



STAFF REPORT ACTION REQUIRED

Proposed New Host Community Agreement with ICLEI

Date:	October 27, 2008
To:	Executive Committee
From:	City Manager
Wards:	All Wards
Reference Number:	P:\2008\ClusterB\TEO\EX08013

SUMMARY

The purpose of this report is to seek City Council approval of a proposed new host community agreement between the City of Toronto and ICLEI – Local Governments for Sustainable (Management) Inc. for the remainder of 2008 and 2009.

RECOMMENDATIONS

The City Manager recommends that:

1. Council authorize the execution of a new proposed host community agreement between the City of Toronto and ICLEI for the remainder of 2008 and 2009 generally in accordance with the terms and conditions outlined in this report and as finalized to the satisfaction of the City Manager and in a form satisfactory to the City Solicitor.

Financial Impact

If the new host community agreement is adopted the City will realize a cost reduction of \$500,000 in cash payments (2010-2011) and approximately \$750,000 for the provision of in-kind services (2009-2011), for a new total cost reduction of approximately \$1.25 million.

Under the terms of the current host community agreement the City of Toronto provides financial support for ICLEI in the amount of approximately \$500,000 per year in cash

and in-kind services. The current host community agreement began in 2007 and is scheduled to conclude at the end of 2011, with a total contribution of \$2.5 million over the five-year term of the agreement, if carried to term. Funding is included in the Non-Program Operating Budget (cost centre NP2067).

Under the proposed new host community agreement the City would provide ICLEI with \$250,000 for 2009 with no allowance for in-kind services. After 2009 the City would cease its cash support for ICLEI.

The Acting Deputy City Manager and Chief Financial Officer has reviewed this report and agrees with the financial impact information.

Equity Impact Statement

The recommendation in this report has no impact on the services and programs provided to the residents of Toronto or on residents' access to services.

DECISION HISTORY

At its meeting held July 25-27, 2006 City Council adopted as amended Policy & Finance Committee Report 6(6) - "Renewal of Host Community Agreement with ICLEI, Local Governments for Sustainability (Management) Inc. for 2007-2011".

ISSUE BACKGROUND

The International Council for Local Environmental Initiatives ("ICLEI") was founded in 1990 as an outcome of the World Congress of Local Governments for a Sustainable Future, a conference of more than 200 local governments from 43 countries held at the United Nations in New York City. ICLEI established its World Secretariat in Toronto in 1991 with subsidies from the former Municipality of Metropolitan Toronto and City of Toronto. The World Secretariat and ICLEI's Canadian regional office have remained in Toronto ever since then, framed by a series of renewable host community agreements with the City that, among other terms, have continued the City of Toronto's annual subsidy to ICLEI.

The most recent five-year host community agreement came into effect at the beginning of 2007 and commits the City to provide up to \$500,000 annually to ICLEI in cash and in-kind contributions. This support includes up to 7000 square feet of office space, usage of phone lines and photocopy equipment and up to \$250,000 per year (cash) to support ICLEI staff salaries and benefits.

Today, ICLEI has a membership of almost 1,000 local governments and their associations world-wide. In addition to its World Headquarters in Toronto, ICLEI

maintains offices in at least ten other countries. ICLEI has grown into a global entity and evolved well beyond its early developmental phase and reliance on City of Toronto subsidies. The City of Toronto's priorities regarding environmental sustainability and activities to combat climate change have also evolved.

The current host community agreement between the City and ICLEI is for the years 2007 to 2011, but the parties have agreed to terminate it and enter into a new host community agreement covering the remainder of 2008 and 2009 that reflects the changed circumstances of both parties.

COMMENTS

Under the proposed new contract ICLEI would agree to maintain its World Secretariat (international headquarters) in Toronto until the end of 2009. It would also agree to provide the City with support to be outlined in a 2009 work plan to be approved by the City Manager. This support would include, but not be limited to, promotion of the City's environmental initiatives, hosting an International Municipal Energy and Climate Change Summit in Toronto, hosting an ICLEI Annual Executive Committee meeting in Toronto, profiling pilot demonstrations of renewable energy in Toronto, and assisting the City in identifying environmental sustainability best practices.

Under the current host community agreement the City provides ICLEI with office space in City Hall and \$250,000 annually (in quarterly payments) to support ICLEI staff salaries and benefits. The City has paid ICLEI its final quarterly payment for 2008. Under the proposed new host community agreement the City would agree to continue to provide ICLEI with office space in City Hall for 2008. The lease between the City and ICLEI would terminate at the end of 2008. The City would provide ICLEI with \$250,000 for 2009 while ICLEI maintained its World Secretariat in Toronto.

ICLEI's Management Committee has accepted the terms of the proposed new host community agreement and authorized ICLEI's Secretary-General and President to execute the contract on behalf of ICLEI.

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