

**TO:** Chair and Members of the Rouge Park Alliance  
Meeting # 1/10, February 5, 2010

**FROM:** Alan Wells, Chair and Acting General Manager, Rouge Park Alliance

**RE:** Rouge Park Alliance Governance Review

**KEY ISSUE** Receipt and Circulation of Governance Review Report

## **RECOMMENDATIONS**

1. That the Rouge Park Governance Review Final Report, under separate cover, be received.
2. That the recommendations of the Rouge Park Governance Review Steering Committee be received as follows:
  - a. The Steering Committee advises the Rouge Park Alliance that the Governance Review Report, prepared by the consulting team of StrategyCorp and Hemson Consulting, is a competent and professional report on the options for governance and financing for the Rouge Park
  - b. That the Rouge Park Governance Review Final Report be forwarded to the Rouge Park Alliance for consideration
  - c. That the Steering Committee recommends to the Alliance the Rouge Park Governance Review Final Report be circulated to the constituent member organizations of the Alliance for comments within 60 days
3. That the Chairman formally request the Mayor, Chairs and heads of the constituent member organizations to consider the following:
  - a. The recommendations of the Rouge Governance Report
  - b. The concept of a Founding Deal and elements as they relate to their specific organization
  - c. Participation with the Alliance to engage the federal and provincial governments in the creation of the proposed Federal Park governance structure and creation of a joint interpretive/educational centre for the Rouge Park
4. That the Chairman of the Rouge Park Alliance appear before the constituent member organizations to answer questions and receive comments pertaining to the Governance Review Report.\*
5. That the Chairman provides briefings to the appropriate Federal and Provincial officials and elected representatives on the recommendations of the Governance Review Report and the process underway to receive input and comments from the constituent members of the Alliance.
6. That the Chairman be authorized to undertake briefings of key stakeholders on the recommendations of the Governance Review Report and the process underway to receive input and comments.

7. That the Chairman report back to the Alliance regarding the following matters:
  - a. Response of the Rouge Park Alliance constituent member organizations to the Governance Review Report recommendations and any related manner
  - b. The results of the briefings with federal and provincial officials, elected representative and key stakeholders
  - c. Recommended, preferred Alliance Governance Model and advocacy position
  - d. A strategy and work program necessary engage the Federal and Provincial Government in the implementation
8. That the Chair upon receipt of the responses from the member organizations (Recommendation 7) organize and host a workshop with the constituent members of the Alliance to develop a draft "Founding Deal" as recommended by the Governance Report

## **BACKGROUND**

In August 2009, the Rouge Park Alliance issued a call for proposals from qualified consultants to undertake a review, develop and recommend an appropriate governance model for the Rouge Park. In September 2009, the consultant consortium of StrategyCorp and Hemson Consulting were retained for the purposes of this study.

The purpose and objectives of the study as set out in the Terms of Reference consisted of five specific tasks summarized below:

### **Governance Options:**

Identify, develop and evaluate potential governance models which could be implemented for the Rouge Park. The scope of this review would include existing park governance models within Canada as well as internationally and related type organizations.

### **Funding Strategy:**

Document and assess the adequacy of existing operating and capital funding for the Park.

### **Park Operation, Management and Organization Structure:**

Develop a management and organization structure with help from the Steering Committee to manage the Park. As part of this plan, a five-year budget forecast would be developed which would link the discussions between funding and governance.

### **Rouge Park Land Reconciliation:**

Research/document the impact of the addition of these lands and recommend a balance of uses for the lands.

### **Engaging Rouge Park Alliance Membership:**

Develop and implement an engagement strategy for the project. Workshops developed on the subject of governance and funding are expected to be efficient and comprehensive.

## STUDY PROCESS

As the Alliance is aware, a Steering Committee consisting of senior staff representatives from each of the constituent member organizations was established to work directly with the consulting team. The overall direction and management of the study was the responsibility of the Alliance Chairman. The existing funding of the Alliance is provided through multiple sources for both operating and capital expenditures. The complexity of the existing funding framework and the need to identify future operating and capital needs required the creation of a separate Financial Working Group to work with the consulting team.

The study process consisted of four main phases as follows:

1. Data and information collection
2. Identification of the Governance Interest, Issues and Opportunities
3. Identification of Governance Principles, Concepts, Areas of Agreement and Disagreement, Evaluation Criteria and Assessment
4. Evaluation and Recommendation of a Preferred Model and Implementation Platform

The Terms of Reference provided a clear direction on the overall objectives of the review. Public administration never occurs in a vacuum; it is always embedded in the overarching political context of the time. This study and the Rouge Park are no exception. The consulting team approached this study with a keen awareness that the Park is not in need of an academic study about what "might be"; much more important, is a model that could be implemented.

Thus, in addition to the objective realities of the Park, the study process also sought to understand, as fully as possible, the subjective political dimensions of the Park, with a view to defining the key political enablers and the barriers to success.

Accordingly, the study had to change to reflect the underlying conditions.

The two greatest considerations were the presence of existing advocacy positions among Alliance members and the backdrop of the current economic downturn and its impact on the ability to secure funding from all levels of government.

The Governance Review study has provided an excellent opportunity for a broad-based dialogue between the constituent members of the Rouge Park Alliance (staff and representatives levels), its needs, limitations and opportunities. Between late August (2009) and the end of January there were 3 Steering Committee Workshops, 2 working sessions for the Finance Working Group and one Alliance Workshop. In addition, the consulting team held over 12 individual meetings with representatives (Alliance and Steering Committee) of the constituent member organizations and a large number of conference calls.

A draft of the consultant's report was presented to the Steering Committee on January 13, 2010 at which time they were asked to undertake their own internal review and provide comments by January 22, 2010. Detailed submissions were received from the MNR, Parks Canada, City of Toronto, TRCA, York Region, Durham Region and the Town of Markham. The consultants undertook a detailed review of comments (in the order of 150 individual corrections and clarifications or elaborations), which have been incorporated into the final version.

## THE NEED FOR CHANGE

The work undertaken by the consulting team found, regardless of a recommended or preferred governance model, the Alliance is facing a number of serious challenges and limitations.

The overarching conclusion reached by the consultant team is that the Park and Alliance have reached a critical juncture in their evolution. Based upon the SWOT analysis, the opportunities, tensions and issues are indicative of the Alliance and entity (Park) transitioning from the conceptual stage to the reality of a functioning park and organization.

The Rouge Park was borne out of activism and a political response to a compelling concept and opportunity. Since its creation, the efforts of the Alliance have further defined and consolidated the opportunity.

This study process has confirmed that even today, the basic discussion about what the Rouge Park could or should be, remains unresolved. There is still no universal shared definition of the "Rouge Park" – even among Alliance Members.

Because of its legal limitations, the Alliance is not a true decision-making board. Rather it is an advisory body.

In practice, decisions of the Alliance (which does not have a legal status) are treated as binding decisions, and implemented. In fact, however, they are merely stakeholder advice which is then implemented by one of the parties.

One of the attributes of a board of directors is that board members have a duty to act in the best interests of the organization. If a board member is in a conflict of interest between the interests of the organization, and some other organization to which he or she belongs, then it is necessary to deal with the conflict. Depending on the norms and by-laws of the board, this might require disclosure of the conflict, recusal or abstention from the decision, as may be appropriate in the case.

The Rouge Park Alliance is not a board in this sense. Alliance members are there to represent the organization that appointed them. Accordingly, it does not function as a board. It is more of a structured meeting of the Park stakeholders.

Alliance members are therefore in the ambiguous situation of trying to govern the Rouge Park in the best interests of the Rouge Park, while trying to protect the interests of the organizations they represent.

Further, the consultants have recommended, even if a new governance structure and funding relationship is not secured for the Park, the Alliance should not be left in its current state. The current Rouge Park should be replaced with an incorporated entity, capable of carrying on business in its own name, and of owning land.

The redesign should replace the current stakeholder Alliance with a Board of Directors for the Rouge Park. Board members should be mandated to:

- provide leadership to the Park
- be accountable for ensuring that the Rouge Park fulfills its mandate
- oversee the Park's management
- act honestly and in good faith with a view to the best interests of the corporation
- exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances

Attached to this report as Schedule A is the Executive Summary from the main study report.

### **WINDOW OF OPPORTUNITY**

As mentioned earlier in this report, there has been a renewed dialogue and engagement, particularly at the senior staff levels (Steering Committee) among the Alliance member organizations. This positive energy has created a sense of common purpose, opportunity and momentum to move forward with securing a new governance structure and funding model for the Rouge Park.

It is also very unique to have secured political support from a cross-section of elected representatives from all three levels of government who are championing Rouge Park. Further, both the Federal and Provincial members have indicated interest in receiving the report from the Governance Review.

Public and political interest continues to focus on environmental issues, the most recent example being the climate change conference in Copenhagen. At the same time, Canada and Ontario will continue to be a focus of international attention with the G8 and G20 conferences this June followed by the Pan American Games, which will be hosted in the GTA in 2015. Lastly, there is the reality of elections for the municipal, provincial and federal governments over the next 2 years.

The Rouge Park has always been defined as a landscape of National and Provincial significance and an opportunity to protect a unique and important natural and cultural heritage resource. There is a very real opportunity for the Alliance, working with its constituent members, to "harness" the momentum that has resulted from the Governance Review, and the emergence of the political champions and to capitalize on the public, institutional, media and political attention that will materialize over the 12-18 months.

### **CHAIRMAN'S RECOMMENDATIONS – MOVING FORWARD**

It is important to engage the senior levels of government, the public, and media with a single voice and a very clear set of recommendations that need to be implemented to secure the opportunity that is the Rouge Park. With that in mind, the recommendations contained in this

report are intended to put into motion the necessary actions to obtain support from the constituent members of the Alliance to move forward with the implementation of the consultants report.

First, and most important, a draft of the report has undergone an extensive review by members of the Steering Committee, who have concluded it has successfully identified, considered, and evaluated a full range of governance options for the Rouge Park. Second, they are recommending that the consultants report be circulated to the respective agencies/boards and ministries for formal consideration. They have further recommended that this review be completed in 60 days, having regard for the window of opportunity outlined earlier.

In keeping with the advice of the Steering Committee, it is recommended that each of the organizations be requested to address the consultant's recommendations, the details and concept of a "founding deal", and to work jointly with the Alliance in approaching the federal and provincial governments.

It is important to continue with the dialogue that has been initiated through the Governance Review. Therefore it is recommended that the Chairman of the Alliance appear before each of the constituent member organizations, at the time they consider the consultant's report, to make a presentation and respond to questions. In a parallel manner, briefings should be sought with the respective Ministers and senior staff.

Lastly, it is recommended that given the importance of a "Founding Deal" to the creation of a new governance model and financing structure for the Rouge Park, a workshop be held to begin the process of developing a detailed MOU and the process for its acceptance.

**Report prepared by:**  
**For information contact:**  
**Date:** February 3, 2010  
**(Attachments)**

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