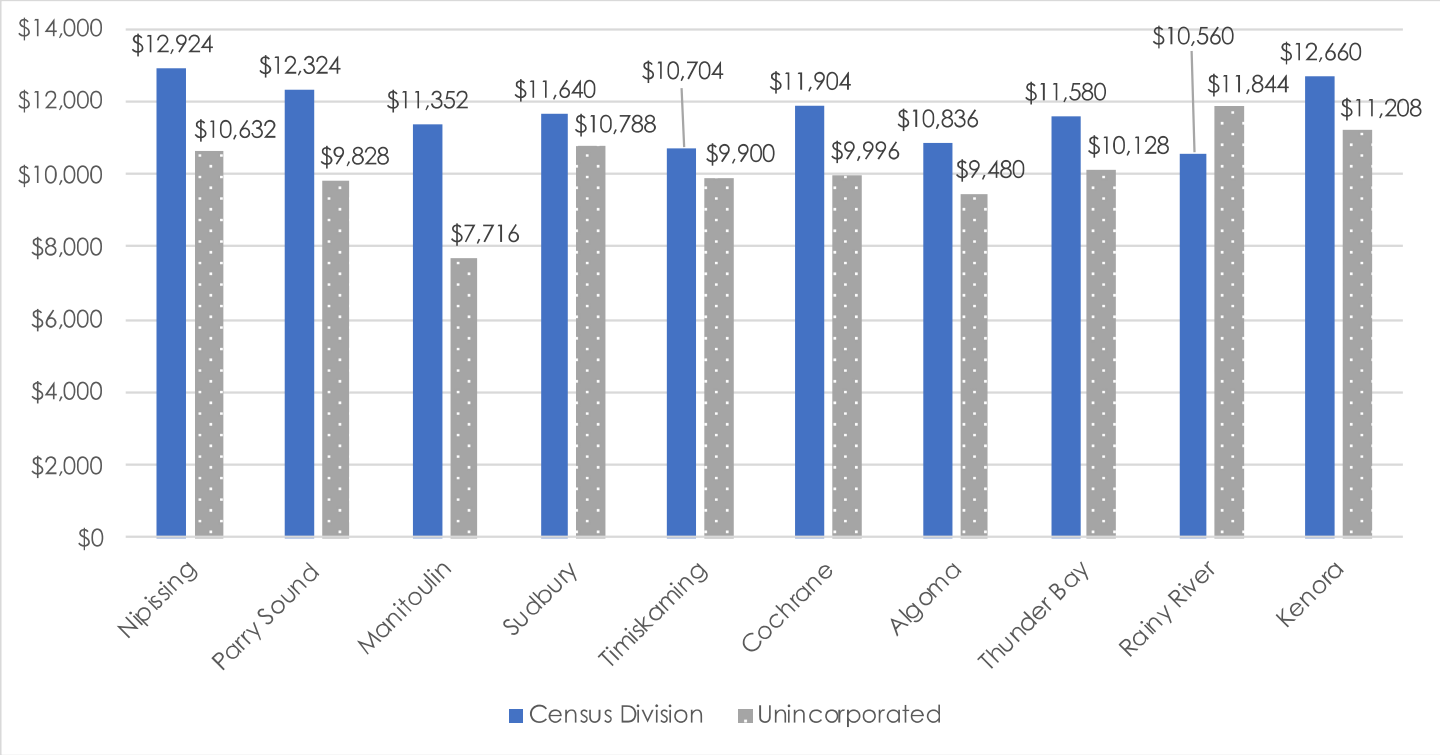
Figure 6: Annual Average Home Fuel Costs, Residential Properties, by Census Divisions and Unorganized Census Subdivisions, Northern Ontario, 2016



Source: Statistics Canada 2019.

So, while unincorporated areas do offer enticing tax rates, living there comes with some notable additional costs. Figure 8, showing shelter costs — that is, all property taxes, as well as fees for utilities and municipal services — offers the best illustration. There are some major discrepancies in the Nipissing, Parry Sound, and Manitoulin districts, but most of the other districts are surprisingly close. Unincorporated residents pay at least 85 per cent of the census division average in six of the 10 districts or, put another way, savings of less than $1,500 per year. Rainy River unincorporated residents actually pay more than the district, peculiar given that there are no LSBs in the district. These costs also do not include home insurance rates, nor the transportation costs alluded to above. So why would someone choose to live in such underserviced regions if not for massive savings?

Figure 7: Annual Average Shelter Costs, Residential Properties, by Census Divisions and Unorganized Census Subdivisions, Northern Ontario, 2016



Source: Statistics Canada 2019.

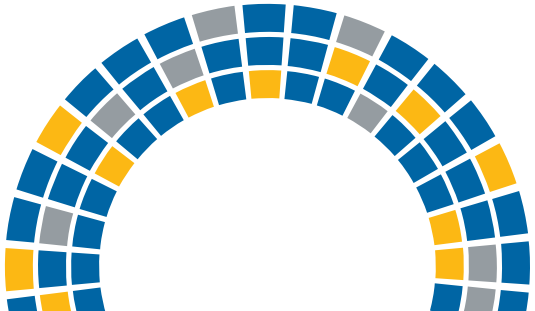
In interviews, individuals from unincorporated areas in both Ontario and British Columbia stated unequivocally that the number one reason behind their decision to live where they do is the lifestyle; being surrounded by nature was a close second. The tranquility and independence of living in unincorporated territory was enough for one resident to declare they would rather see their tax burden double than be annexed by a neighbouring municipality. Several others said they would have settled in that location whether or not it was in a municipal boundary – location was key. Conversations also revealed that many permanent residents were retirees who had converted seasonal camps into their retirement homes. This aligns with the fact there are so many more properties than people in unincorporated areas. Paying less property tax was cited as a bonus, but never as a deciding factor.

Summary

Unincorporated Ontario is a vast, sparsely populated region with extremely limited services. Finance, MENDM, OFMEM, MTO, and MNRF are just some of the ministries with jurisdiction over parts of the governance structure. Residents believe there is often a lack of coordination between these bodies. Conversations with provincial officials suggest there is an identified need to improve coordination, but it remains to be seen if that will lead to anything. As well, the unincorporated population is not growing, but shrinking nearly twice as fast as the region as a whole. Northern municipalities certainly appear to be losing some of their population to the allure of unincorporated territories, but the overall population on their fringes is generally shrinking. These declining populations, in turn, are finding it much more difficult to provide the necessary services in their communities. Even life-saving interventions such as fire-protection are falling by the wayside as residents lack the volunteer and/or financial base to operate them. Changes to the PLT mean unincorporated residents will pay more property tax, but there is no guarantee of improved services.

The review of property taxes and legislation notwithstanding, some familiar issues endure. Municipalities are still concerned over fringe development; there are still accusations of unfairness and free-riding over who pays how much for what; land-use planning is still lacking; unincorporated residents still get low-quality services, and some are still taxed for services they cannot access; communities still fail to hit economies of scale in service provision; there is still wasteful duplication and overlap of services, as well as unhealthy competition; and a framework to foster collaboration among First Nations, unincorporated, and municipal communities is still missing. In short, Northern Ontario continues to be plagued by the same issues that BC faced more than 50 years ago. The solution that province came up with offers the best opportunity for Northern Ontario to address these issues in a comprehensive, systematic way.



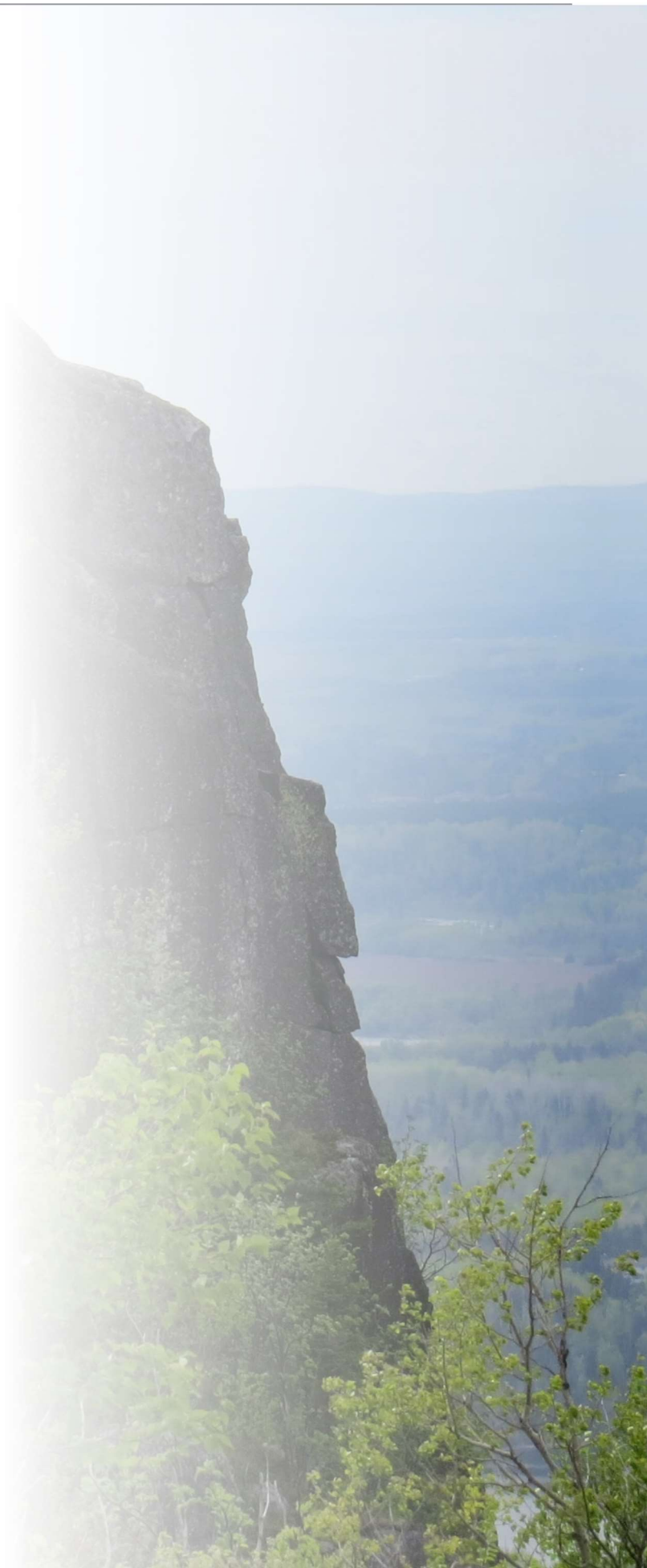


Regional Government

There are many compelling reasons for Northern Ontario to pursue regional governance, notably the benefits to local decision making and economic development. These have been detailed elsewhere (Everett 2019; Mcgrath 2018; Conteh 2017; Mackinnon, 2016; Robinson 2015; Conteh and Segsworth 2013), and are ancillary to the issue of how best to rectify the issues related to unincorporated districts. Adapting and adopting BC's Regional Districts (RDs) would be an ideal way to address issues of inefficiency, low-service quality in unincorporated areas, fringe development, and free-rider concerns. RDs could accomplish this without requiring any widespread municipal restructuring that would see municipalities annex unincorporated territory.

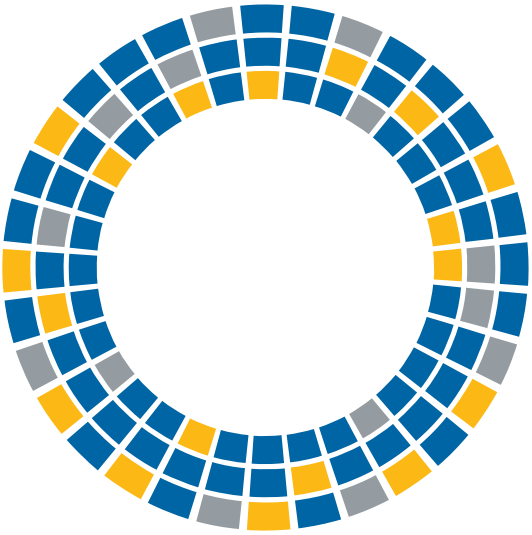
The Far North

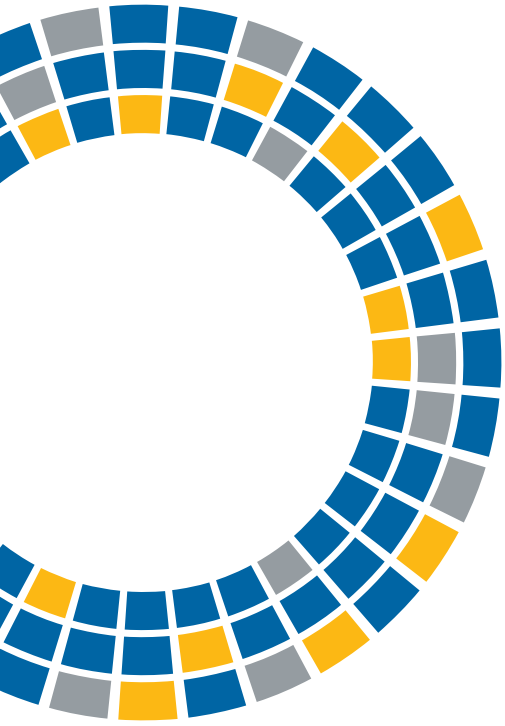
The Far North is unique in this context, by way of its marginal unincorporated and municipal presence. As such, it may very well warrant different consideration. RDs designed to manage concerns stemming from municipal and unincorporated territories would have limited value in an area that has virtually no municipal or unincorporated territory. Northern Quebec offers another interesting option for these regions. The Eeyou Istchee James Bay Regional Government and the Kativik Regional Government (KRG) hold some remarkable promise for shared or Indigenous-led governance, with the latter appearing to be especially relevant to Ontario. The KRG is in Quebec's Far North, has limited road access to the South, and boasts a population of 11,000 people (91 per cent Inuit) spread across 14 communities (KRG 2017). By comparison, the Far North of Ontario has 24,000 people (90 per cent First Nations) in 31 First Nations communities, two municipalities, and one LSB (Ontario nd.a), nearly all of which have limited road access. The KRG is overseen by a council composed of elected representatives from each community, and it delivers a range of services and technical assistance to local communities while acting as a key interlocutor with the province to drive regional development projects (KRG 2017). A similar arrangement might be worth investigating in Ontario.

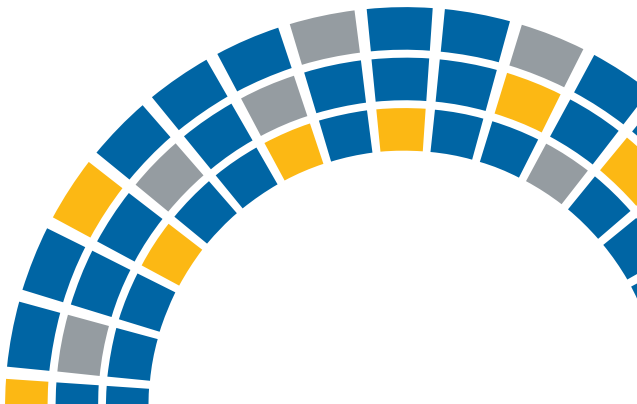


Why Regional Government?

Transitioning to a regional government model would not be a simple task but based on the literature reviewed and the consultations conducted, it offers the best solution to the most pressing issues identified. Patchwork 'fixes' such as legislative review and property tax adjustments were found not to solve anything in British Columbia (Kadota 2010) or New Brunswick, and likely exacerbated existing problems (Finn 2008). While Finn recommended all unincorporated territory in New Brunswick be absorbed into a municipal structure, the bulk of the evidence suggests that municipal consolidation can work in some cases, but it often leads to higher service costs (Cuddy 2016), and does not actually address underlying structural problems (Slack and Bird 2013; Holzer et al. 2009b). Area Services Boards and secession are both untested, and the latter in particular is at best a distant prospect. On the other hand, a particular form of regional government has shown to be successful at treating the issues that arise from unincorporated areas.







Why the British Columbia Model?

Northern BC and Northern Ontario are both massive territories governed largely from southern capitals, and are surrounded by natural environs that are key to their regional economies. Northern BC covers about 70 per cent of the province, compared to about 87 per cent for Northern Ontario. Both these vast territories contain an intricate array of regions, each with needs entirely unique from one another. One-size solutions will not fit any part of either territory very well. BC's northern regions have a population of about 320,000, with tens of thousands living in unincorporated areas, just as in Northern Ontario. Both have some large urban centres, but mostly consist of small municipalities in a sea of unincorporated territory.

There are, however, two major differences between the two regions. One is that Northern BC is largely unceded Indigenous territory, whereas Northern Ontario is almost entirely under treaty. The second divergence is related, in that many First Nations in BC are subsumed in the population totals for unincorporated territories known as Electoral Areas. So, while there were 125,399 people living in the northern unincorporated territory in 2017 (BC Stats 2018), some of that total was First Nations that had not agreed to a treaty with Canada or the province (Bish and Fiscal Realities 2014). These differences notwithstanding, BC and Northern Ontario were most similar in the governance issues that arise from unincorporated areas.

BC prior to RDs looked an awful lot like Northern Ontario does now. BC once managed its unincorporated areas through a hodgepodge of service-sharing agreements, improvement districts (similar to LSBs and LRBs), and special-purpose bodies akin to the DSSABs (Kadota 2010). This patchwork structure left the province facing the same issues as Northern Ontario regarding fringe development, lack of land-use planning in unincorporated areas, missed economies of scale in service production, and minimal regional cohesion in development opportunities (British Columbia 2006). Although all the provincial northern regions face limited economic development (Coates, Holroyd, and Leader 2014), BC is most like Northern Ontario in having issues stemming directly from unincorporated areas. Other provinces have marginal unincorporated populations or their policies were ineffective in managing them. For example, New Brunswick spent decades tinkering with its unincorporated system prior to regionalizing (Finn 2008). The BC model was used as a reference point from which the province enacted its own reforms, although the Regional Service Commissions it implemented differ from Finn's (2008) recommendation that unincorporated areas be dissolved and subsumed into a regional municipal structure. In this same vein, and given the similarities between BC and Northern Ontario, the BC model offers Northern Ontario the best opportunity to adapt strategies for its unincorporated areas.



What is a Regional District?

Regional Districts are a form of supra-municipal regional governance structure with overlapping political, administrative, and practical functions (British Columbia 2006). Politically, they are a forum to represent regional interests; administratively, they employ a professional staff and provide a structure to facilitate intercommunity collaboration on service delivery; and practically, they are the local government in unincorporated areas, limited as that may be. RDs were deployed to address service delivery challenges in a local government system "characterized by incipient fragmentation" (British Columbia 2006) in an area that "was too large geographically [with] the needs of the people in different areas too diverse" (Bish and Clemens 2008, 42–3) for the existing structure to govern effectively.

RDs are a multipurpose special district, or hybrid two-tier government, which is essentially a loose federation of municipalities, unincorporated districts, and, in some cases, First Nations tasked with providing services and general governance within their defined boundaries (British Columbia 2006). Other countries, such as Spain, Italy, France, the Netherlands, Finland, Germany, and Belgium, all employ multipurpose special districts, although Wolman (2016) argues that BC's model is the most successful. Despite being a regional governance apparatus, British Columbia's RDs more closely represent an extension of municipal governance beyond traditional boundaries than a whole new level of government (Wolman 2016). They are governed by a Board of Directors appointed by and from municipal councils, and elected from specially defined Electoral Areas (EAs) covering unincorporated districts to serve a four-year term (British Columbia n.d.). Directors must complete an oath or solemn affirmation of office, and may be disqualified if they fail to uphold their obligations (British Columbia n.d.). From the province's perspective, RDs are akin to municipalities, in that they are 'creatures of the province.' [24] All 27 RDs are members of the Union of British Columbia Municipalities (UBCM), and RD representatives can and do serve on the organization's Board of Directors (UBCM 2019). In short, BC's RDs fit into the governance structure very similarly to any municipality.

Costs for administration and service delivery are recaptured through user fees determined by the Board members and requisitioned through tax collection in local areas. All residents pay their share through property taxes, though RDs do not have direct taxing authority. Municipal ratepayers pay their local government, while the province collects in the unincorporated areas and disburses the funds to the RDs. This means that tax rates in unincorporated areas are set not through a uniform PLT analogue, but based on what services are provided.[25] Most of the time, costs are divvied up in relation to the property tax base, but legislation allows for custom agreements based on other considerations, such as population size, land area, and service usage (Bish and Clemens 2008). RDs must provide only two services to the entire region – solid waste management as well as emergency preparedness and response – although they may provide many more. This flexibility is one of the most alluring aspects of RDs.

BC, like Northern Ontario, is a vast and diverse area, with accordingly varied service and development needs. Thus, RDs are given a significant amount of leeway to chart their own course. The boards can vote to adopt new services, and can provide them to the entire region, only in specific jurisdictions, or only in parts of jurisdictions. They are also free to decide upon the favoured method of provision, whether that is directly produced by the RD, through inter-local agreements, or contracted out to the private sector or another branch of government (British Columbia 2006). Each RD has multiple Electoral Areas, each of which can choose what services it needs and is willing to pay for through its representative on the Board of Directors. The key is that an area has to agree to pay for and receive any of the voluntary services. The directors from those areas can form a committee to determine service levels, provision type, and associated fees (Bish and Clemens 2008). As a result, RDs are highly flexible and customizable to local needs, a necessity for Northern Ontario. Crucially, they have also enhanced regional coordination (Wolman, 2016; Kadota 2010) that is currently lacking in Northern Ontario (Segsworth 2013). In addition, through a weighted voting system used by their boards, they have managed to largely mitigate the power discrepancies bred by large and small jurisdictions operating in close proximity.[26] While it is imperfect, discussions with RD officials and administrators suggest that this system has worked as intended by preventing large municipalities from dominating boards.

[24] *According to discussions with the BC Ministry of Municipal Affairs, May 2019.*

[25] *Roads, social services, and policing are exceptions. They are provided by the province in BC's unincorporated areas. These costs are covered in part by a property tax that all residents pay at the same rate.*

[26] *Voting on stakeholder matters is weighted based on each member's population size. The RD sets a population unit that entitles a member to one vote. Those with higher populations get more votes. Should a municipality be entitled to more than five votes, they receive a second director, and the votes are split evenly among them. There is no limit to the number of directors a community may have, but no director may wield more than five votes (RDs can change this divisor if they wish).*

Although decisions are ultimately made by the boards, they are often informed through a network of volunteer committees and commissions that do the bulk of the preliminary work.[27] Like a municipality, RDs can create standing or task-specific bodies to which it can delegate some authority, such as monitoring or overseeing a particular service. These tend to operate in an advisory role (Bish and Clemens 2008), so that the RD board can make informed decisions without becoming overly involved in operational minutiae. There is generally no requirement that committee/commission members also be members of the RD, which provides opportunities for greater citizen participation (Bish and Clemens 2008). The presence of these committees and commissions has proven to be effective at including First Nations, as well as communities served by an improvement district into the RD framework (Bish and Fiscal Realities 2014; Bish and Clemens 2008).

British Columbia's unincorporated areas have another tool they can utilize called Local Community Commissions (LCCs). These too are apparatuses of RD boards, and are specifically intended to allow distinct unincorporated communities within an Electoral Area the ability to oversee services that the RD provides in its territory (Bish and Clemens 2008). LCCs are governed by the Electoral Area's director, along with four residents elected by and from the community (Bish and Clemens 2008). This group can supervise service delivery within its area and make recommendations to the RD's board. They are an alternative to the improvement districts that were struggling with capacity constraints, and give unincorporated residents a way to oversee service delivery in their area while drawing upon the administrative capabilities of the RD. LCCs have helped integrate communities with former special-purpose local service providers into the RD framework without sacrificing local representation and decision-making to the Boards of Directors. Despite there only being five LCCs in British Columbia, they hint at the adaptability of RDs to meet local needs.

The flexibility, customization to local circumstance, enhanced regional coordination and development, power balance, and economic and administrative efficiencies are among the reasons scholars, observers, and practitioners view BC's Regional Districts as perhaps the most successful method of local governance in North America (Wolman 2016; Bish and Clemens 2008; Sancton 2003). The fact that they were designed to address the same issues that Northern Ontario currently faces, and include unincorporated residents and, in some cases, First Nations in local decision-making makes them an ideal model upon which to base Northern Ontario's local governance reforms.

[27] *Unless otherwise stated, information in this and the next paragraph comes from discussions with the British Columbia Ministry of Municipal Affairs.*

Addressing the Issues

The heart of the trouble stems from the absence of upper-level municipal governance for nearly all of Northern Ontario (Mcgrath 2018; Conteh 2017; MacKinnon 2016; Conteh and Segsworth 2013; Nickerson 1992, 6). This leads to a proliferation of actors in different jurisdictions providing various services at inconsistent standards across an array of boundaries in close proximity. Taxes and services tend to spillover across borders in such a system, which negatively impacts fiscal equivalence. Fiscal equivalence diminishes when citizens are taxed for something they do not receive, are not taxed for something they do receive, or are inadequately represented by the bodies that decide on such matters. This happens in Northern Ontario when an unincorporated resident uses municipal facilities without paying, when land ambulances that unincorporated residents pay for via the PLT are stationed so far away that they are virtually useless in an emergency, when unincorporated areas contribute more (or less) to the DSSAB than they get in representation, and when they receive land-use planning from planning boards they do not contribute to or have a say in who represents them. RDs have been successful at closing this gap, by providing services that are delivered to standards that align with the taxes each jurisdiction pays. In other words, they deliver effective services cost efficiently in a manner that equitably aligns costs with benefits and facilitates effective representation for the constellation of actors with varying interests.

Service Delivery

The most obvious way that RDs can improve local governance in unincorporated Northern Ontario is by providing more services. LSBs are currently the best vehicle for service delivery, but are limited to nine or fewer functions. RDs in BC have considerably more latitude, and are more-or-less bound only by what local taxpayers are willing to pay for. Some additional services that RDs commonly provide, according to Bish and Clemens (2008) include: animal control; building inspections; economic development; land-use planning and regulation; pest control; public transit; recycling; regional growth strategies; regional parks; and subdivision control. None of these are currently available to most, if not all, unincorporated areas in Ontario. Certainly not all are necessary, nor wanted in many cases, but it is preferable to opt not to provide an unneeded service than to be forbidden to provide one that is desired or needed.

A natural rebuttal would be to empower LSBs with greater responsibilities, but that approach has a number of flaws, foremost among them being a lack of capacity. The shrinking and aging population of unincorporated areas is already struggling to find volunteers to provide vital services. The professional staff of an RD, however, could help combat this capacity issue, and provide both crucial and less-crucial services that are currently lacking but desired. Some of those functions are ones that unincorporated citizens expressed a desire for. Again, each community is unique, but residents in a number of different communities lamented the status of land-use planning and regulation as well as solid waste management in their region.

RDs could also act as the upper-tier municipality that the Planning Act requires as an approval authority for official plans. Northern municipalities could then have their official plans approved by local councillors who double as RD directors, rather than by the MMAH, so long as the upper-tier has an approved official plan. In that vein, many RDs in BC have implemented a regional growth strategy, a vacuum in Northern Ontario that badly needs to be filled. Additionally, RDs provide community-based land-use planning and regulation in unincorporated areas, which would be a first for many communities in Northern Ontario. Should Ontario's RDs assume responsibility for solid waste management, as they are obligated to in BC, they would resolve one of the more common and stubborn issues raised by Northerners. Nearly every unincorporated resident interviewed said they wanted more and better access to landfills, and would be willing to pay for it, while many small communities were concerned that their waste-disposal sites are too small for their needs. An RD would coordinate management and disposal across the region, so that all residents would enjoy similar service levels and contribute to the costs.

There is a litany of other services that an RD could deliver on a case-by-case basis. Many of those interviewed said they are generally happy with the services they have. Some unincorporated areas wanted to provide many more, and in those cases, their elected representative can work within the RD framework to have those services delivered. Of course, more services would come with an attendant increase in costs.





Efficiency

An extensive review of studies on municipal performance measurement concluded that "the literature was disappointingly skimpy on estimating cost savings for different service delivery options" (Holzer et al. 2009c, 23). Wolman (2016) adds that there is no theoretical or empirical framework to measure whether a multi-purpose special district enhances efficiency or effectiveness. Furthermore, Dachis and Robson (2014) argue that inconsistent accounting practices make conclusions regarding municipal finance unreliable, a sentiment echoed by Cuddy (2016). In short, different communities measure their revenues and expenditures in different ways, and there are myriad possible confounding variables that make it virtually impossible to reach compelling conclusions when comparing municipal finances.[28] The lack of a framework to compare jurisdictions does not mean that RDs cannot find ways to lower costs, however. The same literature review also found a consensus that "the specifics of a situation will dictate what efficiencies are possible and how they are best achieved" (Holzer et al. 2009c, 23). In other words, different services are delivered most efficiently and effectively at different scales and in different ways. Here is where Regional Districts shine.

RDs are designed to "provide any service, at any scale, using any mode of provision" (Walisser, Paget, and Dann 2013, 146–7), which allows participating communities to choose the ones that best suit their needs. The literature shows that optimal delivery arrangements are determined on a case-by-case basis. RDs give communities the tools to match the optimal production method to the specific service. The literature also shows that roughly 20 per cent of local services possess an economy of scale (Holzer et al. 2009b; Bish 2001), and so are better handled at the regional level, while the other 80 per cent are best delivered at smaller scales, whether that be a single community or a small group of neighbours. Although there are few services with an economy of scale, they tend to be the most capital intensive (Bish 2001). Unfortunately, Northern Ontario communities generally lack the opportunity to couple these expensive services with the most efficient delivery method. RDs could rectify this. Furthermore, similar arrangements have been associated with lower costs.

Bish finds "overwhelming evidence that the least expensive local governments are found in polycentric systems of small and medium-sized municipalities that also cooperate in providing those services that offer true economies of scale" (2001, 20, emphasis in original). This echoes George Boyne's 1992 meta-analysis of over 60 empirical studies on the costs of local government in the United States. His analysis of these studies, which together examined hundreds of service delivery apparatuses, concluded that government spending tended to be at its at its lowest when there were multiple actors at the local level, and that a two-tier system, where local governments spend more than the upper tier, may be the best option to reduce overall expenditures (Boyne 1992). Holzer et al. (2009c, 24) conclude from their literature review that two-tier hybrid governments such as RDs are "exactly what will be most effective in maximizing efficiency of government service delivery."





[28] *While an RD system would not automatically make performance comparisons easier, it potentially could work toward standardizing reporting, which would make comparisons more valid.*

Coordination

Northern Ontario is largely devoid of a governance model that encourages communities to work together (McGrath 2018; Conteh 2017; MacKinnon 2016; Conteh and Segsworth 2013). During the course of this study, many Northerners expressed dissatisfaction with the lack of collaboration — or even the framework to facilitate it — between municipalities, unincorporated areas, and First Nations communities. A 2013 study found that only 39 per cent of Northeastern municipalities, and 29 per cent of those in the Northwest, reported receiving revenue from other municipalities on their 2011 Financial Information Returns, while the rest of the province was at or above 80 per cent (KPMG 2013). Attributing this discrepancy to the distance between northern communities might be a natural reaction, but that does not seem to be the case.

Only 11 of 110 Northeastern municipalities, and 12 of 34 in the Northwest do not share a border with another municipality.[29] When LSBs and First Nations are taken into consideration, nearly all northern communities have at least one neighbour with which they could be working. Granted, many communities have borders that likely stretch far beyond their population core, and some neighbours are a short drive up the highway, but geography does not appear to be the obstacle to cooperation that it might appear at first glance.

KPMG (2013) identified size as another barrier to cost sharing between municipalities. Smaller ones were less likely to report sharing arrangements. Yet nearly half of all Ontario communities with a population under 2,500 reported cost sharing on their Financial Information Return; that number jumps to nearly 70 per cent for those in the 2,500 to 5,000 range. 109 Northern municipalities were below 2,500 people, and 125 in total (87 per cent) were under 5,000 in 2011. In contrast, only 22 Southern Ontario municipalities were in the lowest bracket and another 43 in the second. Since northern communities make up the bulk of the smallest group and have low rates of cost sharing, the provincial rates for these two groups should be very low. However, this smallest bracket's rate was higher than the total for all northern communities, indicating that the smallest communities in Southern Ontario have little problem cost sharing services. The low rates throughout the North are likely dragging down the provincial values.

Geography and size, therefore, are unlikely to be the primary barriers to municipalities cost sharing services. Another difference between Northern and Southern Ontario, and perhaps the crucial one, is that the former has no overarching regional governance framework that would facilitate more cost-sharing arrangements.

RDs were created in British Columbia to be forums that foster inter-local cooperation and reduce transaction costs in pursuit of new and innovative solutions to intractable problems in local governance (Bish and Clemens 2008; British Columbia 2006). By most accounts, they have succeeded in this regard.[30] Bish and Filipowicz (2016, 11) find that, thanks to the Capital Regional District (CRD), "Greater Victoria appears to have more relationships among municipalities to provide shared services" than Toronto, Winnipeg, Saskatoon, Regina, Edmonton, and Calgary. Spicer (2015) found that the average number of municipalities involved in inter-local agreements was 2.87 and that most agreements are bilateral. Agreements in the CRD, in contrast, involved an average of 8.7 participants, while additional sub-regional agreements involved an average of 7.8 municipalities — and these calculations did not include agreements outside the CRD framework (Bish and Filipowicz 2016). The sheer number of municipalities does not account for the difference between Greater Victoria and the other cities, as only Calgary and Winnipeg had fewer local units than the CRD (Spicer 2015, 15).

Spicer (2015) found few inter-local agreements in CMAs in Alberta, Saskatchewan, Manitoba, or Ontario, in part because the provincial governments did not encourage them. On the other hand, Walisser, Paget, and Dann (2013) find more than 3,000 agreements between local governments in place across British Columbia. They further assert that RDs "have resolved hundreds of inter-local servicing problems" (163). Bish and Fiscal Realities (2014) point to the network of committees, commissions, and service agreements that integrate First Nations into the RD framework outside the confines of the Boards of Directors. Meanwhile, Wolman (2016), Kadota (2010) and Cashaback (2001) are among the other scholars who conclude that RDs have been successful as forums to facilitate intergovernmental cooperation. Their arguments are echoed by officials and administrators from RDs who shared their thoughts for this study. And, unlike the county system in Southern Ontario, RDs facilitate this collaboration by "bringing together, not separating, rural and urban interests in the governance of the region" (Meligrana 2003, 135).

[29] *Author's calculations based on Northern Policy Institute's Boundary Map.*

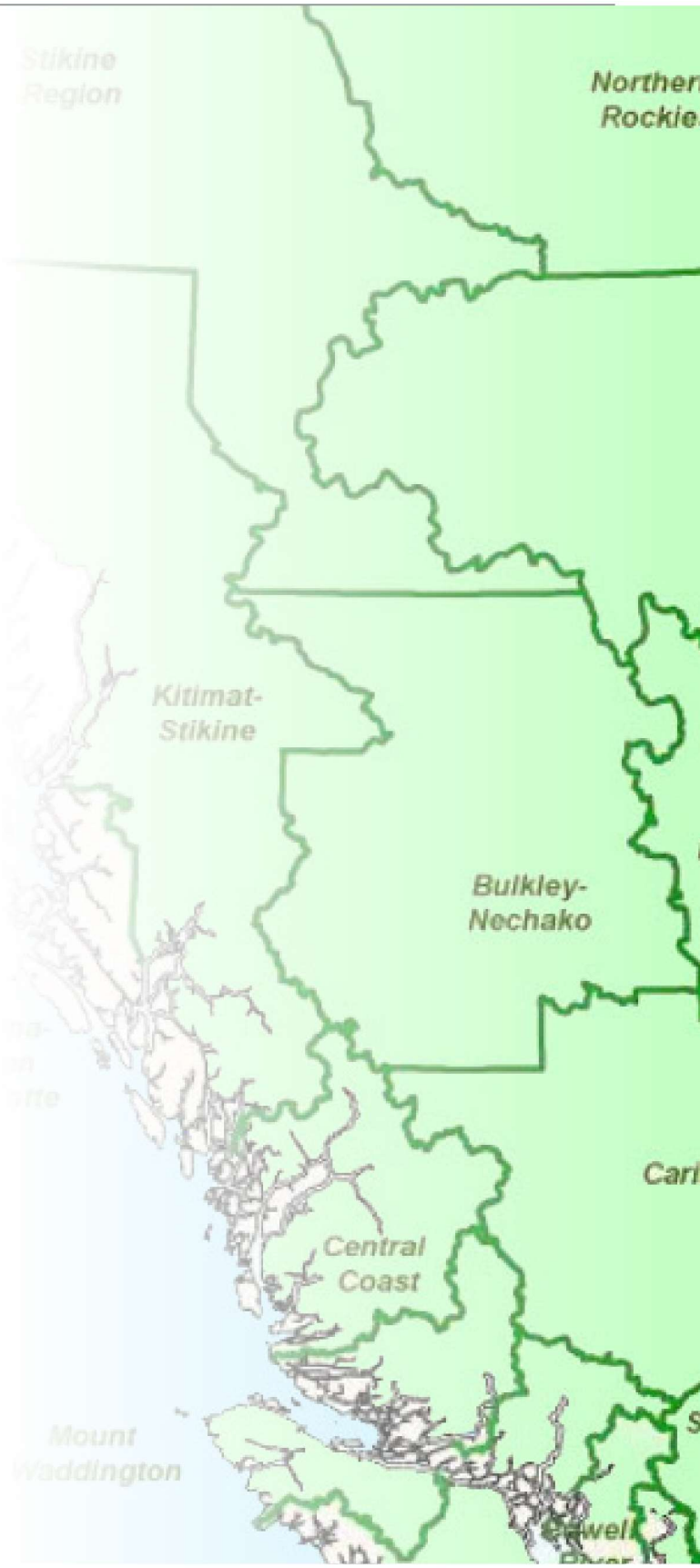
[30] *See, for example, Wolman 2016; Walisser, Paget and Daan 2013; Kadota 2010; Bish and Clemens 2008; Sancton 2005, Meligrana 2003; Cashaback 2001.This was also mentioned during discussions with RD officials and administrators.*

Fringe Development

Rivalries between cities and their peripheries date back at least to medieval Europe, and play out across Europe and North America (Bish 1999, 26-9). It is no surprise that similar tensions manifest in Northern Ontario (Nickerson 1992, 43-6). BC's Regional Districts have been the most successful model in North America at defusing this source of tension (Bish 1999). Northern Ontario, by contrast, has been relatively unsuccessful in mitigating this, and other frictions, in the region.

RDs manage fringe issues through regional and community planning and land-use regulation and by establishing benefitting areas that cross local boundaries. The optimal solution to fringe issues likely would be for an RD to implement a regional growth strategy in which all parties agree — or at least compromise — on how land will be zoned (Bish 1999). A number of RDs in BC have done this already (British Columbia 2006). Short of that, local planning in unincorporated areas would manage the location and nature of development outside municipal boundaries. In essence, it would absorb the role that planning boards currently hold, only it would transfer decision making from the MMAH to locals.[31]

Another way RDs manage fringe area issues is by making property taxes more responsive to the number and level of services delivered. By creating benefitting areas, RDs set tax rates based on service boundaries rather than political ones. The difference in tax rates would have less to do with what type of jurisdiction a property is in, and more to do with what services are available to it. This would be much more responsive than the current tax structure, which is uniform across the North.



[31] *There is some difficulty in the BC context in that zoning, as a bylaw, cannot be decided by a single director, but requires a vote of at least three directors. As Bish (1999) noted, some RDs have allowed municipal directors to join the committee and vote on land-use planning in Electoral Areas, so long as the municipality makes a financial contribution to planning activities. The same author also argued that a regional growth strategy could help define the instances in which a municipality has the right to intercede on development in unincorporated fringe areas.*

Weaknesses of Regional Districts

Of course, RDs are imperfect, as is any governance model. However, there are few, if any, obstacles unique to this arrangement. Wolman (2016) points to the confusing structure and general lack of understanding that comes along with RDs. Simply put, many British Columbians do not know what the RD does, who their representative is, what its functions are, or how it operates. RDs contain a complex web of special benefitting areas that may overlap and often have different directors responsible for each area. The voting system can be difficult to understand, particularly given that some votes are weighted and others are equal. The result is that RDs appear opaque.

Bish and Filipowicz (2016) argue, however, that RDs lay their complexity out plainly, whereas other systems only appear simple, with the complicated governance lurking out of sight. They point to the example of the single-tier Halifax Regional Municipality, which seems straightforward, but had 60 special taxing districts when it was first created (Bish and Filipowicz 2016). Opacity is a common accusation for most special districts (Wolman 2016), including the DSSABs currently in place in Northern Ontario. Discussions with RD officials and administrators acknowledge this confusing nature, but mirror the suggestion that RDs are not alone in this regard. Most residents in Southern Ontario likely would be hard pressed to list the functions their county performs. Developing a roadmap for citizens that outlines what functions fall under which government's jurisdiction, and whom to reach out to with questions, could help alleviate this confusion.

A much more concerning limitation of RDs in BC is that First Nations that are not under treaty are barred from sending a representative to Boards of Directors (Bish and Fiscal Realities 2014).[32] This dramatically limits the role First Nations can play in the governance of RDs, but it has not kept them from actively participating and benefitting. There are at least 40 service agreements between RDs and First Nations in the province (Bish and Fiscal Realities 2014). RD officials expressed keen interest in having First Nations representatives on their boards, should they wish to participate, but legislation currently allows that only after land claims have been settled. This would be less of an issue in Northern Ontario, where nearly all territory is under treaty, although some legal challenges are ongoing.

Although many analysts have hailed RDs' flexibility and latitude to customize services as one of their most endearing features,[33] others have lamented that they are too flexible. Meligrana (2003) argues that British Columbia removing regional planning as a mandatory service in 1983 handicapped solutions to fringe development issues. Some officials and administrators feel that needed services are not being delivered because some regions do not want them. Ontario has a more centralized political culture than BC (Bish 2001, 22), meaning Ontario often leaves less to be decided at the local level. In light of this, RDs might warrant a less flexible arrangement in Ontario, so as not to overly disrupt the political culture.

Other concerns revolve around issues common to governance in general. RDs got off to a tumultuous start, according to officials who were involved, and it was difficult to get the public to accept the new form of governance. Part of the reason they are viewed positively now is that they evolved to meet new demands as they arose. They are at the mercy of those involved, and if directors choose to take a parochial rather than regional view, or use them to pursue personal or geographic rivalries, RDs can become dysfunctional. Unsurprisingly, they are considerably less effective at resolving issues that are "zero-sum or overtly re-distributional" (Wolman 2016, 32) than less controversial topics. These difficulties can and do manifest in any form of government, however, and are not unique to RDs. There appears to be nothing specific to RDs that would make them unworkable in Northern Ontario. There certainly would be some growing pains, and not all would function smoothly all the time. Nevertheless, they remain the best option for Northern Ontario to resolve the issues that stem from unincorporated areas abutting municipal boundaries.

[32] *According to discussions with the British Columbia Ministry of Municipal Affairs, some Electoral Areas have a majority First Nations population, so some elected directors are First Nations persons, but their role is to govern for the entirety of the EA, not their specific community.*

[33] *See, for example, Bish and Filipowicz (2016); Wolman (2016); Walisser, Paget, and Dann (2013); Kadota (2010).*

Additional Benefits of Regional Districts

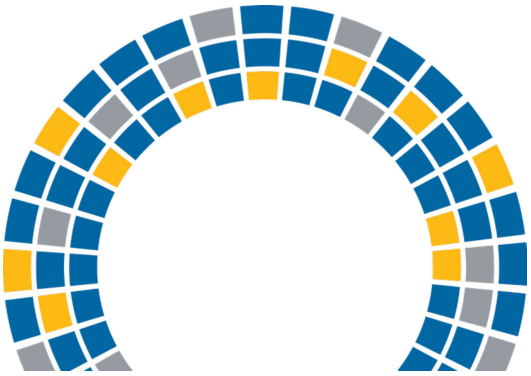
Regional Districts contain a number of other facets that would benefit Northern Ontario. These by-products include administrative improvements, improved economic development potential, and better access to capital markets.

Nearly all northern communities, regardless of size or capacity, agree that provincial regulations are becoming more burdensome, particularly around the credentialing of firefighters. Several LSBs and municipalities commented that they struggle with the workload needed to adhere to increasingly stringent provincial standards.[34] These sentiments echo Denis Rochon's (2008, 14) observations as a Northern Development Officer, and are repeated by an LSB in Algoma District (Coccimiglio et al. 2017, 3). LRBs appear to be a notable exception, at least in part. Many LRB officials reported that their administrative burden was low and entirely manageable, although others stated the opposite. Overall, however, many small communities lack the capacity to administer their responsibilities. A structure to spread costs and burdens across several actors could do wonders for the mounting capacity deficit. RDs could either shoulder some of the load directly, or facilitate more inter-local cooperation in these areas.

A coordinated approach to regional economic development is virtually non-existent in many parts of Northern Ontario (Conteh 2017; Conteh and Segsworth 2013). Nowhere is this truer than in the unincorporated territories that do not fall under the jurisdiction of a planning board. RDs in British Columbia can and do undertake economic development strategies and initiatives on a regional or sub-regional basis. Some of these fall under the auspices of regional growth strategies, while others are separate. A similarly cohesive approach would be extremely helpful in turning the comparative advantages that Northern Ontario's regions possess into competitive ones.

British Columbia has an entity called the Municipal Finance Authority (MFA) that is linked to RDs and likely would be a very useful tool for Ontario municipalities. The MFA is independent from the province, governed by directors from RDs, and leverages the collective assets of BC's communities to access capital markets with a credit rating higher than that of many chartered banks (MFABC 2019). The money it borrows is loaned to members at lower interest rates than if they had borrowed directly, allowing communities to access large pools of capital more easily and affordably than they otherwise could. Infrastructure Ontario employs a similar model, and uses the interest it collects on loans to cover some of its budget.[35] Adopting the MFA in Ontario could open up a new funding stream for capital projects in municipalities, while saving communities a great deal in interest repayments.





[34] *This was mentioned during separate meetings from February to August 2018. The Accessibility Act was cited by small municipalities as being particularly onerous to manage.*

[35] *Author's conversation with an Infrastructure Ontario official, 2018.*

Boundaries

Ideally, the boundaries of Regional Districts would align with the distinct regions within Northern Ontario. Unfortunately, identifying the precise boundaries of these regions is difficult. After all, as Conteh (2017, 10) notes, "Northern Ontario's administrative regions are not a useful metric by which to determine the organic economic configurations of communities with shared assets, needs, and potential economies of scale." Political and administrative boundaries are seldom able to capture externalities that arise from service delivery, especially since economic regions tend to evolve over time (Slack and Bird 2013, 7). Thus, the current boundaries, which divide Northern Ontario into 11 census divisions, should not automatically form the basis of RDs. Rather, extensive research and consultation should determine the optimal locations for the boundaries of the new districts. These boundaries should be based upon tangible, functional regions, such as economic zones or patient flow regions, along with components that define a community of interest, such as language or shared history. Fortunately, there has already been some progress in outlining these boundaries.

Conteh's 2017 study of the economic zones of Northern Ontario could provide the framework for the eventual boundaries. He identified 11 distinct city regions and industrial corridors based on the "geographic nodes of economic activities with notable strengths in specific sectors in Northern Ontario" (Conteh 2017, 6); see Figure 9. These functional economic zones could form the basis for districts that effectively internalize economic and service activity. Some of these align closely with current demarcations, others do not. One notable point is that Conteh highlighted only the municipalities in the zones, without explicitly identifying which unincorporated or First Nations communities would align with which. That would be a necessary next step in determining where the boundaries should be. Manitoulin is the smallest region in Conteh's analysis, with a population of roughly 13,000 according to the 2016 census. The region's Financial Information Returns show that the district's municipalities had a property tax base well above $500 million in 2017, easily clearing the minimum threshold of 4,000 people and tax base of $200 million that Finn (2008) identified for regional municipalities in New Brunswick. Additionally, Conteh largely excluded the Far North from his study, due to the unique "characteristics, potential, and constraints" (2017, 7) of the region. These gaps mean that more work is needed to flesh out the boundaries of the North's functional areas.



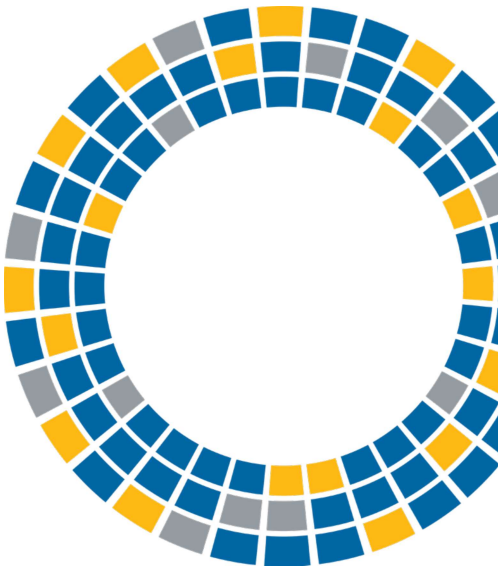
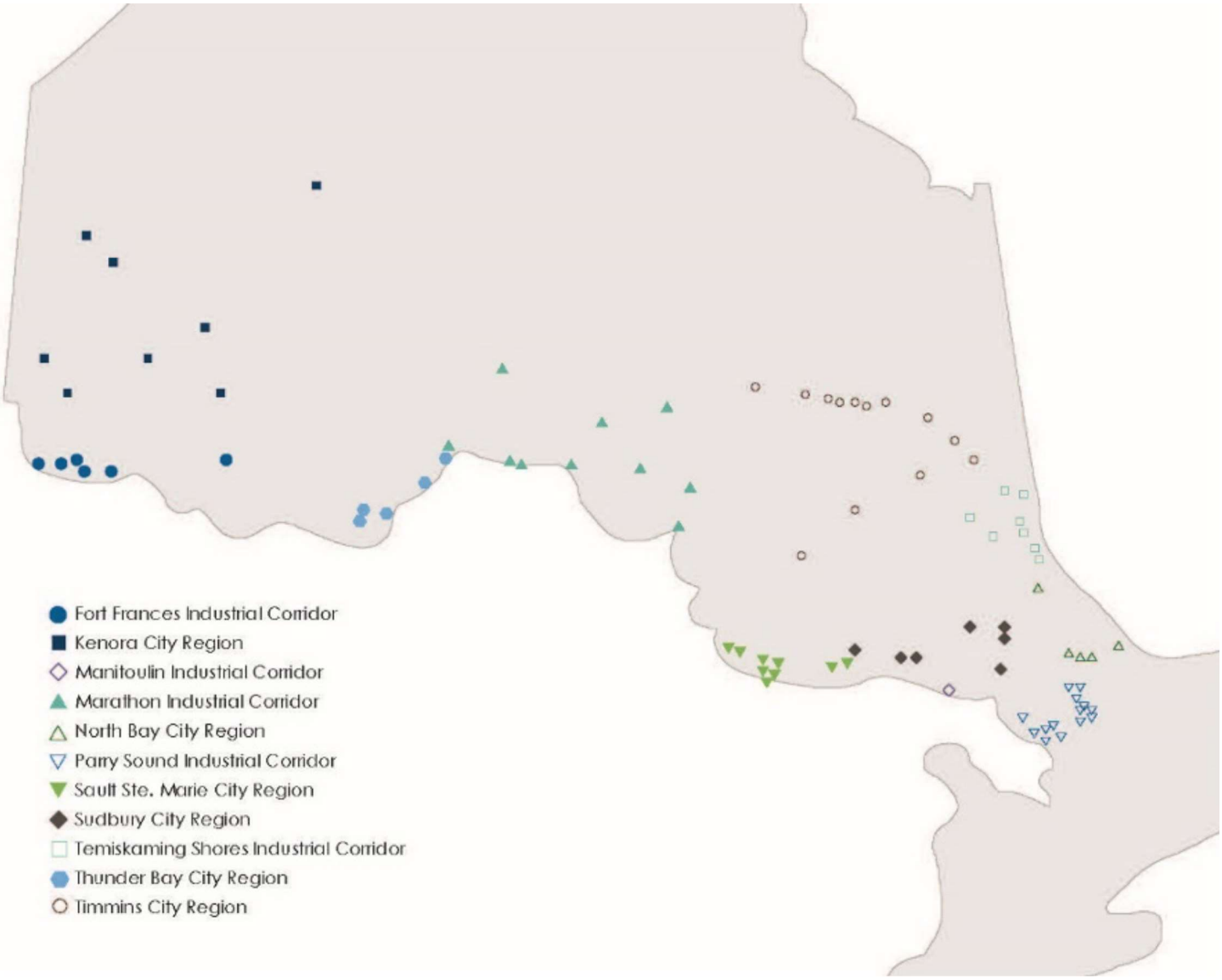




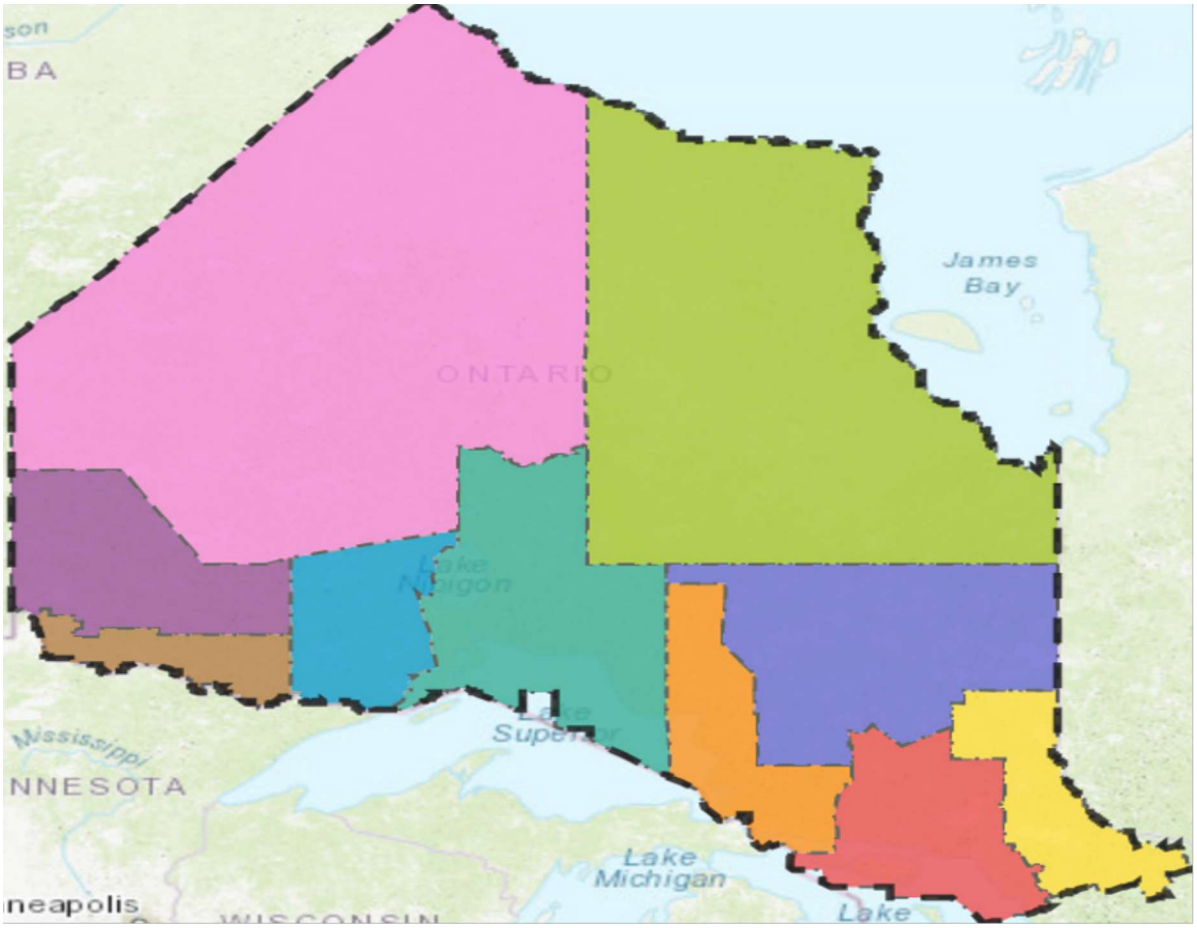
Figure 8: Economic Regions, Northern Ontario, Excluding the Far North



Source: Conteh 2017.

These economic agglomerations should be guidelines as opposed to strict limits. Sometimes, realities on the ground may trump the data that place the boundaries where they are. For example, Conteh found that Nipigon and Red Rock are in separate economic zones. Given that the towns share a high-school and many other services, it would likely make sense to have them in the same Regional District. In British Columbia, RDs may provide services outside their borders (Kadota 2010, 28), including at least one that services a community in the United States (British Columbia 2006, 10). A similar degree of flexibility should be built into districts for Northern Ontario. Another possibility is to base the borders along the subregions of the Local Health Integration Networks (LHINs).[36] These geographies are based upon patient flows to regional health hubs,[37] and would mirror what BC did in 1967, when it established "regional hospital districts which had boundaries and membership coterminous with municipal regional districts" (British Columbia 2006, 5). This could be especially effective in Northwestern Ontario, because, as Figure 10 shows, the North West LHIN's subregions are almost identical to the area's economic zones (Figure 9). The Northern subregion is the only area where the zones diverge greatly, although most of this region falls into the Far North, which, as noted above, may well warrant a different government model. The boundaries of the North East LHIN's subregions, however, do not align as closely with the area's economic zones.

Figure 9: Local Health Integration Network Subregions, 2016



Source: Northern Policy Institute Boundary Map 2019.

These are two possible templates that could inform the structure that Regional Districts may follow in Northern Ontario. Regardless of their dimensions, the boundaries should not be impermeable or intractable. As Slack and Bird (2013) point out, economic areas are organic constructs that adapt and evolve to changing circumstances, and the districts should be allowed to grow with them. That is not to say boundaries should change, only that districts should be able to respond to evolving realities. Ultimately, the focus should be "less about drawing legal jurisdictional boundaries, and more about establishing a system for coordinated decision making for the betterment of the communities served" (Kadota 2010, 21), as is the case in British Columbia. If implemented and operated properly, RDs could provide a host of benefits to these communities.

[36] *These regions might change or cease to exist as the province transitions away from the LHINs and toward health teams. The territories of these new bodies have not been settled as of time of writing.*

[37] *Author's interview with Northwest LHIN officials May 2018.*

Summary

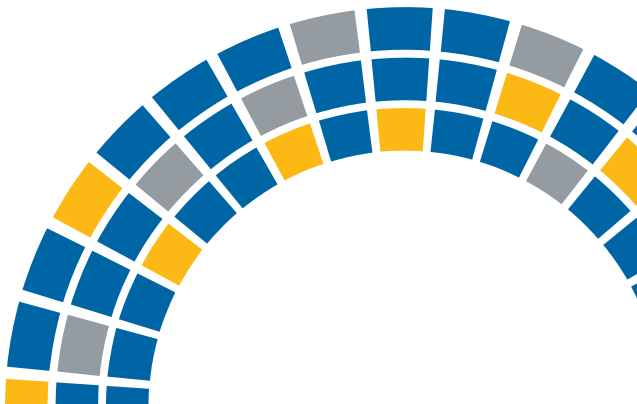
Regional Districts are a supra-municipal form of regional governance that offer Northern Ontario an excellent opportunity to resolve issues stemming from the presence of multiple tax-service jurisdictions in close proximity. The flexible, customizable nature of RDs allows locals to "build the type of regional district they want" (Kadota 2010, 2), and that will best serve their needs. Unincorporated residents, and First Nations, where they choose to participate, would be involved in the decision making processes in ways that the county system of Southern Ontario does not enable.

RDs would improve the total operating environment surrounding unincorporated areas by providing more services where desired, facilitating inter-local cooperation, and improving efficiency and effectiveness by matching service delivery provision with the scale and production method best suited to that particular case. In addition, RDs could manage fringe area issues in ways that other remedies cannot — specifically, through land-use planning and establishing service areas that align tax rates more closely with benefits. RDs are imperfect governance vessels that require the people involved to work together to make the system functional. Nevertheless, they appear not to have any unique negative attributes that do not also afflict other forms of governance.

Northern Ontario's current administrative borders might not be the ideal boundaries for RDs, since evidence suggests that economic activity does not follow these borders (Conteh 2017). Instead, the RDs' territories should attempt to encompass socio-economic realities, rather than notions of where the boundaries should be. In addition to improving tax-service packages across multiple districts, RDs would offer avenues for regional growth and economic development that are unavailable through other means, such as legislative reforms. RDs simultaneously would be the optimal solution to issues stemming from unincorporated fringe areas and a viable mechanism to achieve other important policy objectives, such as economic development (Conteh 2017; MacKinnon 2016; Conteh and Segsworth 2013).

Northern Ontario could follow the lead of New Brunswick, which adopted Regional Service Commissions in 2013 after numerous efforts spanning decades to deal with unincorporated districts, many of which may have made things worse (Finn 2008). New Brunswick's units are similar, though not identical, to Regional Districts in that they are flexible, multipurpose special districts that encourage incorporated and unincorporated communities to collaborate on issues that affect them all. Their Boards of Directors are chosen differently, however, particularly with respect to representatives from unincorporated areas. This "one size does not fit all" (Finn 2008, 8) approach to local government has been welcomed in New Brunswick and BC (Kadota 2010, 25), and would be necessary in Northern Ontario as well.

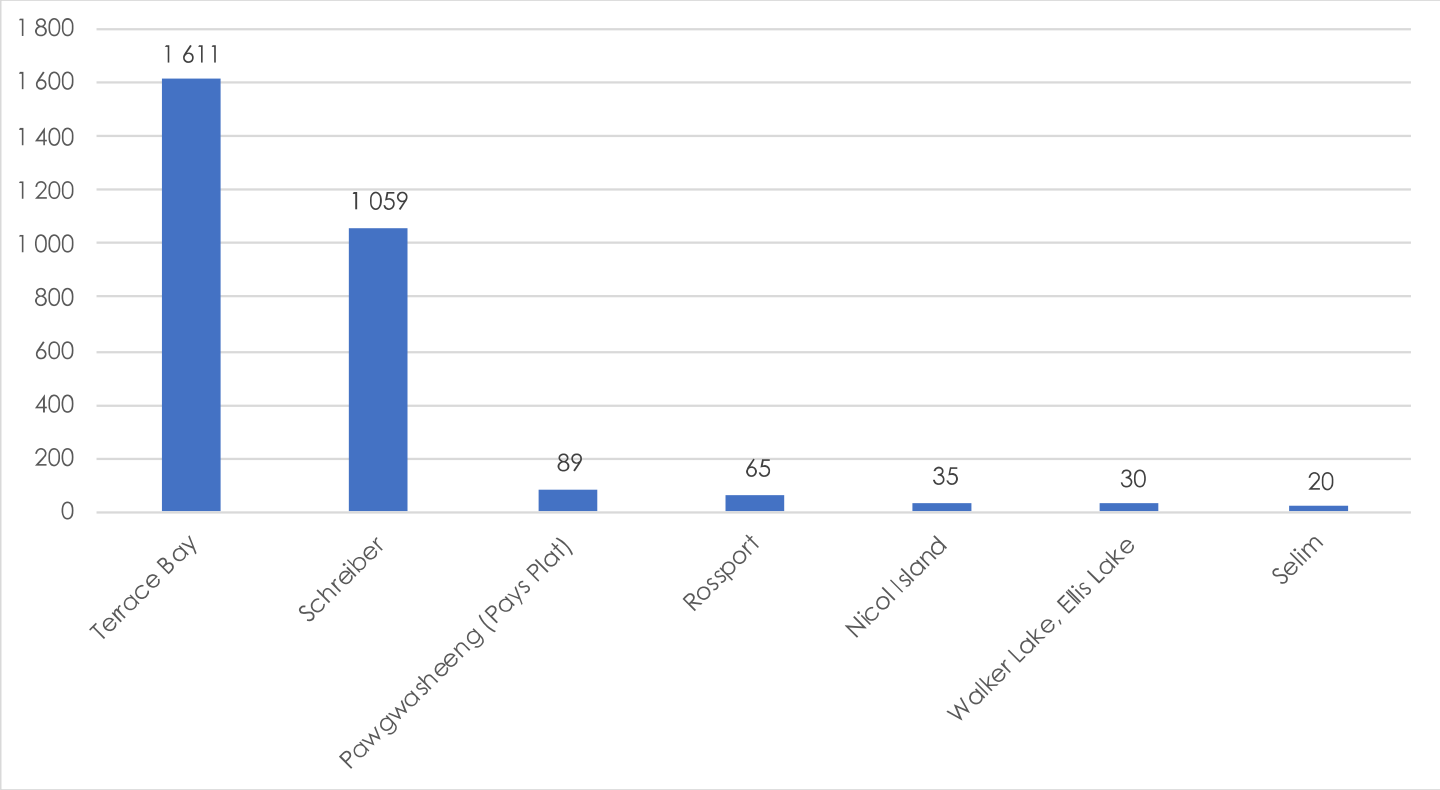




A Case Study of Northern Ontario Governance

The north shore of Lake Superior offers a fascinating microcosm of Northern Ontario's governance model.[38] The Townships of Terrace Bay and Schreiber anchor a small geography that contains each of the local governance jurisdictions Northern Ontario has to offer. Pawgwasheeng (Pays Plat) First Nation, Rossport LSB/ LRB, Mountain Bay LRB, Whitesand LRB, and the unincorporated communities of Jackfish, Nicol Island, Cavers, and Selim are all within a 50-kilometre driving radius of the two municipalities. Together, they form the region colloquially referred to as the North Shore.[39] As Figure 11 demonstrates, the overwhelming majority of the region's 3,000 people live in the neighbouring townships.

Figure 10: Populations of North Shore Communities, 2016



Note: *Populations of Nicol Island, Walker Lake, Ellis Lake, and Selim were rounded for privacy. Communities with fewer than 20 people (Wiggins Township, Jackfish, Mountain Bay LRB, Whitesand LRB, Cavers, and the region around Ogoki Reservoir) were omitted for privacy reasons; their combined population was approximately 55.*

Sources: Data for Terrace Bay, Schreiber, Pays Plat, and Rossport are from the 2016 Census Profiles; data for the remainder were derived using Statistics Canada's 2016 Census Geosearch tool.

[38] *This section relies heavily on consultations with informed local residents and groups. Unless otherwise noted, the information comes from discussions with these groups and individuals.*

[39] *The North Shore generally refers to a larger area along Lake Superior. Interviewees said there was no specific term for the case study region, so North Shore is used as a placeholder name for the area.*

The North Shore is a proud area rife with polar opposites: abandoned mines and a bustling paper mill; foreboding cliffs and glimmering lakes; hopeful start-ups and shuttered windows; warm camaraderie and bitter rivalry. People in the North Shore are as eager to offer help as they are loath to ask for it. It is a fiercely self-sufficient place in dire need of intervention in order to grow and sustain itself. Its communities were born on natural resources, and the local identities forged by those circumstances continue to reign. Each community proudly boasts their individual heritages while simultaneously looking to navigate their separate and collective futures. This constellation of interconnected communities offers a glimpse into the challenges and opportunities Northern Ontario faces as a whole.

The First Nations people of Pawgwasheeng First Nation have a long and proud history as the region's original inhabitants, having lived along the North Shore for centuries. A nomadic people, their territory ranged from modern Thunder Bay along the shores of Lake Superior to modern Terrace Bay, as well as a number of islands. The Anishinaabe of Pawgwasheeng engaged with the European settlers in the fur trade, fishing, forestry, and whatever the industry of the day was. Their traditional territory falls into the boundaries of the Robinson-Superior Treaty of 1850, where the Anishinaabe have a reserve of 2.2 square kilometres (Statistics Canada 2016), situated in an area that inspires the community's name: Pawgwasheeng translates to "where the water is shallow." In 2009, Pawgwasheeng signed an Agreement-in-Principle with Canada and Ontario to add land to the reserve, though the agreement is not finalized (Ontario 2019b). Committed to protecting the local environment, Pawgwasheeng is a small community looking to expand, and like the other communities along the North Shore, is seeking the next opportunity to ignite the economy and drive its prosperity, with a keen interest in turning consultations into tangible benefits for themselves and the other communities with which they share the region. Near the top of the Band's priority list is the East-West Transmission Tie, an infrastructure project that will bring great economic potential to Pawgwasheeng and its municipal neighbours.

Terrace Bay is both the largest community and service centre on the North Shore. It houses McCausland Hospital, the best-equipped medical facility between Thunder Bay and Marathon, as well as a number of public services. The township was born on the backs of the forestry industry and its workers, and the identity remains embedded in the population. This history as a planned industry town has contributed greatly to Terrace Bay's evolution. Kimberly Clark built much of the current public infrastructure, and some of the housing, in the twentieth century. Terrace Bay inherited most of it, including the local golf course, bowling alley, and ski-hill. Many of these have since been sold for a pittance to local organizations, which keep them running. As such, Terrace Bay boasts some surprising amenities for a township of its size. These are complemented by stunning natural vistas and activities, highlighted by the Aguasabon Falls and Gorge and Slate Islands Provincial Park. Terrace Bay straddles the line between urban amenities and rural charm, offering both and compromising neither.

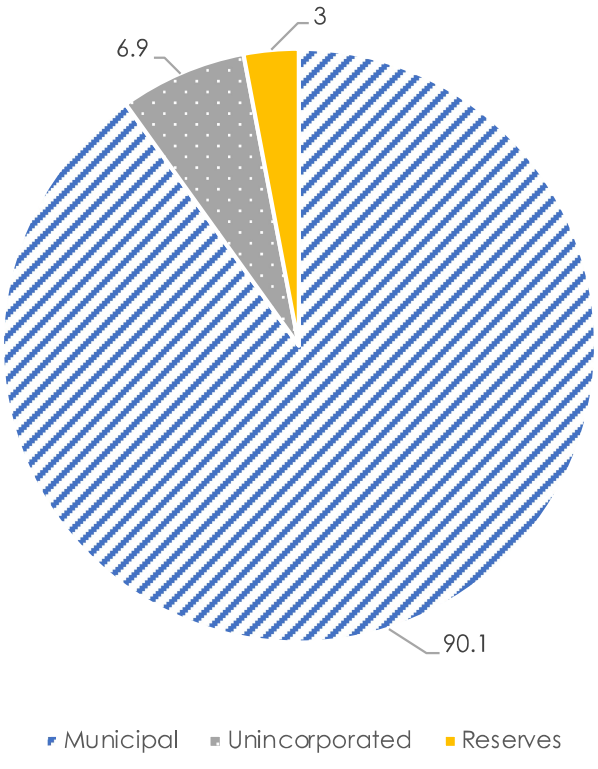


Schreiber is directly adjacent to Terrace Bay, and boasts its own proud history, one tied more closely to steel than to wood. In the late 1800s, Schreiber was a settlement for engineers and workers building the Canadian Pacific Railway. That attachment to rail endures, with CPR being the largest employer in Schreiber and the local rail station earning a heritage designation (Schreiber n.d.). Schreiber offers its own combination of amenities, including the Schreiber Rail Array Museum, a well-preserved collection of micro-fossils from the Schreiber Channel, and an array of hiking and water activities. The township also hosts the J.E. Stokes Medical Centre, a municipally owned medical facility that provides a range of health and nutrition services. The North Shore Family Health Team is headquartered in this facility and claims on their website to service roughly 3,600 patients in the area.

These townships have grown up together, and developed a rivalry born of intense familiarity. It is mostly harmless, but it does sometime bleed through into decision making bodies. At the same time, there are calls throughout the region for more cooperation among all its communities. The townships and Pawgwasheeng have worked together more closely in the past few decades, which makes locals hopeful for greater cooperation in the future. A Regional District would not eliminate generations of rivalry between the townships, but it would provide an avenue to expand collaboration on issues affecting the whole region. Based on both patient flow and economic agglomeration data, these communities would be part of a larger RD that would include Marathon, Manitouwadge, Greenstone, and perhaps Nipigon and Red Rock. While this RD would have a population of over 20,000, the distances to these other communities suggest that the North Shore and surrounding unincorporated communities likely would form a subregion within the RD to share services and interact most directly.

It is quickly apparent that all is not equal among North Shore communities. Terrace Bay is thriving, whereas Schreiber has been struggling economically since the closure of a nearby mine in 2006. This led to an exodus of people, a declining commercial sector, and a generally shrinking tax base that is straining to pay for service delivery. One alleged culprit behind Schreiber's troubles is the large number of residents in adjacent unincorporated areas who some in Schreiber accuse of sapping the township's services. The North Shore's population distribution does not diverge much from that of Northern Ontario as a whole, as Figure 12 shows. Not quite 10 per cent – some 288 people – live outside municipal boundaries, and about 90 per cent of those are closer to Schreiber than to Terrace Bay.[40] That puts roughly 270 people, or one quarter of Schreiber's population, on the municipal fringe. Nearly 70 per cent of those people are in unincorporated communities, with the rest living in Pawgwasheeng First Nation. Servicing the non-municipal population presents a substantial burden for such a small township. On the other hand, those residents likely represent a source of substantial economic activity in the towns.

Figure 11: Distribution of the North Shore's Population between Municipalities, First Nations, and Unincorporated Communities (%), 2016



Source: Author's calculations from 2016 census data, and data provided by local officials.

[40] *Author's calculations using Statistics Canada's 2016 Census Geosearch tool.*

Neither Terrace Bay nor Schreiber tracks to what extent non-residents use their services or contribute to the local economy. As such, it is impossible to gauge whether non-residents are a net burden on or a boon to municipal coffers. Pawgwasheeng and unincorporated residents claim they regularly use grocery stores, banks, churches, gas stations, and mechanics in the townships, thereby injecting money into local businesses, which, if true, would generate additional tax revenue by increasing property values. Whether that offsets the amount the towns pay to provide services remains unanswered. Neither Schreiber, Terrace Bay nor most Northern Ontario communities can spare the resources or staff to carry out an economic impact analysis that could shed some light on the situation. An RD that pooled the resources of individual communities and had a professional staff on hand would be much better equipped to undertake the task. Such analysis would also be invaluable in determining optimal tax rates for unincorporated areas. Given the potential benefits of a fringe population, it might actually behoove Schreiber and Terrace Bay to offer non-residents use of some services in an effort to entice them to do more business in their towns. The bedrock of Terrace Bay's economy offers a demonstration of how attracting non-residents can be beneficial.

Terrace Bay's biggest advantage is undoubtedly its paper mill. The township, and the region, has largely followed the fate of the area's only currently operating large industry. The region suffered when the mill was closed, but since Aditya Birla purchased and reopened it in 2012, Terrace Bay's fortunes have turned for the better. According to AV Terrace Bay's website, the mill employs over 360 people. Based on numbers from the 2016 census, roughly 250 Terrace Bay residents work in manufacturing jobs, most of which would be at the mill, meaning another 100 or more mill employees come from the surrounding area. The 2016 census reported that 85 Schreiber residents worked in manufacturing, again most of which were likely at the mill. Census data also show that 175 Schreiber residents, along with 45 residents from Thunder Bay Unorganized CSD, commuted to Terrace Bay for work, although no one living in Pays Plat commuted to either Terrace Bay or Schreiber for work. The mill is a staple of the local and regional economy, but the jobs it creates are only one benefit. Aditya Birla, the mill's owner, pays a hefty sum in municipal taxes. According to its 2016 Financial Information Return, Terrace Bay collected over $1.2 million in property taxes from large industry – roughly 39 per cent of all taxes the township collected. Schreiber, on the other hand, has no industrial tax base.

While Terrace Bay reaps 100 per cent of the tax rewards by hosting a profitable large industry, it does not have to provide services for the entire workforce. The other North Shore communities and/or the province pay to service the workers that are helping to generate millions of dollars of tax revenue for Terrace Bay. Of course, without the mill, the populace in the other communities might have no choice but to relocate to find work, thereby diminishing the tax-base. It is a delicate cost-benefit balance that neighbouring communities continually have to manage. It might not be a perfect arrangement, but it could well be the best one available, especially for Terrace Bay.

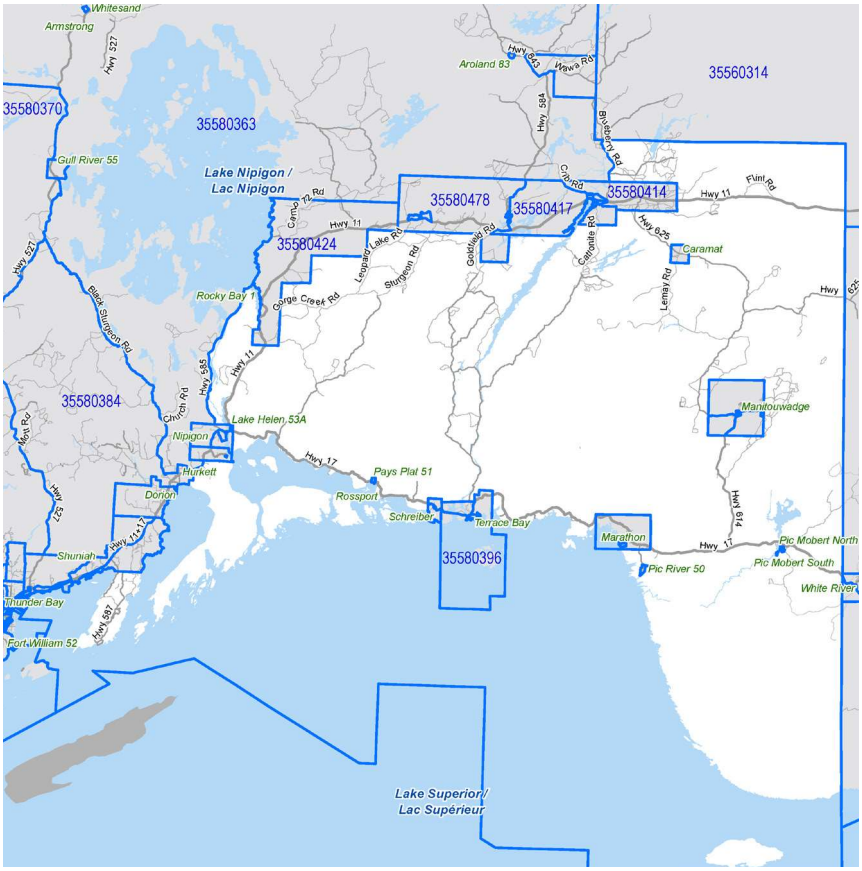
The paper mill has catalyzed a bustling commercial sector in Terrace Bay. One well-connected local business owner was certain that their enterprise — and others like it — was only possible because of the disposable income the mill put in the pockets of North Shore residents. At the same time, the large tax burden shouldered by the mill makes Terrace Bay attractive to business by helping keep tax rates low. As of 2016, Terrace Bay's commercial property tax-rate was 55.8 per cent of Schreiber's.[41] The latter township's high taxes have been blamed for businesses not opening, closing, or relocating. Sharing services in an RD could be mutually beneficial by improving service quality and efficiency, thereby allowing the townships to lower their property taxes, both of which would make them more appealing places to live. Although an RD would help both communities, it would not wholly resolve Schreiber's predicament as the highest-tax jurisdiction in the area. Schreiber is flanked on both sides by lower-tax jurisdictions. Thunder Bay Unorganized CSD ends on its western border, and it is only four kilometres across to the town's eastern border with Terrace Bay. Schreiber officials and residents claim that this situation is causing an exodus of residents and businesses, particularly to the unincorporated regions. Again, unfortunately, there is no data proof to corroborate or refute this assertion.

The best available data indicates that the unincorporated population in the area was 199 in 2016.[42] Unfortunately, the best data is difficult to navigate. Figure 13 is a map of Statistics Canada's Dissemination Area (DA) 35580385, the smallest publicly available geography for census data. DAs are the building blocks of CSDs, with each of the latter containing several of the former. This is one of 11 DAs that make up the Thunder Bay Unorganized CSD.

[41] *Author's calculations from the townships' respective 2016 Financial Information Returns.*

[42] *Author's calculations using Statistics Canada's 2016 Census Geosearch tool.*

Figure 12: Statistics Canada's 2016 Census Dissemination Area 35580385



Source: Statistics Canada 2016 Census Geosearch tool.

This unincorporated DA is nearly 27,000 square kilometres, an area too large and surrounding too many municipalities to be of much use, making it a prime example of why Unorganized CSDs should be reformed on a more local level. The current standard geographies are essentially useless. Fortunately, the Geosearch tool allows for population and household counts at an even lower level called Dissemination Blocks. For privacy reasons, population and household counts are the only information Statistics Canada makes publicly available in these areas, and even these are subject to data suppression for privacy's sake. Nevertheless, these geographies were necessary to calculate the population of the areas surrounding Terrace Bay and Schreiber, but they have limited use. As such, there is only anecdotal evidence about the number of people relocating to the area and their reasons.

Conversations with local residents reinforced the view from across Ontario and in BC, that the decision to live in an unincorporated area is based more on lifestyle preferences than on taxes. Unincorporated residents routinely described being self-sufficient and unencumbered by civic oversight in tranquil and picturesque natural settings as their primary motivation for living where they do. Again, a Regional District would offer the best option. It would leave unincorporated communities intact, and residents would still be free to live their rural lifestyle, paying for those services for which their elected representatives signed them on. All in all, differential tax rates do not appear to be a primary motivation to relocate out of Schreiber. Regardless of motivation, unincorporated property owners do benefit from significantly lower property taxes than their neighbours in Schreiber and Terrace Bay (see Table 4). Again, the data is limited to the unhelpfully large DA surrounding Pawgwasheeng, Terrace Bay, Schreiber, and a number of other municipalities. Regardless, it is clear that unincorporated residents saved a lot of money on taxes and shelter costs in 2016, but the situation has since changed.

Table 4: Average Annual Costs, Selected Household Expenditures, North Shore Lake Superior Communities, 2016

Average Annual Cost	DA 35580385	Schreiber	Terrace Bay
	($)		
Property Tax	1,158	2,794	2,422
Electricity	2,735	3,541	3,120
Fuel	1,586	1,308	1,335
Shelter	7,812	10,428	9,990

Source: Statistics Canada 2019.

MPAC's 2016 round of assessments dramatically altered the taxes that North Shore residents pay. Waterfront properties throughout the region saw enormous increases in their assessed values, some appreciating by $100,000 or more. Whether a property was inside a municipal boundary or in unincorporated territory did not influence whether or not it was subject to an assessment spike. Accordingly, many owners of waterfront properties saw their taxes skyrocket, especially in the municipalities. Requests for Reconsideration and appeals to MPAC have had little effect, and neither Terrace Bay nor Schreiber have adjusted their tax structure to offset the increase entirely. This situation is wholly untenable for many, so much so that some are pondering abandoning their homes outright, as selling them at the current assessed value, with its attendant tax burden, would be impossible. In the townships, some property owners are paying upwards of $10,000 annually in property taxes, on homes valued at less than $300,000 and often underserviced relative to those in other neighbourhoods. Whether those rates are inspiring movement to unincorporated areas is unclear. If they are leaving, it is not likely to Rossport.

Located about 15 kilometres west of Schreiber, the village of Rossport is the largest unincorporated community along the North Shore, and home to pictographs and other archeological evidence showing the presence of Anishinaabe going back centuries. The 65 permanent residents of Rossport make up roughly one-third of the unincorporated population in the area. The population did not change between the 2011 and 2016 censuses, and only 10 people moved to Rossport in that time (Statistics Canada 2016). According to the village's website, Rossport has a long history tied to the voyageurs and later the CPR. It offers stunning vistas of Lake Superior and is a departure point for many excursions into brisk Lake Superior waters. Rossport residents have formed an LRB and an LSB, the latter of which provides water treatment, fire protection, recreation, and emergency telecommunications services (Ontario 2018a). The village is home to many seasonal properties, many of which are used only in the summer months. In 2013, Rossport property owners paid an average PLT of $133. However, they also paid an average of $59 in LRB levies and another $1,072 to the LSB (Ontario 2014, 47) — the LSB fees, in fact, were the third highest in the province. All told, Rossport property owners paid an average of $1,264 in taxes and levies. Given the increases in PLT rates and fresh round of MPAC assessments in 2016, the PLT they pay likely has gone up considerably in the past five years. Northern municipalities that wonder if unincorporated residents are "sapping" their services might see a similar situation unfold in Rossport.





Rossport LSB recently ended its contract with OFMEM, making it a poor exemplar of the overall Northern Fire Protection Program. The LSB could not get enough volunteers to meet OFMEM's minimum requirements, something OFMEM officials say has happened elsewhere. One clause in the contract stipulated that Rossport's fire department had to respond to calls in neighbouring Selim and Nicol Island. The Northern Services Board Act, however, only allows LSBs to issue levies within their area,[43] meaning residents in Selim and Nicol Island were receiving fire protection without paying for it. The same situation still takes place with emergency telecommunications. An RD could resolve this by putting in place a framework that would permit Rossport to collect fees from Selim and Nicol Island. Rossport might even be a strong candidate for a Local Community Commission, to maintain local representation within the RD framework. The services spillover from an LSB to its fringe is a fascinating fractal of Northern Ontario's governance model, but it is not the only familiarity. One reason Rossport was unable to meet OFMEM requirements was its increasingly onerous administrative burden. Here again, regionalizing offers a solution. The local communities could pool their resources to fund a district that uploaded some tasks better handled at a larger scale. This could be especially beneficial to Rossport's aging population looking to decrease their workload. Instead, regulations are increasing the demands on LSB officials. Rossport is afflicted by its decision to run a water treatment plant, given that water standards are uniform across the province, regardless of a community's size, tax base, or capacity. A regional service provider could upload some of the responsibility, so that Terrace Bay, Schreiber, Rossport, and Pawgwasheeng did not each have to run its own water treatment facilities. At the very least, they could share the administrative burden. Rossport was at one point unable to meet the water standards and was charged by the province. Although the charges were stayed, tightening regulations and associated costs nearly forced the LSB to dissolve. A government grant helped to cover the costs and allowed the LSB to continue operating. Despite the tumult, Rossport LSB says they have a good relationship with the MENDM, a theme that carries over to the region's LRBs.

Mountain Bay LRB is a fairly recent development of roughly 50 waterfront lots along a seven-kilometre gravel road on the shore of Lake Superior. Most of the lots are seasonal, and only a handful of people, most of whom are retirees, reside permanently. While the LRB is roughly halfway between Schreiber and Nipigon, most residents associate more closely with Nipigon, and view Schreiber and Terrace Bay as secondary service destinations. It is a lightly serviced area, with occasional OPP patrols but no dedicated fire services. Some residents have invested in portable fire pumps they hope never to have to use, as they are likely unable to stop a structural fire. The one area of concern is solid waste disposal. Unincorporated residents do not have access to the landfills in Terrace Bay or Nipigon. Instead, they use a site provided by the MNRF, although there is some discussion about the ministry's ending its stewardship. As noted, solid waste management is one of the mandated services for RDs in British Columbia, and this example demonstrates why Northern Ontario could use something similar. The MNRF dump does not provide recycling facilities, causing one resident to lament their inability to be environmentally friendly. Overall, Mountain Bay LRB residents said they were generally content with their services, especially with their relationship with the MTO.

Whitesand LRB is in much the same situation. It is a 1.5-kilometre stretch on a road that leads to popular recreation activities. There are fewer than 10 permanent residents and another 10–15 seasonal property owners. Whitesand is just outside Schreiber's border, making Schreiber the primary service centre. Whitesand residents take advantage of their proximity to make use of Schreiber's recreation and medical facilities, among other services. A wrinkle particular to Whitesand is that most of the property owners are also residents of Terrace Bay or Schreiber. As such, many pay property taxes to one municipality or the other, as well as the PLT and LRB levies. It also suggests that this particular instance of fringe development is not as draining on Schreiber as it might otherwise be.

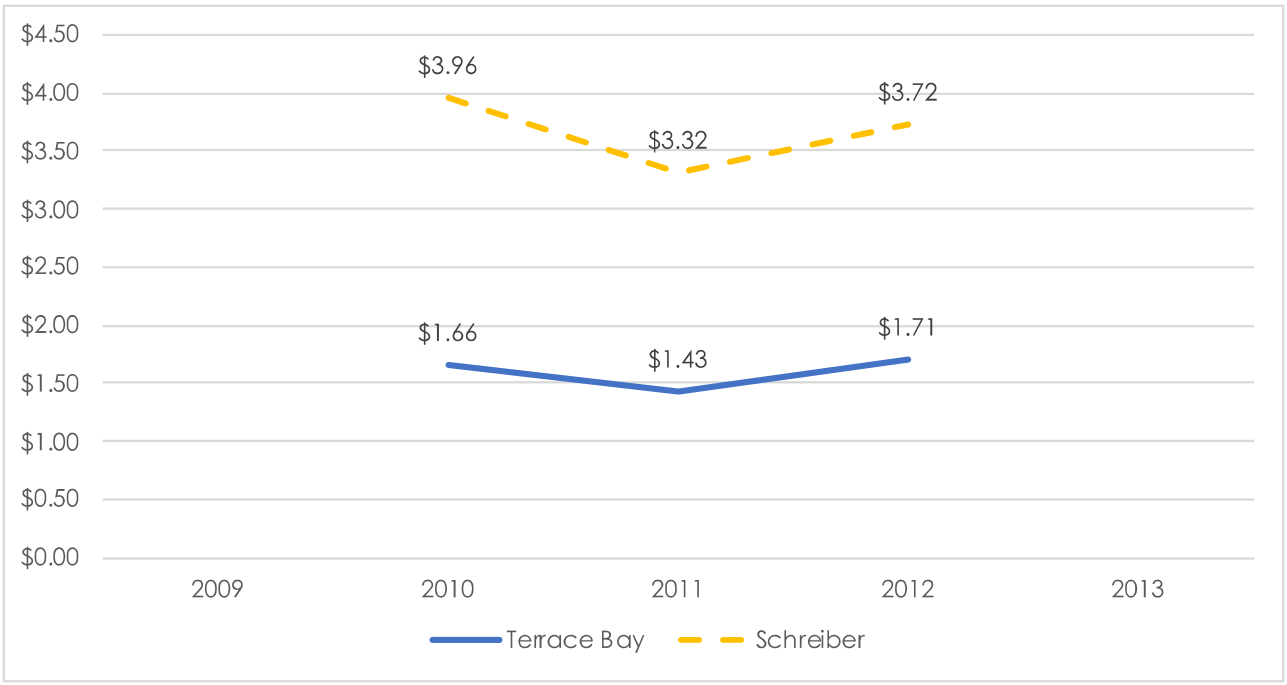
[43] *Northern Services Board Act, online at https://www.ontario.ca/laws/statute/90l28.*

The question, ultimately, is whether unincorporated residents on a municipal fringe are a drain on service efficiency. As Cuddy (2016) points out, measuring efficiency and effectiveness is impossible without standardized metrics of outputs and outcomes. The closest proxy available is service expenditures, from which one might infer what impact, if any, fringe development is having. Since Schreiber has a much more developed fringe than Terrace Bay, their expenditures should be higher if unincorporated residents do indeed impact expenditures. Schreiber's expenditures should also be higher due to the smaller number of people and households than in Terrace Bay. Most services get more efficient per capita until about the 20,000 mark (Holzer et al. 2009b), which Terrace Bay is closer to.

Fire protection, recreation, and garbage collection and disposal were identified through consultations and the literature as services vulnerable to spillovers. As such, they are natural choices for comparison between Terrace Bay and Schreiber. The study used the same indicators as those the MMAH uses in its Municipal Performance Measurement Program, and chose the 2010-12 period as these are the only years for which data are available for both townships. The province labels cost per unit indicators as 'efficiency' indicators, although, as shown earlier, such a description is dubious. The outcome indicators were determined by the province to measure program effectiveness — again, a questionable decision based on very limited data. Bear in mind that the same limitations of performance measurement outlined above afflict these comparisons. They show costs per unit and outcomes, but they offer no insight into why one town might perform better, nor do they account for any differences that might lead one jurisdiction to appear to fare much better.

The first service to compare is fire protection. Schreiber officials noted that their volunteer department had responded to numerous calls on their fringe. They were under no obligation to do so but responded as good neighbours. Schreiber also has an agreement with Pawgwasheeng to assist in emergency calls. Both townships' fire departments have a contract with the province to perform vehicular extrications on the highway. Figure 14 shows that Schreiber consistently spent more per $1,000 of assessed property value than Terrace Bay did. In 2010, for example, Schreiber spent $3.96 on fire protection for every $1,000 dollars of property in the township, whereas Terrace Bay spent $1.66. The data does not show to what extent fringe development, economies of scale, and/or service delivery efficiency factored into these results. Terrace Bay properties also had more than double the assessed value, meaning each dollar was diluted over a broader base. Fringe development might affect expenditures, but the data cannot say conclusively one way or the other.

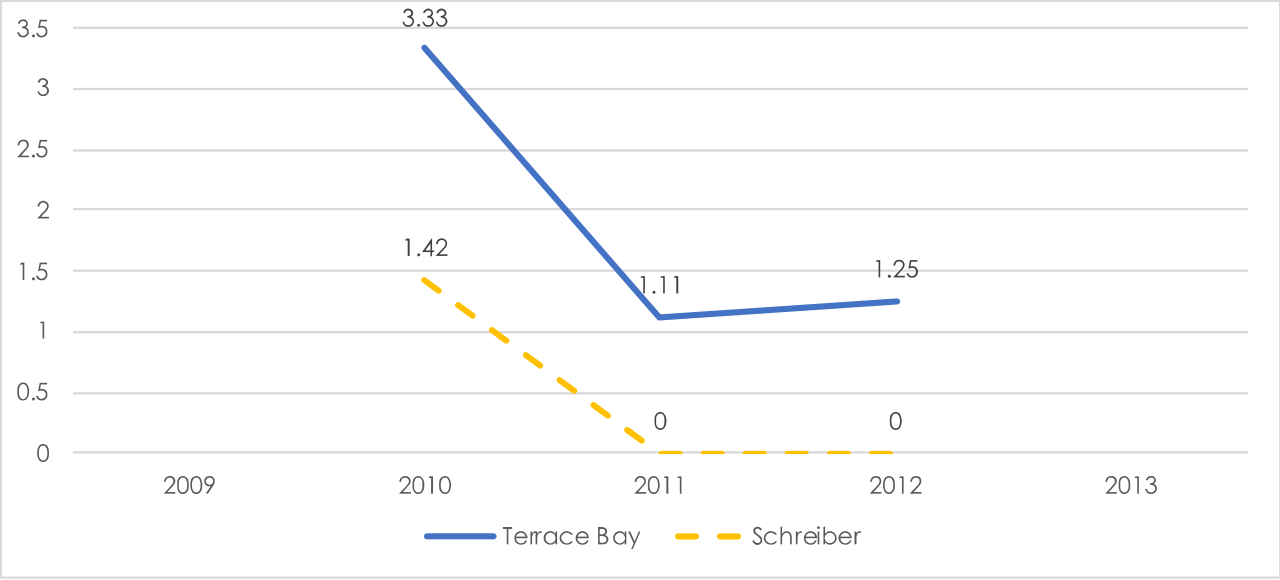
Figure 13: Fire Protection Costs per $1,000 of Assessment, Terrace Bay and Schreiber, 2010–12



Source: Municipal Performance Measurement Program multiyear reports, by municipality.

Despite performing better in the efficiency indicator, Terrace Bay's fire protection services were less effective than Schreiber's, as Figure 15 shows. They consistently averaged more structural fires per 1,000 households than their smaller neighbour, raising the question of whether Terrace Bay's spending actually was more efficient. This ably demonstrates the uncertainty over the reason for Schreiber's higher spending. Was Schreiber spending more to service its fringe population, did it produce higher-quality fire prevention and protection, or were some of the confounding variables Municipal Benchmarking Network Canada (MBN 2018) alluded to at play? A related question is which metric better measures spending efficiency?

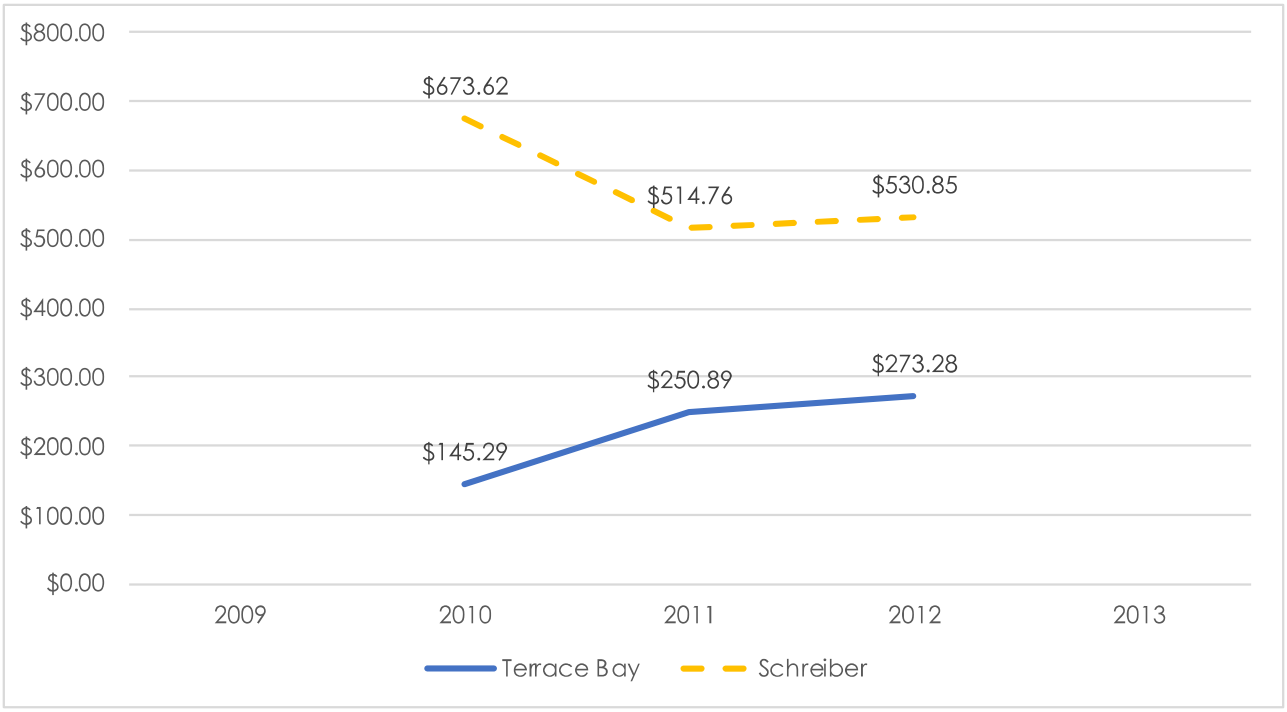
Figure 14: Residential Structural Fires per 1,000 Households, Terrace Bay and Schreiber, 2010–12



Source: Municipal Performance Measurement Program multiyear reports, by municipality.

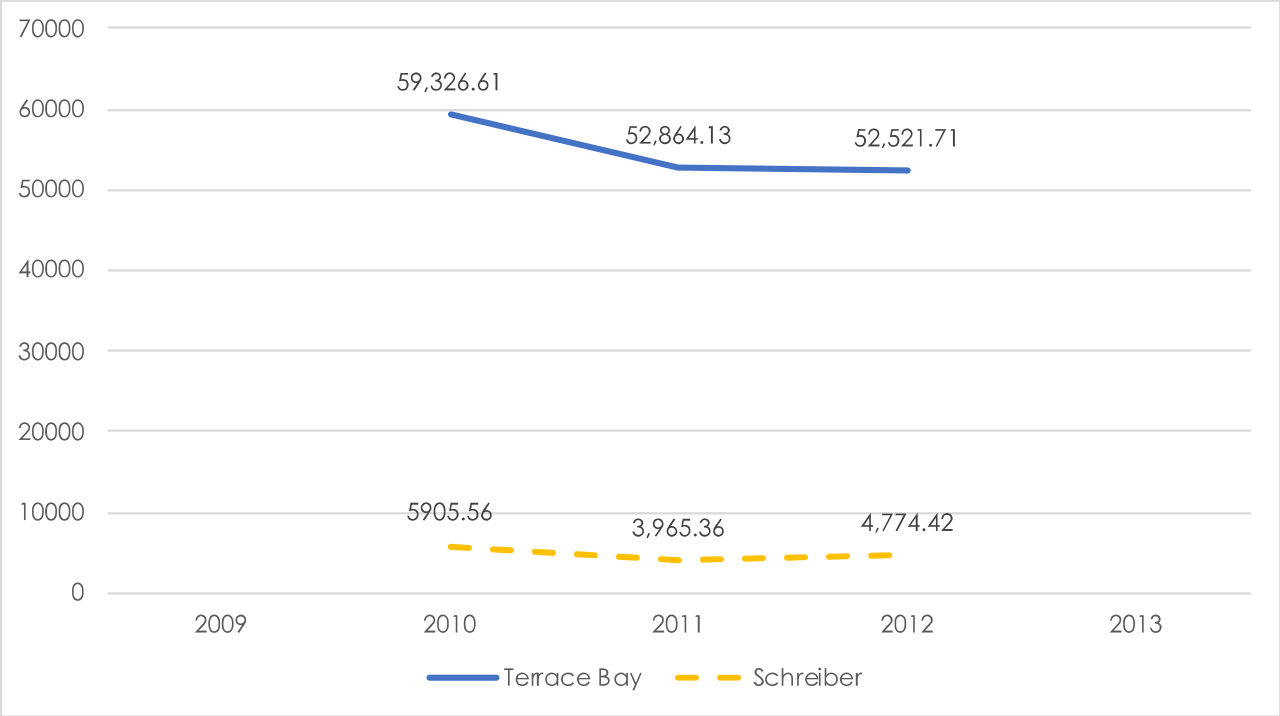
Next is recreation programs. Both townships offer rinks, parks, festivals, and other recreation amenities, with differential user-fees in place to recover costs incurred by providing some of these services to non-residents. Figure 16 shows that, once again, Schreiber was considerably less 'efficient', than Terrace Bay over the study period, although the gap narrowed substantially in 2011. It is also worth noting that Schreiber had a much higher rate of cost recovery through user fees during this time than did Terrace Bay (Ontario 2018b). Again, it is unclear what role unincorporated residents played in these results. What is clear, is that Terrace Bay saw much more participation in its recreation programs — at least 10 times more participant hours per year than Schreiber. This metric does not measure the number of recreation programs available, how comparatively cost intensive they were, who participated, or where they were from. Nevertheless, it is probable that these programs attracted non-residents, who spent money in the local economy. Again, the lack of data frustrates empirical measurement of the impact of non-residents.

Figure 15: Recreation Costs per Person, Terrace Bay and Schreiber, 2010–12



Source: Municipal Performance Measurement Program, multiyear reports, by municipality.

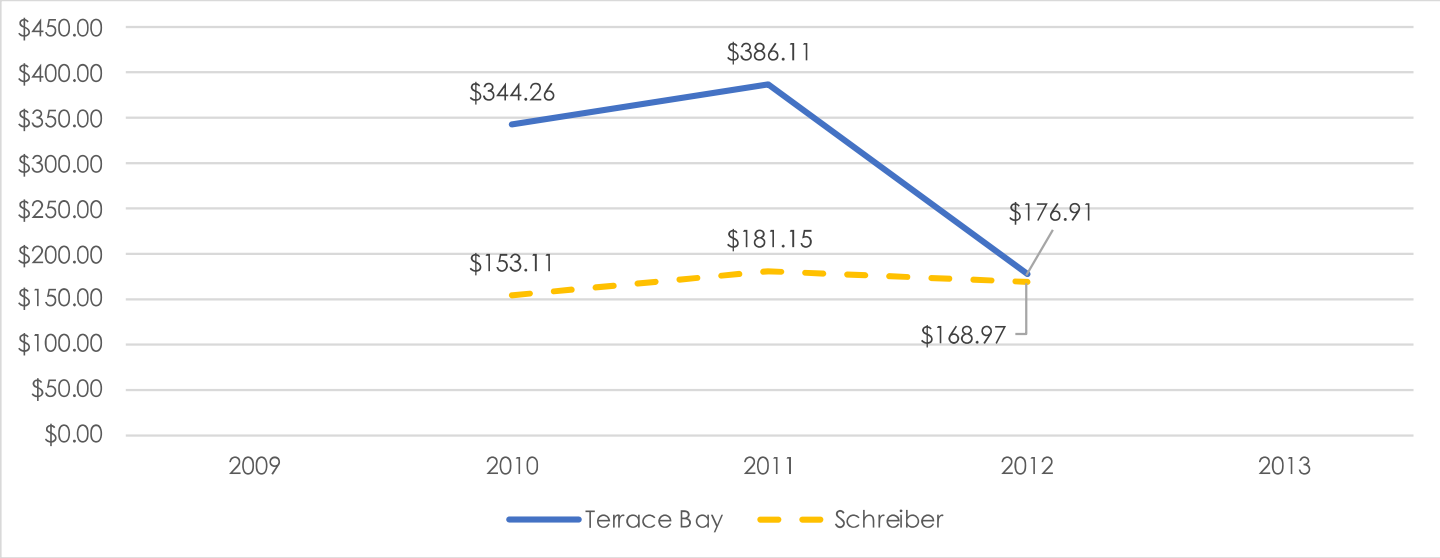
Figure 16: Total Participants' Hours in Recreation Programs per 1,000 People, Terrace Bay and Schreiber, 2010–12



Source: Municipal Performance Measurement Program, multiyear reports, by municipality.

Schreiber breaks the trend by being more efficient, according to provincial measurement, in solid waste collection and disposal. This should be no surprise, given that Terrace Bay hosts the landfill and thereby shoulders the lion's share of disposal. The Municipal Performance Measurement Program reports also show that disposal contributes more to total garbage expenditures than collection. As Figure 18 shows, Terrace Bay clearly paid much more per household until 2012, when it cut costs in half. Unfortunately, there is no data to determine how much, if any, non-municipal residents contributed to these costs. They are technically not allowed to use the landfill, though some admitted to sneaking in their garbage and recycling on occasion. There are no indicators in the Municipal Performance Measurement Program to make a meaningful comparison of effectiveness in solid waste disposal.

Figure 17: Garbage Collection and Disposal Costs per Household, Terrace Bay and Schreiber, 2010–12



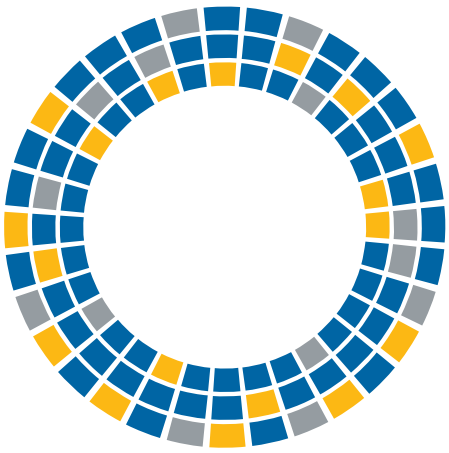
Source: Municipal Performance Measurement Program, multiyear reports by municipality.

Overall, the township with the greater economies of scale, larger population and assessment base, and smaller fringe population tends to spend less per capita on services vulnerable to spillover. The data is clear on that, but little else. Fully standardizing the data on service expenditures was, unfortunately, beyond the scope of this project. Data provided by the townships suggests their respective services offered many of the same functions. For example, both fire departments provided prevention, suppression, training, and vehicular extrication. Ultimately, again, the data is inconclusive about what is driving the expenditures per unit. The denominators do not include unincorporated residents, who are almost certainly benefitting from these services. For example, if Schreiber is responding to fire calls outside its boundaries, then its efficiency indicator should change based on the assessed value of all properties within the service area. This is particularly difficult if Schreiber's fire department is fighting fires in Pawgwasheeng, where properties are not assessed by MPAC. Without accurate, publicly available data on population, household counts, and assessed value in service areas, many of these indicators will remain suspect.

Conclusion and Recommendations

Local governance in unincorporated Northern Ontario is a vast and sprawling affair, one far too large for this study to present in full detail. There are dozens of actors involved, and a seemingly endless list of problems and potential solutions. LSBs, LRBs, DSSABs, land-use planning boards, and tax reform are some of the initiatives that have attempted to tackle this issue. And still it endures, just as it did in British Columbia until that province adopted Regional Districts. Now, "it is hard to imagine a mechanism that could better combine local self-government…and a framework within which municipalities [and unincorporated areas and First Nations communities] can voluntarily cooperate with one another" (Sancton 2003, 325). Such a mechanism could do a lot of good for Ontario's northern regions. Not only has it been shown to improve service quality, it is effective at capturing spillovers, breeding fiscal equivalence, and uniting all participating communities in their endeavour to grow their communities and regions. Ontario's northern regions need a tool to "shape their own socio-economic destiny" (Conteh 2017, 8). Given the "clear empirical evidence that regionalization and multi-level governance is the way of the future" (Tomblin and Braun-Jackson 2006, 41), the best route is a form of regional governance. Northern Ontario's vast territory, diverse economic zones, and variety of political units offer a complication not known in Southern Ontario. British Columbia's solution — a successful model that informed observers consider one of the best local government apparatuses in the world — was designed and implemented to resolve many of the same issues Northern Ontario now faces. After five decades of study and enhancements, BC's Regional Districts are the example Northern Ontario should emulate to enhance the operating ability of local government.







Main Recommendations

Recommendation 1: A local government model based on British Columbia's Regional Districts should be adopted in Northern Ontario and adapted for local requirements. RDs have been the most effective method of addressing issues stemming from unincorporated areas in Canada, and their governance framework is similar to that of the District Social Services Administration Boards already in place in Northern Ontario.

Recommendation 2: Regional Districts should have few prescribed responsibilities and many permitted responsibilities. The diversity of Northern Ontario's many regions means one-size does not fit all. A uniform solution is impossible, so the ultimate nature of each district should be left to those who would be most affected by it. Mandatory responsibilities could include solid waste management, regional growth strategies/ land-use planning, and emergency preparedness and response. No community should be bound to provide any non-mandatory services unless their representative agrees to it.

Recommendation 3: Communities should have significant leeway within the defined Regional District framework to determine the services they wish for their area, the method of service delivery, and how they will be cost-shared. BC designed RDs to be (nearly) empty vessels that communities could fill as they saw fit. This flexibility would allow all local communities to tailor their needs with the most efficient and effective delivery method and to reach compromises on the most equitable costing method.

Recommendation 4: Regional Districts should be designed to act as forums to facilitate increased dialogue and collaboration in order to build trusting and mutually beneficial relationships for all northern communities. As forums to identify, discuss, and determine solutions to common problems, RDs would lower transaction costs and make it easier for communities to work together on a number of issues.

Recommendation 5: Regional Districts should be governed by a Board of Directors comprising officials appointed from municipal councils and participating First Nations and elected from unincorporated areas. The Board should serve a term congruent with municipal election cycles, and members should affirm they will discharge their duties in good faith. This would extend local governance to the regional level, rather than creating a new tier of government. Unincorporated areas and First Nations, should they wish to participate, would take part in charting the region's economic future, and all local communities would be involved in the decisions that affect them and the region.

Recommendation 6: Each Regional District should have significant latitude in determining its voting system. Legislation should allow for both weighted and unweighted voting, and for custom agreements on how votes are weighted. These structures should be reviewed by the board, or by a committee formed by the board, on a regular basis and updated as necessary. A weighted voting system would prevent the largest communities from dominating the votes, while custom agreements would allow communities to determine metrics other than population size that might be more appropriate to voting strength.

Recommendation 7: The Regional Districts' boundaries should not automatically conform to current census division boundaries. Instead, they should align as closely as possible with functional geographies in order to minimize spillovers. This would make the regions more economically viable and more responsive to local needs.



Additional Recommendations

Recommendation 8: The Northern Services Board Act and the Local Roads Board Act should be reviewed and updated to allow for better procedural efficiencies and to better align with other legislation, such as the Planning Act and the Municipal Act. The two acts should be further clarified or modified as necessary to allow for enhanced cooperation and knowledge sharing between service delivery bodies in unincorporated areas. This would save time and money by making Local Services Boards and Local Roads Boards more efficient and better able to respond to local needs. It would also eliminate situations where fulfilling obligations under one piece of legislation puts LSBs in contravention of another act.

Recommendation 9: The Municipal Property Assessment Corporation should have the capacity to make timely and accurate property assessments in all northern communities. The possibility should be explored of having unincorporated communities contribute to MPAC's funding, along with representation on its Board of Directors. Timely and accurate assessments would allow communities to better predict their assessment base, and make it much easier for residents to budget accordingly.

Recommendation 10: The existing Unorganized census sub-divisions should be dissolved and recreated to align with Regional District Electoral Areas. This would dramatically improve data collection and dissemination in unincorporated territories, allow for better tracking of fringe development, and better capture the true population of Northern Ontario's Census Metropolitan Areas and Census Agglomerations.

Recommendation 11: An economic impact analysis should be conducted to measure the effect of unincorporated residents on their municipal neighbours. This would bring empirical evidence into a situation where it is currently lacking.

Recommendation 12: Municipal performance measurement should be enhanced, ideally through Data Envelopment Analysis. Municipalities are not obliged to report service outputs nor outcomes — only inputs — and existing metrics do not account for confounding variables, making comparisons difficult, if not meaningless. Data Envelopment Analysis tracks a variety of inputs, outputs, and outcomes, and identifies pathways to efficiency.



Works Cited

Autio, Andrew. 2017. "Province freezes out new funding model for CDSSAB." Timmins Today, December 13. Online at https://www.timminstoday.com/local-news/province-freezes-out-new-funding-model-for-cdssab-789811, accessed September 2018.

BC Stats 2018. "Municipal and Sub-Provincial Areas Population, 2011 to 2019." Downloaded from https://www2.gov.bc.ca/gov/content/data/statistics/people-population-community/population/population-estimates, accessed March 2020

Bish, Robert L. 1999. Regional District Review 1999: Issues and Interjurisdictional Comparisons. Victoria: University of Victoria Local Government Institute.

———. **2001.** "Local Government Amalgamations: Discredited Nineteenth-Century Ideals Alive in the Twenty-First." Commentary 150. Toronto: C.D. Howe Institute.

———. **2002.** "Accommodating Multiple Boundaries for Local Services: British Columbia's Local Governance System." Paper presented at a colloquium at the Workshop in Political Theory and Policy Analysis, Indiana University, Bloomington, Indiana, October 2002.

Bish, Robert L., and Eric G. Clemens. 2008. Local Government in British Columbia, 4th ed. Richmond, BC: Union of British Columbia Municipalities.

Bish, Robert, and Joseph Filipowicz. 2016. Governing Greater Victoria: The Role of Elected Officials and Shared Services. Vancouver: Fraser Institute.

Bish, Robert L., and Fiscal Realities. 2014. "First Nation Property Tax, Services and Economic Development in British Columbia." Kamloops, BC: Fiscal Realities.

Boyne, George. 1992. "Local Government Structure and Performance: Lessons from America." Public Administration (Autumn): 333-357

British Columbia. 2006. Ministry of Community Services. "Primer on Regional Districts in British Columbia." Victoria. Online at https://www2.gov.bc.ca/assets/gov/british-columbians-our-governments/local-governments/governance-powers/primer_on_regional_districts_in_bc.pdf.

———. **n.d. "Regional Districts in BC.**" Online at https://www2.gov.bc.ca/gov/content/governments/local-governments/facts-framework/systems/regional-districts, accessed July 2019

Canada. 2011. Office of the Auditor General of Canada. "2011 June Status Report of the Auditor General of Canada." Ottawa. Online at http://www.oag-bvg.gc.ca/internet/English/parl_oag_201106_04_e_35372.html, accessed March 2018.

Cashaback, David. 2001. "Regional District Governance in British Columbia: A Case Study in Aggregation." [Ottawa]: Institute on Governance. Online at https://www.slrd.bc.ca/sites/default/files/pdfs/Regional%20District%20-%20Bish%202001.pdf.

Coates, Ken, Carin Holroyd, and Joelena Leader. 2014. "Managing the Forgotten North: Governance Structures and Administrative Operations of Canada's Provincial Norths." The Northern Review 38: 6-54.

Coates, Ken, and Greg Poelzer. 2014. The Next Northern Challenge: The Reality of the Provincial North. Ottawa: Macdonald-Laurier Institute. Online at https://www.macdonaldlaurier.ca/files/pdf/MLITheProvincialNorth04-14-Final.pdf.

Coccimiglio, Laura, Richard Beall, Sani Carter, and Laureen Wells. 2017. "Provincal Land Tax Presentation for Dennis Township South." Dennis Township South LSB. September 18. Online at http://lsbdts.ca/images/dtslsb/PLT_pressentation2017.pdf, accessed March 2018.

Conteh, Charles. 2017. "Economic Zones of Northern Ontario: City-Regions and Industrial Corridors." Research Report 18, Thunder Bay, ON: Northern Policy Institute. Online at http://www.northernpolicy.ca/upload/documents/publications/reports-new/conteh_economic-zones-en.pdf, accessed January 2018.

Conteh, Charles and Bob Segsworth. 2013. Governnance in Northern Ontario: Economic Development and Policy Making. University of Toronto Press

Cuddy 2016. "Value for Money?: The Effect of Sudbury's 2001 Amalgmation on Municipal Expenditures." Commentry 13, Thunder Bay, ON: Northern Policy Institute. Online at https://www.northernpolicy.ca/upload/documents/publications/commentaries-new/cuddy_value-for-money-en.pdf, accessed March 2020

Dachis, Benjamin, and William B.P. Robson. 2014. "Baffling Budgets: Canada's Cities Need Better Financial Reporting." Commentary 397. Toronto: C.D. Howe Institute. Online at https://www.cdhowe.org/sites/default/files/attachments/research_papers/mixed/Commentary_397.pdf, accessed September 2018

DoKURA (District of Kenora Unincorporated Areas Ratepayers Association). 2016a. "Background." Online at http://www.dokura.com/about/history.html, accessed February 2018.

———. **2016b.** "Who is DoKURA?" Online at http://www.dokura.com/about/pdf/who.pdf, accessed February 2018

Everett, Eric. 2019. "A Case Study in Northern Governance: Local Decision Making in the Northern Ontario Health Care System." Research Paper 27. Thunder Bay, ON: Northern Policy Institute. Online at https://www.northernpolicy.ca/upload/documents/publications/reports-new/report_everett-northern-governance-en-19.pdf.

Federation of Canadian Municipalities 2015. "Stronger Together: A Toolkit for First Nations-Municipal Community Economic Development Partnerships." Online at https://fcm.ca/sites/default/files/documents/resources/tool/stronger-together-toolkit-cedi.pdf, accessed March 2020

Finn, Jean-Guy. 2008. "Bulding Stronger Local Governments and Regions: An Action Plan for the Future of Local Governance in New Brunswick." Fredericton. Online at http://www2.gnb.ca/content/dam/gnb/Departments/lg-gl/pdf/BuildingStrongerLocalGovernmentsAndRegions.pdf, accessed February 2018.

Gebremicael, Feven. 2010. "An Overall Assessment of the Ontario Municipalities Benchmarking Initiative." MPA thesis, Western University.

Holzer, Marc, John Fry, Etienne Charbonneau, Robert Shick, Eileen Burnash, Atta Ceesay, Sunjoo Kwak, Weiwei Lin, Gautam Nayer, and Alicia Schatteman. 2009a. "Literature Review and Analysis Related to Costs and Benefits of Service Delivery Consolidation Among Municipalities." Trenton, NJ: Local Unit Alignment, Reorganization, and Consolidation Commission. Online at http://www.nj.gov/dca/affiliates/luarcc/pdf/final_service_delivery_consolidation.pdf, accessed January 2018.

Holzer, Marc, John Fry, Etienne Charbonneau, Norma Riccucci, Alex Henderson, Sunjoo Kwak, Alicia Schatteman, and Eileen Burnash. 2009b. "Literature Review and Analysis Related to Municipal Government Consolidation." Trenton, NJ: Local Unit Alignment, Reorganization and Consolidation Commission. Online at http://nj.gov/dca/affiliates/luarcc/pdf/final_consolidation_report.pdf, accessed January 2018.

Holzer, Marc, John Fry, Etienne Charbonneau, Robert Shick, Eileen Burnash, Atta Ceesay, Alex Henderson, Tae Hee Kim, Weerasak Kruethep, Weiwei Lin, Gautam Nayer, and Xiang Yao. 2009c. "Literature Review and Analysis Related to Optimal Service Delivery Arrangements and Local Government Efficiency." Trenton, NJ: Local Unit Alignment, Reorganization, and Consolidation Commission. Online at https://nj.gov/dca/affiliates/luarcc/pdf/final_service_delivery_arrangements.pdf, accessed January 2018

Holzer, Marc, John Fry, Etienne Charbonneau, Norma Riccucci, Robert Shick, Gregg Van Ryzin and Eileen Burnash. 2009d. "Overview of the Literature Review and Analysis on Five Subjects Related to the Cost-Efficiency of Municipal Government." Trenton NJ: Local Unit Alignment, Reorganization, and Consolidation Commission. Online at https://nj.gov/dca/affiliates/luarcc/pdf/final_overview_report.pdf, accessed January 2018

Kadota, Paul. 2010. Evolution of Regional Governance in British Columbia: With Speical Focus on the Metro Vancouver Area. Victoria, BC: University of Victoria, Local Government Institute.

KPMG. 2013. "Sharing Municipal Services in Ontario: Case Studies and Implications for Ontario Municipalities."

KRG (Kativik Regional Government). 2017. "General Information." Online at http://www.krg.ca/kativik-regional-government/general-information, accessed April 2019.

LOWDSA (Lake of the Woods District Stewardship Association). 2019. "Vision, Mission, and Values." Online at https://www.lowdsa.com/cpages/vision, accessed March 2020

MacKinnon, David. 2016. "Governance in Northern Ontario: Taking Ownership of the Future." Commentary 15. Thunder Bay, ON: Northern Policy Institute. http://www.northernpolicy.ca/upload/documents/publications/commentaries-new/mackinnon_governance-in-northern-ontario.pdf.

MBN (Municipal Benchmarking Network Canada) 2018. "Profiles on Service Areas" Online at http://mbncanada.ca/service-areas/, accessed February 2020

McGrath, John Michael. 2018. "Why the North Needs Regional Governance — and Soon." TVO, January 16. Online at https://tvo.org/article/current-affairs/the-next-ontario/-why-the-north-needs-regional-governance--and-soon, accessed January 2018.

Meligrana, John F. 2003. "Developing a Planning Strategy and Vision for Rural-Urban Fringe Areas: A Case Study of British Columbia." Canadian Journal of Urban Research 12 (1): 119–41.

Municipal Finance Authority of British Columbia. 2019. "About Us." Online at https://mfa.bc.ca/about-us, accessed April 2019.

Munro, Anne, Alessandro Alasia, and Ray D. Bollman. 2011. "Self-Contained Labour Areas: A Proposed Delineation and Classification by Degree of Rurality." Rural and Small Town Canada Analysis Bulletin 8 (8). Ottawa: Statistics Canada.

Nickerson, Dean. 1992. "Issues in the Unorganized Areas of Northern Ontario." MPA Major research paper, University of Western Ontario.

Northern Policy Institute. 2017. "Northern Policy Institute CESD 3016 Presentation." Thunder Bay, ON, January 18. Online at http://www.northernpolicy.ca/upload/documents/presentations/2017/presentation-algoma-u-cesd-17.01.18.pdf, accessed March 2018.

Ontario. 1990. Ministry of Energy, Northern Development and Mines. "Northern Services Board Act R.S.O. 1990, c. L.28." Online at https://www.ontario.ca/laws/statute/90l28, accessed March 2020

———. **1997.** Fire Protection and Preventions Act 1997, part V. https://www.ontario.ca/laws/statute/97f04.

———. **2014.** Ministry of Finance. "Provincial Land Tax Review: A Summary of Stakeholder Consultations Feedback Received to Date." Toronto. Online at https://www.fin.gov.on.ca/en/consultations/landtaxreform/plt-review.pdf, accessed January 2018.

———. **2016a. Ministry of Finance. "PLT Questionnaire Results."** Toronto. Online at https://www.fin.gov.on.ca/en/consultations/landtaxreform/plt-questionnaire-results.pdf, accessed March 2018.

———. **2016b.** Ministry of Finance. "PLT Reform: Overview of PLT Open Houses." Toronto. Online at https://www.fin.gov.on.ca/en/consultations/landtaxreform/plt-openhouses-report.pdf, accessed March 2018.

———. **2016c.** Office of the Fire Marshal and Emergency Management. "Northern Fire Protection Program Community Profiles." Toronto. (Document provided directly to author).

———. **2017a.** Ministry of Energy Northern Development and Mines. "Local Services Boards (LSB) Program Overview Board Member Training." Toronto, January. Online at https://www.mndm.gov.on.ca/sites/default/files/lsb_presentation_-_board_members_-_january_2017_-_english.pdf, accessed February 2018.

———. **2017b.** Ministry of Finance. "Finalizing PLT Reform: Transforming Provincial Land Tax into a Fair and Modern Property Tax System." Toronto. Online at https://www.fin.gov.on.ca/en/consultations/landtaxreform/finalizing-plt-reform.pdf, accessed January 2018.

———. **2018a.** Ministry of Energy Northern Development and Mines. "R.R.O. 1990 Reg. 737: Local Services Boards." Online at https://www.ontario.ca/laws/regulation/900737#BK36, accessed March 2020

———. **2018b.** Ministry of Municipal Affairs and Housing. Financial Information Returns for Terrace Bay and Schreiber. Downloaded from https://efis.fma.csc.gov.on.ca/fir/ViewFIR2018.htm, accessed March 2020

———. **2018c.** Ministry of Municipal Affairs and Housing. "MMAH Municipal Councillor's Guide." Online at https://www.ontario.ca/document/ontario-municipal-councillors-guide-2018/4-municipal-government#section-1, accessed February 2020.

———. **2019a.** "Citizen's Guide to Land Use Planning." Toronto. Online at https://www.ontario.ca/document/citizens-guide-land-use-planning/northern-ontario, accessed April 2019.

———. **2019b.** "Current Land Claims." Toronto, February 20. Online at https://www.ontario.ca/page/current-land-claims#section-22, accessed April 2019.

———. **n.d.a. "Far North of Ontario."** Toronto. Online at https://www.ontario.ca/rural-and-north/far-north-ontario, accessed April 2019.

———. **n.d.b. Ministry of Energy Northern Development and Mines.** "Local Services Boards." Toronto. Online at https://www.mndm.gov.on.ca/sites/default/files/local_services_boards_brochure.pdf, accessed February 2018.

Robinson, David. 2016. "Revolution or Devolution? How Northern Ontario Should Be Governed." Research Paper 9. Thunder Bay, ON: Northern Policy Institute. Online at http://www.northernpolicy.ca/upload/documents/publications/reports-new/robinson_revolution-or-devolution-en.pdf, accessed March 2018.

Rochon, Denis. 2008. "Policy Issues Related to the Governance of Local Service Boards in Northern Ontario." Papers in Canadian Economic Development 11: 1–27. http://dx.doi.org/10.15353/pced.v11i0.12.

Sancton, Andrew. 2003. "Municipal Amalgamations: A Made-in-Canada Solution to an Undefined Problem." Canadian Issues (February): 33–6.

Schreiber. n.d. "History of the Township of Schreiber." Online at http://www.schreiberterracebay.ca/print.asp?pgid=35, accessed March 2020

Slack, Enid, and Richard Bird. 2013. "Merging Municipalities: Is Bigger Better?" IMFG Papers 14. Toronto: University of Toronto, Munk School of Global Affairs, Institute on Municipal Finance and Governance. Online at https://munkschool.utoronto.ca/imfg/uploads/219/imfg_no_14_slack_birdr3_online_final.pdf.

Spicer, Zachary. 2015. "Cooperation and Capacity: Inter-Municipal Agreements in Canada." IMFG Papers 19. Toronto: University of Toronto, Munk School of Global Affairs, Institute on Municipal Finance and Governance. Online at https://munkschool.utoronto.ca/imfg/uploads/318/1623_imfg_no.19_spicer_online.pdf.

Statistics Canada. 2001. Census of Population. Thunder Bay Unorganized CSD. Online at https://www12.statcan.gc.ca/English/profil01/CP01/Details/Page.cfm?Lang=E&Geo1=CSD&Code1=3558090&Geo2=PR&Code2=35&Data=Count&SearchText=Thunder%20Bay,%20Unorganized&SearchType=Begins&SearchPR=01&B1=All&GeoLevel=PR&GeoCode=3558090, accessed March 2020

———. **2015. "Census Subdivision:** Detailed Definition." Ottawa, November 30. Online at http://www.statcan.gc.ca/pub/92-195-x/2011001/geo/csd-sdr/def-eng.htm, accessed March 2018.

———. 2**016. Census of Population.** Thunder Bay Unorganized CSD. Online at https://www12.statcan.gc.ca/census-recensement/2016/dp-pd/prof/details/page.cfm?Lang=E&Geo1=CSD&Code1=3558090&Geo2=CD&Code2=3558&SearchText=thunder%20bay&SearchType=Begins&SearchPR=01&B1=All&TABID=1&type=0, accessed March 2020

———. **2019. Custom tabulation.** "Shelter cost groups (18), Household type (9), Age groups of primary household maintainer (9), Housing tenure including presence of mortgage and subsidized housing (7), 2016 Census" [Reference is incomplete and I was unable to find a direct link to the appropriate StatsCan source; please provide details] AN: It's a custom table through CDP, and that's how Stats Can said to cite it

Stewart, Bob. 2014. "Provincial Land Tax: An Overview of Rural Services, Costs and Funding." Kenora, ON: District of Kenora Unincorporated Areas Ratepayers Association. Online at http://www.dokura.com/info/pdf/plt_rural.pdf, accessed January 2018.

Stewart, C.J. 2016. "NOSDA Member Service Manager Jurisdictions." Prepared for NOSDA. Available online at https://www.nosda.net/images/support/member-logos/Service_Managers_and_their_Service_Areas.pdf.

Thunder Bay DSSAB (District Social Services Administration Board). 2017. "Service Area." Online at https://www.tbdssab.ca/about/service-area/, accessed April 2018.

Tomblin, Stephen G., and Jeff Braun-Jackson. 2006. Managing Change through Regionalization: Lessons from Newfoundland and Labrador. St. John's: Memorial Univeristy of Newfoundland, Harris Centre. Online at https://www.mun.ca/harriscentre/reports/arf/2005/FinalReportTomblinRegionalization.pdf, accessed September 2018.

UBCM (Union of British Columbia Municipalities). 2019. "Executive Members." Online at https://www.ubcm.ca/EN/main/about/executive/executive-members.html, accessed March 2020

Walisser, Brian, Gary Paget, and Michelle Dann. 2013. "New Pathways to Effective Regional Governance." In New Century Local Government: Commonwealth Perspectives, ed. Graham Sansom and Peter McKinlay, 145–68. London: Commonwealth Secretariat.

Wolman 2016. "Learning From Abroad: Multi-Purpose Special Districts in British Columbia as a Possible Model for Governance Innovation for Local Governments in the United States." Local Governance Research Collaborative of the Alliance for Innovation

World Bank. 2018. "Data: Land Area (square kilometres)." Washington, DC. Online at https://data.worldbank.org/indicator/AG.LND.TOTL.K2, accessed December 2018.

About Northern Policy Institute

Northern Policy Institute is Northern Ontario's independent think tank. We perform research, collect evidence, and disseminate ideas. We seek to identify policy opportunities to support the growth of sustainable Northern Ontario communities. Our operations are located in Thunder Bay and Sudbury. We seek to enhance Northern Ontario's capacity to take the lead position on socio-economic policy that impacts Northern Ontario, Ontario, and Canada as a whole.

Related Research

The Great Experiment: Time for an Area Services Board in Northern Ontario
Anthony Noga

Governance in Northern Ontario: Taking Ownership of the Future
David MacKinnon

Revolution or Devolution?: How Northern Ontario Should be Governed
David Robinson

To stay connected or get involved, please contact us at:
1 (807) 343-8956 **info@northernpolicy.ca** www.northernpolicy.ca

NORTHERN POLICY INSTITUTE | INSTITUT DES POLITIQUES DU NORD

Giwednong Aakomenjigewin Teg

ᑲ ᐃᑕᕽᐊᓂᐊᖏᐦᐊᓂ ᑭᐅᑎᓇᓂ ᐊᑐᖅᓂᐃᒪᑎ

Institu dPolitik di Nor

northernpolicy.ca