



**Ulli S. Watkiss**  
City Clerk

**City Clerk's Office**  
City Hall, 13<sup>th</sup> Floor, West Tower  
100 Queen St. West  
Toronto, ON M5H 2N2

Tel: (416) 392-8011  
www.toronto.ca

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## 2016 OPERATING BUDGET BRIEFING NOTE

### Director's Education for Members of Council

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The Executive Committee requested information on the establishment of a city program, including budget implications, which would enable Members of Council to complete Directors education training programs (see EX8.33, September 21, 2015)

#### Issue/Background

- There is a range of Director training available in the Greater Toronto Area, from in-class, university affiliated programs, to online courses offered by various organizations.
- If Council proceeds to establish such a program, it will have to authorize its creation, fund it, and establish program guidelines.

#### Key Points

- There are a number of Directors training and education programs available to Members of Council that help prepare or enhance awareness of Director-related issues.
- Course offerings often cover accountability, leadership, finance and oversight, risk management, strategic planning, and human resources.
- All training programs have associated fees, with the university-affiliated, accreditation granting programs being more expensive.
- Many programs require participants to be members of the organization to participate.
- A sample of some of the programs is listed below:

Provider	Features	Cost
Institute of Corporate Directors, Rotman School of Business, University of Toronto	<ul style="list-style-type: none"> <li>• Directors Education Program, with ICD.D designation</li> <li>• Required to be a member in good standing of the ICD (\$495 annual fee)</li> <li>• 4 in-class modules, and an exam</li> <li>• Also offers non-accreditation courses</li> <li>• Tax tuition receipt issued</li> </ul>	Approx. \$16,000

<p>The Directors College, DeGroot School of Business, McMaster University</p>	<ul style="list-style-type: none"> <li>• Chartered Director Program, with C.Dir designation</li> <li>• 5 course modules, and an exam</li> <li>• Approx. 125 in class hours</li> <li>• Program delivered in Niagara-on-the-Lake</li> <li>• Tax tuition receipt issued</li> </ul>	<p>Approx. \$21,850</p>
<p>Canadian Board Diversity Council</p>	<ul style="list-style-type: none"> <li>• Get on Board Governance Education Program</li> <li>• 2 different levels, which include courses and an exam</li> <li>• Required to be a member in good standing of the Canadian Board Diversity Council</li> </ul>	<p>Approx. \$1800 (Level 1)  Approx. \$4700 (Level 2)</p>
<p>DiverseCity onBoard</p>	<ul style="list-style-type: none"> <li>• Access to 8 online governance training sessions, and webinars</li> </ul>	<p>Approx. \$250</p>

### Implementation Points

If City Council chooses to cover costs related to Directors education or training, it should:

- Deem Directors training an eligible expense under Constituency Services and Office Budget Policy with funding for the training to be funded from the Council General Expenses Budget.
- Due to the high cost of some of these programs, Council should consider limiting the annual funding to a maximum number of Members of Council.
- Determine one of two options to fund the program:
  - Option one is to adjust the Council General Expenses Budget in the City Council annual operating budget to pay for the program.
  - Option two is to absorb the cost of the program within the current City Council annual operating budget through anticipated underspending in other budget areas, such as Councillor staff salaries and benefits. This will lead to a reduction in the available surplus at year-end that forms the annual contribution to the Council Transition Reserve, which will present a challenge for the 2018 Council transition. This adequacy of the Council Transition Reserve is documented in the 2016 Operating Budget Notes for City Council, p. 11, "Issues Impacting Future Year"
- Council should also decide whether to add annual association membership fees as an eligible expense under the Constituency Services and Office Budget Policy.
- Council will need to establish some policy criteria so that the program can be administered by staff, including:

- Whether successful completion of the program is required for reimbursement;
- Whether all of the associated tuition and application fees should be covered by the City, or in part by the participant;
- Whether the City or the Participant should be invoiced for the fees;
- Whether this training is available to all members of Council, or only to those serving on certain City boards (e.g., City corporations like Build Toronto, Toronto Hydro, etc);
- The maximum number of members of Council funded from the program annually, and whether it is granted on a first-come first-served basis.

### **Decision History**

- EX8.33 - Director's Education Training for City Councillors Appointed to Corporate Boards

The Executive Committee requested the City Manager to report on the establishment of a city program, including any associated budget implications, that would facilitate Toronto City Councillors who currently sit on the Boards of Directors of City owned corporations, or those planning to do so, to register and complete the Director's Education Program offered by post-secondary institutions in the City, in time for consideration as part of the 2016 Operating Budget.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2015.EX8.33>

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**Further Information:** John Elvidge, Deputy City Clerk, Secretariat  
City Clerk's Office  
jelvidge@toronto.ca

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