

Clause embodied in Report No. 12 of the Policy and Finance Committee, as adopted by the Council of the City of Toronto at its Special Meeting held on July 30, 31 and August 1, 2002.

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**Establishing a New Relationship with the Federal and
Provincial Governments - Progress Report on
Toronto's Initiatives**

(City Council at its Special Meeting held on July 30, 31 and August 1, 2002, adopted this Clause, without amendment.)

The Policy and Finance Committee recommends the adoption of the following report (June 21, 2002) from the Chief Administrative Officer:

Purpose:

This report reviews Council's resolutions, in July and October 2000, to seek a new relationship with the other orders of government and to engage in a strategy to that end. The report summarizes the progress of the strategy and highlights related key events. The report also transmits, for Council's information, a framework for model city legislation, which has been developed in partnership with other Canadian cities, and which has been endorsed by the Federation of Canadian Municipalities' (FCM) Big City Mayors' Caucus as a tool to further debate on a new deal for cities.

Financial Implications and Impact Statement:

Funding for the activities recommended in this report, is included in the approved 2002 Budget.

Recommendations:

It is recommended that:

- (1) Council undertake the development of a modern flexible Charter for Toronto, that reflects the City's unique characteristics and needs and empowers the City's elected government to meet the needs of the City and its inhabitants now and in the future;
- (2) the Model Framework for a City Charter appended to this report as Attachment No. 1, be used as the basis for the development of the City Charter for Toronto;
- (3) the Chief Administrative Officer work with Council's Charter City Reference Group to develop and implement a process to involve all members of Council and the people of Toronto in crafting the City Charter for Toronto; and

- (4) the appropriate City Officials be authorized and directed to take the necessary action to give effect thereto.

Background:

On July 5 and 6, 2000, City Council adopted the Chief Administrative Officer's report entitled "Towards a New Relationship with Ontario and Canada" (Clause No. 1 of Report No. 9 of the Policy and Finance Committee). The report and its accompanying background papers discussed the fiscal and governance challenges confronting Toronto in an increasingly competitive and rapidly changing world of city regions. The report concluded that the City's financial and legislative toolkits, largely conceived 150 years ago, were not suited to present needs.

Council adopted the position that the province can prepare Toronto to compete successfully in the twenty-first century by enacting a custom-built Charter to meet the City's unique responsibilities and needs. Council agreed that a City Charter for Toronto is achievable within the existing constitutional framework and would:

- (a) give Toronto powers and responsibilities that match the City's needs;
- (b) spell out clearly the City's spheres of power with respect to local matters and give the City the ability to act independently within these spheres;
- (c) recognize that the City needs a new toolkit to ensure that financial resources match the City's responsibilities;
- (d) provide the authority to conduct and attract business in innovative and more efficient ways;
- (e) recognize Toronto as an order of government that should be consulted whenever provincial financing and policy changes are being developed; and
- (f) enable the City to communicate directly with the federal government on matters of mutual interest such as urban infrastructure, housing construction incentives, immigrant settlement and the development of a national agenda on urban issues.

On October 3-12, 2000, Council adopted Clause No. 1 of Report No. 11 of the Policy and Finance Committee, in which the Chief Administrative Officer proposed an implementation strategy and community engagement process in pursuit of the new relationship with the provincial and federal governments. The report noted that a successful campaign to establish a Charter for the City of Toronto may take several years, perhaps at least two terms of Council, and must be focused at the local, regional, provincial and national levels. In the report, the Chief Administrative Officer outlined three primary goals for the strategy:

- (1) to communicate clearly to the public the reasons for and benefits of becoming a Charter City and seek public support for, and participation in, Toronto's strategy to achieve Charter City status;

- (2) to communicate to the provincial and federal governments the need for a new relationship for Toronto and successfully engage the two levels of government in constructive discussions on the City's proposal; and
- (3) to seek support for the City Charter from a broad spectrum of cities and municipal associations in Ontario and nationally and to engage key community partners and experts in promoting the concept.

This report reviews the progress of the implementation and communication strategy over the past one and a half years and identifies some immediate next steps. The report highlights actions undertaken by the City, identifies significant initiatives undertaken by other stakeholders, and sets out some immediate next steps.

Comments:

City of Toronto Actions:

FCM and Association of Municipalities of Ontario (AMO) Endorsement:

Council's adoption of "Towards a New Relationship With Ontario and Canada" in 2000 was intended to precipitate a dialogue with the other orders of government about new relationships between them and the City of Toronto. The support of other municipalities, municipal associations and other stakeholders is critical to the content and progress of such a dialogue. Therefore, the City's initial efforts were put into soliciting support from the municipal associations in which Toronto holds membership. These efforts were successful.

On August 13, 2000, the Board of Directors of AMO unanimously adopted a resolution to support the City of Toronto's new relationship initiative in principle. The principles underlying the City's initiative were recognized to be consistent with AMO's own positions concerning the needs and status of municipal government as articulated in AMO's 1994 position paper entitled "Ontario Charter: A Proposed Bill of Rights for Local Government".

On September 9, 2000, the FCM Board of Directors adopted a resolution to "endorse the City of Toronto's Charter initiative in principle, which is in keeping with FCM's policy of achieving the recognition of municipal government as an independent order of government". The Board directed FCM staff to "work in co-ordination with the City of Toronto to this end."

Subsequently, on September 22, 2000, the Mayor sent a letter and an information package about the City's Charter initiative to federal and provincial politicians, municipal leaders in the GTA and across Canada, FCM, AMO and other municipal associations across Canada.

Campaign for Canada's Cities:

Following Council's adoption of the implementation report in October 2000, the Mayor requested Councillors Berardinetti, Johnston, Miller and Ootes to serve as a charter city reference group to assist staff in the development of a communications strategy. Councillors Chow, Pantalone and Shiner were subsequently added to the reference group. In consultation

with this reference group, staff developed a communications strategy, including short- and long-term goals, target audiences, messages and communications products. Key to the strategy has been a recognition that:

- (1) the City must occupy the high ground in the dialogue about a new relationship. The case for change is best advanced by the merits of the argument for modern powers and resources to equip a modern city with appropriate and necessary tools to carry out twenty-first century urban government responsibilities;
- (2) the case for modern powers and resources gains legitimacy when it is embraced by a broad range of voices representing many sectors and interests;
- (3) access to sustainable, appropriate and adequate financial resources is an urgent and critical issue, but the case for a new relationship is not only about money. It is just as much about having the agility and flexibility to make decisions in a complex and rapidly changing urban environment. It is also about being at the table when decisions are made that affect the city, its inhabitants and its businesses. In short, it is about equipping the city government with all the tools necessary to govern a modern city of two-and-a-half million people at the core of a rapidly growing urban region of five million population;
- (4) while individual cities experience unique and particular needs, the need for modern powers and resources is not just a Toronto issue; and
- (5) the argument for modern powers and resources must be backed up by excellent research.

A core component of the communications strategy has been the development of the terms “Stronger Cities, Stronger Canada” and “Canada’s Cities: Unleash our Potential” to brand the campaign for modern powers and resources for cities, including Toronto. On October 21, 2001, Toronto joined with the cities of Vancouver, Winnipeg, Saskatoon, Ottawa and Halifax to launch “Canada’s Cities: Unleash our Potential” as a positive national campaign to promote the urgent need for the federal, provincial and municipal governments to work together to give Canada’s cities the tools and resources they need to compete with other world cities. Each city participating in the Canada’s Cities campaign promotes its message at the local level, and in discussions with its provincial government. At the federal level, the mayors worked closely with the FCM to address the urgent need for cities to gain the tools and resources they need.

To facilitate cities’ and citizens’ involvement in the national campaign, staff have developed a campaign website, www.canadascities.ca, where citizens can find more information, register their support, and send an email to their elected representatives. The site includes a comprehensive library of reports and presentations about the need for modern approaches to municipal powers and resources.

Much of the effort in pursuit of the strategy has entailed working in close collaboration with other municipalities and organizations during the past year and a half. The fruits of those efforts are evident in the initiatives undertaken by other stakeholders described in the next section of this report.

Initiatives by Other Stakeholders:

Association of Municipalities of Ontario:

As already noted, the AMO board of directors supported Toronto's city charter proposal in principal. In addition, AMO played a lead role in representing the municipal sector during the development of the new *Municipal Act* in Ontario. AMO ensured that Toronto representatives were included in technical and stakeholder working groups prior to the passage of the legislation and currently during development of regulations. As noted elsewhere in this report, the new Ontario legislation falls far short of Toronto's needs and expectations. Nevertheless, AMO has been instrumental in getting the province to incorporate a statutory requirement to review the legislation after five years and agreeing to a consultation protocol.

Federation of Canadian Municipalities:

In addition to adopting a resolution in support of Toronto's new relationship initiative, the FCM has conducted valuable research and effective advocacy activities. In May 2001, the FCM published a research paper entitled "Early Warning: Will Canadian Cities Compete?" The paper provided a comparative overview of municipal governments' legislative authority and sources of revenue in Canada, the United States and Europe. The paper showed that European and American governments were investing powers and financial resources in their cities at a much greater rate than is the case in Canada. The research in this paper has formed the basis for several subsequent reports by other organizations and is routinely quoted in media articles and speeches by a variety of stakeholders including federal government ministers.

The FCM has also provided well-researched input to the Prime Minister's Caucus Task Force on Urban Issues and federal budgets. Most recently, the FCM has built on the "Early Warnings" findings with the production of a report entitled "A New Deal for Cities: On the Road to Fiscal Sustainability". In keeping with the FCM's advocacy mandate at the federal level, the focus of this report is the potential for federal government action in its 2003 budget. The report describes the mismatch between municipal responsibilities and revenues, provides a comparative analysis of municipal access to revenues between Canada and other OECD countries, articulates the rationale for federal financial contribution to urban areas and sets out options for municipal financing.

The FCM is also finalizing a report linking urban quality of life, competition and innovation. This report, to be entitled "Bridging the Innovation Gap: Count Cities In", will be useful in advancing the issues of municipal fiscal sustainability and autonomy.

In October 2001, through its Task Force on the Future Role of Municipal Government, the FCM held a national symposium in Toronto on "Communities in an Urban Century." Chief Administrative Officer staff helped FCM staff develop the program for the symposium. The symposium included speakers from Canada, the United States and Great Britain and attracted approximately 200 delegates despite taking place shortly after the events of September 11 in the United States. The symposium presentations and discussion were published in a report entitled "Communities in an Urban Century."

The City of Toronto is the FCM's largest member. In 2001-2002, Toronto held three positions on the FCM's national board of directors, including the presidency. Members of Council were also active on several FCM committees including the Task Force on the Future Role of Municipal Government. In addition, CAO staff and FCM staff have collaborated closely on the municipal autonomy agenda.

FCM Big City Mayors' Caucus (BCMC):

The mayors of Canada's larger cities meet twice a year as a special caucus of FCM members. In February 2001, the BCMC outlined a ten point "Action Plan for Cities". In October 2001, the BCMC endorsed the implementation and communication strategy developed by Toronto and used the occasion of their caucus meeting to launch the national "Canada's Cities: Unleash our Potential" campaign and website (www.canadascities.ca), discussed earlier in this report.

On May 30, 2002, the BCMC held a special meeting prior to the FCM Annual Conference in Hamilton, at which they endorsed the "Model Framework for a City Charter", which is appended to this report. Both the mayor and deputy mayor participated in this meeting. The model charter was a collaborative effort by staff from the cities of Toronto, Regina, Winnipeg, Mississauga, Montreal, Halifax and the FCM. BCMC members agreed to use the model charter in discussions with their respective provinces aimed at modernizing the legislative framework for cities.

The City of Toronto has been represented at all recent BCMC meetings either by the mayor himself or a designate. Chief Administrative Officer staff have worked closely with FCM staff and staff of other BCMC cities on advancing the BCMC action plan for cities.

C5 Mayors:

In May 2001, at the initiative of author Jane Jacobs and Toronto businessman and philanthropist Alan Broadbent, the mayors of Vancouver, Calgary, Winnipeg, Toronto and Montreal met in Winnipeg as the C5. The meeting represented the first such conference of Canada's major hub cities and focused on their common predicament of managing twenty-first century urban government responsibilities within the shackles of a nineteenth century legislative and fiscal framework. The C5 met again in Vancouver in January 2002 and in Montreal in June 2002. The mayor of Calgary was unable to leave his city because of G8 meeting preparations so participated in the Montreal meeting via teleconference call. At all C5 meetings, the mayors were accompanied by delegations representing labour, academia, business, cultural, environment and social service sectors. The Toronto delegation included the president and CEO of the Toronto Board of Trade, the president and CEO of the United Way of Greater Toronto and the city's Chief Administrative Officer.

Following the Montreal meeting, the C5 mayors and their delegations agreed that:

- (a) they endorse the findings of the reports which compel Canada to change the ways in which its largest urban regions are empowered and financed;
- (b) the time has come for action by all orders of government to address the looming crisis of urban Canada;

- (c) strategies must be developed by the Provincial and Federal governments in consultation with municipal elected officials, and in partnership with leaders from other sectors; and
- (d) the implementation of these actions shall be entrusted to municipal governments, the bodies most able to efficiently and effectively meet the needs of citizens.

With the support of their delegations, the C5 mayors committed to meeting with their premiers to discuss the challenges and needs of Canada's city regions and to request that their respective premiers invite them to participate in the next full First Ministers meeting with the Prime Minister, which must focus on the needs of Canada's city regions.

The mayor has been an active participant in all of the C5 meetings and staff from the 5 cities have worked closely together in support of the process. Following the Montreal meeting, the mayor offered to host a further C5 meeting in Toronto in late 2002 or early 2003, taking into consideration the timing of municipal elections in Vancouver and Winnipeg in the fall.

Toronto Board of Trade:

The Toronto Board of Trade took an early interest in Council's city charter initiative. In October 2000, staff were invited to the board's Finance and Economic Affairs Committee to discuss the charter proposal.

As noted above, the president and CEO of the Board of Trade has been part of the mayor's delegation to the C5 meetings. In that role she has undertaken to advance the C5 agenda with boards of trade and chambers of commerce in the five cities. She has also participated in public events and panel discussions, presenting arguments in favour of increased municipal autonomy and access to a wider range of more sustainable revenue sources.

Last year the Board of Trade convened a CEO Forum on Urban Competitiveness to review Toronto's competitive position. On June 12, 2002 the Board released a report entitled "Strong City: Strong Nation" based on the CEO Forum's deliberations and an analysis of the flows of taxes generated in Toronto and government expenditures in Toronto. The report confirmed that Toronto is a major generator of national wealth. It stated that in 2000 there was a net outflow of \$9 billion from Toronto to the provincial and federal governments. The report concluded that:

- (a) major investments are required in the city's infrastructure to support the city's competitive position and economic role; and
- (b) the current public finance model, which forces the city to rely on property tax, limits the city's ability to generate enough cash flow to respond effectively to pressures, which include ageing and deteriorating infrastructure, severely constrained access to affordable housing, declining tourism, declining real incomes and increasing levels of poverty and an eroding tax base.

The report recommended:

- (a) a five year funding agreement with the other orders of government as an interim measure;

- (b) reforming the public finance model within five years to provide the city government with access to new or existing revenue sources so that it may become more self reliant; and
- (c) transforming the city's governance structure to reflect the fiscal capacity and needs of the sixth largest government in Canada.

United Way of Greater Toronto:

The President and CEO of the United Way of Greater Toronto, is one of Toronto's delegates to the C5. In that capacity she has conferred with United Ways in the other cities to advance the C5 municipal autonomy and fiscal sustainability agenda. She has also incorporated consideration of these issues into her discussions with United Way member agencies in the Toronto region. In that way the United Way has played a lead role in beginning the process of engaging the broader Toronto community in the municipal autonomy and resources debate.

In March 2002 the United Way released a report entitled "A Decade of Decline". Drawing on data collected by Statistics Canada, this study of income and poverty trends in Toronto found evidence of increased poverty and income polarization despite the economic recovery. The report concluded that the liveability of Toronto is at risk. The United Way described the report as a "call to action to address the growing disparities in Toronto" and supported the call for a new deal for cities as essential to addressing the problem.

Toronto Dominion Bank:

In April 2002, the TD Bank lent its support to the campaign for Canada's Cities with the release of a special report entitled "A Choice between Investing in Canada's Cities or Disinvesting in Canada's Future". The report concluded that Canadian cities' reliance on the property tax and their lack of access to other revenue streams was unsustainable and placed them at a disadvantage. The report recommended changing provincial laws to provide municipalities with more control over their affairs and more revenue raising ability.

Subsequently, in May 2002, the TD Bank released a follow-up report entitled "The Greater Toronto Area (GTA): Canada's Primary Economic Locomotive in Need of Repairs". The report warned that:

- (a) per capita income in the GTA is falling behind that in the U.S.A.;
- (b) infrastructure, especially transit, to support the GTA's growth is not being put in place and existing infrastructure is not being adequately maintained; and
- (c) despite some growth in the City of Toronto, deep pockets of poverty persist, exacerbated by the lack of affordable housing.

The report recommended action by all levels of government, including to ensure long-term, sustainable and predictable funding for investment in infrastructure, investment in social housing from more appropriate revenue streams than the property tax, provision of "tax room" for Toronto to access a portion of the gas tax, and reforming municipal framing legislation "to give

municipalities the authority to broaden their revenue sources while simultaneously lowering taxes at the provincial level to provide the municipal tax room.”

In several public speeches and presentations, both the Chairman and the Chief Economist of the TD Bank have echoed the essence of the campaign for Canada’s cities by emphasising the close relationship between the strength of Canada’s cities and the strength of Canada.

City staff had the opportunity to provide input and comments to both of these reports by the TD Bank.

Government of Canada:

The most visible evidence of the federal government’s recognition that Canada’s cities are in need of national attention was the formation, in May 2001, of the Prime Minister’s Caucus Task Force on Urban Issues” chaired by Toronto MP Judy Sgro. The task force consulted with a range of stakeholders and held a series of roundtable discussions, including one with the mayor and members of Toronto City Council in October 2001. Toronto’s representatives conveyed four general messages to the task force:

- (a) recognize and work with municipal government as a responsible and accountable, democratically elected order of government;
- (b) consult with municipal governments;
- (c) collaborate with municipal governments; and
- (d) as a priority, provide long-term funding for urban infrastructure to ensure that Canada has sustainable and competitive cities.

Members of Council told the task force that these directions are key to the crafting of a national urban agenda.

In May 2000, the task force issued its interim report entitled “Canada’s Urban Strategy: A Vision for the 21st Century”. The report’s recommendations reflected the city’s input. The task force recommended the establishment of a national urban strategy for Canada to provide a much needed urban lens at the national level. The strategy would include collaboration and consultation and long-term stable federal funding for urban infrastructure through national programs for affordable housing, infrastructure and transportation.

The task force is expected to produce a final report in the fall, which will focus on how to implement a national urban strategy.

That the issue of the sustainability of Canada’s cities has made it onto the federal agenda is reflected in the content of remarks by several senior federal cabinet ministers to the Big City Mayors’ Caucus in February 2002 and the FCM Annual Conference in May/June 2002. All made reference to the work of the task force and the importance of resolving the fiscal challenges confronting cities. They also acknowledged the contribution that Canada’s largest metropolitan

areas make to national GDP and the importance of maintaining the liveability and wealth generating capability of these regions.

Province of Ontario:

Ontario has a critical role to play because it has constitutional responsibility for “municipal institutions”. While Ontario continues to have some of the most outdated and restrictive municipal framing legislation in the country, there are signs that the “Stronger Cities: Stronger Canada” message is beginning to be heard.

In December 2001, the province enacted a new *Municipal Act*. The Act is still far too prescriptive and restrictive to provide a useful legislative framework for a city like Toronto, especially since it continues to take a “one size fits all” approach. However, the Act uses modern concepts and language, such as spheres of jurisdiction and natural person powers, even though its provisions take away the effect of such powers. More importantly, the Act includes a statutory requirement to review the legislation after five years. This signals the government’s openness to dialogue on municipal powers. The Act also includes a commitment to consultation with the municipal sector. In that regard the government and AMO signed a memorandum of understanding in December 2001, which sets out principles and guidelines for consultation.

A further indication that the Ontario government is taking the issue of municipal autonomy more seriously was provided in the Ontario Minister of Finance’s Budget Speech on June 17, 2002. The Minister stated that the provincial government is:

willing to join the emerging dialogue about a new deal for cities – if it’s the right one. We recognize that there are calls for new revenue sources for cities, but there are also calls for greater accountability and reforms to governance. At all levels of government, taxpayers need strong assurances that their money will be spent wisely.

Furthermore....a new deal for cities requires, as a precondition, a new deal between the federal government and Ontario to restore the balance between revenue and funding responsibilities for all levels of government in Canada.

The Minister’s statement clearly emphasized the interests of the government, but is not inconsistent with the messages articulated by Council, the FCM, the C5, the Board of Trade or the TD Bank.

Other Provinces:

Several provinces have been reviewing or modernizing their municipal legislation in recent years. The first to do so was Alberta, which in 1995, adopted some of the most progressive municipal legislation in Canada. In January 2002, the cities of Edmonton and Calgary submitted a joint proposal to the Alberta government’s Future Summit that redefines the cities’ relationship with their province.

The City of Winnipeg has been in discussion with the Manitoba government regarding the *City of Winnipeg Act*. This culminated in the introduction of a proposed *City of Winnipeg Charter Act* on June 20, 2002. In introducing the proposed legislation, the Manitoba Intergovernmental Affairs Minister said that the new Act “recognizes the mature relationship between the province and the city and provides broader powers for Winnipeg to manage its issues in today’s dynamic environment.” The Bill represents the first phase of planned changes to Winnipeg’s legislative framework with some broader powers and authorities to be introduced immediately.

During 2001 the 13 largest municipalities in Saskatchewan negotiated a new *Cities Act* with the provincial government. The legislative change proposed by the Saskatchewan mayors would get rid of the details in the old legislation. They argued that, with detailed legislation, the province is constantly involved in the day-to-day governance of cities, because every new issue which arises in a city, requires a provincial amendment. They called for legislation, which carves out general areas of jurisdiction and gives the cities the same corporate powers as business. This will eliminate the need for amendments and will give the cities power to deal with new issues as they arise. City governments will be answerable to their citizens, not the province, for what they do.

On June 5, 2002, the City of Montreal and the Government of Quebec issued a joint statement declaring their commitment to enter into a five-year investment in growth partnership by December 1, 2002. The partnership will be enshrined in a “city contract”.

Later this year, British Columbia will introduce Community Charter legislation, which promises to be the most progressive and permissive municipal legislation in the country. It is understood that the City of Vancouver, which has a City Charter, will be able to decide for itself which parts of the new legislation it wishes to incorporate into its legislative framework.

Academic Research:

The spreading debate over the future of Canada’s cities is reflected in recent academic research, too. The CD Howe Institute has commissioned research in a series of “Urban Papers”. Leading Canadian academics including Harry Kitchen, Enid Slack and Robert Bish have produced papers on municipal finance and governance. The Canada West Foundation is engaged in ongoing research into the condition of the major cities in western Canada. Most recently, the Canadian Policy Research Network commissioned Professor Neil Bradford to develop a discussion paper on why cities matter so much at this point in Canada’s history. This paper, which was released on June 21, 2002, provided a useful historical perspective on periods in the 20th century when urban issues have been prominent on the policy agenda. It also outlined an agenda for further research.

Media Interest:

The various activities described in this report have generated considerable media interest, especially in the print media. The Toronto Star is running a year-long campaign on the theme of a new deal for cities. The newspaper runs regular features and news stories and has drawn on research and background information produced by city staff as well as the other stakeholder organizations discussed in this report. The Globe and Mail has appointed a national urban affairs correspondent and produced several features and news reports on the stronger cities issue. There

have also been columns in the National Post, Toronto Life and Macleans. The launch of the “Stronger Cities: Stronger Canada” campaign”, and the activities of the Big City Mayors Caucus and C5 have all generated media coverage across the country.

Next Steps:

As noted above, during the past year to eighteen months city staff and elected officials have focused on collaborative efforts with other municipalities and organizations. The objectives and increasingly the effect of this activity have been to:

- (a) generate a body of useful and credible research on the place of cities in modern Canada and the issues of municipal powers and resources;
- (b) build a broadly based coalition of advocates for changes to the status quo;
- (c) place the issue of municipal autonomy prominently on the radar screen, and increasingly on the agenda, at every level of government and in the private sector; and
- (d) raise the profile of the issue of municipal powers and resources in the media.

These outcomes are consistent with key components of the city’s implementation and communications strategy for development of a new relationship with the provincial and federal governments. They also represent both progress and momentum, which are important to maintain. Therefore, the intergovernmental relations function in the Chief Administrative Officer’s Strategic and Corporate Policy Division will continue to collaborate with the organizations and initiatives described in this report. It is essential that the efforts of individual cities continue to be supported by multi-sectoral voices, and a national debate. Among other benefits, collaboration helps to leverage a degree of research, ideas and advocacy that may be beyond the capacity of any single city government to manage on its own.

Now that the national and multi-sectoral partnerships have gained momentum and much of the background research is in place, it is time to draw the broader community in Toronto more directly into the debate over the need for a stronger city. The model framework for a city charter provides a good catalyst for such engagement. Therefore it is recommended that:

- (1) Council undertake the development of a modern flexible Charter for Toronto, that reflects the City’s unique characteristics and needs and empowers the City’s elected government to meet the needs of the City and its inhabitants now and in the future;
- (2) the Model Framework for a City Charter appended to this report as Attachment No. 1, be used as the basis for the development of the City Charter for Toronto; and
- (3) the Chief Administrative Officer work with Council’s Charter City Reference Group to develop and implement a process to involve all members of Council and the people of Toronto in crafting the City Charter for Toronto.

It is anticipated that the resultant Charter will be used as a benchmark in the City's dialogue with the province regarding a new relationship.

Conclusions:

In July 2000, City Council adopted a report entitled "Towards a New Relationship with Ontario and Canada". The report was intended to initiate a dialogue with the provincial and federal governments about new relationships between the City of Toronto and the other orders of government. These relationships would be enshrined in a legal framework that recognizes Toronto as a responsible and accountable order of government with rights and responsibilities.

As envisaged in the report of July 2000, the province would provide Toronto with a new legislative framework, through the enactment of a City Charter, that grants the City broad powers to act on local matters. A new legislative framework would also have the effect of broadening the City's revenue base to ensure that financial resources match the City's responsibilities. These changes would help to bring long-term financial sustainability to the City government and would position Toronto to compete successfully with cities in North America and elsewhere.

Council also adopted an implementation and communications strategy for the development of the new relationship. For the past eighteen months, the City's efforts, co-ordinated through the intergovernmental relations function in the Chief Administrative Officer's Strategic and Corporate Policy Division, have focused on collaboration with other cities, organizations. These efforts, as well as those of other stakeholders, have generated a body of research and a national debate on the issue of stronger cities. These efforts will continue but must now be complemented by a focused local debate in Toronto that engages the broader community. This report recommends that the local debate centre on a process to transform the Model Framework for a City Charter into a draft Charter for Toronto.

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Attachment No. 1
Model Framework for a City Charter

Introduction:

A municipal Charter is a legal instrument that establishes the institutional framework of a municipal government and the scope and (geographic) jurisdiction of its authority.

A municipal Charter defines many of the rights, responsibilities and resources of a municipal government. In so doing, a City Charter structures a municipal government's relationship with local residents and other orders of government – the constituencies from whom it receives its legitimacy and financial support.

A modern municipal Charter should help government officials, the courts and the general public to answer the following questions about the city to which it applies:

- (i) What types of powers is the municipality entitled to exercise?
- (ii) Where (i.e. location) is the municipal government able to exercise its authority?
- (iii) What are the municipality's essential decision-making structures and procedures?
- (iv) From whom and how does the municipality receive its political legitimacy, legal authority, and financial resources? To whom and how are municipal officials held accountable?

Components of a City Charter:

Part 1: Preamble

Part 2: City Purposes

Part 3: General Provisions

Part 4: Democratic Control, Access and Accountability

Local design, assent and amendment of the Charter

Elections for council and mayor

Open meetings, public notification, access to information and public hearings

Annual reporting requirements

Conflict of interest policy

Part 5: Powers

Governmental Powers

Regulatory Powers

Natural person powers

Limitations on a City's Powers

Part 6: Financial Instruments and Revenue Sources

Financial planning, management and accountability

Charges and fees

Municipal-Provincial fiscal arrangements

Taxes

Other financing tools and revenue sources

Part 7: Intergovernmental Relations

Part 8: Alteration of the City's Boundaries

Part 9: Governance

Part 10: Actions and Proceedings

Part 1: Preamble:

A municipal Charter may begin with a preamble. The function of the preamble is to:

- (1) Lend shape and coherence to the Charter statute by specifying the core concepts and assumptions upon which it is based.
- (2) Provide direction to public officials, the courts and the general public on how to interpret the Charter.

Examples of essential concepts and assumptions that could be included in the preamble of a Charter include:

- (1) Citizens accord legitimacy to municipal government (among other ways) by paying taxes to support local services and voting in local elections. It is therefore appropriate for the Province to regard municipalities as an autonomous and accountable order of government.

The Charter might require the Province to relate to the City as if it were an autonomous, accountable order of government. The implications of this principle could be specified in further detail in other parts of the Charter.

- (2) Citizens expect municipal, provincial and federal government officials to co-ordinate their efforts so as to improve the efficiency and effectiveness of government action. It is therefore appropriate for the Province to:
 - (I) Consult with the City before taking decisions that directly impact the City, and
 - (II) Allow the City to negotiate directly with the Federal government.

Recognising the City as an accountable and autonomous government, the Charter could enshrine the City's right to be consulted before provincial authorities take any actions (or develop policies) with a direct and significant impact on the City.

- (3) Citizens cannot give full expression to their preferences or hold elected representatives accountable if their government has neither the financial resources nor the legislative authority to fulfil its responsibilities.

The Charter could require the Provincial government to provide the City with financial resources and autonomy (i.e. authority and decision-making discretion) in line with its responsibilities.

Part 2: City Purposes:

The "City Purposes" section of a Charter describes, in broad outline, the function and responsibilities of a municipality. A city's purposes will usually map closely onto its "spheres of

jurisdiction” since it makes no sense to assign a purpose to a governmental entity that lacks the authority required to achieve this purpose. Accordingly, a charter could include a sub-section on “spheres of jurisdiction” within this section or simply refer to “spheres of jurisdiction” instead of “city purposes”.

It is both possible, and potentially useful, to make a distinction between the intrinsic and instrumental purposes of a municipal government. The former consists of broadly recognised “ends-in-themselves”, which any level of government could legitimately lay claim to pursue. The latter set of purposes could be considered essential “means-to-these-ends” – that is, the set of activities that a city government must carry out in order to fulfil its intrinsic purposes.

Intrinsic purposes of a City might include providing for:

- (a) Democratic expression of the citizen’s values, priorities and beliefs;
- (b) Peace, order and good government;
- (c) The health and (economic and social) well-being of current and future generations of City residents; and
- (d) The safety and protection of persons and property.

Instrumental purposes of a City might include:

- (a) Stewardship of the City’s (financial, human, social and physical) assets;
- (b) Stewardship of the City’s natural environment;
- (c) Ensuring the integrity of the process and mechanism by which binding collective decisions are made and enforced;
- (d) Representing the City’s interests to non-residents and other governmental and corporate bodies outside the city;
- (e) Ensuring the impartial, efficient and effective application of municipal laws and regulations; and
- (f) Supporting the active participation of all individuals and groups in the public life and politics of the City

Part 3: General Provisions:

“General Provisions” of a municipal Charter can be used to define key characteristics of the municipality and its local government, and to provide further guidelines to public officials and the courts on how the Charter itself ought to be interpreted.

Examples of key characteristics that could be defined in this section include:

- (i) the nature of the City itself. (e.g. The inhabitants of the City of ____ are incorporated as a body corporate in the governmental entity known as the City of ____).
- (ii) the name of the decision-making body entitled to exercise authority on the City’s behalf. (e.g. The powers, duties and functions of the City are performed or exercised by its Council).

- (iii) the relationship between one decision-making session and the next. (e.g. Anything initiated in one term of Council may be continued or completed in a subsequent term of Council).
- (iv) the territorial boundaries of the municipality and the corresponding area over which it has jurisdiction. (e.g. Except as otherwise provided in this Charter, the City and its council may only perform or exercise their powers, duties and functions within the city boundaries, as specified in Schedule 1).

To provide additional guidance to courts, public officials and the general public on how it ought to be interpreted, a municipal Charter could:

- (v) Establish a city's right to define its own priorities and exercise full discretion within its spheres of jurisdiction or while pursuing activities that are consistent with municipal purposes. (e.g. The City has the right to determine the local public interest and to act within its spheres of jurisdiction without interference from the Provincial legislature, unless provincial or federal statute expressly prohibits such actions).
- (vi) Recommend that the Charter's provisions be interpreted broadly.
- (vii) Recommend that a general power specified in the Charter not be interpreted as being limited by a specific power or vice versa.
- (viii) Sketch out a dispute resolution process to be used by City and provincial officials if any future disagreements arise over the meaning of the Charter.

Part 4: Democratic Control, Access and Accountability:

A modern municipal Charter is likely to reflect the core democratic values of public participation and accountability. Provisions designed to safeguard these values may be bundled together in a distinct "Democratic Control, Access and Accountability" section or woven throughout various parts of the Charter.

The provisions of this section aim to limit abuses of power by public officials and to ensure that a municipal government remains responsive to the concerns and interests of the local electorate and residents.

Important aspects of municipal governance that could be addressed in a Charter with an eye toward enhancing accountability include:

- (a) Local design, assent and amendment of the Charter;
- (b) Elections for Council and mayor;
- (c) Community engagement;
- (d) Open meetings, access to information, public notice and hearings;
- (e) Reporting and performance measurement; and
- (f) Conflict of interest policy.

(a) Local design, assent and amendment of the Charter:

Design: A draft Charter could be developed through one of two scenarios. A province could decide to draft by itself a Charter that it deems to be in the best interests of a municipality. Alternatively, a Province could pass enabling legislation or otherwise permit a city council and/or its residents to draft their own Charter.

Assent: Irrespective of whether provincial officials or local residents design the Charter, the assent of local residents and/or City council could be required before it comes into effect. In such cases, a Charter (or its enabling legislation) would need to specify an appropriate mechanism for determining whether Council and/or the electors support the proposed statute. In particular, the authors of a Charter must consider whether a simple majority or some other threshold of support (e.g. a super-majority of 2/3) constitutes the requisite “approval”.

Amendment: A Charter could include an amending provision that allows either the Council and/or electors to recommend to the responsible Provincial minister that changes be made to the Charter.

(b) Elections for council and mayor:

To ensure that Council members remain responsive to residents’ concerns a Charter can include provisions requiring local elections to be held on a regular basis (e.g. every 3 or 4 years) and for any Council seat vacated in mid-term. Alternatively, a Charter could subject itself to Provincial statutes that specify the rules, schedules and procedures that are to be followed with respect to local elections.

A Charter could also subject a city to provincial campaign finance legislation (if such exists) or require a city council to develop a campaign finance by-law within a specified period of time.

(c) Community engagement:

A Charter can provide voters (and other residents and businesses subject to Council decisions) with various means to become more directly involved in local decision-making. A range of community engagement mechanisms could be supported in a Charter, including:

- (i) Public consultation requirements and procedures;
- (ii) Petitions;
- (iii) Non-binding referenda; and
- (iv) Binding referenda.

(d) Open meetings, public notification, access to information and public hearings:

To provide the public with an opportunity to fully and fairly evaluate the process (and arguments) by which Council reaches decisions, a Charter may require all meetings of

Council or its committees to be open to the public. The conditions under which a Council or committee meeting may be closed to the public and/or officers or employees of the City could be specified of the Charter.

To further enhance the transparency of municipal government, a Charter could also require that:

- (i) By-laws be enacted in a public meeting;
- (ii) The “open meeting” provisions of the Charter apply to all committees, commissions, advisory bodies and entities exercising City or Council powers; and
- (iii) Council state (either by resolution or in a public notice) the reason for going “in camera”.

A Charter could also insist upon and articulate specific standards for public notification and public access to municipal records. This could be done by detailing practices in the Charter itself or by referring to existing Provincial legislation.

Similarly, a Charter could require and/or authorise Council to develop a bylaw specifying a procedure and requirements for public hearings.

(e) Annual reporting requirements:

To help the public to hold their elected representatives accountable, a Charter could require Council to report or otherwise make available to the public each year the following:

- (i) The City’s budget;
- (ii) Detailed information about the City’s operations and services;
- (iii) The City’s latest audited financial statements;
- (iv) A (required) business plan;
- (v) A report on the City’s goals and objectives;
- (vi) Information about any violations of the City’s conflict of interest policy;
- (vii) Disclosures made under the financial disclosure provisions of the Charter;
- (viii) A record of total remuneration, expenses and benefits paid to Council members; and
- (ix) A record of gifts received by Council members.

(f) Conflict of interest policy:

A Charter could help to establish clear standards of professional conduct and integrity by requiring City administrators and elected officials to institute and comply with a “conflict of interest” policy.

Part 5: Powers:

The nature and strength of the tools available to a municipality to affect the physical environment and the actions of individuals, business and organisations that operate within its boundaries are defined in the “Powers” section of a Charter.

The two broad categories of powers that would typically be included in this section of the Charter are:

- (1) Governmental powers (e.g. general law- and rule-making authority); and
- (2) Natural person powers (i.e. corporate powers).

This section of a municipal Charter could also define a city’s powers with respect to a particular class of objects or public services (e.g. property or highways) or stipulate how a change in circumstances alters a city’s authority (e.g. emergency powers).

A city’s revenue-generating mechanisms are an integral component of its governmental power. However, the significance and complexity of this area means that it is likely to be treated in a separate section of the Charter.

(1) Governmental Powers:

Governmental powers granted to a city through a Charter could include some or all of the following:

- (a) Authority to enact bylaws, resolutions and regulations bestowing either positive rights (i.e. entitlement to do or receive something) and negative duties (i.e. requirement to refrain from doing or receiving something) upon individuals, corporations and organisations;
- (b) Authority to enforce by-laws and create punishable offences;
- (c) Authority to apply for injunctions;
- (d) Authority to expropriate property;
- (e) Authority to establish a service or program or undertake activities in pursuit of legitimate City purposes;
- (f) Authority to impose fees;

- (g) Authority to issue licences and permits;
- (h) Authority to delegate or transfer services or authority to another body; and
- (i) Authority to levy taxes.

Regulatory Powers:

An essential element of a municipality's governmental power is its regulatory authority, which typically includes the power to prohibit, authorise, control, inspect, limit and restrict the activities of individuals, businesses and organisations.

A Charter can qualify a general grant of regulatory powers in various ways. Provisions that might be used to qualify regulatory powers are listed below:

- (i) a provision that subjects the city's power to regulate to any specific conditions or restrictions specified in the Charter itself or other provincial statutes; and
- (ii) a provision requiring the Council to enact a bylaw governing the city's regulatory practice, which in turn obliges the municipality to follow various procedures (e.g. public notification) when implementing a regulation in order for it to be deemed valid.

Other provisions in this section could elaborate upon a municipality's authority to grant licenses, permits, approvals, or to develop and require compliance with codes and standards.

(2) Natural person powers:

In Canadian law, natural person powers ascribe to an entity (e.g. municipality) the authority to do whatever a person is entitled to do, especially with regards to conducting day-to-day business transactions. For instance, a municipality with unabridged natural person powers has the right to enter into contracts, hire and dismiss employees, and buy and sell land or assets.

An example of a Charter provision bestowing natural person powers on a City might read as follows: "The City has the power, capacity, rights and privileges of a natural person of full capacity, except to the extent expressly limited or restricted under this Charter".

Natural person powers can be grouped into various categories, including:

- (i) Contractual powers (e.g. authority to enter into any form of agreement);
- (ii) Commercial powers (e.g. authority to own shares of a corporation or control a corporation);

- (iii) Instruments of commerce (e.g. authority enter into a partnership; grant an exclusive right or monopoly; make a loan or grant a mortgage);
- (iv) Rights of expression and philanthropy (e.g. authority to give or sell land, goods or services for less than fair market value; establish a foundation; give grants or bonuses for economic development, political purposes or cultural support); and
- (v) General powers (e.g. have the capacity to sue and be sued, including the right to sue for defamation or other “personal” torts);

Limitations on a City’s Powers:

One of the central objectives of a Charter is to eliminate the need for a province to expressly and specifically delegate powers to municipalities through so-called “laundry-list” legislation. By enacting a City Charter as a provincial statute, a province essentially says to a municipal government: “Within this geographic area, and with regards to these types of activities and purposes, you are free to do decide upon your own course of action. You don’t need to ask us for permission to do every little thing.” In other words, a Charter replaces itemised lists of express powers with general grants of authority.

Nonetheless, a Charter is likely to contain provisions restricting some of these general grants of power (e.g. assigning a municipality some but not all natural person powers) or reserving a province’s right to do so in the future. In addition, a Charter could include one or more “authority-limiting” provisions which apply to all (or most) of the statute:

- (1) a provision that expressly declares policy areas (or a range of activities) over which the Province retains exclusive or primary jurisdiction (e.g. mining and minerals; access to information and protection of privacy; human rights, etc.), even if these activities might reasonably be understood to be “local matters”;
- (2) a provision which establishes the “consistency rule” for determining the validity of a City bylaw. This rule declares that a City bylaw, or a provision of it, is not valid if it is inconsistent with the Charter or a provincial statute, regulation, or order. A bylaw is considered to be inconsistent with a provincial statute if in order to comply with it, a person or organisation must violate a provincial law; and
- (3) a “claw-back” provision which anticipates and defines the conditions under which the provincial government is entitled to re-assume authority it has delegated to the City under the Charter. Such conditions might include: (i) meeting with City officials prior to invoking a “claw back”, (ii) a requirement to issue a public report outlining the government’s rationale for reassuming delegated authority, or (iii) a requirement to hold public hearings on the question of whether it is appropriate for the Province to exercise its claw-back authority.

Part 6: Financial Instruments and Revenue Sources:

The financial instruments and revenue sources provided to a municipality through a Charter are perhaps the best indication of the degree of autonomy that a Province intends to offer the Charter-recipient. After all, having wide discretion to set priorities and make expenditures is an empty privilege for a municipality with limited revenues or access to financing.

A Charter's financing provisions are likely to address five broad topics:

- (i) Financial planning, management and accountability measures;
- (ii) Charges and fees for core municipal functions;
- (iii) Municipal-Provincial fiscal arrangements;
- (iv) Taxes; and
- (v) Other financial instruments.

- (i) Financial planning, management and accountability:

A Charter may include various financial planning, management and reporting requirements to lessen the likelihood that municipal officials will abuse any of their new (or strengthened) financial powers. Examples of such provisions include:

- (a) a provision requiring a city to prepare a (medium or long-term) financial plan on a regular basis;
 - (b) a provision requiring a city council to establish modern, efficient, and/or fair procedures for imposing and collecting taxes and user charges. This provision might refer to "administrative fairness" rules or other relevant definitions set out in the Charter; and
 - (c) certain grants of grants of tax-levying authority may be accompanied by various sub-provisions concerning the tax subject's right of appeal, the frequency of tax assessment (for property tax), or other measures to ensure the municipality exercises its taxing authority in an appropriate, fair and effective manner.
- (ii) Charges and fees:

A modern municipal Charter can authorise a city to assess development charges and user-fees. Development charges are designed to recoup the capital costs of providing new or expanded buildings with hard, essential services. User fees aim to recover the full administrative and overhead costs of providing a core municipal service, work or facility. With respect to the latter, a key consideration is whether a Charter should allow a city to impose user-fees that are "in the nature of a tax". Doing so would permit a city to set rates above the level required to recoup administrative expenses in order to provide for:

- (a) anticipated capital expenses (e.g. for replacement, future development, extensions, etc.);
- (b) repair and maintenance, or
- (c) incentives to encourage the proper use or socially-optimal “consumption” of a service, work or facility (e.g. instituting a variable user fee for use of a city’s sanitary system so as to discourage individuals or firms from depositing harmful or dangerous items in the system).

A Charter could also authorise a municipality to charge fees for non-core services (e.g. such as those provided to a business improvement district) or for the extraordinary use of a particular municipal service or work. These provisions provide a city with the flexibility it needs to address the unique circumstances of certain residential or commercial groups.

(iii) Municipal-Provincial fiscal arrangements:

Clarifying the inter-governmental fiscal relationship between a city and the Province is one of the central aims of a Charter. Three aspects of this relationship likely to be addressed in a Charter are discussed below:

(a) Transfer of provincial income and sales tax to the City:

A Charter could include a provision obliging the Province to transfer to a city a portion of provincial income, sales tax or other type of tax (e.g. gas tax, vehicle registration fee, etc.), as part of either a special commitment to the city or a broader provincial revenue sharing program.

(b) Payment for services rendered by the City to the province or transfer of tax revenue collected by the Province on the City’s behalf.

A Charter could include provisions that require the Province to issue payment or reimbursement to a municipality arising from various forms of inter-governmental co-operation. For example:

- (1) A provision requiring the Province to reimburse a city for any expenses it incurs for holding in custody at a municipal detention facility individuals who have been charged with Provincial offences.
- (2) A provision establishing a Provincial obligation to transfer to a city all fines and penalties it collects for motor vehicle moving violations committed within the municipality’s boundaries.
- (3) A provision requiring the Province to transfer to a municipality (less an agreed upon administrative fee) the full amount of any tax that it has collected on the city’s behalf.

(c) Financial guarantees in case of off-loading or service realignment:

A Charter could include a provision obliging the Province to allocate adequate, appropriate and sustainable financial resources to a city whenever it requires the municipality to assume responsibility for a provincial program, service or facility.

In addition, a Charter could require the Province to consult with city officials before taking any decision that would result in the city assuming responsibility (voluntarily or involuntarily) for a provincial service, program or facility.

(iv) Taxes:

A Charter is likely to be very specific about which types of taxes a city is permitted to levy. The set of taxation powers accorded to a municipality in a modern municipal charter would likely reflect some or all of the following principles of taxation:

- (a) Efficiency: Ensuring a better fit between the supply and demand for public services by (i) providing a city with the authority to collect taxation revenue from all groups who benefit from the services it provides and/or (ii) access to “buoyant” sources of tax revenue that rise and fall in line with economic cycles.
- (b) Equity: Ensuring that all groups of taxpayers (e.g. owners of commercial, institutional and commercial property) pay their fair share of taxes and/or that residents’ “ability-to-pay” is reflected to some degree in the taxes which they owe to the city.
- (c) Cost recovery and conservation: Certain private decisions and commercial transactions (e.g. choosing to drive a car) impose a cost on society – and a city - that is not fully reflected in the price that individuals must pay to engage in such activities (e.g. social, economic and health costs of automobile pollution and congestion). A charter could equip a city with the tax revenue it needs to recover these costs (e.g. dedicated share of provincial or federal fuel tax) and/or to discourage the activity which imposes these so-called “negative externalities” in the first place.

A Charter could allow a municipality some flexibility with regards to tax abatement, assignment, collection scheduling and so forth – in other words, the ability to use tax incentives as a policy tool.

(v) Other financing tools and revenue sources:

A modern municipal Charter could provide a city with access to innovative (non-traditional) financing and revenue-generation instruments. These tools include:

- (a) franchises;
- (b) sale and leaseback arrangements;
- (c) utility agreements;

- (d) borrowing money from private capital markets, using assets to secure better rates;
- (e) borrowing money from a Provincial or Federal loan fund;
- (f) issuing bonds (i.e. revenue bonds, general municipal bonds, etc.);
- (g) using tax-incentives to attract, leverage and retain private capital;
- (h) tax-incremental financing; and
- (i) authority to offer loans and grants and to make financial guarantees.

While these mechanisms differ in many significant respects, they all provide a city with the capacity to enter into risk-sharing arrangements with outside parties in order to (i) gain access to revenue or capital that would otherwise be unavailable and/or (ii) direct private investment capital to public uses.

Since these instruments are not likely to be well-understood by the public *and* because the level of debt carried by a given city can affect the credit-rating of municipal governments in an entire region, a Charter may limit a city's use of or access to these tools.

Part 7: Intergovernmental Relations:

Does the Province consider a municipality to be an accountable, responsible and effective order of government? This question is likely to be addressed in the Intergovernmental Relations provisions of a Charter. Inclusion of the following provisions would be the most direct way for a Province to acknowledge a municipality's political legitimacy.

- (1) A provision which prohibits the Provincial government from arbitrarily interfering in any matter that falls within a city's defined spheres of (exclusive) jurisdiction or municipal purposes.
- (2) A provision which requires the provincial government (or responsible Minister) to consult with the City whenever legislative, financing, or policy changes that will impact the City are being developed.
- (3) A provision obliging the Province to allocate adequate, appropriate and sustainable financial resources whenever it requires a city to assume responsibility for a provincial program, service or facility.
- (4) A provision authorising a city to communicate, negotiate and enter into partnership agreements with other governments, including the Federal government and other municipalities, on matters of mutual interest that fall within the city's defined spheres of jurisdiction.
- (5) A provision mandating that the City's bylaws apply to Provincial government entities (including crown corporations and agencies), unless otherwise agreed.

Part 8: Alteration of the City's Boundaries:

A charter could include a separate section or provision limiting the Province's ability to unilaterally alter the municipality's boundaries. A Province's authority to alter the boundaries of a charter city could be made subject to some or all of the following conditions:

- (a) preparation and distribution of a feasibility report on the proposed boundary change;
- (b) approval of the City council;
- (c) approval of the electors; and
- (d) approval of neighbouring jurisdiction if the proposed boundary would involve amalgamation or annexation of a neighbouring jurisdiction's territory

Part 9: Governance:

A Charter's governance section defines a municipality's basic political structure and units of governance. Governance provisions could refer to existing legislation, directly specify, or require Council to develop by-laws related to the following matters:

- (1) The name, number and composition of a municipality's "rule-making" body (e.g. a Council comprised of 1 mayor and 18 Councillors), whether its members are to be elected at-large or by electors from a specific area (or "ward") of the municipality, and the boundaries of any electoral "wards".
- (2) Requirements and exceptions concerning "quorum" and the venues (i.e. meetings) at which the city's decision-making body may legitimately make decisions.
- (3) Roles, responsibilities and terms of office for each category of elected official (e.g. mayor and councillors).
- (4) A Council's obligation to enact a bylaw establishing rules of procedure for meetings of the Council, committees and other such bodies.
- (5) A Council's obligation to establish a procedure for consolidating, revising and correcting errors in bylaws.
- (6) A Council's authority to establish committees to advise and made recommendations to Council.
- (7) A Council's authority to establish commissions to advise or make recommendations to Council, or to operate or assist in the operation of the City's services or assets
- (8) Conditions under which a Council is authorised to delegate its powers, duties or functions to other entities (e.g. committee, officer, employee, community council, corporations, etc.)

- (9) A Council's authority to establish officer positions, including a Chief Administrative Officer (CAO), clerk, and treasurer.

Part 10: Actions and Proceedings:

A Charter could delimit the City's obligations and rights with respect to a variety of "actions" and "proceedings" integral to its role as a governmental entity. Provisions of this sort might address the following matters:

- (a) The City's authority to enforce bylaws;
- (b) "Rights of action" on by-laws considered to be illegal;
- (c) Civil liability issues (e.g. indemnification against proceedings; limitation of liability; joint and several liability; personal liability of City's public officers; limitation period for; and action against City; etc.)
- (d) Procedure to be followed for serving "notice" to the City, whether for filing a complaint, initiating a legal proceeding or for other purposes.