

Follow-up Report to EX4.6 and EX4.7

Date:	April 11, 2011
To:	City Council
From:	City Manager
Wards:	all
Reference Number:	EX4.6 and EX4.7

SUMMARY

City agencies and corporations are created to act on Council's behalf in delivering certain municipal services delegated by Council. Executive Committee reports EX4.6 and EX4.7 recommend a strategy for managing through agencies and corporations and, one of the cornerstones of that strategy, the Public Appointments Policy. This report responds to the Executive Committee request to report directly to the April 12, 2011 Council meeting as follows:

- Report on the comments provided by the management and boards of the 6 agencies where changes to the size and composition of the boards are recommended in report EX4.7. Table 1 in this report summarizes comments from the Library, Zoo, Yonge-Dundas Square, Sony Centre, St. Lawrence Centre, Toronto Centre for the Arts and the recommendations in this report resulting from those consultations;
- Report further on motions to amend the recommendations in EX4.6 and EX4.7 made at Executive Committee and referred to the City Manager for a report;
- Clarify the role of a City Councillor serving on an agency board as requested by the Executive Committee; and
- Report on the advisability of Council appointing the Chairs of the Library Board, the Police Services Board, and the Board of Health and what legislative changes would be required to give Council that authority.

During the debate, Council Members requested additional information concerning the authority of Council to make changes to the governance structures of City agencies, the average number of board appointments for Councillors, and the status of procedure by-laws of City agencies. This information is also provided in this report.

RECOMMENDATIONS

The composition of the boards that are the subject of recommendations 1 to 4 below are summarized for reference in Table 1 in the Comments Section of this report.

The City Manager recommends:

1. Council amend Executive Committee recommendation 14 of report EX4.7 to set the size and composition of the Toronto Public Library Board at 11 members comprised of the Mayor or designate and 2 other Council Members plus 8 public members, to take effect at the end of this current Council term; and that recommendations 10 and 11 remain unchanged respecting the Library Board.

2. Council amend Executive Committee recommendation 15 of report EX4.7 to read:

Council amend the composition of the Yonge-Dundas Square Board of Management to replace 2 of the 4 BIA representatives and one nominee of each of the Yonge Street Mission and the Toronto Theatre Alliance with 5 at-large members recruited through an open advertised process through the Civic Appointments Committee resulting in a total of 11 voting members.

with the understanding that the Board of Management may invite whomever it wishes to provide on-going advice at board meetings including the Yonge Street Mission, the Toronto Theatre Alliance and additional members of the BIA.

3. Council replace recommendation 12 of Executive Committee report EX4.7 with:

Council amend the Sony Centre for the Performing Arts, the St. Lawrence Centre for the Arts, and the Toronto Centre for the Arts as follows:

- a. The composition of the boards be changed to 3 Council Members and 8 public members nominated through the standard open advertised process through the Civic Appointments Committee and that each of the theatre boards recommend to the Civic Appointments Committee at the beginning of the term the balance of business and arts backgrounds they would prefer to meet their needs;
 - b. Public appointees collectively demonstrate a range of qualification including financial management, hospitality services, knowledge of the performing arts industry and facilities management, fundraising, marketing and sponsorship, law, or expertise and linkages in the diverse cultural community; and
 - c. To maintain a meaningful tenant input for the St. Lawrence Centre, the board establish a Tenant Advisory Committee as a standing committee of the board.
4. Council amend Executive Committee recommendation 13(a) of report EX4.7 to set the size and composition of the Board of Management of the Toronto Zoo to 3 Council Members and 8 public members.

5. Council amend the Public Appointments Policy to add a clause that clarifies that any board may establish any number of committees and appoint members who may or may not be board members as long as the board does not delegate to committees that have non-board members any final decision-making authority.
6. Council amend the Public Appointments Policy by adding a clause that clarifies that all board members and staff of boards may encourage qualified candidates to apply through the open advertised process, but may not provide references for nor endorse or recommend through the recruitment process any candidates being considered by the Civic Appointments Committee, in keeping with the existing clause 5.6 that restricts Members of Council from providing references for or endorsing candidates given that Council's Code of Conduct extends to board members.
7. Council amend Executive Committee report EX4.6 to add the following:
 - a. Council direct the City Manager to report at the beginning of each term of Council on the strategy for managing though agencies and corporations and make any recommendations to improve accountability and alignment with City priorities; and
 - b. Council request the Auditor General to specify in his reports whether his recommendations extend to City agencies.
8. Council declare that the existing positions of Rooming House Licensing Commissioner and Deputy Commissioner be reorganized as a city board with the hearing functions unchanged and the Commissioner serving as chair of the board.
9. Council receive the following attachments to this report (Attachments 1 to 6) in response to questions raised in debate at Executive Committee:
 - a. Comments From Agencies Regarding Size and Composition of the Boards
 - b. Council's Governance Authority Respecting City Agencies (including selection of the Chair)
 - c. Summary of Council Appointments of Councillors to City and External Agencies
 - d. The Role of Board Members (and Members of Council specifically)
 - e. Remuneration Policy for Public Members serving on City Agency and Corporation boards
 - f. Status of Agency Procedure By-laws

DECISION HISTORY

On March 21, 2011, the Executive Committee considered reports EX4.6 Managing Through Agencies and Corporations and EX4.7 Amendments to the Public Appointments Policy. EX4.6 sets out a principle-based framework for systematically reviewing agency structures, modernizing governance to a form more appropriate to the size and complexity of the City of Toronto, improving accountability and transparency, and improving cost effectiveness. EX4.7 recommends changes to the composition of a number of boards in accordance with these principles and changes to the recruitment process to further implement the principles of openness, competition, equity, and impartiality.

During consideration of these reports, the Executive Committee directed the City Manager to meet with representatives of the Library, Zoo, Yonge-Dundas Square, and the three theatres to receive their input on the size and composition of their boards and the proposed recruitment process. Table 1 in this report provides a summary of the feedback received with further staff comments. Attachment 1 to this report provides the written comments received from each board Chair (the Zoo did not submit written comments).

In addition, a number of motions to amend recommendations of the two reports were referred to the City Manager for further consideration. This report recommends changes to the Executive Committee's recommendations as a result.

The Executive Committee also requested clarification of the role of a City Councillor when serving on an agency board. Attachment 4 to this report provides a description of the role of any board member and some specific roles of City Councillors in that context.

The Executive Committee requested information on the advisability of City Council appointing the chairs of the Library Board, the Police Services Board, and the Board of Health and what Provincial legislative changes would be required to implement such a change. Attachment 2 provides an overview of the City's governance authorities and specific legislation concerning the appointment of the chair.

During discussion, a number of Councillors also requested information on the authority of Council to make changes to the governance structures of City agencies, the average number of board appointments for Councillors, and the status of procedure by-laws of City agencies. This information is provided in Attachments 2, 3 and 6 to this report.

COMMENTS

The City Manager asked each of the 6 agencies where the composition is being changed to provide written comments on the proposed size and composition of their board and to meet for further discussion. Those meetings took place on April 4 and 6, 2011. The following Table 1 provides a summary of the current board composition, the composition recommended in the Executive Committee report, the comments provided by the agency representatives, and the amendments recommended in this report.

Table 1 – Summary of Changes to Composition of Agency Boards

Agency	Current Composition	Recommendations of Executive Committee	Proposed by Agency Representatives	Recommendations in this Report
Sony Centre	3 Councillors 9 public members = 12	3 Councillors 6 public members = 9	3 Councillors & 9 public members (3 arts & 6 business) = 12 *strongly recommend that the Board forward their recommendations for Board members to CAC *wants a staff member and a member of the Board Nominating Committee to assist in assessing the qualifications of the applicants	3 Councillors 8 public members = 11
St. Lawrence Centre	2 Councillors 16 nominees of tenants = 18	3 Councillors 6 public members 3 non-voting tenant reps = 9 & 3 non-voting tenant reps	3 Councillors & 2 CanStage nominees & 2 other tenant nominees & 11 public members = 18 AND board to select the public members	3 Councillors 8 public members = 11 AND board to establish a Tenant Advisory Committee as a standing committee of the board
Toronto Centre for the Arts	5 Councillors 7 public members = 12	3 Councillors 6 public members = 9	3 Councillors & 7-9 public members (half arts and half business) = 10-12 AND wants members to serve 3 terms and wants to do their own evaluation	3 Councillors 8 public members = 11
Yonge-Dundas Square	1 ward Councillor 4 BIA nominees 5 local interest group nominees 4 non-voting staff = 10 & 4 non-voting	1 Councillor 4 public members 2 BIA nominees 3 local interest group nominees 4 non-voting staff = 10 & 4 non-voting	No change to current OR 1 Councillor & 4 BIA nominees & 5 local interest group nominees & 4 public members & 4 non-voting staff = 14 & 4 non-voting OR permit current members to remain as ex officio non-voting members = 10 & 8 non-voting AND wants the board to select the Chair	1 Councillor 5 public members 2 BIA nominees 3 local interest group nominees = 11 AND 4 ex officio positions on the board for City staff (non-voting)
Library	4 Councillors Mayor or designate 8 public members = 13	1 Councillor Mayor or designate 7 public members = 9 (effective end of term)	No change to current	2 Councillors Mayor or designate 8 public members = 11 (effective end of term)
Zoo	6 Councillors 4 public members 1 Foundation nominee = 11	2 Councillors 6 public members 1 TRCA nominee = 9	(no written comments submitted)	3 Councillors 8 public members = 11

Toronto Public Library Board

Recommendation 14 of Executive Committee report EX4.7 recommended a change to the composition of the Library Board from 5 Councillors plus 8 public members to 2 Councillors plus 7 public members. This would have the effect of a stronger citizen voice within a smaller board size.

Council appointed 5 Council Members to the Library Board at the beginning of this term for a 4 year term in accordance with the Public Libraries Act. The normal process of adjusting Councillor appointments at the mid-term of Council therefore does not apply to the Library Board. Staff therefore asked for a technical amendment to make the change in size and composition effective at the end of the Council term. There was also an alternative motion to delete the recommendation to change the board with the intent of conducting a comprehensive review of the structure some time during the term.

The Library Board provided comments on the staff report in a letter to the City Manager dated April 5, 2011 included in this report as Attachment 1A. The Board recommended that there be no change to the Library Board. There are 3 changes that impact the Library Board in the staff report. Recommendation 14 concerns the change in size and composition of the Board. Recommendation 10 expands the qualifications to include a youthful perspective, and recommendation 11 has the effect of removing the option of the Mayor inviting up to 3 high profile citizens to serve on the Library Board in favour of an open advertised process for these 3 positions.

After consulting with the CEO and representatives of the Library Board, staff propose that recommendation 14 of EX4.7 be amended to change the size and composition of the board to the Mayor or his designate and 2 other Council Members plus 8 public members and that recommendations 10 and 11 remain unchanged.

Yonge-Dundas Square Board of Management

There are currently 5 staff employed by the board and 14 board members consisting of the following:

- 1 ward Councillor
- 4 nominees of the Downtown Yonge BIA
- 5 nominees of local interests (Ryerson, Massey Hall, local residents' association, Yonge Street Mission, Toronto Theatre Alliance)
- 4 non-voting staff of City divisions and agencies (Economic Development, Facilities, Parking Authority, and Police)

None of the current members are selected by the City. The staff report EX4.7 reasons that Yonge-Dundas Square is a major space of City-wide interest and the board should reflect this reality by having approximately half of the board membership selected from across the City through an open advertised process.

As indicated in their letter dated April 1, 2011 and included in this report as Attachment 1B and further explained in a meeting with the City Manager on April 4, 2011, the board prefers that the composition remain the same using the rationale that local interest is the

key to the success of the Square. If, however, City Council wishes to add the City-wide representation, then the board representatives would suggest one of 2 options below:

- (1) Keep the current membership of 14 and add another 4 to achieve the City-wide representation.
- (2) Change the composition as indicated in the staff report for voting members and include the 4 seats being replaced as non-voting positions. This would mean there are 10 voting members as recommended in the staff report and 8 non-voting members.

Option 2 would permit the City to further its objectives outlined in the Public Appointments Policy to achieve geographic and diversity representation and support the principles of openness, competition, equity, and impartiality for at least a portion of the board. However, it is generally good governance practice for a board to be comprised of an uneven number. To balance local views with City-wide views, it is recommended that half of the public members be nominated by local interests and half selected through an open advertised recruitment process conducted by the City. The 4 staff non-voting members are prescribed by the City because it is in the City's interest to have these perspectives provided to the board and to coordinate activities with the City.

This report recommends an increase of 1 member over the original recommendation so that 5 (not 4) public members be recruited by the Civic Appointments Committee using a City-wide open advertised process, replacing 4 nominees of local interests (1 nominee of the Yonge Street Mission, 1 nominee of the Toronto Theatre Alliance, and 2 of the 4 nominees of the BIA) for a total of 11 members.

The Board of Management may invite whomever it wishes to provide on-going advice at board meetings including the Yonge Street Mission, the Toronto Theatre Alliance and additional members of the BIA.

Theatres – Sony Centre, St. Lawrence Centre, Toronto Centre for the Arts

None of the members of any of the theatre boards are selected through an open advertised process and the processes used are not always consistent with the principles and objectives of the Public Appointments Policy. The current incumbents of the Sony Centre were selected through a notice of motion prior to the last term of Council in which it was stated that there was not time to follow the Public Appointments Policy process. Staff and members of the boards themselves choose members for recommendation to Council for all 3 boards. The Sony Centre and the St. Lawrence Centre have advised that they wish to continue their current process.

Table 1 in this report summarizes the advice of the boards obtained through letters included in this report as Attachments 1 C, D, and E and subsequent meetings with the City Manager.

Large boards often encounter problems with attendance since there are many others to rely on to achieve quorum. The theatres have each had issues with attendance.

An uneven number of members is normal for boards to avoid tie votes and still permit the Chair to vote on every issue.

A motion by Councillor Ainslie at the Executive Committee (referred to staff for further consideration) proposed that the number of public members be increased to 8 from the recommended 6 for each of the boards. This would result in 11 members in total assuming 3 Council members as originally recommended. This is a reasonable adjustment to the composition recommended by staff, while still addressing the issue of large boards.

Each board proposed a different balance between arts and business representation. It is recommended that at the beginning of each term the individual theatre boards recommend the balance required for that particular board and the coming term based on the needs of the boards.

For the St. Lawrence Centre, it is important for the tenants to have a meaningful voice regarding decisions about the venue in which they operate. Rather than serving on the board where they may be torn between their own organization's needs and the City's interests, it is proposed that a Tenant Advisory Committee be established by the Board as a standing committee to permit a broad range of interests to be discussed, consensus reached among competing demands, and recommendations made to the business board. An additional avenue for tenant input is attendance at board meetings as deputants or presenters since meetings of the board are public.

Toronto Zoo

In discussions with the City Manager, representatives of the Board of Management of the Zoo agreed that a rebalancing of Council representatives and public members would provide an opportunity to obtain a stronger business approach to management of the Zoo. This is important now as the Zoo must carefully examine its business model to become more financially self-sufficient. An adjustment to the size of the board is proposed for a total of 11 members, with a stronger voice from public members.

Board Involvement in Selection Process

Several boards have a practice of selecting their board members and making recommendations to either Council or the Civic Appointments Committee for ratification of their recommended slate of board candidates.

This practice is problematic in that it introduces a known risk of self-perpetuating boards. Several boards in the past have not adhered to the Public Appointments Policy principles that City Council has set out as its goals in selecting boards to represent Council's interests in managing municipal services. The City has been unable to assess the qualifications, determine eligibility, ensure geographic and diverse representation, or ensure impartiality.

One of the key principles of the 2 reports EX4.6 and EX4.7 is to ensure that agency boards represent the interests of the City in delivering municipal services that have been

delegated to them. One way of accomplishing that objective is for the City to recruit and select the members based on the objectives and priorities of the City.

However, it is acknowledged that board members and staff that report to those boards have an in-depth understanding of the needs of the agency and need to have a significant role in the process. This is accomplished in a number of ways.

- 1) Boards and their staff have been involved in defining the qualifications for public members on the board. Further input is welcome when needs change.
- 2) Boards and their staff are encouraged to approach anyone who has the desired qualifications to apply for a board position through the City's appointments process.
- 3) An agency representative is welcome to review applications along with the staff review team to screen for conflicts of interest, eligibility, and qualifications. If the Civic Appointments Committee requests assistance, the agency representative may provide a list of the most qualified applicants for the Committee to use in choosing a short-list to interview.

Selection of the Chair

Attachment 4 provides an overview of the role of board members and the Councillor's role specifically when serving on boards of City agencies. Attachment 2 summarizes the City's governance authority respecting selection of the chair.

Executive Committee recommendation 2(a)(i) of report EX4.6 recommends that Council appoint the Chair for each agency and corporation except where there are legislative restrictions for boards of Library, Health, Police, and Committee of Adjustment and except for community boards such as BIAs, arena boards, and AOCCs. The City already appoints the Chair of all of its wholly-owned corporations and jointly selects the Chair for partnered corporations, Enwave and Waterfront Toronto as well as the Chair of the Licensing Tribunal, the Sign Variance Committee and the Rooming House Licensing Commissioner. The Chair of any board has key responsibilities to:

- ensure that board meetings are conducted according to protocol and that other board members conduct themselves in accordance with the Code of Conduct;
- ensure that minutes are accurate and complete;
- ensure that communications to and from the City are handled appropriately;
- represent the board to the public;
- represent the board at Committee or Council; and
- provide advice and assistance to staff between board meetings.

For boards that receive remuneration, there is usually additional remuneration paid for the Chair. Some of the boards consulted were in favour of the board selecting its own Chair. Reasons given included concern that the City may not select a person who has experience with the board and may not understand how it operates, or that other board members would more enthusiastically support a Chair that they themselves select. It is important for the City to be assured that the person who assumes the role of Chair is experienced in board protocols, understands the City's authority, and will publicly

represent the City well. It is therefore recommended that recommendation 2(a)(i) of report EX4.6 be approved by Council.

Other Matters

Councillor Ainslie moved a motion to change recommendation 1(a) of report EX4.6 to require that the City Manager report at the beginning of each term for all boards and that the Auditor General's recommendations apply to all boards. The intent of recommendation 1(a) was to conduct in-depth governance reviews periodically for each board individually. This type of review requires significant study and consultation and it would not be possible to provide such a review at the beginning of each term for all boards. To accommodate the intent of the Councillor's motion, recommendation 7 of this report recommends that:

- a. Council direct the City Manager to report at the beginning of each term of Council on the strategy for managing through agencies and corporations and make any recommendations required to improve accountability and alignment with City priorities; and
- b. Council request the Auditor General to specify in his reports whether his recommendations extend to City agencies.

Attachment 2 provides a response to Councillor Shiner's request for the legislative changes necessary to extend Council's authority to appoint the chair of the board for the Library Board, Board of Health, and the Police Services Board.

Attachment 4 to this report answers Councillor Mammoliti's request for clarification of the role of a Council Member serving on a board.

Councillor Ainslie also moved that recommendation 10 of report EX4.7 be amended to add 2 qualifications to the 8 boards named in the recommendation so that, in addition to a youthful perspective, both private sector and not-for-profit sectors be represented on the boards. The qualification for each board already indicates a mix of knowledge, skills, and experiences that were developed in conjunction with each agency. The Civic Appointments Committee can strike whatever balance is deemed necessary between private and not-for-profit experience when recommending candidates.

Other motions made at Executive Committee that were referred to the City Manager deal with:

- A requirement for each agency to create a strategic plan every 5 years and a requirement for the City Manager to make recommendations on the purpose and effectiveness of each organization.
- A request for the City Manager to review board purchasing, information technology, and payroll practices and standards.
- A requirement for the City Manager to centralize such practices when deemed appropriate.

These are important but substantive exercises that require significant planning and resources. These three motions relate to other initiatives already underway in the City respecting multi-year business planning and budgeting and the core service review and service efficiency review processes. The issues in these motions will be addressed at a later date.

It is also proposed that Council declare that the existing positions of Rooming House Licensing Commissioner and Deputy Commissioner be reorganized as a city board with the hearing functions unchanged and the Commissioner serving as chair of the board. This is required to address an anomaly where the rooming house licensing function is the only quasi-judicial and adjudicative function that has not been clearly established as a "board" subject to the same requirements and expectations as other boards in this category (eg. procedural bylaw, code of conduct, Relationship Framework, accountability mechanisms in Report EX4.6). This clarifies the structure and improves consistency, while the positions to be appointed and the hearing functions remain the same.

Attachments 3, 5, and 6 also provide information that was requested during the debate at Executive Committee.

CONTACT

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SIGNATURE

Joseph P. Pennachetti
City Manager

ATTACHMENTS

- Attachment 1 - Comments From Boards Regarding Size and Composition of the Boards
 - A Toronto Public Library Board
 - B Yonge-Dundas Square Board of Management
 - C St. Lawrence Centre for the Performing Arts
 - D Toronto Centre for the Arts
 - E Sony Centre for the Performing Arts
 - F Toronto Zoo Board of Management – no submission

- Attachment 2 - Council's Governance Authority Respecting City Agencies (including selection of the Chair)

- Attachment 3 - Summary of Council Appointments of Councillors to City and External Agencies

- Attachment 4 - The Role of Board Members (and Members of Council specifically)

- Attachment 5 - Remuneration Policy for Public Members Serving on City Agency and Corporation Boards

- Attachment 6 - Status of Agency Procedure By-laws

**Attachment 1 - Comments From Boards Regarding Size and
Composition of the Boards**

- A Toronto Public Library Board
- B Yonge Dundas Square Board of Management
- C St. Lawrence Centre for the Performing Arts
- D Toronto Centre for the Arts
- E Sony Centre for the Performing Arts
- F Toronto Zoo Board of Management – no submission

April 5, 2011

Mr. Joseph P. Pennachetti
City Manager
City of Toronto
City Hall – 11th Floor – East Tower
Toronto, Ontario M5H 2N2

Dear Mr. Pennachetti:

I am writing to provide information about motions passed at the Toronto Public Library Board meeting on April 4, 2011 in response to your request for comments on the following March 21, 2011 Executive Committee reports:

- Amendments to Public Appointments Policy;
- Managing through Agencies and Corporations;
- Service Review Program, 2012 Budget Process and Multi-year Financial Planning Process reports.

Amendments to Public Appointments Policy Report:

The Library Board approved the following recommendation:

That the Toronto Public Library Board requests City Council maintain the present composition of Library Board members.

The current 13-member Board has eight citizen and five councillor members.

In discussion the Board raised the following points regarding the current Board composition:

The current Board membership provides opportunities for:

- citizens to participate which promotes community engagement in civic affairs;
- members with diverse backgrounds and skills, including representation from youth;
- representation with a geographic distribution across the City;
- representation from Councillors which supports alignment with the City and Council priorities;
- an appropriate number of Councillors to support effective representation of Council views;
- a balance between efficiency and inclusiveness.

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Office of the City Librarian

789 Yonge Street, Toronto, Ontario, Canada M4W 2G8

Tel: 416-393-7032 Fax: 416-393-7083

A

A review of Board meeting attendance records for the 2007 – 2010 term indicates that attendance of both citizen and councillor representatives has been consistent, with no quorum issues at Library Board meetings.

Service Review Program, 2012 Budget Process and Multi-Year Financial Planning Process Report:

In addition, the Library Board considered the Service Review Program, 2012 Budget Process and Multi-Year Financial Planning Process report and recommended:

That Toronto Public Library Board consider all recommendations in the Core Services Review before they go to Executive Committee, and that a special meeting be called for this purpose, if required.

That a briefing be made available to Board members in a manner consistent with closed meeting provisions of all relevant legislation.

That the City Librarian report to the next meeting of the Board on the Community Engagement Strategy for the Core Service, Service Efficiencies and User Fees reviews, and make any recommendations for additional consultation specific to library users.

The Library is interested to know more about these processes as information becomes available.

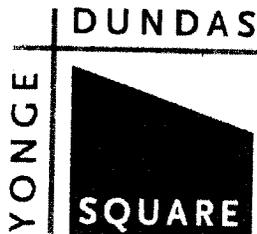
Sincerely,



Jane Pyper
City Librarian

/nrm

cc: Toronto Public Library Board members



B

April 1, 2010

Mr. Joseph Pennachetti
City Manager, City of Toronto
City Hall
100 Queen Street West
Toronto, ON M5H 2N2

Dear Mr. Pennachetti,

Thank you for your letter received March 28, 2011. The Yonge-Dundas Square Board of Management is pleased to have been given an opportunity to meet with you and discuss the recent Executive Committee reports Managing Through Agencies and Commissions, and Amendments to Public Appointments Policy.

The YDS Board is arguably one of the most successful Program Operating Boards in the City's ABC portfolio. Since the first full year of operations in 2004, the Board has grown earned revenues by over 400% and has achieved positive annual operating variances with the surplus revenues being returned to the City. We also attract over a million people annually to events on the Square. The Downtown Vancouver BIA recently cited the success and specific unique governance model of YDS as an inspiration for their ongoing efforts to further develop a programmed public space adjacent to Granville Street. By any reasonable standard the work we do on behalf of the City has not only met but exceeded the City's expectations for our Board.

While the YDS Board is proud of our achievements and the success of our program, we also recognize that we are part of a larger municipal framework and that governance structures are subject to review from time to time. The Board has considered the contents of the recent reports received and have identified the following concerns that we feel should be considered as your process moves forward.

With the proposed replacement of 4 existing seats with 4 members of the public through the Civic Appointments Committee the Board is concerned about the prospect of a lack of continuity and the possible loss of expertise that could occur with the proposed changes to the Board's composition. The two voting members of the Board with the longest service, over 9 and 6 years, will be leaving the Board this year and replaced with new members. Two of the four BIA representatives have over 5 and 3 years' service, and the other two have 1½ years. Of the remaining members, one has 1½ years' service, and Councillor Wong-Tam joined the Board at the beginning of this year. Depending on the BIA's decision about which of its two members will remain on the Board, and should the new appointment policy be applied to the YDS Board soon, the Board could be comprised of three members with less than 2 years' experience; one with a few months; and six with no YDS Board experience, four of whom will not be stakeholders.

B

There is also some ambiguity with respect to the proposal that Council appoint Board Chairs. The CMO's liaison to the YDS Board has indicated that the Board might possibly continue to select its Chair for Council's ratification; however, this has not been confirmed. Considering the Board composition circumstances, we are also concerned about this possibility of further dramatic change happening within a brief period of time.

Finally, we feel there is a lack of clarity about the process proposed with the Public Appointment Policy. Given the limited contact with the CMO regarding these reports, a specific process and critical path has yet to be defined, although the report makes clear that the process will not involve the YDS Board or staff. Further details about this would be appreciated.

In light of the achievements, and specific concerns cited, the YDS Board would like to propose some options for consideration that we feel could enable the City to meet its objectives while mitigating the potential impacts faced by our program.

Since our Board members are volunteers who receive no remuneration we would like to propose that rather than eliminating existing seats that the City simply add further seats to the Board through the public appointment process. This would allow the City to meet its stated objectives without compromising the continuity and success of the YDS Board. It would also allow for new Board members to benefit from the accumulated knowledge and expertise of the current Board. We would consider this a win-win option.

A second option would be to allow the seats currently cited for elimination to remain on the Board as ex-officio members for a period of time. This would also allow for some amount of continuity and a minimization of potential disruption to the Square's business.

In closing, we would like to point out that the success of Yonge-Dundas Square has been achieved by striking the right balances. The right amount of community use balanced with private sector use. The right amount of community input through the Board, balanced by a strong management team that understand the issues of stakeholders. This has all been achieved by a small group working diligently together. With only five permanent full time staff, a natural reliance by senior staff on the Board has developed – and we feel strongly that this has become a strength rather than a weakness.

To ensure the ongoing success of our program and the delivery of our services, we request that strong and careful consideration be given to the critical path of any changes that are approved by Council. As an organization that was created to manage through stakeholder input this is of critical importance to us. The Square's Board wants to ensure that a foundation remains for ongoing success – not just for the coming year, but for continued long term achievement and excellence in service delivery.

Sincerely,

Taylor Rath
General Manager

Neil Miller
Chair, Board of Management

St. LAWRENCE CENTRE FOR THE ARTS

C

Friday, April 1st, 2011

Mr. Joe Pennachetti
City Manager
City Hall
11th Floor, East Tower
Toronto, ON
M5H 2N2

Dear Mr. Pennachetti,

Thank you for the opportunity to meet with you on Monday, April 4th regarding EX 4.7 Amendments to Public Appointments Policy. We look forward to discussing further the structure of our Board and how we can continue to best represent the City's interests while serving our community.

As you know, the St. Lawrence Centre ("the Centre") was established as a Centennial project to provide a home for not-for-profit theatre companies and community groups so that the Arts might have a permanent home in the GTA, accessible by all. It is our belief that the Centre contributes significantly to the vibrancy and quality of life in our neighbourhood and throughout the downtown core, allowing users to showcase diversity, Canadian talent and community engagement.

Currently, our Board of Management is comprised of 16 including members of the arts and business community plus two City Councillors. Of these members, two are appointed by Canadian Stage, one is appointed by the other resident companies of the Centre and the remaining are brought forward for City approval by our Nominating Committee with consultation with Canadian Stage.

Our Board is made up entirely of volunteers who are not compensated for their time or contributions. As a result of their passion and commitment to the Centre, we have been able to serve the City's interests in a fiscally prudent, effective and creative way. For example, we were able to strike a sub-committee of six members to manage and oversee the renovation of the Centre to keep it in a state of good repair and to maintain it as the high quality facility it is today. This is a project that would not have happened without the time, creativity and experience of our Board members and it has led to significantly increased usage and new tenants. There are other examples of how our Board has been able to accomplish large-scale projects with talent and input outside what is available from the Centre's staff resources.

We have attached a list of our standing Board Committees, one of which is Nominating. These committees are of crucial importance to the management of the Centre, and as you will note, require a large number of Board members to populate them. These committees have been a key and successful element in our governance practices. Our Board of Management has been thoughtfully assembled so that we might arrive at the

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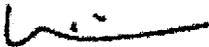
diverse cross section of talent and experience represented today. It has served the City well to have these committees populated with some of the City's top talent across sectors – legal, management and finance to name a few – and has led to the high calibre nominees who now serve at the pleasure of City Council.

While we understand the desire of City management to streamline public Boards and agencies, we do not feel that the City's objectives for the Centre would best be met by quite as dramatic an overhaul as proposed. We believe, based on experience and intimate knowledge of our users and our community, that reducing the size of the Board of Management to 13 would negatively impact its effectiveness. We suggest that in addition to three City Councillors, two members be appointed by the Canadian Stage Company and two members by the other resident users. Suggestions for representatives of the business and arts community (including a candidate in the 18 to 30 demographic) would be submitted to Citizen Appointments Committee by our Nominating Committee. We also believe that an orderly transition to the new process with minimum disruption is crucial for the continued good governance and success of the Centre. Further, we recommend that thereafter when there is a new Board appointed that a substantial portion of the members continue to serve from the previous term. This would ensure much-needed continuity and institutional knowledge remain intact at the Board level.

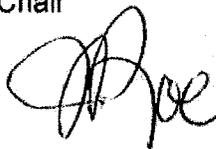
In order to meet the demanding timetable of the proposed changes, upon your request we would be pleased to submit an analysis of the needs of the Centre and the capabilities and skill sets of recommended Board members to the Citizen Appointments Committee.

Other than the issues and suggestions raised above we generally support the recommendations and amendments put forward by Councillor Ainslie. Thank you once again for the opportunity to discuss this further. We look forward to our meeting on Monday.

Kind Regards,



R. Peter Gillin
Chair



Jim Roe
General Manager

**St. Lawrence Centre for the Arts
Board of Management Committee Membership**

Officers

Chair Peter Gillin
Vice Chair Maureen Parkinson
Secretary Hayde Boccia

Executive

Peter Gillin (Chair)
Anne-Marie Applin
Ed Kerwin
Maureen Parkinson

Finance

Maureen Parkinson (Chair)
Howard Bateman
Peter Gillin
Brain Imrie
Ed Kerwin

Communications

Diana Arajs (Chair)
Anne-Marie Applin
Carrol Anne Curry
V. Tony Hauser

Nominating

John McKellar (Chair)
Peter Gillin
Ben Trister

Negotiating

John McKellar (Chair)
Ben Trister
Diana Arajs
Councillor Gary Crawford

Steering

Anne-Marie Applin (Chair)
Diana Arajs
Howard Bateman
V. Tony Hauser



TORONTO CENTRE FOR THE ARTS

5040 Yonge Street
Toronto, Ontario M2N 6R8
www.tocentre.com

April 1, 2011

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Mr. Joseph Pennachetti
City Manager
City Hall
11th Floor East Tower
100 Queen Street West
Toronto, Ontario M5H 2N2

Dear Mr. Pennachetti,

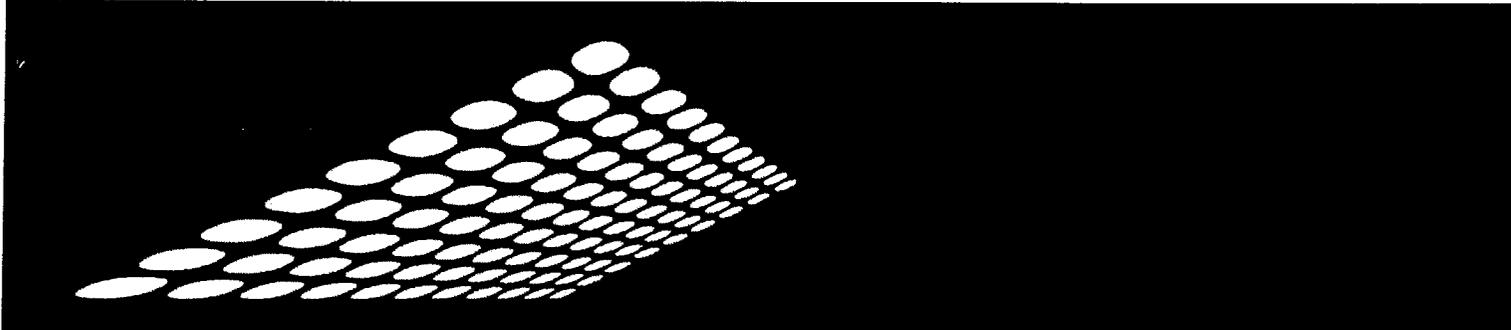
We have received your letter dated March 28th, 2011 requesting written comments on the recent Executive Committee reports EX4.6 Managing Through Agencies and Corporations, and EX 4.7 Amendments to Public Appointments Policy.

Overall the reports, including all motions, are well received and present no significant concerns. We would like to present the following comments for discussion during our meeting on April 4, 2011:

- A minimum Board size of 9, a slightly larger Board of 10 - 12 would be preferable to achieve the breadth of engagement we wish to sustain going forward.
- The Councillor / citizen mix is very important. We have been very fortunate with the Members of Council who have been a part of our Board in the past and their commitment to supporting the growth and success of the Centre. Three members of Council on our Board is a minimum number in our view, and it would be preferable to have a larger number with some downtown representation in the mix.
- We appreciate that terms of office is a challenging topic and we do want the refreshing benefit of new people on the Board. That said, we believe it takes time for people to build their understanding and to make a meaningful contribution. Hence, the first term on a Board may typically be characterized as an "orientation" period, the second as a major "contributing" period and the third term as a clear "leadership" period - - e.g. in a Committee or Board chair role. Thus, it would be beneficial to be able to accommodate at least three terms of office for our Board members.
- In our view, the best way to achieve a strong Board is a balance between defined terms of office and an ongoing process of performance evaluation and feedback. The latter concept is something we are planning to implement with our Board members at the TCA.

Yours Truly

Leonard Gluckman
Chair
North York Performing Arts Centre Corporation



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March 31, 2011

Mr. Joe Pennachetti
Toronto-Finance, City Hall
11th Floor – East Tower
100 Queen Street West
Toronto, ON M5H 2N2

Dear Mr. Pennachetti:

**Re: EX 4.6 Managing Through Agencies and Corporations
EX 4.7 Amendments to Public Appointments Policy**

Thank you for your letter of March 28th regarding the above-noted Executive Committee Reports. As you requested our comments prior to our meeting on Monday, April 4th at 12:00 noon, you may find them below.

EX 4.6 Managing Through Agencies and Corporations

1. We have some apprehension about the potential implications of Recommendation 3 which endeavours to ensure alignment with City compensation and performance management of senior staff and labour relations. Sony Centre salary structures and performance metrics and collective bargaining agreements have been carefully crafted over the last 12 years to reflect industry norms so as to neither overpay nor underpay for staff and union employees, while ensuring our ability to attract and retain the skill sets required for our highly competitive business. We are concerned that attempts to align these salaries and performance measure with non-industry comparators may disrupt the balance we have managed to achieve.

SONY CENTRE FOR THE PERFORMING ARTS

1 FRONT STREET EAST, TORONTO, ON, CANADA M5E 1B2 sonycentre.ca

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2. We agree with the motion by Councillor Shiner that the City Manager report to the Executive Committee on the advisability of Council appointing Chairs to each of the boards as we believe the election of a Board Chair is the proper domain of the Board itself and avoids the potential of politicizing the appointment.

EX 4.7 Amendments to Public Appointments Policy

1. Recruitment: In our experience we have found the recruitment process to be difficult. Accordingly, we strongly support the motion by Councillor Ainslie to allow the existing Boards to forward recommendations of public members to the Civic Appointments Committee.
2. Proposed Composition of the Board

The primary mandate of a Board of Directors is to:

- Oversee the conduct of the business and the supervising management responsible for conducting the day-to-day affairs of the business.
- Set the standards of conduct for the enterprise including the moral and ethical tone of business practices, and standards for financial practices, so as to assure the stakeholders of the integrity of the reported performance.
- Assessing and managing the risks of the business with the objective of preserving its assets.

The principal responsibilities of a Board's stewardship are:

- Participation in a strategic planning process, approval of a strategic plan and related goals, and monitoring management's success in implementation.
- Understanding the principal risks of the business and achieving a proper balance between the risks undertaken and the potential returns with a view to the long term viability of the operation.
- Ensuring management of the highest calibre and providing for succession.
- Ensuring itself of the integrity of internal control and management information systems.
- To develop policies to guide and direct management.

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Within this context, we offer the following predicates to be added to the proposed qualifications for Board members:

- a) The primary terms of reference for choosing Board members should focus on attracting candidates with considerable depth of experience in the following broad areas:
 - i. Previous Board governance experience so that the Board members properly oversee senior staff and provide important input in the management of the business while not presuming to manage the day to day operations of the business.
 - ii. Executive Management experience so the Board members will have likely "walked in the shoes of management" and therefore have the depth of experience which complements that of management.
 - iii. Strategic Planning experience especially in light of the fact that Council will be seeking strategic plans every 5 years.
 - iv. Human Resources experience so as to be able to adopt and implement appropriate compensation and performance management policies and processes based on industry standards.

Public appointees possessing this depth of experience should also collectively possess the attributes and qualifications proposed in Recommendations 10 and 12(b).

- b) We strongly endorse the suggestion that staff be involved in assessing the candidates, and propose also that a representative of the Nominating Committee of the Board be invited to participate.
- c) In our judgement, based on experience, the size of the Board for the Sony Centre should remain at 12 to facilitate acquiring the desired range of experience and skills, and to ensure that a quorum is always available for Board meetings (a difficulty in the past). This would be of added importance should the Sony Centre Board be amalgamated with the Boards of the other theatres. Further, we recommend that the Board consist of 9 public appointments; three to represent the arts and cultural community and the other 6 to represent the business community.

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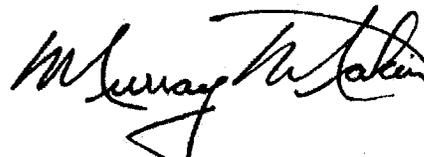
We concur that one of the Board members can be of the age 18 to 30. We suggest, however, that no constraint be imposed as to the sector from which this appointee is drawn.

We look forward to meeting with you on April 4th to discuss these suggestions.

Yours truly,



Daniel D. Brambilla
Chief Executive Officer



Murray Makin
Chairman, Board of Directors

cc: Councillor Paula Fletcher
Councillor James Pasternak
Councillor David Shiner

Attachment 2 – Council's Governance Authority Respecting City Agencies (including selection of the Chair)

The City's authority and governance relationship are different for City agencies*, those City agencies subject to other specific legislation, and City corporations.

1. City Agencies

(a) General City Authority

The *City of Toronto Act, 2006* (COTA) provides authority in Part IV, section 141 for the City to establish agencies. Section 143 provides authority for the City to delegate powers and duties of the City to agencies for those municipal services and activities that the City considers appropriate. The City may decide on limits to delegated powers and duties, policy and procedural requirements, approvals and other conditions.

With the exceptions noted below, COTA provides authority for the City to determine the governance of its agencies. Sections 145 and 146 provide the City with broad powers to dissolve or change City agencies, including board mandate, composition, eligibility criteria, appointments, selection of chairs, terms, remuneration, delegation of functions, rules and procedures, budget process and reporting relationships. These governance matters should be set out in City by-laws.

There are few City by-laws in place that deal with these matters, but transition measures were included in COTA for most existing City agencies:

- Section 426 of COTA provides that governance matters relating to these City agencies would remain as they were prior to the day COTA came into force, and the City is deemed to have passed a by-law to that effect.
- The old governance structures and processes remain in effect until such time as the City changes them through Council by-laws. It is intended that new by-laws addressing governance matters for these agencies will be developed and included in the Municipal Code.

(b) Authority Regarding Board of Health, Police Services Board and Public Library Board

Part IV of COTA limits the City's authority with respect to the Board of Health, Police Services Board and Public Library Board; for example, the City is unable to dissolve, assume the powers or appoint the chairs of these agencies. Part V of COTA prevents the City from bringing these agencies under the jurisdiction of the Integrity Commissioner, Auditor General and Ombudsman. However, there are other legislative provisions for the City to provide policy and governance direction for these 3 agencies as outlined below:

Board of Health: The *Health Protection and Promotion Act (HPPA)* sets the minimum mandate, term of office and remuneration requirements, and authorizes the board to elect its chair and vice-chair. The *HPPA* and Part XVII, section 405 of COTA also provide the City with powers to determine the size and composition of the board, provided it is from 3 to 13 members; recruitment and appointment of members; and the appointment of the Medical Officer of Health. City policy direction is provided to staff of the public health unit who are City staff and therefore subject to City policy.

* City agencies are those bodies defined by the *City of Toronto Act, 2006* as local boards.

Police Services Board: The composition of the board is set by the *Police Services Act*. The *Act* provides the City with powers to: appoint 4 of the 7 board members; determine the term of office (to a maximum of the Council term), reappointment policies, and remuneration (the minimum is prescribed by regulation); and approve budget estimates. The board may give direction to the Chief of Police including objectives and priorities for police services and the effective management of the police force, but not with respect to specific operational decisions or the day-to-day operation of the force, and City Council may request the board to consider the City's recommendations on such matters.

Public Library Board: The *Public Libraries Act* provides the City with powers to: determine the composition of the board and balance of members provided that there are at least 5 members and more public members than Council members; recruit and appoint board members; and approve budget estimates. The *Act* provides the board with powers to determine policies on expense reimbursements and whether the chair may vote, but City Council may request that the board consider establishing specific policies on these matters.

(c) Authority Regarding Committee of Adjustment

The Committee of Adjustment is a quasi-judicial board of the City established under the *Planning Act* to conduct hearings on applications for minor zoning variances and land severances. The City has the authority to determine the composition of the Committee of Adjustment provided there are at least 3 members, determine the structure of hearing panels, recruit and appoint members, and determine remuneration and expense policies. However, the City's governance authority is restricted. For all committees of adjustment in Ontario municipalities, the *Planning Act* sets the term of office consistent with the term of Council, determines quorum and voting requirements, requires election of the chair by the members, determines powers and mandate, and defines rules and procedures.

2. City Corporations

Section 148 of COTA and Ontario Regulation 609/06 set out the City's authority to establish municipal services corporations to provide any service that the City may provide except for ambulance, child and family services, fire, health, long-term care homes, police, and libraries, and services under the *Public Works Act*, but such corporation may provide administrative services to these functions. Corporations that were incorporated prior to COTA fall under the jurisdiction of other legislation. Only Invest Toronto and Build Toronto are corporations established by the City pursuant to Section 148.

With the exception of Waterfront Toronto, a partnered corporation established by provincial legislation, the City, as shareholder, has authority over City-owned corporations under the *Ontario Business Corporations Act* and through Shareholder Directions issued by the City to set the corporation mandates; elect the board of directors of corporations; determine the size, composition, required qualifications and remuneration of corporation boards; and may determine the structure and mandate of any board committees as appropriate.

3. Selection of Chairs of Boards

(a) Responsibility for Selecting the Chairs of Boards

Currently, City Council selects the chairs for the boards of all City-owned corporations. For Enwave, a partnered corporation, City Council selects the chair as long as the City owns at least

43% of its shares. For Waterfront Toronto, a partnered corporation, the board member appointed jointly by City Council, the provincial and federal governments, following intergovernmental consultations, is chair of the board. For City agencies, City Council currently selects the chairs of the Sign Variance Committee, the Toronto Licensing Tribunal and the Rooming House Licensing Commissioner. The chairs of all other City agencies are currently determined by the members of the boards of the agencies.

The chair of the board is a leadership position, and having City Council select the chair of all agency boards (where this is not restricted by legislation) will enhance policy alignment and agency accountability. This recommendation does not apply to the community-based agencies, namely the arena boards, AOCCs and BIAs.

Municipal authority is restricted regarding selection of the chair for the Board of Health, Police Services Board, Public Library Board and Committee of Adjustment. Under the specific legislation pertaining to each of these boards, the members of the board are authorized to elect one of their board members as chair and, in the case of the board of health, the vice-chair. To change this, City Council would have to request the provincial government to amend the *Health Protection and Promotion Act*, the *Police Services Act*, the *Public Libraries Act* and the *Planning Act* to provide Council with the power to select the chairs of these boards. However, Council could recommend to each board the person to be named as chair. This may not be appropriate for the Police Services Board because 3 of the 7 members are appointed by the Province.

(b) Public Members or Council Members as Chairs

In managing certain programs through arm's length agencies and corporations, the City is able to provide opportunities for the public to participate in municipal government. For the same reason, the chair of the board of most City agencies and corporations has been a public member.

In a few cases, the City has determined that it is appropriate to have a Council member as chair of the board. Having a Council member as the chair for Invest Toronto is beneficial to its mandate to promote the City regionally, nationally and internationally. The chair of the TTC is a Council member because the size of the organization, significant operational issues and budget impacts on the City place similar demands on the board chair as on a chair of a standing committee of Council. The Board of Health oversees the Public Health unit, which is comprised of City staff who are subject to City policy, and this close administrative relationship is reflected in having a Council member as the chair of its board. The only other agencies where the chair is not a public member are the boards of TAF and Exhibition Place.

4. Role and Responsibilities

The responsibilities of the Executive Committee of City Council are set out in Appendix B to Municipal Code Chapter 27 – Council Procedures. The Executive Committee recommends governance policy and structure to Council (including the Public Appointments Policy), and no other committee has this responsibility. The role of the Civic Appointments Committee is to consider and recommend to City Council the names of public members to be appointed to boards of agencies and through that process implement the City's Public Appointments Policy.

The City Manager provides advice and recommendations to the Executive Committee on matters relating to the establishment, delegation of powers, and governance structures and policies for City agencies and corporations, including Relationship Frameworks and Shareholder Direction.

Attachment 3 - Summary of Council Appointments of Councillors to City and External Agencies

Council Member	Crisanti	Ford	Holyday	Lindsay Luby	Milczyn	Grimes	Mammoliti	Peruzza	Augimeri	Pasternak	Nunziata	Di Giorgio	Doucette	Perks	Colle	Stintz	Palacio	Bailao	Layton	Vaughan	Milnevc	Matlow	Filion	Shiner	Robinson	Parker	Wong-Tam	McConnell	Fragedakis	Fletcher	Davis	McMahon	Carroll	Minnan-Wong	Berardinetti	Crawford	Thompson	De Baeremaeker	Del Grande	Kelly	Lee	Cho	Ainslie	Moeser	Mayor Ford	Total # Councillors	Total of Board										
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44													
Board	Ward																																																								
City Boards & Corporations																																																									
TCHC									1		1																1																						4	13							
Toronto Hydro																1																		1														1			3	11					
Exhibition Place				1		1								1					1																																5	13					
Heritage Toronto													1																																						2	27					
Sony Centre										1															1																										3	12					
TAF													1							1																															4	11					
Toronto Centre for the Arts																				1							1																								5	12					
Board of Health													1	1									1	1																										1		6	13				
Parking Authority							1																																													2	7				
Public Library													1														1																									5	13				
Police Services Board												1																																								3	7				
TTC	1				1				1			1																1																								9	9				
Zoo				1		1																																														6	11				
St. Lawrence Centre																																																				2	18				
Build Toronto		1																											1																							2	12				
Committee of Revision			1			1								1																																					1		5	5			
Invest Toronto																																																					1	2	15		
Yonge-Dundas Square																																																			1	1	13				
Arena Boards																																																									
George Bell																																																					1	8			
Larry Grossman Forest Hill																		1																																				2	7		
Leaside Memorial																																																							1	10	
McCormick Playground																																																						1	10		
Moss Park																																																						1	10		
North Toronto Memorial																																																						2	9		
Ted Reeve																																																						1	9		
William H. Bolton																																																					1	11			
AOCs																																																									
Applegrove																																																							1	11	
58 Cecil Street																																																							1	12	
Central Eglinton																																																							1	8	
519 Church Street																																																							1	13	
Community Centre 55																																																							1	7	
Eastview																																																							1	12	
Harbourfront																																																							1	9	
Ralph Thornton																																																							1	13	
Scadding Court																																																						1	14		
Swansea Town Hall																																																						1	16		
BIAs																																																									
Albion Islington Square	1																																																					1	11		
Dupont Strip																																																							1	7	
Beach BIA																																																								1	8
Bloor-Annex																																																							1	8	
Bloor-by-the-Park																																																							2	6	
Bloorcourt Village																																																							2	14	
Bloordale Village																																																						1	8		
Bloor Street BIA																																																						1	5		

Attachment 4 - The Role of Board Members (Members of Council specifically)

*NOTE: *This is a general guideline and may apply differently to individual organizations especially those whose mandates are governed by specific legislation (Police, Library, Health) or those that have no staff and budget responsibilities (quasi-judicial).*

All municipal services are delivered for the benefit of the people of Toronto whether delivered directly by the City or through an agency or corporation established by the City. Acting as the representatives of the people, Council sets out the mandate and objectives for each City division, agency or corporation. With some restrictions for those agencies and corporations whose mandates are legislated, the interests of the agency or corporation must therefore be consistent with the interests of the City, even though Council may define their specific focus.

Council appoints the board of directors and directors serve at the pleasure of Council. Council is accountable to the public for the performance of the agency or corporation and the board of directors is responsible to Council since there is no way for the public to hold the boards directly accountable. Both Councillor and public member directors have a duty to provide management oversight of the organization to ensure high quality services are delivered in accordance with the objectives and policies as set out by Council for the organization. Specific directions are set out in Shareholder Directions for each corporation or Relationship Frameworks or City by-laws for agencies.

Functions of the Board:

1. Set strategic direction
 - In accordance with mandate and objectives set out by Council
 - Establish policies and practices consistent with Council's direction
2. Protect assets
 - Ensure protections in place to secure assets under the supervision of the board
 - Ensure risks are assessed in decision-making process
 - Ensure risk mitigation strategies are in place
3. Oversee senior staff and resources (**where applicable*)
 - Set objectives for performance – staff and financial
 - Monitor performance – staff and financial
4. Approve the program delivery plan (**where applicable*)
 - Approve program components and schedules consistent with strategic direction
 - Approve budget within guidelines set by the City (*agencies only*)
 - Approve human resource plan
 - Obtain Council approvals as required
5. Monitor program performance
 - Establish program performance measures
 - Set program performance objectives
 - Frequently monitor program performance against plan
 - Report performance to Council along with annual report
6. Maintain public image
 - Conduct business openly and transparently in accordance with requirements
 - Act in accordance with Code of Conduct for boards
 - Communicate in accordance with expectations of a public body

The characteristics of a good director are Diligent, Accountable, Strategic as described below.

Diligent – Directors have a fiduciary duty to exercise their duties diligently. In practice, this means:

- becoming familiar with applicable legislation, directions from Council, policies and practices of the organization
- regularly attending board meetings and orientation, training, and planning sessions;
- requiring that board materials are provided in writing;
- ensuring that sufficient information is provided with well-reasoned recommendations;
- preparing for meetings by reading agendas and gathering other information as needed;
- ensuring that board meetings are conducted in accordance with board procedure by-law;
- asking questions of management and requiring fulsome, clear answers during meetings to ensure that the board understands the matter in sufficient detail to make a good decision;
- applying own knowledge, skills and experience to add value to board discussions.

Accountable – Directors are accountable for their actions to Council and in turn must ensure that staff are accountable to the Board in the following ways:

- adhering to the Code of Conduct approved by Council for board members;
- ensuring transparency and integrity in board proceedings and personal actions;
- ensuring that the actions of the board instil public confidence that reflects well on the City of Toronto as an institution;
- reviewing administrative/financial protocols and requiring regular reporting from senior management including variance reporting;
- ensuring that proper financial controls are in place and regular audits are conducted and audit recommendations acted upon;
- establishing and monitoring staff and program performance measures;
- understanding directions from Council and acting in accordance with those directions.

Strategic – Directors collaborate to set the strategic direction for the agency or corporation in accordance with the mandate set by Council by:

- considering senior management's recommendations and the objectives set out by Council and integrating their collective knowledge and expertise in establishing the strategic direction for the agency or corporation;
- ensuring that board decisions and operations are consistent with the strategic direction;
- providing strategic advice to management and encouraging management to act strategically;
- considering how individual decisions impact the agency overall;
- weighing the impact of board decisions on the City in light of Council's priorities.

Role of the Councillor as Director

As a director serving on the board of directors of a City agency or corporation, a City Councillor has an equal voice on the board. However, a City Councillor has the opportunity to bring a unique perspective to the board and may act as an emissary for Council to the board.

City Councillors have a responsibility to recognize and reconcile the agency perspective with City Council's objectives. Councillors are "insiders" more able to "connect the dots" to ensure that the objectives and actions of the agency or corporation are consistent with City Council's mandate and objectives for the organization as expressed in the Shareholder Direction or Relationship Framework, City by-laws, or Council's priorities and decisions. Councillors bring this perspective into the board's deliberations and decision-making to ensure accountability of the organization to the City.

Councillors serve as an interface between the board and City Council. When there is an indication that any action of the board may run counter to the City's objectives, Councillors as directors have a duty to ensure that the board is made aware of the divergence and that the City is made aware of such actions. In addition, where City actions inadvertently impact the agency or corporation, the Councillor board member has a duty to inform City officials or Council of such.

Councillors are also well versed in appropriate public meeting protocols and can provide advice to the board in this respect to ensure that the board conducts itself openly and transparently with due respect for public input. For corporations, however, the requirement for public disclosure may be quite different and all board members must be mindful to protect confidential materials.

Overall, Councillors are in a good position to provide high level strategic advice to the board in order to ensure well-balanced board decisions that incorporate the City's overall perspective and are consistent with Council's direction.

Attachment 5 – Remuneration Policy for Public Members Serving on City Agency and Corporation Boards

5.1 Remuneration Policy

Policy Statement

This policy applies to citizen members of City Agencies and Corporations, as well as the specific bodies identified at the end of this policy. Council Members of City Agencies and Corporations do not receive remuneration beyond their regular salary as Councillors.

Principles

1. Public service is implied in any citizen appointment by the City of Toronto and therefore any remuneration that may be paid is not expected to be competitive with the marketplace.
2. Remuneration for citizen appointees is established by Council rather than the organization to which they are appointed, recognizing that appointees represent Council's interest.
3. Expenses may be reimbursed as set out in the Expense and Travel Reimbursement Policy.
4. All Council appointed citizen members of a given board shall be reimbursed at the same level except that the Chair and Vice Chair (where a Vice Chair exists) may receive additional payment as approved by Council for additional duties.
5. Where paid, remuneration for citizen appointees to City Agencies, Boards, and Commissions should reflect the level of responsibility, the necessary qualifications, the frequency of meetings, and amount of preparation required.
6. Board members must be in attendance at meetings to receive remuneration where a per diem is paid.
7. In the event that service is for less than a full year, the payment of annual honorariums should be pro-rated on a monthly basis.
8. No remuneration will be paid to members of advisory committees, task forces, or boards of Business Improvement Areas, Arena Boards and Community Centres.
9. Per diems are paid for attendance at hearings or meetings, or for required training days.

5.2 Rates of Remuneration Pursuant to the Remuneration Policy

Board	Citizen Chair	Citizen Vice-Chair	Citizen Member
Build Toronto	Annual Retainer - \$40,000	Nil – Mayor's designate is Vice-Chair	Annual Retainer - \$5,000 Meeting Fee - \$500 Annual Maximum - \$15,000
Invest Toronto		Citizen Vice-Chair - Annual Retainer - \$15,000	Nil
Enwave	Annual Retainer - \$40,000		Annual Retainer - \$20,000 Annual Maximum - \$20,000
Toronto Community Housing Corporation (TCHC)	Annual Retainer - \$20,000		Annual Retainer - \$2,500 Meeting Fee - \$500 Committee Fee - \$500 Annual Maximum - \$10,000
Toronto Hydro	Annual Retainer - \$75,000		Annual Retainer - \$12,500 Meeting Fee - \$1,000 Committee Fee - \$1,000 Annual Maximum – No Committee Meetings capped
Toronto Parking Authority	Annual Retainer - \$10,000		Meeting Fee - \$500 Committee Fee - \$500 Annual Maximum - \$7,500
Waterfront Toronto	Annual Retainer - \$30,000		Annual Retainer - \$5,000 Meeting Fee - \$500 Committee Fee - \$500 annual \$7,500 for Committee Chair
Compliance Audit Committee	\$350 per diem		\$350 per diem for attendance at meetings
Police Services Board	\$90,963	Annual Amount - \$13,750 Meeting Fee - \$350 Annual Maximum - \$22,500	Annual Amount - \$8,750 Meeting Fee - \$300 Annual Maximum - \$15,750
Sign Variance Committee	Panel Chair - \$750 annually plus \$250 per hearing		\$250 per hearing attended
Toronto Licensing Tribunal	Annual amount - \$18,000 Meeting Fee - \$350		Meeting Fee - \$350 Written Decisions Fee - \$50 per written decision with reasons
Property Standards Committee	Annual Amount to City-wide Chair - \$500		\$125 per hearing day
Committee of Adjustment	Panel Chair - \$1,000 annually plus \$350 per hearing		\$350 per hearing
Board of Health			\$125 per diem
Rooming House Licensing			Rooming House Commissioner - \$230 per hearing attended to a maximum of \$8,050 per annum
Metro Toronto Pension Plan and Metro Toronto Police Benefits Fund	\$7,500 per annum for each of the two Chair positions		
Toronto Civic Employees Pension Cttee and Toronto Fire Dept. and Superannuation and Benefit Fund	\$7,500 per annum for each of the two Chair positions		
Sinking Fund Committee and Investment Advisory Committee			\$5,000 per annum

Attachment 6 – Status of Agency Procedure By-laws

Extract of City of Toronto Act - Procedure by-laws respecting meetings

189 (2) The City and every local board of the City shall pass a procedure by-law for governing the calling, place and proceedings of meetings and the procedure by-law shall provide for public notice of meetings.

Approval by Council of the procedure by-law of agencies will ensure that the by-laws are developed and that they include City and legislative requirements. In 2007, CMO requested that all agencies provide a copy of their procedure by-law. The following chart provides an update of that review.

Extract of Business Corporations Act - By-laws confirmation by shareholders

116 (2). Where the directors make, amend or repeal a by-law under subsection (1), they shall submit the by-law, amendment or repeal to the shareholders at the next meeting of shareholders, and the shareholders may confirm, reject or amend the by-law, amendment or repeal. Council approves the procedure by-law for all corporations as standard practice.

Boards	Procedure By-law
Arena Boards: <ul style="list-style-type: none"> • George Bell Arena • Larry Grossman Forest Hill Memorial Arena • Leaside Memorial Community Gardens Arena • McCormick Playground Arena • Moss Park Arena • North Toronto Memorial Arena • Ted Reeve Community Arena • William H. Bolton Arena 	Leaside: Yes – copy not provided Other arena boards: not provided
AOCCS: <ul style="list-style-type: none"> • 519 Church Street Community Centre • Applegrove Community Complex • Cecil Street Community Centre • Central Eglinton Community Centre • Community Centre 55 • Eastview Neighbourhood Community Centre • Harbourfront Community Centre • Ralph Thornton Community Centre • Scadding Court Community Centre • Swansea Town Hall 	Yes – copy provided
Exhibition Place	Yes – copy provided
Parking Authority	Yes – copy provided
Toronto Transit Commission	Yes – copy provided
Toronto Zoo	Yes – copy provided
BIAs	Yes – Chapter 19 Toronto Municipal Code
Heritage Toronto	Yes – copy provided
Sony Centre	Not provided
St. Lawrence Centre	Not provided
Toronto Centre for the Arts	Yes – copy provided
Toronto Atmospheric Fund	Yes – copy provided
Yonge Dundas Square	Yes – copy provided
Committee of Adjustment	Yes – copy provided; applicable to all 4 panels
Property Standards Committee	Yes – copy provided
Committee of Revision	Yes – Chapter 231 Municipal Code
Rooming House Licensing	Yes – Chapter 285-15 Municipal Code
Sign Variance Committee	Yes – copy provided
Toronto Licensing Tribunal	Yes – copy provided
Compliance Audit Committee	Yes – copy provided
Board of Health	Yes – copy provided
Police Services Board	Yes – current version to be confirmed
Public Library Board	Yes – Public Libraries Act, ss 14-20
Toronto Port Lands	Council approved
Toronto Hydro	Council approved
Toronto Community Housing	Council approved
Build Toronto	Council approved
Invest Toronto	Council approved