

THE CITY OF TORONTO

City Clerk's Division

Minutes of the Policy and Finance Committee and the Works Committee

Meeting No. 1

Tuesday, June 11, 2002 and Wednesday, June 12, 2002

A special joint meeting of the Policy and Finance Committee and the Works Committee was held on Tuesday, June 11, 2002, in the Council Chamber, commencing at 2:10 p.m., and Wednesday, June 12, 2002, in Committee Room 1, 2nd Floor, City Hall, Toronto, commencing at 9:41 p.m.

Attendance

Members were present for some or all of the time periods indicated.

Policy and Finance Committee	Tuesday June 11, 2002 2:10 p.m. – 8:25 p.m.	Wednesday June 12, 2002 9:41 a.m. – 1:20 p.m.
Mayor Mel Lastman, Chair	X	X
Councillor Sandra Bussin	X	X
Councillor Norman Kelly	X	X
Councillor Gloria Lindsay Luby	X	X
Councillor Pam McConnell	X	X
Councillor Denzil Minnan-Wong	X	X
Councillor Case Ootes, Vice Chair	X	X
Councillor Kyle Rae		
Councillor David Shiner	X	X
Councillor Paul Sutherland	X	X

Works Committee	Tuesday June 11, 2002 2:10 p.m. – 8:25 p.m.	Wednesday June 12, 2002 9:41 a.m. – 1:20 p.m.
Councillor Betty Disero, Chair	X	X
Councillor Bas Balkissoon	X	X
Councillor Frank Di Giorgio	X	X
Councillor Irene Jones	X	X
Councillor Jack Layton	X	X
Councillor Gloria Lindsay Luby	X	X
Councillor Peter Li Preti	X	X
Councillor Jane Pitfield, Vice Chair	X	X

Councillor Betty Disero, Chair, Works Committee, assumed the Chair.

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**1.1 Recommended Governance Structure for
Water and Wastewater Services.**

The Policy and Finance Committee and the Works Committee had before them the following reports and communications:

- (i) (May 31, 2002) from the Chief Administrative Officer recommending that:
 - (1) Council endorse the Municipal Service Board model for water and wastewater services as described in this report, with the following key characteristics:
 - (i) the City is the employer;
 - (ii) Council appoints the Board;
 - (iii) the Board comprises a mix of Councillors and expert citizens;
 - (iv) Council approves annual operating budgets and multi-year capital programs; and
 - (v) Council approves the water rate;
 - (2) the Chief Administrative Officer report back to Policy and Finance Committee in November 2002 with a detailed implementation plan, including an effective implementation date, using the process outlined in this report;
 - (3) the Chief Administrative Officer continue to monitor developments in provincial legislation respecting the City's authority to create a municipally-owned not-for-profit corporation for water and wastewater services, and report back on any opportunities arising out of those developments that Council may wish to consider;
 - (4) the current review of inter- and intra-departmental charges be undertaken with a view to ensuring the services provided meet the business needs of Water and Wastewater Services;
 - (5) service-level agreements be initiated for charge-backs to Water and Wastewater Services;

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- (6) the current review of inter- and intra-departmental charges include the development of a policy on payment for water and wastewater services by City Departments, Agencies, Boards and Commissions; and
 - (7) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto;
- (ii) (June 4, 2002) from the City Solicitor responding to Council's request at its meeting held on November 6, 7 and 8, 2001, for a report on mechanisms for protecting the public water system from privatization; advising that the adoption of one of the models described in the Chief Administrative Officer's report dated May 31, 2002, would ensure that the public water system would not be privatized; and recommending that this report be received for information;
 - (iii) (June 6, 2002) from the City Clerk advising that the Etobicoke Community Council at its meeting held on June 5, 2002, recommended to the Policy and Finance Committee and the Works Committee at the joint meeting on June 11, 2002, that the following Recommendation contained in the communication dated June 2, 2002, from Councillor Peter Milczyn, Ward 5 – Etobicoke-Lakeshore, be adopted:

“That the Toronto Water and Wastewater Governance Study be referred to Community Councils for public consultations; and the Community Councils be requested to forward their comments to Toronto City Council through the Policy and Finance Committee.”;
 - (iv) (June 7, 2002) from Ms. Mary Lemyre, Environment Convener, Toronto and Area Council of Women, raising questions by the Toronto Council of Women members with respect to the proposed Municipal Service Board;
 - (v) (June 10, 2002) from Mr. Tony Dionisio, Business Manager, and Mr. Andy Manahan, Development Promotion Representative, Universal Workers Union, Local 183, advising that the Universal Workers Union, Local 183, is supportive of proceeding with a Municipal Service Board as outlined in the report by the Chief Administrative Officer;
 - (vi) (June 10, 2002) from Mr. James Deutsch, in opposition to the proposed Municipal Service Board option for Water and Wastewater Services;

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- (vii) (June 11, 2002) from Mr. Salvatore Morra, Executive Director, Greater Toronto Sewer and Watermain Contractors Association, advising that, in general, the Association is in agreement with the contents of the Chief Administrative Officer's report and the recommended model for a Municipal Service Board; and
- (viii) (June 10, 2002) from Councillor Irene Jones providing a response as Water Advocate to the Water Utility Study report.

The Chief Administrative Officer gave a presentation to the Policy and Finance Committee and the Works Committee on the Water and Wastewater Governance Study, and submitted a copy of her presentation material in regard thereto, together with a Guide to the Recommendations of the Water and Wastewater Governance Study, a Fact Sheet on the Study and an organizational chart detailing the reporting relationship for the proposed Municipal Service Board.

The following persons appeared before the Policy and Finance Committee and the Works Committee in connection with the foregoing matter:

- Ms. Rhona Swarbrick, and filed a submission with respect thereto;
- Ms. Sarah Miller, Canadian Environmental Law Association, and filed a submission with respect thereto;
- Ms. Shelley Petrie, Toronto Environmental Alliance;
- Mr. Dieter Wehr, representing Mr. John Cartwright, President, Toronto and York Region Labour Council, and filed a submission with respect thereto;
- Ms. Joan Harvey and Ms. Kay Laidlaw, and filed a submission with respect thereto;
- Mr. Dalton Shipway;
- Ms. Ann Dembinski, President, and Mr. Tim Maguire, CUPE Local 79, and submitted a communication with respect thereto
- Ms. Heidi Trampus, and filed a submission with respect thereto;
- Mr. George Powell, Senior Vice-President, CH2M Hill Canada Limited, and filed a submission with respect thereto
- Ms. Avis Brown, and filed a submission with respect thereto;

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- Reverend Frances Deverell, Don Heights Unitarian Congregation, and filed a submission with respect thereto;
- Mrs. Phyllis Creighton, Toronto Raging Grannies, and filed a submission with respect thereto;
- Mr. Barry Stevens, International Brotherhood of Electrical Workers, Local 353, and filed a submission with respect thereto;
- Ms. Marilyn Churley, MPP, and submitted a copy of Bill 3, An Act to Restore Public Confidence in the Quality of Drinking Water in Ontario, and material with respect thereto;
- Mr. Doug Jones;
- Mr. Brent Patterson;
- Mr. Michael McMahon;
- Mr. Robert Campbell;
- Ms. Karey Shinn;
- Ms. Karen Buck;
- Mr. Bill Signal, United Association Local 46;
- Mr. Kevin Mercer, Executive Director, RiverSides Stewardship Alliance;
- Mr. Lino Grima, Institute for Environmental Studies, University of Toronto, and filed a submission with respect thereto;
- Ms. Wendy Keene;
- Ms. Kathleen Chung, and filed a submission with respect thereto;
- Mr. Robert Sturm;
- Mr. Brian Bertie;
- Mr. Sean Meagher, Water Watch;

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- Mr. Bryan Timm, and filed a submission with respect thereto;
- Ms. Janet Davis;
- Ms. Peg Lush;
- Ms. Kathleen Walker;
- Mr. Brian Cochrane, President, Toronto Civic Employees' Union - Local 416, and filed a submission with respect thereto;
- Mr. Frank Morrissey, Chair, Water and Wastewater Division, Local 416;
- Ms. Christine Elwell, Canadian Institute for Environmental Law and Policy;
- Mr. Andrew King, National Health, Safety and Environment Co-ordinator, United Steelworkers Union of America, and filed a submission with respect thereto;
- Mr. Jay Peterson, Toronto-Central Ontario Building and Construction Trades Council, and submitted material with respect thereto;
- Mr. Bernard Farley, and filed a submission with respect thereto;
- Mr. Scott Marks, Toronto Professional Firefighters Association, Local 3888;
- Ms. Debra Kyles, and filed a submission with respect thereto;
- Mr. Phil Blahieda;
- Mr. Don Cross, Toronto, and filed a submission with respect thereto;
- Ms. Olga Kremko, Toronto;
- Ms. Margaret Casey, Don Watershed Regeneration Council, and filed a submission with respect thereto;
- Mr. Brian Denney, Watershed Management Director, Toronto and Region Conservation Authority, and filed a submission with respect thereto;
- Mr. Rene Moreau;

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- Mr. Richard Troy;
- Mr. Derek Paul, and filed a submission with respect thereto;
- Mr. Jim Neff;
- Ms. Wendy Devine
- Ms. Virginia Silva-Aviles, and submitted material with respect thereto; and
- Ms. Kim Robinson.

The following Members of Council also appeared before the Policy and Finance Committee and the Works Committee in connection with the foregoing matter:

- Councillor Duguid, Scarborough Centre; and
- Councillor Michael Walker, St. Paul's.

At the portion of the meeting held on June 11, 2002, Councillor Ootes tabled the following motion for consideration on June 12, 2002:

- “(1) That the aforementioned report be referred back to the Chief Administrative Officer for a further report, as soon as possible, to another Joint Meeting of the Policy and Finance Committee and the Works Committee for deputations;
- (2) that the Chief Administrative Officer be requested to include the following in her forthcoming report:
 - (i) process for appointing members to the MSB (Municipal Services Board);
 - (ii) Terms of the Transition;
 - (iii) operating procedures, including by-laws, etc.; and
 - (iv) draft by-law to enact an MSB; and
- (3) that all concerns addressed by deputants be referred to the Chief Administrative Officer for consideration in her forthcoming report.”

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Councillor Li Preti moved that the Policy and Finance Committee and the Works Committee give consideration at that time to the foregoing motion tabled by Councillor Ootes. **(Lost on the following recorded vote:**

FOR: Balkissoon, Bussin, Jones, Li Preti, McConnell, Minnan-Wong

AGAINST: Di Giorgio, Disero, Kelly, Lindsay Luby, Ootes, Shiner, Sutherland)

At the portion of the meeting held on June 12, 2002, the following action was taken:

The Policy and Finance Committee and the Works Committee:

(1) referred the aforementioned report back to the Chief Administrative Officer for a further report, as soon as possible, to another Joint Meeting of the Policy and Finance Committee and the Works Committee for deputations; **(Motion by Councillor Ootes carried on the following recorded vote:**

FOR: Balkissoon, Di Giorgio, Disero, Kelly, Lastman, Lindsay Luby, Minnan-Wong, Ootes, Pitfield, Shiner, Sutherland

AGAINST: Bussin, Jones, Layton, Li Preti, McConnell)

(2) requested the Chief Administrative Officer to include the following in her forthcoming report:

(i) process for appointing members to the MSB (Municipal Services Board);

(ii) Terms of the Transition;

(iii) operating procedures, including by-laws, etc.; and

(iv) draft by-law to enact an MSB; **(Motion by Councillor Ootes.)**

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- (3) referred all concerns addressed by deputants, together with the report (June 10, 2002) prepared by Councillor Irene Jones, entitled “Safe Clean Accountable - Water Advocate’s Response to the Water Utility Study Report”, to the Chief Administrative Officer for consideration in her forthcoming report; and **(Motion by Councillor Ootes.)**
- (4) referred the following motions to the Chief Administrative Officer for comment: **(Referral Motion by Councillor Shiner carried on the following recorded vote:**

FOR: Balkissoon, Di Giorgio, Disero, Kelly, Lastman, Lindsay Luby, Minnan-Wong, Ootes, Pitfield, Shiner, Sutherland

AGAINST: Bussin, Jones, Layton, Li Preti, McConnell)

Moved by Councillor Irene Jones:

- “(1) That the referral motion by Councillor Ootes be amended:
- (i) by deleting Recommendation No. (3) embodied in the report (May 31, 2002) from the Chief Administrative Officer; and
 - (ii) to provide that the Chief Administrative officer submit a report to a future joint meeting of the Committees on a proposed Board-of-Health-like model for water governance; and
- (2) that the Committees recommend to Council:
- (i) the adoption of Recommendations Nos. (4), (5), (6) and (7) embodied in the report (May 31, 2002) from the Chief Administrative Officer;
 - (ii) that the following recommendations embodied in the report (May 3, 2002) from the Director, Watershed Management Division, Toronto

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and Region Conservation Authority, to the Executive Committee, TRCA, be endorsed:

‘The Executive Committee recommends that the position of Conservation Ontario regarding Bill 155, the proposed “Sustainable Water and Sewage Systems Act 2001”, be endorsed;

That the regional and area municipalities be requested to support Conservation Ontario’s position that full cost pricing include provisions for watershed management outcomes;

And further that the City of Toronto be requested to include, within the study of Water and Wastewater Governance, appropriate provisions for funding of the protection, monitoring and restoration of surface and ground water resources on a watershed basis as a fundamental requirement of full cost pricing of water and wastewater services’;

- (iii) that Bill 3, the “Clean Drinking Act” that is currently before the Legislative Assembly, be endorsed;
- (iv) that Council adopt the following criteria for any future analysis of the water system – these criteria should mark the beginning of the development of a City of Toronto Water Code that would set out the principles for the long-range protection and stewardship of the City’s precious water resources. The criteria are as follows:

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- (a) Council recognize that ensuring safe, clean drinking water is the first consideration when analyzing the water system;
- (b) Council accept Justice O'Connor's recommendation that accountability and transparency be considered indispensable considerations in ensuring safe drinking water;
- (c) Council pursue only those changes to the water system that can be shown to clearly enhance the safety and quality of the City's drinking water;
- (d) Council avoid changes to the water system that reduce drinking water quality or public accountability to achieve reductions in cost; and
- (e) Council resist modifications to the water system that disconnect it from the City's efforts on municipal planning and environmental stewardship."

Moved by Councillor Bussin:

- "(1) That the referral motion by Councillor Ootes be amended to provide that the Chief Administrative Officer give consideration to including citizen representation in the proposal by Councillor Irene Jones; and
- (2) that the Chief Administrative Officer report:
 - (i) on any changes to staffing in the Water and Wastewater Division and in other departments that will result from the changes in governance and consequent changes in interdepartmental service position;

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- (ii) on the impact on inter-departmental collaboration with other departments on public health, planning; and environmental protection;
- (iii) on the full tax impact of the change in governance, interdepartmental charges and recoveries;
- (iv) on the costs that the Division is paying to other departments for administrative services and including an analysis of how much it will cost the MSB to provide these services in-house, or to contract out these services;
- (v) on the process for citizen appointments to the MSB and remuneration, if any; and
- (vi) on how existing Public Advisory Committees will function within a new structure.”

Moved by Councillor Layton:

- “(1) That the referral motion by Councillor Ootes be amended to provide that there be a minimum of one month between the time of the release of the forthcoming report from the Chief Administrative Officer and the joint meeting in order to allow the public to have full opportunity to consider the report;
- (2) that in the event that Councillor Ootes’ motion to refer this matter carries, that the Chief Administrative Officer report directly to Council on the staff time, associated costs of the further reporting requested by the joint meeting and indicate the sources of funds and which projects will be delayed as a result;
- (3) that the Chief Administrative Officer, in consultation with the City’s Water Advocate and the Chair of the Works Committee, be requested to convene a briefing meeting in order to inform the public of the recommendations contained in her forthcoming report;

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- (4) that the Committees recommend to Council:
- (i) that Council urge the Government of Ontario to adopt the proposed Clean Water Act with appropriate amendments including its proposed funding mechanisms, proposals for fair relationships between Provincial and Municipal Orders of Government and other recommendations, including those suggested by Justice O'Connor;
 - (ii) that Council support the FCM budget proposals for the upcoming budget, noting in particular the call for funding for environmental infrastructure including water and sewer infrastructure; and
 - (iii) that the whole Council be provided with a presentation by the Chief Administrative Officer at the July meeting on the state of the City's water and wastewater infrastructure, funding shortfalls and financing strategies; and
- (5) that the Chief Administrative Officer be requested to report:
- (i) on potential sources of infrastructure funding from senior levels of government including SuperBuild, the FCM recommending revolving fund and any other initiatives that might be applicable;
 - (ii) on the impact on environmental accountability resulting from changes to the governance of the Water and Wastewater Division as there are a number of Provincial Acts on the environment which regulate water quality and other related environmental issues. Who is ultimately responsible for the actions of the MSB? Is the City responsible for compliance? How will the City be able to ensure compliance?

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- (iii) on the impact on policy initiatives such as the Wet Weather Management Master Plan, both regarding the continuation of those planning processes and the capacity of the City to bind a new Municipal Service Board to its resolutions;
- (iv) on the impact of legislation on the business issues raised in the report, including the impact of Bill 155 on ensuring full cost recovery, the Safe Drinking Water Act on the effective management of the system; and
- (v) on the process for implementing an enhanced status quo, including the Water Advocates Recommendations.”

Moved by Councillor McConnell:

- “(1) That the Committees recommend to Council that the report (May 31, 2002) from the Chief Administrative Officer be received;
- (2) that the Chief Administrative Officer be requested to report:
 - (i) on mechanisms to protect the City’s public water from privatization;
 - (ii) on current efficiency exercises and on possible future efficiencies to the current system and what the financial impact would be on the defined future needs; and
 - (iii) specifying the City policies that will apply to a Municipal Service Board including the applicability of Human Resource procedures and policies such as equity and non-discrimination; purchasing policies such as fair wage, open tendering, financial transparency and the ability of the City to impose new policies on the Municipal Service Board; and

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- (3) that the Chief Administrative Officer be requested to conduct a full public consultation, through community meetings (complete with full presentation and discussions), reports to Community Councils and consultations with environment groups and labour groups.”

(Chief Administrative Officer; c: Commissioner of Works and Emergency Services; Director, Strategic and Corporate Policy Division, Chief Administrator’s Office; Council Administrator, Etobicoke Community Council; All Interested Parties - June 12, 2002)

(Clause No. 1, Report No. 1)

The Policy and Finance Committee and the Works Committee adjourned their meeting at 1:20 p.m. on June 12, 2002.

Chair.