

Clause embodied in Report No. 2 of the Policy and Finance Committee, as adopted by the Council of the City of Toronto at its meeting held on February 13, 14 and 15, 2002.

**5****ABC Governance Issues Work Program**

*(City Council on February 13, 14 and 15, 2002, amended this Clause by inserting in Recommendation No. (4) of the Policy and Finance Committee, after the words "Councillor Kyle Rae", the words "and Councillor Mario Silva", so that such recommendation shall now read as follows:*

*"(4) that the Striking Committee be requested to give consideration to Councillor Kyle Rae and Councillor Mario Silva being appointed to the aforementioned Ad Hoc Committee.")*

**The Policy and Finance Committee recommends:**

- (1) the adoption of the report (January 17, 2002) from the Chief Administrative Officer;**
- (2) that the proposed ABC Ad Hoc Committee be requested to provide interim reports to the Policy and Finance Committee at least twice yearly;**
- (3) that the City Clerk be requested to canvass Members of Council to determine their interest in being appointed to the aforementioned Ad Hoc Committee and report thereon to Council through the Striking Committee; and**
- (4) that the Striking Committee be requested to give consideration to Councillor Kyle Rae being appointed to the aforementioned Ad Hoc Committee.**

**The Policy and Finance Committee submits the following report (January 17, 2002) from the Chief Administrative Officer:**

Purpose:

To recommend a process for dealing with all outstanding governance issues respecting the City's Agencies, Boards, Commissions, and Corporations.

Financial Implications and Impact Statement:

There are no financial implications arising from this report.

Recommendations:

It is recommended that:

- (1) the ABC Work Program plan attached to this report as Appendix I be approved and the Chief Administrative Officer be directed to manage the program;
- (2) an ABC Ad Hoc Committee be established to guide the ABC Work Program, consider staff reports on ABC structures and policies, hear deputations and consult stakeholders and make recommendations to the Policy and Finance Committee and that the Terms of Reference for this committee attached as Appendix II be approved; and
- (3) the appropriate City Officials be authorized and directed to take the necessary action to give effect thereto.

Background:

In December 2001, the following motion was referred to the Chief Administrative Officer:

“the Chief Administrative Officer report to the Policy and Finance Committee in January 2002 with recommendations for a consultation process, timetable and overall guidelines for a review of City ABCs, including creating a reference group or sub-committee of Members of Council to guide the process”.

There are several outstanding directives and referrals dealing with agency structures and applicability of corporate policies, including the directive to respond to the ABC Reduction Task Force report tabled in April 2001.

This report recommends an ABC Work Program to deal with, in a systematic and structured way, ABC governance issues and their relationship to the City.

Comments:

Following amalgamation in 1998, the City undertook a number of reviews of City agency structures, primarily to integrate similar functions into common agencies. For instance, a common library system was established under one agency, heritage functions were re-organized, two parking authorities were integrated. Most of these reviews were undertaken as part of the work plan of the Special Committee to Review the Toronto Transition Team Report. The Special Committee also began to develop a structured approach to agency relationships by developing a classification system for ABCs and a framework for determining the composition of agency boards. Council approved these frameworks and established an ABC Task Force to continue this program once the Special Committee concluded its work. However, the Task Force only met once and the work was abandoned.

In 2000, the Mayor established the ABC Reduction Task Force to seek ways of reducing costs through alternative structures and policies concerning ABCs. This second Task Force reviewed

individual issues and made a number of recommendations, most of which require further development and analysis, including consultation with stakeholders.

Although the most pressing organizational issues have been dealt with and the City successfully reduced its agencies from 284 to 84 since amalgamation, there still remains a need for the City to develop a common philosophy and approach to establishing and managing its many agencies. The City needs to clearly outline its objectives in maintaining an agency structure and to clarify expectations and ground rules. There is a need for clearer lines of authority and improved accountability mechanisms.

Both the Federal and Provincial governments have very structured approaches to establishing and managing their agencies and crown corporations. Both use a system of classifying agencies within schedules, each schedule with varying degrees of autonomy, delegated authority, and operating and reporting rules. Given the size and complexity of the City of Toronto's network of agencies, consideration of a similar strategy for the City is warranted. Individual models could then be reviewed further in the context of an overall made-in-Toronto approach to agency administration.

ABC Work Program:

It is proposed that an ABC Work Program be undertaken, comprised of three streams:

- (1) Governance Models and Accountability Mechanisms:
  - (a) develop overall criteria for selecting appropriate governance model;
  - (b) develop reporting requirements and accountability mechanisms;
  - (c) address common issues such as remuneration and applicability of City administrative policies; and
  - (d) develop direction to agencies/management agreements between agency and City.
- (2) Review of Individual Structural Issues:
  - (a) address outstanding directives and referrals;
  - (b) address issues specifically raised by Council, Committees, and individual Councillors; and
  - (c) begin systematic review of all agency relationships not yet studied since amalgamation.
- (3) Support Services Integration:
  - (a) determine when it is appropriate for agencies to use City administrative and supports services; and

- (b) develop service agreements and charges.

A more detailed outline of the work plan is attached as Appendix 1 to this report.

Methodology:

The Work Program can be organized and managed by existing staff of the Chief Administrator's office. A series of work groups will be necessary to involve departmental and agency staff. These can be established as required depending on the issues. Resources from Legal, Finance and Corporate Services will be required on an on-going basis. Many of these resources are already engaged on an ad hoc basis to deal with individual issues as they arise.

Consultation with boards and staff of agencies affected will be an integral part of the work program. Workshops involving Councillors, agency board members and/or the public may also be appropriate in some cases.

To prioritize and direct the work program and to work with staff in developing the principles and guidelines for the program, it is recommended that an ABC Ad Hoc Committee be established to steer the program and consider staff proposals. The ABC Ad Hoc Committee would consider staff reports, hear deputations, seek input from other stakeholders and make recommendations to the Policy and Finance Committee.

Conclusion:

Many of the specific issues requiring attention need to be considered within a comprehensive policy framework for dealing with the City's ABCs. It is recommended that the attached ABC Work Program Plan be managed by the Chief Administrator's Office and report through an ABC Ad Hoc Committee to the Policy and Finance Committee. The Work Program includes the development of the general policy framework and outlines projects to address specific issues.

Contact:

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Appendix 1 - ABC Work Program Plan

- (1) Governance Models and Accountability Mechanisms:
  - (a) develop overall criteria for selecting appropriate governance model:
    - (i) when is an ABC model appropriately used, when not?
    - (ii) what criteria should be used to determine level of independence?

- (iii) when should City policies be imposed?
    - (iv) investigate municipal capability to use SOA model;
    - (v) review new Municipal Act to determine rights of municipalities in establishing boards and corporations;
    - (vi) revisit classifications for agencies;
  - (b) develop reporting requirements and accountability mechanisms:
    - (i) define link to the City;
    - (ii) review selection criteria and process for selecting Board members;
    - (iii) review remuneration;
    - (iv) develop template for annual reports;
    - (v) develop performance assessment mechanisms;
  - (c) address common issues:
    - (i) remuneration;
    - (ii) applicability of City administrative policies;
    - (iii) agenda format, availability;
  - (d) develop direction to agencies/management agreements between agency and City:
    - (i) legal agreements providing direction from the City and laying out the requirements and process for reporting; and
    - (ii) develop Board orientation program outlining City expectations and reporting requirements.
- (2) Review of Individual Structural Issues:
  - (a) address outstanding directives and referrals:
    - (i) Toronto Atmospheric Fund;
    - (ii) size and composition of Library Board;
    - (iii) Toronto Parking Authority;

- (iv) Rooming House Licensing Commission;
  - (v) Arenas boards;
  - (vi) community centres;
  - (vii) Theatres;
  - (viii) Zoo;
  - (ix) Exhibition Place; and
- (b) begin systematic review of all agency relationships not yet studied.
- (3) Support Services Integration:
- (a) determine when it is appropriate for agencies to use City administrative and supports services; and
  - (b) develop service agreements and charges.

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#### Appendix II - Terms of Reference for ABC AD Hoc Committee

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|--------------------------|---|
| Purpose:                 | To develop a City framework for governance of ABCs.<br>To rationalize existing models and make improvements.<br>To develop reporting requirements and accountability mechanisms.<br>To review processes for selecting boards.<br>To articulate expectations and relationship to the City. |
| Composition:             | At least 7 Councillors.   |
| Decision-Making Process: | Prioritize work program.<br>Receive proposals and presentations.<br>Seek input/feedback from agencies.<br>Engage stakeholders and public.<br>Hear deputations.<br>Forward Recommendations to Policy and Finance Committee.  |
| Meeting Format:          | Bi-monthly during week reserved for Agency meetings.<br>Formal Agenda.<br>Public forum.<br>Administrative support by Clerk's Department.  |
| Support:                 | Work Program managed by CAO.<br>Joint Staff/Agency workgroups.  |

Timeframe: To end of current Council term November 30, 2003.  
Progress to be reviewed at that time.

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Ms. Joan Anderson, Board Member, The 519 Church Street Community Centre, appeared before the Policy and Finance Committee in connection with the foregoing matter, and filed a written submission in regard thereto.