

In June of 2005, a civic coalition known as Imagine London submitted a petition of 1000 signatures to City Council to request the redefinition of London into fourteen community-based wards and the abolishment of the Board of Control. This proposal was developed following a referendum during the 2003 municipal election which indicated that 75% of the Londoners who voted supported the idea of a smaller council, and 55% favored abolishing the Board of Control.<sup>1</sup> Because the voter turnout was less than the required 50%, no changes resulted directly from this referendum. The Imagine London proposal sought to meet both of the indicated interests, and intended to create a fifteen-member council with the mayor elected at-large and one councilor elected in each ward. The ward boundaries would be redefined from the former pie-cut pattern to localized areas based on neighbourhoods, or, as Imagine London termed it, “communities of interest.”<sup>2</sup> London City Council refused the group's request on June 13, 2005 and voted 10-8 to retain the current structure. Imagine London appealed the decision to the Ontario Municipal Board, and after a series of trials, it was determined that London would adopt a fourteen-ward system, based on Imagine London’s map, for the upcoming municipal election on November 13, 2006.

Although this did not impact the existence of the Board of Control or the size of council, it was argued that there were many benefits to the new ward boundaries. In a letter written by community activist George Sinclair, posted on the Imagine London website<sup>3</sup>, Sinclair argued that the new boundaries would increase accountable democracy in London. Sinclair claimed that smaller areas would allow for better representation of neighbourhood interests, more direct contact between councilors and their smaller constituencies, and more ability for citizens to hold

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<sup>1</sup> *Municipal Election 2003 Official Results*. City of London. Online: [www.london.ca/elections](http://www.london.ca/elections). Accessed 27 November 2007.

<sup>2</sup> *Wagar v. London (City)*, 2006 CanLII 5613 (Ont. S.C.D.C.) at para. 1.

<sup>3</sup> George Sinclair. “Fourteen Reasons for Fourteen Wards”. Imagine London. Online: [www.imaginelondon.ca/issues.html](http://www.imaginelondon.ca/issues.html). Accessed 27 November 2007.

their councilors accountable. Sinclair also suggested that having only one successful candidate per area would reduce the number of ineffective councilors who “consistently fail to act as good representatives” and would make campaigns more competitive and more accessible. The lessened costs of campaigning in a smaller area was predicted to increase the number of candidates, produce a higher voter turnout, and lessen the dependency of candidates on donations.

The interest of this paper is to measure the accuracy of these predictions. Although conclusive data will require the study of many years to come and charting patterns over several elections before and after the boundary changes, it is possible to determine preliminary impacts by comparing the 2003 and 2006 election data. This paper will examine the impacts on voters, campaign expenses, and, in particular, the dependency of candidates on donations from developers. This paper attempts to answer the question of how the new ward boundaries influenced the indebtedness of council to the interests of developers by comparing the donations of several large London developers between the 2003 and 2006 elections.

The Imagine London “communities of interest” idea promised to have an effect on the

<b>FIGURE 1. ELECTION CANDIDATES</b>	<b>2003</b>	<b>2006</b>
Number - Mayor	11	6
Number - Board of Control	12	9
Number - Wards	44	53
Number - Per Ward Seat	3.14	3.79
Number - Incumbent	16	17
Number - Successful Incumbents	15	14
Percentage of Council - Incumbents	79%	74%
Percentage of Council - Newcomers	21%	26%

involvement and interest of voters in the electoral process. Indeed, according to a quote from London’s City Clerk Kevin Bain on the 2006 election results, “[v]oter turnout was the highest since the Municipal Election of 1997.”<sup>4</sup> A total of 102 637 ballots were cast in the election, a turnout

<sup>4</sup> Media Release. “Municipal Election Results Now Official”. City of London. 17 November 2006.

of 42.9% of voters, which was an increase over the 95 753 votes cast in 2003 in a turnout of 35.92%.<sup>5</sup> The new smaller wards also created more competitive election races. As seen in Figure 1, although there were fewer candidates for the mayor and board of control seats, there were an additional 9 candidates for ward councilor positions, an increase of .65 candidate per seat. Although the proportion of incumbents on council declined by 5% in 2006, this accounts for only one less incumbent on council and could be attributed to other factors. This data demonstrates that there were differences between the 2003 and 2006 election, but it would require a more long-term study to determine how much of this difference was caused by the new boundaries.

Another argument in support of smaller wards was that campaign costs would be

<b>FIGURE 2. EXPENSES</b>	<b>2003</b>	<b>2006</b>
Successful Mayor	\$88,517.00	\$84,455.00
Successful BOC (1st)	\$47,629.61	\$26,539.57
Successful BOC (2nd)	\$34,735.00	\$26,633.39
Successful BOC (3rd)	\$30,602.33	\$30,189.37
Successful BOC (4th)	\$27,341.00	\$30,189.37
<b>AVERAGE - BOC</b>	<b>\$35,076.99</b>	<b>\$28,387.93</b>
Ward 1 (1st) / Ward 1	\$7,832.35	\$14,986.46
Ward 1 (2nd) / Ward 2	\$8,399.00	\$8,786.90
Ward 2 (1st) / Ward 3	\$9,514.72	\$14,820.85
Ward 2 (2nd) / Ward 4	\$15,247.64	\$14,264.98
Ward 3 (1st) / Ward 5	\$12,626.00	\$7,584.83
Ward 3 (2nd) / Ward 6	\$18,045.19	\$13,822.45
Ward 4 (1st) / Ward 7	\$9,410.65	\$5,892.70
Ward 4 (2nd) / Ward 8	\$10,288.00	\$13,914.00
Ward 5 (1st) / Ward 9	\$9,775.00	\$13,007.73
Ward 5 (2nd) / Ward 10	\$14,304.45	\$13,405.79
Ward 6 (1st) / Ward 11	\$7,821.29	\$5,532.01
Ward 6 (2nd) / Ward 12	\$8,314.20	\$7,399.96
Ward 7 (1st) / Ward 13	\$18,722.57	\$15,042.43
Ward 7 (2nd) / Ward 14	\$25,866.60	\$9,778.00
<b>AVERAGE - WARDS</b>	<b>\$12,583.40</b>	<b>\$11,302.79</b>

reduced due to the smaller population area.

For some wards, the geographic area was drastically reduced, while for more rural wards, it remained relatively consistent.

Figure 2 presents the costs of a winning campaign.<sup>6</sup> The average costs of running a successful mayoral or board of control election decreased by \$4 062.00 and \$6 689.06 respectively. It is presumable that neither of these races would be substantially impacted by the new ward change. The

decrease in expenses could be attributed to the fact that in both elections there were at least 2

<sup>5</sup> Media Release. "Municipal Election Results Now Official".

<sup>6</sup> All data tables drawn from original candidate financial statements submitted to the City Clerk, City of London.

incumbent board members and an incumbent mayor. In ward councilor elections, the average cost to run a successful campaign in the smaller wards of the 2006 election decreased by only \$1 280.61, or 12%. This percentage is relatively small, considering that ward constituencies were reduced approximately by half; it is not substantial enough to validate the suggestion that smaller wards reduce campaign expenses and make running for local office more accessible. Furthermore, if the outlier figure from the 2003 election of \$25 866.60 (this is a case of a newcomer beating out an incumbent, which could account for the high expenditures), the average of the other 13 ward races is reduced down to \$11 561.62, a mere \$259 above the 2006 average. This data helps to disprove the hypothesis that smaller wards reduces campaign costs, as least in the short term, and did not make running in 2006 much more accessible than in 2003.

The primary interest of this paper is to examine the impact of the fourteen-ward system on the contributions from major developers to election campaigns. Campaign funding traditionally comes from four sources: individual citizens, unions, corporations, and candidate self-financing. In contrast with other levels of government elections, the government does not subsidize or provide a kickback of campaign expenses for local elections. This requires candidates to draw on individuals or organizations with interests that the candidate claims to support during their campaign. Political science literature suggests that an increase in funding from individual citizens can have a positive effect on voter engagement and can result in higher turnout.<sup>7</sup> Donations from individuals are generally given on the premise of shared ideological values, such as environmental or historical preservation. Aside from the possibility of electing a like-minded councilor, board member, or mayor, individual donors do not benefit directly from their donation. Similarly, unions can provide both financial and support of numbers, but have

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<sup>7</sup> McDermid, Robert. "Funding Municipal Elections in the Toronto Region". Presented at the Annual General Meetings of the Canadian Political Science Association (Toronto, 2006), pg. 20.

little self-motivation from their contributions aside from assisting individuals who are sympathetic to their cause in being elected. From a democratic perspective, the most troubling source of campaign donations is that from corporations with the expectation of reciprocal gain after the election. The pinnacle example of this is donations from land developers. Developers, arguably, have the most to gain from the election of pro-development council members, as the municipal administration is the enabler and regulator of their profit margins. Major developers have regular and continued contact with city council that provides many opportunities to develop relationships with development friendly council members and to establish tactics to remove or reduce the influence of those that are less sympathetic. This consistent presence also provides the opportunity to coerce candidates who received funding during their campaign to support the interests of the developer donor, and serves as a reminder of the obligations that comes from this sort of mutually beneficial relationship.

In light of the conclusions drawn above, it is plausible to suggest that the smaller wards have increased the competitiveness of city councilor election races, but have not reduced the cost and therefore donation dependency of candidates. In an effort to examine the possibility of a causal relationship between this conclusion and developer campaign contributions, a sample of eight major developers who contributed over \$750 to both the 2003 and 2006 elections has been drawn. Figure 3 provides the data of total contributions from these eight developers

Figure 3.CONTRIBUTIONS*	2003	%	2006	%	TOTAL
Auburn Development	\$3,750.00	42.13	\$5,150.00	57.87	\$8,942.13
Balnagowan Holdings	\$1,500.00	18.18	\$6,750.00	81.81	\$8,268.18
Drewlo Holdings	\$9,000.00	51.43	\$8,500.00	48.57	\$17,551.43
Shmuel Farhi Holdings	\$950.00	10.61	\$8,000.00	89.39	\$8,960.61
Reid's Heritage Homes	\$1,700.00	34	\$3,300.00	66	\$5,034.00
Sifton Properties	\$7,750.00	54.96	\$6,350.00	45.04	\$14,154.96
Southside Construction	\$7,000.00	66.67	\$3,500.00	33.33	\$10,566.67
Tricar Developments	\$1,750.00	19.44	\$7,250.00	80.56	\$9,019.44
TOTAL	\$33,400.00	40.68	\$48,700.00	59.32	\$82,140.68

according to dollar value and percentage of total funding provided over the two elections.

According to this sample data, the total developer costs have increased from 2003 to 2006. The increase is close to 20% and could be attributed to a variety of factors. One hypothesis is that the increased competitiveness of ward elections raised the developers' level of interest in ensuring adequate developer-friendly representation on council. In the two-councilor-per-ward system, it was more likely that each ward would elect the most popular left-leaning candidate who favoured regulated development and most popular right-leaning candidate who favoured development growth. This generalization is based on the assumption of a divided ideology in the voting population. This scenario would, on average, elect seven development-friendly council members, and in addition to the traditionally pro-development Board of Control members, it would be easy to comprise the needed majority to protect development interests. In the fourteen-ward system, it is less predictable that candidates of both ideological dispositions would be successful, and therefore the risks are higher for developers being disadvantaged by a less sympathetic council composition.

Another possible explanation for the sample findings is that the increase in spending is unrelated to the new ward boundaries. It is possible that this particular sample of corporations has grown between 2003 and 2006, and is planning continued growth in the future. Corporate growth would increase the financial ability to contribute, as well and increase the interest in election results. The increase could also be due to other factors, such as an increase in number of candidates, or the drawing of a particular sample which is unrepresentative of the greater populous of development corporations.

In any event, the contribution patterns from individual corporations are of interest to this discussion. Figure 4 indicates the level of success of funded candidates from 2003 to 2006 by individual developer. It is notable that in six of the eight cases, the percentage of funding that

went to a successful candidate was higher in 2003 than in 2006. In the remaining two cases (Balnagowan and Tricar), the number of candidates funded was more than tripled in 2006, and the significantly higher number would contribute to a more realistic depiction of successful funded candidates. It is also notable that, in terms of the individual candidates receiving funding, there was an increase in funding provided to candidates running against a left-leaning incumbent candidate, as would be expected. This uncertainty due to increased competitiveness could lead to further increases in developer funding, and is deserving of study in future elections.

It is important to examine this information in light of the number of council members who received funding from developers. In a similar comparison between 2003 and 2006 figures, the results are surprising. The council elected in 2003 had 13 council members

Figure 4. SUCCESS RATE OF FUNDED CANDIDATES	Successful Candidates	Unsuccessful Candidates	Success Average
Auburn Development - 2003	5	0	100%
Auburn Development - 2006	7	2	78%
Balnagowan Holdings - 2003	1	1	50%
Balnagowan Holdings - 2006	5	4	56%
Drewlo Holdings - 2003	10	3	77%
Drewlo Holdings - 2006	6	6	50%
Shmuel Farhi Holdings - 2003	2	1	66%
Shmuel Farhi Holdings - 2006	9	5	55%
Reid's Heritage Homes - 2003	4	0	100%
Reid's Heritage Homes - 2006	7	4	64%
Sifton Properties - 2003	9	4	69%
Sifton Properties - 2006	6	5	54%
Southside Construction - 2003	9	1	90%
Southside Construction - 2006	4	1	80%
Tricar Developments - 2003	2	1	66%
Tricar Developments - 2006	9	1	90%

who received funding from the noted developers, and 6 who did not; the council elected in 2006 has 10 council members who received funding from developers, and 9 who did not. This decrease in elected councilors with indebtedness to the sample of developers marks an ideological change that further threatens the interests of the eight developers examined. Although 10 is a majority vote, it does not represent the same degree of favouritism inherent in a council with 13 funded members. Again, this could be the result of an ideological shift in the population expressed through the increased competitiveness of elections, or it could be attributed to a change in the types of individuals running for local office. However, one thing is

certain. If this shift in ideology persists over the next few elections, the financial backing from developers for pro-growth candidates will become dramatically more aggressive in the future.

The 2005 petition submitted by Imagine London may have had far greater political implications than simply incurring new ward boundaries onto the geographic landscape. Most of the arguments put forward by George Sinclair seem to be plausible outcomes, but will require future study to be certain. However, even with the data comparisons aside, the action taken by Imagine London is commendable because it demonstrates the capabilities of citizens working together and having an impact on their community. The series of events leading up to the boundary changes will become a historic point in the civic development of London. It has influenced the community in ways that are impossible to quantify, such as enhancing the collective empowerment of citizens and demonstrating that there are other ways to affect change aside from being elected to office.

The difficulty in identifying a conclusive relationship between any given variable and election results is substantial. It would be impossible to account for every confounding factor or understand the extent of the impact of seemingly independent variables. In this case, it is presumable that factors such as professional conflict, changing land values in certain parts of the city, increases in existing development, business finances or growth, or specific events involving individuals would influence the contributions of specific developers to specific candidates. It is, however, possible to establish general patterns that suggest areas worthy of continued study. The changes to London's political geography following the Imagine London petition are significant, and have exerted influence over both the structure and culture of local government in the city. It will be years before the full impact of these events can be adequately measured. In contrast to federal and provincial elections, where local results are impacted by such confounding factors as party loyalties and centralized campaigning, local government

elections present the opportunity to establish more direct links between variables in campaign finances and election results.<sup>8</sup> This engagement is at the crux of democratic interest. By enabling citizens to understand the factions of electoral accountability, the potential increases for democratic participation beyond the polls.

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<sup>8</sup> McDermid, Robert. "Campaign Finance and Campaign Success in Municipal Elections in the Toronto Region". Presented at the Annual General Meetings of the Canadian Political Science Association (Saskatoon, 2007), pg. 14.

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