



STAFF REPORT ACTION REQUIRED

Institute on Municipal Finance and Governance

Date:	November 30, 2007
To:	Executive Committee
From:	City Manager
Wards:	All
Reference Number:	

SUMMARY

This report seeks Council approval to continue City support for the Institute on Municipal Finance and Governance (IMFG) at the University of Toronto. An annual city contribution of \$35,000.00 to the IMFG in the form of a membership fee is recommended. Funding is available in the 2008 Operating Budget submission for City Council and will be included in future year operating budget submissions.

The City contributed to IMFG's first three years of operation in the form of a \$35,000 annual membership fee and has benefited from access to empirical research relevant to City policy, financial management and intergovernmental issues. Continuing to support the IMFG extends access to research, reinforces the City's relationship with the University of Toronto, and sustains the development of public policy on municipal matters that assist all orders of government, international bodies and the Toronto academic community.

RECOMMENDATIONS

The City Manager recommends that:

1. The City of Toronto continue to support the Institute on Municipal Finance and Governance at the University of Toronto on an ongoing basis, by providing an annual membership fee of \$35,000 to the Institute, subject to Council's annual budget review process.

Financial Impact

Approval of this report would commit the City to provide an ongoing annual contribution of a \$35,000.00 membership fee to the Institute of Municipal Finance and Governance,

subject to Council's annual budget review process. Funding for this contribution is available in the City Council's 2008 Operating Budget submission and will be included in subsequent years' submissions.

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

Equity Statement

The IMFG provides the City with access to research that helps the City carry out its mission to serve and promote the interests of all Torontonians. Also, graduate fellowships are created with the support provided to the IMFG, giving Toronto students increased access to training and expertise in municipal finance and governance.

ISSUE BACKGROUND

Established at the Munk Centre at the University of Toronto in December 2004, the IMFG is the only organization in Canada dedicated specifically to advancing concerns of municipal finance and governance. The Institute has a particular focus on large cities and city regions.

In response to a request by the Institute, City Council on February 1- 3, 2005 adopted a recommendation for the City to become a founding member of the IMFG and support the Institute with an annual membership fee of \$35,000.00 for the period 2005 to 2007 (Policy & Finance Committee Report 2(3)). The IMFG has requested the City of Toronto to maintain this level of support and continue its membership. The IMFG has also indicated that it would like to extend its partnership with the City of Toronto to include more than financial support. This would include identifying research topics and events of particular interest to Toronto.

COMMENTS

Over its first three years the IMFG undertook a number of initiatives of direct relevance to the City. These are outlined in the appended IMFG "Activities Report", April 30, 2007 and included presentations, seminars and research papers.

Continuing support for the IMFG presents a number of potential benefits to the City.

Future IMFG research includes an impact assessment of amalgamation, including papers on: revenue generation and expenditure management; service level harmonization and delivery; and the impact of the *City of Toronto Act, 2006*. The IMFG is also developing a book on property tax reform in Ontario that will address, among other things, the ability of the City and other GTA municipalities to raise revenues.

The IMFG and the University of Toronto are independent academic institutions that are committed to advancing the state of public policy in Canada. Through its research, IMFG explores creative solutions to emerging municipal issues (e.g. the potential of public-

private partnerships, impacts of raising residential and non-residential property taxes). It offers a respected voice on municipal issues and matters of public policy.

Additionally, the IMFG funds graduate fellowships that support Toronto students who are researching topics in municipal finance or governance.

It is recommended that the City continue to support the IMFG at the University of Toronto. Approval would extend access to future IMFG research and reinforce the City's relationship with this institution. This would provide the City with independent, evidence-based research that both informs and reinforces City policy and intergovernmental positions. Additionally, City support contributes to the development of academic fellowships that produce trained professionals with expertise to support cities such as Toronto, as well as the other orders of government.

CONTACT

Phillip Abrahams, Strategic and Corporate Policy, 416.392.8102, pabraham@toronto.ca

SIGNATURE

Shirley Hoy
City Manager

ATTACHMENTS

IMFG Activities report, April 30 2007



ENID SLACK, Ph.D.
Director
Institute on Municipal Finance and Governance

Activities Report

April 30, 2007

The Institute on Municipal Finance and Governance was established at the Munk Centre for International Studies at the University of Toronto in December 2004. The Institute is directed by Dr. Enid Slack and is overseen by a three person Board of Directors that includes: Alan Broadbent, Chairman and CEO of Avana Capital Corporation; Colin Robertson, Chief Financial Officer of Avana Capital Corporation; and Janice Stein, Director of the Munk Centre for International Studies at the University of Toronto. Avana Capital Corporation and the TD Bank made donations to the University of Toronto earmarked for the launch of the Institute. The City of Toronto made a three-year commitment to provide a contribution towards core funding.

This report summarizes the activities of the Institute on Municipal Finance and Governance (IMFG) from January, 2005 to April 2007. Much of the Institute's first year was spent making the Institute known to the academic community, the public sector, and the private sector. In its second year, the Institute continued its program of seminars, speaking engagements and research, as well as establishing its first graduate fellowship in municipal finance and governance. Specific details of our work are set out below.

Research

The following papers were completed during the year ending April 30, 2006:

- *Easing the Fiscal Restraints: New Revenue Tools in the City of Toronto Act*: Two versions of this paper were written by Enid Slack (one for the launch of the Institute and a shorter version for the Broadbent papers).
- *Assessing Municipal Amalgamation in Toronto, Canada: What Has It Achieved?* This paper was prepared by Enid Slack for publication in *National Security and Defence*, the magazine of the Razumkov Centre in Kyiv.
- *Easing the Fiscal Restraints on Canadian Cities*: This article, written by Enid Slack, was published in *Dialogues*, the magazine of the Canada West Foundation.
- *Opportunities and Challenges of Growth*: This paper was prepared by Enid Slack at the request of the City of Calgary.

- *Approaches to Growth*: This paper was prepared by Enid Slack at the request of the City of Calgary.
- *Policy Options for Taxing Real Property*: This paper was prepared by Enid Slack for delivery at a conference of the International Property Tax Institute in Prague.
- *Financing Local Government Capital Investment*: This paper was prepared by Enid Slack for delivery at a World Bank International Workshop on Local Public Finance and Governance, Hohhot, Inner Mongolia, China.
- *The Local Role in Regional/Local Economic Development*: This paper was prepared by Enid Slack for delivery at a World Bank International Workshop on Local Public Finance and Governance, Hohhot, Inner Mongolia, China.
- [*Large Cities Under Stress: Challenges and Opportunities*](#). This paper, written by Enid Slack, Larry S. Bourne and Heath Priston, was prepared at the request of the External Advisory Committee on Cities and Communities.

The following papers were completed during the year ending April 30, 2007:

- [*Trends in Public Finance in Canada*](#). This paper, written by Enid Slack and Harry Kitchen, was prepared for the Federation of Canadian Municipalities.
- [*Fiscal Imbalance: The Case for Cities*](#). This paper was written by Enid Slack at the request of the Federation of Canadian Municipalities.
- [*Cities in Canadian Federalism*](#). This paper, written by Enid Slack and Richard M. Bird was prepared for the Conference on Fiscal Relations and Fiscal Conditions at Georgia State University.
- [*What Can We Learn From Other Cities*](#). This article was written by Enid Slack for *Dialogues*, Spring 2006, a publication of the Canada West Foundation.
- *Taxing Land and Property in Emerging Economies*. This paper was written by Enid Slack and Richard M. Bird for the Lincoln Institute on Land Policy.
- *The Impact of Municipal Finance and Governance on Urban Sprawl*. This paper, sponsored by the Science Advisory Board of the International Joint Commission, was written by Enid Slack.

Consulting

The Institute completed two consulting contracts in its first year:

- Two papers on growth and municipal financial tools were commissioned by the City of Calgary. This project was done in conjunction with a graduate student in planning.
- A study on large cities in Canada, commissioned by the External Advisory Committee on Cities and Communities was completed by Enid Slack and Professor Larry Bourne.

In the current year, the Institute was sub-contracted to undertake a cross-jurisdictional analysis of the roles, responsibilities, resources and relationships among municipal governments and their provincial and territorial governments across Canada.

International Advice

The Institute worked with the Canadian Bureau for International Education on a project funded by the Canadian International Development Agency (CIDA). The project focussed on municipal issues in the City of Kyiv, including local community involvement in the decision-making process, the provision of openness, transparency and accountability of the authorities, and the observance of social and environmental standards. Dr. Slack provided advice, reviewed documents, prepared a presentation on international experience, and participated in workshops.

Presentations

Enid Slack, Director of the Institute, made the following presentations during the year ending April 30, 2006:

- Presentation on IMFG to the City's Policy and Finance Committee
- Revenue tools in the City of Toronto Act to the Toronto Board of Trade
- City of Toronto Act to the Toronto Liberal Caucus
- Property taxation to the Institute of Municipal Assessors and the Association of Municipal Tax Collectors
- Municipal aspects of fiscal federalism to Workshop on Fiscal Federalism at the Munk Centre
- Non-residential property taxes to the Canadian Urban Institute
- New deal for cities to Strategy Institute conference
- City of Toronto Act to the Ontario Ministry of Economic Development and Trade
- Two lectures on aspects of municipal finance and governance to World Bank workshop on finance and governance
- Property tax policy to International Property Tax Institute conference
- Rapporteur at Ditchley Foundation conference on cities
- Role of cities to meeting of the Forum of Federations
- Municipal finance issues at conference on Multi-Level governance
- Assessment reform to the Association of Municipalities of Ontario
- Financing the public realm at Canada-Brazil conference

- City of Toronto Act to Canadian Home Builders' Association
- *Cities in Canadian Federalism*, to the Conference on Fiscal Relations and Fiscal Conditions at Georgia State University.
- *Municipal Finance in Ontario*, to a Ukrainian delegation to Toronto.

Presentations during the current year included:

- *Taxing Land and Property in Emerging Economies*, to the Lincoln Institute on Land Policy in Boston.
- *International Property Tax Experience*, to the Lincoln Institute on Land Policy in Boston.
- *Sustainable Municipal Finance: How Do We Get There?* to the Liveable Peel Conference.
- *Municipal Finance and Governance in Canada*, to Ma'anshan Municipal Government Officials, a Chinese delegation to Toronto.
- *Assessment under Threat*, to the Association of Municipalities of Ontario.
- *The Impact of Municipal Finance and Governance on Urban Sprawl*, to the International Joint Commission International Symposium on Urban Impacts: Global Lessons for the Great Lakes Basin.
- *Municipal Finance and Governance: Tools to Affect Land Use Decisions*, to the Leading Edge Conference, Niagara Escarpment Commission.
- *Municipal Fiscal Imbalance*, to the Association of Manitoba Municipalities Annual Convention.
- *Municipal Finance in Canada*, to a Chinese parliamentary delegation.
- *Beyond the Gas Tax: Closing Toronto's Fiscal Gap*, to the Toronto City Summit Alliance.

Seminars and Round Tables

In the year ending April 30 2006, the Institute held the following seminars at the Munk Centre on finance and governance issues. Most of these events were jointly sponsored with other institutions or organizations:

- **Easing the Fiscal Restraints: New Revenue Tool in the City of Toronto Act** featured Richard Bird, Derek Burleton, Casey Vander Ploeg and Enid Slack who talked about the fiscal situation in the city and what could be done to improve it. The papers and presentations from this event can be found on our website.
- **The Economic Benefits of Smart Growth**, co-sponsored with the Conference Board of Canada, featured Bruce Katz from the Brookings Institution in Washington, DC to talk about smart growth and why it is important. His presentation is on the IMFG website.
- **Financing Cities: Lessons from the U.S.**, co-sponsored by the Neptis Foundation, featured Robert Inman from the University of Pennsylvania who talked about appropriate taxes and governance structures at the local level.

- **Governing Large Cities: A Comparative Perspective**, co-sponsored with the Global Cities Program and the City of Toronto, featured Ron Vogel from the University of Louisville who talked about how large cities are governed in other countries around the world and what lessons can be learned for Canadian cities. His presentation is on the IMFG website.
- **The Changing Role of Cities in Ukraine: The Case of Kyiv**, co-sponsored with the Petro Jacyk Program for the Study of Ukraine, featured two members of the Kyiv City Council (Oleksandr Petyk and Andriy Strannikov) who talked about the role of the city in the Orange Revolution. Their presentation is on the IMFG website.
- **Round table on the New City of Toronto Act with The Greater Toronto Home Builders' Association** featured Ken Greenberg, David Crombie and Enid Slack who talked about changes to the City of Toronto Act dealing with powers, revenues, and governance. This meeting was co-sponsored with Ideas That Matter.
- **Urban Containment – American Style(s)**, co-sponsored by the Neptis Foundation, a seminar with Arthur C. Nelson, Director of Urban Affairs and Planning, Alexandria Center, Virginia Polytechnic Institute.

The Institute continued its program of seminars featuring international and local experts during the current year:

- **Large Cities Under Stress: Challenges and Opportunities**, co-sponsored by the Institute of Public Administration of Canada (IPAC), a presentation by Enid Slack, Larry Bourne and Heath Priston, with special guest Michael Harcourt, Chair of the External Advisory Committee on Cities and Communities, former BC Premier and Mayor of Vancouver.
- **Public-Private Partnerships: Panacea or Pandora's Box?**, co-sponsored by IBI Group, with presentations by Derek Burleton, Associate Vice President and Senior Economist, TD Bank Financial Group, and Randy Grimes, Director, IBI Group.
- **All About Planning**, co-sponsored by Ideas That Matter. This event included two panel presentations:
- **Planning in Toronto: What's the Problem?**, chaired by Paul Bedford, Urban mentor and former Chief Planner for the City of Toronto, including panellists Julie Di Lorenzo, President, Diamante Development Corporation, Frank Lewinberg, Partner, Urban Strategies, and Gary Wright, City of Toronto Planning Department; and
- **Amenities for Density: Section 37 of the Planning Act**, chaired by John Lorinc, urban affairs journalist, with a presentation by Larry Beasley, Planning consultant and former Director of Planning for the City of Vancouver, and panellists Steve

Diamond, President, DiamondCorp and Ted Tyndorf, Chief Planner, City of Toronto.

- **The Golden Rules of Regional Governance: Lessons from Germany**, co-sponsored by the Program on Globalization and Regional Innovation Systems, a presentation by Jen Nelles, PhD student in Political Science and holder of the Alan Broadbent Fellowship in Municipal Finance and Governance.

Our seminars have continued to attract a large and varied audience and have successfully furthered the debate on selected municipal finance and governance issues.

In addition, the Institute had the honour of co-hosting the **Jane Jacobs Prize Ceremony**. The event, which included introductory remarks by Mayor David Miller, was highly successful.

Graduate Fellowships

The **Alan Broadbent Fellowship in Municipal Finance and Governance**, funded by Diamante Development Corporation and Dr. James Wong, was established and will be offered annually to a full-time graduate student who is enrolled at the University of Toronto and who is engaged in studies related to municipal finance or governance. The first award was made in August 2006 to Jen Nelles whose research focuses on inter-municipal cooperation for regional economic development.

The Blanche and Sandy Van Ginkel Fellowship in Municipal Finance and Governance will be established in the current year as an endowed award (in perpetuity). The first award will be offered in September, 2008.

IMFG Website

The Institute's website (www.utoronto.ca/mcis/imfg) is kept up-to-date with our research papers and presentations. It is a resource frequently-used by researchers in municipal finance and governance.

IMFG e-Newsletter

An IMFG e-newsletter was launched in February of this year and is sent regularly to the Institute's mailing list of close to 600 names.

Other Activities

Enid Slack acted as one of three Commissioners on the City of Vancouver **Property Tax Policy Review Commission**. The final report of the Commission will be presented at the City of Vancouver Council Meeting in July.

Dr. Richard Bird joined the Institute as a **Senior Fellow** of the Institute on Municipal Finance and Governance. Dr. Bird is Professor Emeritus, Department of Economics, and Adjunct Professor and Co-Director of the International Tax Program at the Joseph L. Rotman School of Management, University of Toronto. He currently holds appointments as a Research Fellow at the C.D. Howe Institute, and Distinguished Visiting Professor at the Andrew Young School of Public Policy, Georgia State University. Dr. Bird and Enid Slack will be working together on a book on property taxes in the coming year.

Enid Slack is an affiliate **The School of Public Policy and Governance** at the University of Toronto. She has participated in their *Roundtable on Economic Competitiveness and Social Cohesion*, sponsored by the School for the City of Toronto.

Enid Slack participated in a seminar series sponsored by the recently-formed **Cities Centre** at the University of Toronto.