

Governing Toronto - A Review of Toronto's Governance System

The Policy and Finance Committee recommends that:

- (I) City Council adopt the staff recommendations contained in the Recommendations Section of the report (May 19, 2005) from the City Manager, subject to adding the following discussion point to the portion of the Terms of Reference, entitled “Study Framework”:**
 - “(ix) What actions will ensure that the interests of residents from diverse communities with modest income levels, are reflected in the decision making process?”;**
- (II) the City Manager be requested to submit a report to the Policy and Finance Committee, in collaboration with the three member external advisory panel, on a proposed detailed community and stakeholder engagement strategy; and reconfirm that expanding public engagement on City-wide policy, planning and annual budget deliberations is a top priority for the City of Toronto; and**
- (III) the City Manager be requested to submit a report to the Policy and Finance Committee on the public engagement process for this review.**

The Policy and Finance Committee submits the report (May 19, 2005) from the City Manager:

Purpose:

To recommend a review of Toronto's governance system that will position the City of Toronto to exercise governmental powers commensurate with its size and complexity, and a process that will include engagement with members of Council, civic leaders and other stakeholders.

Financial Implications and Impact Statement:

If there are costs identified during the course of the review that cannot be accommodated within the 2005 approved budget, particularly related to the engagement process, staff will report back to Council if required.

Recommendations:

It is recommended that:

- (1) the Terms of Reference for a Review of Toronto’s Governance System as outlined in Appendix 1 be approved;**

- (2) a 3-member external advisory panel be invited to participate in the review and undertake an engagement process with members of Council, civic leaders, community members and other key stakeholders;
- (3) the Mayor canvas Members of Council regarding potential panel candidates who will have the confidence and trust of the public and Council, and that the Mayor report directly to Council as soon as possible recommending the panel members and chair;
- (4) the advisory panel provide its interim report on findings to the Policy and Finance Committee by October 2005;
- (5) the advisory panel be supported by the City Manager and any additional staff resources identified by the City Manager;
- (6) the panel members conduct their work on a public-service basis, and that no remuneration or honoraria be paid as a result of appointment to the panel;
- (7) the appropriate City officials be authorized and directed to take the necessary actions to give effect thereto.

Background:

At its May 5, 2005, meeting the Policy and Finance Committee referred several recommendations in a report entitled "Recommendations for Mid-Term Changes to the Council Committee Structure and Process" to the City Manager with a request to report on a process to review the governance structure and address issues of citizen engagement, councillor engagement and stakeholder engagement.

Comments:

Toronto's government is regulated by legislation and implemented through a governance system (how the legislative body organizes itself and makes decisions) which is supported by a set of procedures and rules.

(a) Legislative Framework:

Toronto is currently undertaking a joint City/Provincial review of its legislative framework (the *City of Toronto Act* (COTA) review). The review seeks legislative changes that will recognize the City of Toronto as an autonomous, accountable and democratically established order of government with enabling new powers and the discretion to address existing and future community needs. It is expected that the Provincial government will introduce a bill granting permissive powers to this effect by the end of 2005.

The COTA review is examining many pieces of legislation relevant to the City, including several that affect Council's governance system: the *Municipal Act*, 2001, c.25, the *City*

of Toronto Act, 1997, c.2, the City of Toronto Act, 1997 (No. 2), c. 26. In many ways, Council lacks the authority to directly control its governance system or make changes and improvements as it sees fit. For example, Council may not sub-delegate decision-making to committees, community councils, the Mayor, or staff except when express statutory authority exists, or where the decisions relate to administrative functions, within prescribed frameworks that do not involve the making or determination of policy. Council cannot make changes to the number or boundaries of its wards, or to the number of Councillors or the system by which they are elected.

(b) Governance System:

Toronto's governance system has been shaped by its environment. The amalgamation of two tiers of government created a complex structure that supported new decision-making requirements but maintained some components of pre-existing municipalities. Thus Toronto has a system of community councils to deal with resident and ward based matters, while major policy matters and issues of City-wide significance are deliberated at the standing committee and Council levels. All final decision-making rests with Council.

The governance system encompasses both structure (number, mandates, and duties of committees and other bodies and positions; composition of committees and other bodies) and process (community engagement, public participation and public hearings, political debate and decision-making). It is the route by which items enter and flow through the system and it is the place where the political and administrative components of the organization meet when staff provide their professional advice and recommendations to committees and Council.

A key element of the system is a supportive set of rules or procedures. These rules and procedures are contained in the City of Toronto Municipal Code, Chapter 27 (Procedures). The procedures guide the conduct of members and other participants in meetings and set out rules for debate (voting, questions, speaking, motions) and the conduct of business in an orderly manner. Decision management (tracking of decisions, record keeping, minutes) is another important part of the procedures.

(c) Current Situation:

In addition to the COTA review and its anticipated impact on Council's ability to make governance decisions, other work and activities are currently anticipated or underway:

- (i) Since amalgamation, two major reviews of the governance system have been conducted, in 1998 and 2003. The 2003 review was referred to the CAO with a request to report back to the Policy and Finance Committee on options to move forward after the Bellamy Inquiry final report is submitted (the Bellamy report is expected in September 2005 and is likely to make governance-related recommendations based on the "Good Governance" phase of the Inquiry). Extensive research was conducted for the 2003 review and has been updated since

that time. This information is still relevant and will be made available for use in the recommended review.

- (ii) Council has established a Council Procedures and Meeting Management Working Group which is conducting an in-depth review of Chapter 27 of the Municipal Code. This group intends to report on a new Procedures By-law in October 2005.
- (iii) Civic leaders, the media, and other interested parties have weighed in on Toronto's governance issues and solutions from their perspectives.
- (iv) the Mayor has recently outlined his views on a principled approach (the four pillars of effective urban governance: strong Council, strong Mayor, strong neighbourhoods, strong Toronto Public Service) which builds on what he believes to be key strengths of urban governance, for example: all members of Council have a duty to come to consensus, rather than a duty to oppose; its strong base of civic democracy and the involvement of people in decision-making; and its dynamic, open, transparent and accountable form of government.

Governing Toronto Review: Recommended Process:

The Policy and Finance Committee requested the City Manager to outline a review process to tie together the related matters discussed above and ensure that Council has all of the information it requires to make good decisions about its governance system. A detailed Terms of Reference for the review is outlined in Appendix 1 of this report. Several components of the review are discussed below.

(a) Leadership and Support:

Governance issues are part of the Policy and Finance Committee's mandate. Therefore it is appropriate for the Mayor (as chair) and the Policy and Finance Committee to provide political leadership to the review. However, since the issues and inter-relationships are complex, and because public interest is so high, it is recommended that an external panel be established to participate in the review on an advisory basis and provide its advice to the Policy and Finance Committee on this matter.

External panels are often involved in City governance reviews, or used for reviews of City charters where they exist. This approach adds third-party objectivity to an issue which is both important to the public and politically sensitive. Members of the panel should have the ability to bring fresh thinking and innovative ideas to the issue of urban governance.

Staff support and professional advice will be provided by the City Manager and other staff identified by the City Manager as required. Staff will provide professional expertise and assistance in summarizing findings and options and will provide information and research, development of detailed work plans, logistical support, and administrative co-ordination for the review.

(b) Review Focus:

The focus of the review will be on examining ideas and options based on receiving comprehensive new powers and a new legislative framework as a result of the COTA review. Other shorter-term or longer-term ideas and options that are within Council's current powers may also be identified. The review will be undertaken within principles of good governance and a study framework. The outcome of the COTA review, the final report of the Bellamy Inquiry, and the ongoing procedures review will be considered during the review.

(c) Engagement and Consultation:

It is important that the review encourage a civil, robust and informed discussion of options and ideas. A variety of consultation and engagement activities will be employed, for example: structured information and research sessions, roundtable discussions with a variety of civic leaders, sector leaders and experts in the field of governance, web-based and media-based methods, and a community engagement component.

(d) Review Timeline:

It is recommended that the panel's interim findings be reported to the Policy and Finance Committee by October 2005, and that this report be followed up with an opportunity for Members of Council to have an in-depth discussion of the findings prior to a final report coming forward for debate and decision-making in November or December 2005.

(e) Implementation:

Following Council debate and decision making, major changes resulting from the review are likely to be implemented for the 2006-2009 term of Council. This implementation timeframe will give the organization the better part of 2006 to plan the transition to the new model. If Council decides to make changes to the number or boundaries of wards, or to the number of Councillors, implementation will most likely flow into the 2009-2012 term.

Conclusion:

Many activities related to Toronto's governance model are converging over the next few months. This report recommends a process for comprehensive consideration of these activities and the opportunity to develop a long term plan. The recommended process will ensure that Council has the benefit of a thorough and inclusive study within which to consider changes upon receiving governmental powers, and may identify other changes and improvements that can be made within current powers.

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Terms of Reference
Governing Toronto: A Review of Toronto's Governance System

Purpose:

- (1) To provide information, findings and options to Council so that it can debate and make decisions about its governance system in order to prepare for and exercise governmental powers.
- (2) To ensure an engagement process with Members of Council, citizens, civic leaders and other stakeholders so that various points of view and ideas can be heard and discussed.
- (3) To encourage a civil, robust and informed discussion of options among all sectors of Toronto society interested in a well governed City.
- (4) To integrate related issues resulting from the *City of Toronto Act* review, the final report of the Bellamy Inquiry and any recommendations pertaining to good governance, and the ongoing procedures review.

Leadership and Support:

The Mayor (as chair) and Policy and Finance Committee will provide political leadership to the review.

A 3-member external advisory panel will participate in the review and undertake an engagement process with Members of Council, civic leaders, community members and other key stakeholders.

Staff support and professional advice will be provided by the City Manager and other staff identified by the City Manager as required. Staff will provide professional expertise and assistance in summarizing findings and options and will provide information and research, development of detailed work plans, logistical support, and administrative co-ordination for the review.

Guiding Principles:

City Council approved ten governance principles in 1999 and they were reaffirmed during governance discussions in 2003. These principles will be reviewed and evaluated as part of the study.

Council's Governance Principles:

- (i) Enable Council to set goals and priorities and adhere to these.
- (ii) Allow for meaningful opportunities for public input to Council's decision making process.
- (iii) Ensure that every Member of Council has an important role in the decision-making process.
- (iv) Ensure that Council workload is shared as evenly as possible among Members of Council.
- (v) Enable Councillors to be held accountable for their decisions.
- (vi) Be simple and understandable to the public.
- (vii) Enable the control of municipal expenditures.
- (viii) Ensure that Standing Committees are where policies are developed for recommendation to Council and where the implementation of policies are monitored.
- (ix) Ensure that all Committees of Council add value to the political decision making process.
- (x) Enable Councillors to spend time in their constituencies.

These principles were created for Toronto's particular governance model and are a starting point for the review. The principles reflect a model that encourages civic democracy and the involvement of people in decision-making and that is open and transparent; a model where policies are considered in public with community input, where votes are taken in open meetings and the public knows where their elected representatives stand on issues at all times in the decision-making process.

Study Framework:

The following discussion points will provide a preliminary framework for the review and particularly for the engagement and consultation process:

- (i) What actions will set the stage for Council to exercise governmental powers?
- (ii) What actions will ensure that Council can take a strategic approach on City-wide issues?

- (iii) What actions will make the Mayor’s leadership role most effective, given the responsibilities of this City-wide elected position?
- (iv) What is the right balance of shared power between the Mayor and Council?
- (v) What actions will improve community representation and engagement with the decision-making process?
- (vi) What actions will contribute to vibrant and engaged neighbourhoods?
- (vii) What actions will support Councillors to deliver on the priorities of their neighbourhoods?
- (viii) What actions ensure a professional and independent public service?

These discussion points will be further developed for meaningful exploration of governance options. A variety of channels of input will be developed including commissioned papers, seminars, research discussions, and web-based input. Within this methodology, leading urban thinkers will be invited to offer ideas and options which uphold the principles and respond to discussion guidelines.

Work Components and Timeframe:

The review will be conducted within the following general timeframe:

June/05	Policy and Finance / Council approve of Terms of Reference.
July to October	Engagement and consultation process.
October	Interim report on findings to Policy and Finance Committee for direction and to provide focus for full Council discussion.
October/November	Council retreat session to review findings and undertake in-depth Discussion.
November/December	Final report to Policy and Finance/Council.

The following persons appeared before the Policy and Finance Committee;

- Katrina Miller, Toronto Acts Now, and filed a document entitled “A City of Toronto Act that works for the people of Toronto”;
- Hawa Jilao, Somali Immigrant Women’s Association;

- Judy Duncan, ACORN; and
- John Cartwright, President, Toronto and York Region Labour Council.