

Consolidated Clause from Report No. 4 of the Policy and Finance Committee, which was before the Council of the City of Toronto at its meeting held on July 22, 23 and 24, 2003.

1b**City of Toronto Council Governance Review**

(City Council on July 22, 23 and 24, 2003, referred this Clause to the incoming Council for consideration, together with the following motions placed by Members of Council:

Moved by Councillor Ashton:

“It is further recommended that the Mayor be requested to submit a report to the first meeting of the Policy and Finance Committee, in March 2004, on a Executive Committee model, including, but not limited to, the composition and mandate.”

Moved by Councillor Chow:

“It is further recommended that the Chief Administrative Officer, in consultation with the Chief Financial Officer and Treasurer, be requested to submit a report to the Policy and Finance Committee, in May 2004, prior to the 2005 budget process, on which budget items could be assigned to the Community Councils to provide for a more participatory process.”

Moved by Councillor Duguid:

“That the Clause be amended by referring Recommendation No. (4) embodied in the report dated April 24, 2003, from the Chief Administrative Officer, to the Chief Administrative Officer for further consideration, in consultation with the Commissioner of Works and Emergency Services and the Auditor General, and report thereon to the Works Committee in January 2004, such report to include:

- (1) further consideration of delegated authority for staff and Committee to reduce delays in approving Water and Wastewater contracts;*
- (2) alternative procedures, protocols or structural changes to allow Committee and Council to consider how best to ensure more focussed long-term strategic decisions around issues of infrastructure and sustainability; and*
- (3) an analysis of the past and current challenges in allocating capital infrastructure work on a timely basis and a strategy to address this concern.”*

Moved by Councillor Holyday:

“It is further recommended that:

- (1) the Provincial Government be requested to reduce the size of Toronto City Council to 22 members, plus the Mayor, through the election of one Member of Council per provincial/federal riding; and*
- (2) the Provincial Government be requested to establish an elected Board of Control for the City of Toronto consisting of two members elected at-large in each Community Council area.”*

Moved by Councillor Irene Jones:

“That the Clause be amended by deleting from Recommendation (I) of the Policy and Finance Committee, the following Recommendations Nos. (1)(a)(i) and (1)(a)(ii):

‘(1) upon commencement of the new Council term:

- (a) the following responsibilities be added to the current mandate of the Policy and Finance Committee:*
 - (i) recommending and overseeing collective bargaining matters; and*
 - (ii) recommending and overseeing matters related to the Council-committee governance structure and system;’ ”*

Moved by Councillor Mihevc:

“It is further recommended that the Chief Administrative Officer be requested to submit a report to the Policy and Finance Committee on decentralizing some powers to Community Councils, specifically around decision making authority, and the provincial authority necessary to accomplish this.”

Moved by Councillor Minnan-Wong:

“That the Clause be amended to provide that:

- (1) the Mayor be given the power to appoint:*
 - (a) the Chairs of the Standing Committees; and*
 - (b) the Chair of the Toronto Transit Commission; and*

(2) *the following Recommendation be adopted:*

‘(1) upon commencement of the new Council term:

(b) the Policy and Finance Committee be composed of the Mayor (Chair), the five Standing Committee Chairs, four Councillors selected from Council as a whole, one of which is the Deputy Mayor and a TTC Commissioner;’. ”

Moved by Councillor Moscoe:

“That The Clause be amended by striking out the recommendations of the Policy and Finance Committee and inserting in lieu thereof the following:

‘It is recommended that the report dated April 24, 2003, from the Chief Administrative Officer, as embodied in the Clause, be adopted, subject to deleting Recommendation No. (2).’ ”

Moved by Councillor Walker:

“That:

- (1) Part (2) of the motion by Councillor Minnan-Wong be amended by adding thereto the words ‘and the Chairs of the Community Councils’; and*
- (2) the Clause be amended by adding thereto the following:*

‘It is further recommended that:

- (a) City Council recommend to the Province that the powers of the Community Councils be changed to provide that the Community Council decisions on all planning matters require a two-thirds vote of City Council to be overturned by City Council; and*
- (b) the Striking Committee be abolished and the appointment of Members of Council to the Standing Committees be considered by City Council/Committee of the Whole and the selection of the respective Chairs of the Standing Committees be considered by the members of the respective Standing Committees.’ ”)*

(City Council on June 24, 25 and 26, 2003, deferred consideration of this Clause to the next regular meeting of City Council scheduled to be held on July 22, 2003, and requested the City Clerk to consolidate and bring forward the following motions moved by Members of Council during the debate on this Clause:

Moved by Councillor Ashton:

“It is further recommended that the Mayor be requested to submit a report to the first meeting of the Policy and Finance Committee, in March 2004, on a

Executive Committee model, including, but not limited to, the composition and mandate.”

Moved by Councillor Chow:

“It is further recommended that the Chief Administrative Officer, in consultation with the Chief Financial Officer and Treasurer, be requested to submit a report to the Policy and Finance Committee, in May 2004, prior to the 2005 budget process, on which budget items could be assigned to the Community Councils to provide for a more participatory process.”

Moved by Councillor Holyday:

“It is further recommended that:

- (1) the Provincial Government be requested to reduce the size of Toronto City Council to 22 members, plus the Mayor, through the election of one Member of Council per provincial/federal riding; and
- (2) the Provincial Government be requested to establish an elected Board of Control for the City of Toronto consisting of two members elected at-large in each Community Council area.”

Moved by Councillor Irene Jones:

“That the Clause be amended by deleting from Recommendation (I) of the Policy and Finance Committee, the following Recommendations Nos. (1)(a)(i) and (1)(a)(ii):

- ‘(1) upon commencement of the new Council term:
 - (a) the following responsibilities be added to the current mandate of the Policy and Finance Committee:
 - (i) recommending and overseeing collective bargaining matters; and
 - (ii) recommending and overseeing matters related to the Council-committee governance structure and system;’.”

Moved by Councillor Mihevc:

“It is further recommended that the Chief Administrative Officer be requested to submit a report to the Policy and Finance Committee on decentralizing some powers to Community Councils, specifically around decision making authority, and the provincial authority necessary to accomplish this.”

Moved by Councillor Minnan-Wong:

“That the Clause be amended to provide that:

- (1) the Mayor be given the power to appoint:
 - (a) the Chairs of the Standing Committees; and
 - (b) the Chair of the Toronto Transit Commission; and
- (2) the following Recommendation be adopted:
 - ‘(1) upon commencement of the new Council term:
 - (b) the Policy and Finance Committee be composed of the Mayor (Chair), the five Standing Committee Chairs, four Councillors selected from Council as a whole, one of which is the Deputy Mayor and a TTC Commissioner;’.

Moved by Councillor Moscoe:

“That The Clause be amended by striking out the recommendations of the Policy and Finance Committee and inserting in lieu thereof the following:

‘It is recommended that the report dated April 24, 2003, from the Chief Administrative Officer, as embodied in the Clause, be adopted, subject to deleting Recommendation No. (2).’ ”

Moved by Councillor Walker:

“That:

- (1) Part (2) of the motion by Councillor Minnan-Wong be amended by adding thereto the words ‘and the Chairs of the Community Councils’; and
- (2) the Clause be amended by adding thereto the following:

‘It is further recommended that:

- (a) City Council recommend to the Province that the powers of the Community Councils be changed to provide that the Community Council decisions on all planning matters require a two-thirds vote of City Council to be overturned by City Council; and
- (b) the Striking Committee be abolished and the appointment of Members of Council to the Standing Committees be considered by City Council/Committee of the Whole and the selection of the

respective Chairs of the Standing Committees be considered by the members of the respective Standing Committees.’ ”)

(City Council on May 21, 22 and 23, 2003, deferred consideration of this Clause to the next regular meeting of City Council scheduled to be held on June 24, 2003.

Note: City Council, on May 21, 22 and 23, 2003, adopted, as amended, Motion F(4), moved by Councillor Moscoe, seconded by Councillor Holyday, headed “Establishment of Four Community Councils”, and, in so doing, elected to establish a four Community Council model to come into effect immediately following the next municipal election.)

The Policy and Finance Committee recommends:

(I) the adoption of the following Recommendations Nos. (1) (a), (2), (4), (7), (9) and (10) embodied in the report (April 24, 2003) from the Chief Administrative Officer:

“(1) upon commencement of the new Council term:

(a) the following responsibilities be added to the current mandate of the Policy and Finance Committee:

- (i) recommending and overseeing collective bargaining matters; and**
- (ii) recommending and overseeing matters related to the Council-committee governance structure and system;**

(2) upon commencement of the new Council term:

- (a) the number of Community Councils be reduced to four; and**
- (b) the Chief Administrative Officer report on boundary options for four community councils to the Policy and Finance Committee meeting of June 12, 2003;**

(4) the proposed Water and Wastewater Committee not be established and that water and wastewater policy matters continue to be considered by the Works Committee;

(7) the incoming Mayor, in consultation with the Chief Administrative Officer and the City Clerk, review and report on options for improved Council agenda management mechanisms;

(9) the City Solicitor be instructed to prepare a draft by-law containing amendments to Chapter 27, Council Procedures, of the Toronto Municipal Code necessary to give effect to Recommendation No. (1), and any amendments thereto, for consideration by the Policy and Finance Committee

at its meeting of June 12, 2003; and the City Clerk be instructed to give notice of the proposed by-law in accordance with Chapter 162, Notice, Public; and

- (10) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto;” and**
- (II) that the following Recommendations Nos. (1)(b), (3), (5), (6) and (8), embodied in the aforementioned report, be received:**
 - “(1) upon commencement of the new Council term:**
 - (b) the Policy and Finance Committee be composed of the Mayor (Chair), the five standing committee chairs, four Councillors selected from Council as a whole, one of which is the Deputy Mayor, and a TTC Commissioner;**
 - (3) at the first meeting of the incoming Council, an ad hoc committee on governance reporting to the Policy and Finance Committee be established with the terms of reference outlined in Appendix 1 to this report, such committee to consider and report on the following issues:**
 - (a) options to re-position the mandate and composition of the Policy and Finance Committee as a more typical municipal executive committee;**
 - (b) the role and membership of the Budget Advisory Committee and the manner in which Council reviews the budget through its committee structure;**
 - (c) options to clarify and/or strengthen the Mayor’s role in the appointment process;**
 - (d) the distribution of standing committee responsibilities, and improvements to the standing committee meeting process and cycle;**
 - (e) meeting cycle and process changes to improve Council’s decision making, including current work being undertaken by the City Clerk in the area of procedural change and meeting management;**
 - (f) provincial legislative amendments in the areas of additional decision making delegation and restructuring powers; and**
 - (g) other governance issues outlined in the committee terms of reference (Appendix 1);**
 - (5) the General Manager of Water and Wastewater consider restructuring the current water and wastewater advisory committee system to include the organizations proposed in the November 2002 Council motion on a preferred water and wastewater governance model;**

- (6) **the Chief Administrative Officer and the City Clerk, in consultation with all departments, undertake a review of the informal components of Council's decision making structure (ad hoc committees, advisory committees and advocates), and report on a rationalized system to be used in the next Council term; and**
- (8) **the Chief Administrative Officer and the City Solicitor, in consultation with all departments, review and report to the proposed ad hoc committee on governance on any changes to Council's delegated decision-making authority, or to the City's delegation framework, in light of the new *Municipal Act*, and that this review be undertaken within the context of related work on achieving an improved legislative framework for the City of Toronto."**

The Policy and Finance Committee submits the following report (April 24, 2003) from the Chief Administrative Officer:

Purpose:

To report the results of the Council governance review, highlight issues with the current governance structure and recommend short term and long term actions to improve the governance system.

To report on related directives referred to the Council governance review.

Financial Implications and Impact Statement:

The recommendations in this report have no direct financial implications.

Recommendations:

It is recommended that:

- (1) upon commencement of the new Council term:
 - (a) the following responsibilities be added to the current mandate of the Policy and Finance Committee:
 - (i) recommending and overseeing collective bargaining matters;
 - (ii) recommending and overseeing matters related to the Council-committee governance structure and system.
 - (b) the Policy and Finance Committee be composed of the Mayor (Chair), the five standing committee chairs, four Councillors selected from Council as a whole, one of which is the Deputy Mayor, and a TTC Commissioner;

- (2) upon commencement of the new Council term:
 - (a) the number of community councils be reduced to four, and
 - (b) the Chief Administrative Officer report on boundary options for four community councils to the Policy and Finance Committee meeting of June 12, 2003;
- (3) at the first meeting of the incoming Council, an ad hoc committee on governance reporting to the Policy and Finance Committee be established with the terms of reference outlined in Appendix 1 to this report, such committee to consider and report on the following issues:
 - (a) options to re-position the mandate and composition of the Policy and Finance Committee as a more typical municipal executive committee;
 - (b) the role and membership of the Budget Advisory Committee and the manner in which Council reviews the budget through its committee structure;
 - (c) options to clarify and/or strengthen the Mayor's role in the appointment process;
 - (d) the distribution of standing committee responsibilities, and improvements to the standing committee meeting process and cycle;
 - (e) meeting cycle and process changes to improve Council's decision making, including current work being undertaken by the City Clerk in the area of procedural change and meeting management;
 - (f) provincial legislative amendments in the areas of additional decision making delegation and restructuring powers;
 - (g) other governance issues outlined in the committee terms of reference (Appendix 1);
- (4) the proposed Water and Wastewater Committee not be established and that water and wastewater policy matters continue to be considered by the Works Committee;
- (5) the General Manager of Water and Wastewater consider restructuring the current water and wastewater advisory committee system to include the organizations proposed in the November 2002 Council motion on a preferred water and wastewater governance model;
- (6) the Chief Administrative Officer and the City Clerk, in consultation with all departments, undertake a review of the informal components of Council's decision making structure (ad hoc committees, advisory committees and advocates), and report on a rationalized system to be used in the next Council term;
- (7) the incoming Mayor, in consultation with the Chief Administrative Officer and the City Clerk, review and report on options for improved Council agenda management mechanisms;

- (8) the Chief Administrative Officer and the City Solicitor, in consultation with all departments, review and report to the proposed ad hoc committee on governance on any changes to Council's delegated decision-making authority, or to the City's delegation framework, in light of the new *Municipal Act*, and that this review be undertaken within the context of related work on achieving an improved legislative framework for the City of Toronto;
- (9) the City Solicitor be instructed to prepare a draft by-law containing amendments to Chapter 27, Council Procedures, of the Toronto Municipal Code necessary to give effect to Recommendation No. (1), and any amendments thereto, for consideration by the Policy and Finance Committee at its meeting of June 12, 2003; and the City Clerk be instructed to give notice of the proposed by-law in accordance with Chapter 162, Notice, Public.
- (10) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.

Comments:

(1) Background:

City Council, on May 21, 22, and 23, 2002, approved the terms of reference for a mid-term review of the council governance structure and established a Council reference group composed of Councillors Minnan-Wong (Chair), Li Preti, Shiner and Soknacki.

Four additional directives and requests for reports were referred to this review:

- (a) Options for the relationship between Community Councils and services districts (Report No. 10, Clause No. 2 of the Administration Committee, City Council, July 30, 31, August 2, 2002).
- (b) The proposed establishment of a separate standing committee for water and wastewater matters (Report No. 3, joint Policy and Finance and Works Committees, City Council, November 26, 2002).
- (c) The issue of providing funding to Community Councils and empowering them to provide discretionary services (Report No. 7, Policy and Finance Committee, City Council, May 21, 22, 23, 2002).
- (d) The process for the appointment of members of Council to the Striking Committee (Administration Committee meeting of January 9, 2001).

(2) Review Process:

The review process included the following components:

- (a) Research consisting of a review of Toronto's current political governance structure and processes, a statistical analysis of the Council-committee system, a

summary of the City's legislative framework, and identification of common political structures and their application in other municipal jurisdictions in North America, Europe and Commonwealth countries.

- (b) Consultations with Councillors including two meetings with the Council Reference Group that were open to all members of Council and three consultation sessions available to all members of Council and senior staff.
- (c) Consultations with various cross-sections of staff across the corporation.
- (d) A website to provide governance related information and to encourage input from the public.

Following the consultation period staff prepared a discussion paper which was distributed to all members of Council, senior staff and other interested parties. A further discussion session for all Council members was held on April 11, 2003 for in-depth consideration of the review findings. A questionnaire was distributed and completed at that session providing Council members with an opportunity to indicate their preferences regarding the options for change. The questionnaire was also distributed to the members of Council who were not in attendance.

The Executive Management Team, the City Clerk and the City Solicitor have been consulted throughout the review process.

The discussion paper, the Council-committee statistical analysis, and the jurisdictional review are attached as Appendix 2.

(3) Toronto's governance context:

Toronto's governance structure has been shaped by its environment. The amalgamation of two tiers of government and seven municipalities created a complex structure that supported new decision making requirements but maintained many of the components of pre-existing municipalities. The merging of two tiers of government is one of the most significant factors of the resultant governance structure that includes a system of community councils to deal with resident and ward based matters, while major policy matters and issues of city-wide significance are deliberated at the standing committee and Council levels.

The large Council also dictates to some degree a governance structure that has been designed to allow each member to participate as much as possible in the decision making process.

Council business is largely processed through its committee system, meeting on a monthly cycle. The committee system includes the formal structure of standing committees, community councils, special committees (i.e., Budget Advisory, Audit, Striking, Nominating, and Ethics Steering Committees) and sub-committees, as well as a more informal system of ad hoc committees, political and citizen advisory committees, and Councillor-advocate positions.

Supported by the committee process of debate and public input, Council makes decisions on a large number of issues of both city-wide and local significance. In 2002 Toronto City Council met nine times and considered 3,642 clauses from committees, 1,099 bills, and 312 notices of motion. Of those agenda items originating in committees, 45 percent came from standing committees and 55 percent from community councils. 863 or 24 percent were “held for debate”, while the balance of 76 percent were adopted without debate on consent from Council. Of the 24 percent of items held for debate a further 13 percent were adopted without amendment (i.e., only 11 percent were amended by Council).

(4) Legislative Framework:

Toronto’s legislative framework is contained in many pieces of legislation, regulation and municipal by-law. Chief among these are:

- (i) The *Municipal Act*, 2001, c. 25;
- (ii) The *City of Toronto Act*, 1997, c. 2;
- (iii) The *City of Toronto Act*, 1997 (No. 2), c. 26; and
- (iv) City of Toronto Municipal Code, Chapter 27 (Procedures).

Taken together, they provide the basic building blocks for determining the composition and organization of the City’s governance system.

The legislative context is important in considering any governance changes. There are five basic tenets that govern municipalities in Ontario:

- (a) Municipal powers must be exercised by Council.
- (b) Municipal powers must be exercised by by-law unless otherwise permitted by legislation.
- (c) All meetings of committees and Council must be open to the public. There are limited exceptions to this rule where committees or Council may close a meeting to discuss certain matters such as litigation or potential litigation, or personal matters about an identifiable individual.
- (d) All votes must be taken in public, even for those matters discussed in closed meetings unless the vote is for the purposes of giving instructions to staff, agents, a board or committee.
- (e) The authorities of municipal Councils cannot be sub-delegated except where express authority exists for such sub-delegation or where delegation is deemed to be administrative in nature (not involving the making or determination of policy) and is within prescribed rules and procedures, thus removing any need for discretion in the decision making.

(5) Governance Change Strategy: Short Term/Long Term:

Given the legislative context there are changes that Council can consider within existing legislation, and others that require legislative amendment.

Some of the actions available to Council under existing legislation can be considered in the short term and be ready for implementation for the next Council term, or can be acted upon immediately. These actions relate to:

- (i) changes to the mandate and composition of the Policy and Finance Committee;
- (ii) the proposed Water and Wastewater Committee;
- (iii) the number and boundaries of community councils; and
- (iv) the informal components of the decision making process (ad hoc and advisory committees, advocates).

Other actions are longer term and more complex nature, requiring additional analysis and time to prepare the system for implementation. These changes include:

- (i) options regarding the establishment of an executive committee;
- (ii) options to clarify the Mayor's role in the appointment process;
- (iii) the distribution of standing committee responsibilities, and improvements to the standing committee meeting process and cycle;
- (iv) meeting cycle and process changes to improve Council's decision making; and
- (v) provincial legislative amendments in the areas of additional decision making delegation and restructuring powers.

To address these longer term issues, it is recommended that the incoming Council immediately establish an ad hoc committee on governance reporting to the Policy and Finance Committee. The mandate of the committee will be to review and report on longer term changes and ongoing governance issues as described in this report, and to monitor the governance system during the next term of Council. Appendix 1 is a terms of reference for the proposed ad hoc committee on governance.

(6) Assessment of governance issues and recommendations for action:

The issues and concerns raised during the review process are discussed in this section. Recommendations include some that can be implemented immediately, those that can be implemented in time for the new Council term, and those that Council should refer to the incoming Council for consideration and action.

(a) Increased co-ordination and priority setting for Council's policy agenda:

The review established that there is considerable interest in finding ways to help Council improve the co-ordination of its policy priorities including effective integration of major policy decisions and their financial implications. Although the Policy and Finance Committee was established with a mandate to undertake this work, there is agreement that changes to the Committee's mandate and composition would increase the clarity and effectiveness of its co-ordination and integration activities.

The current mandate of the Policy and Finance Committee is:

- (i) co-ordinating a corporate strategic plan for the City in consultation with other standing committees;
- (ii) recommending and managing financial priorities and fiscal policies including revenues;
- (iii) recommending and overseeing the preparation of the corporate capital and operating estimates;
- (iv) recommending and monitoring corporate inter-governmental relations;
- (v) recommending directions for other inter-governmental relations;
- (vi) recommending directions for cross-departmental matters and matters cutting across more than one agency, board or commission of the City;
- (vii) recommending and monitoring corporate international activities;
- (vii) recommending assessment and tax policies;
- (viii) recommending in-year operating and capital expenditure variances and any expenditures not included within approved capital or operating allocations; and
- (ix) considering and recommending the capital and operating budgets of the City's agencies, boards and commissions, including any financial matters, as necessary.

During the review, two specific issues were proposed as additions to the current Policy and Finance Committee mandate:

- (i) recommending and overseeing collective bargaining matters; and
- (ii) recommending and overseeing matters related to the Council-committee governance structure and system.

The addition of responsibility for collective bargaining matters normalizes the current situation whereby these issues are already being considered at the Policy and Finance Committee. Responsibility for matters related to the Council-committee governance structure and system is currently not included in any standing committee mandate. Given the nature of the issue, it is appropriate to add this responsibility to the Policy and Finance Committee portfolio.

Another change suggested during the review was to adjust the composition of the Policy and Finance Committee to improve the effectiveness of policy priority setting and the integration of policy decisions and their financial impact.

The current composition of the Policy and Finance Committee is the Mayor (Chair), the Deputy Mayor, one member from each of the other standing committees who is not the chair of that standing committee, and four Council members who are not members of any other standing committee or of the Audit Committee.

The most frequently proposed composition change to improve policy integration was to have standing committee chairs sit on the Policy and Finance Committee, rather than members of standing committees who are specifically not the chair, as is the current situation. Another proposal was to add a TTC Commissioner to the Policy and Finance Committee to provide representation from a large program area that accounts for a significant portion of the City's budget.

Recommendation:

For implementation with the new Council term:

It is recommended that the following responsibilities be added to the current mandate of the Policy and Finance Committee:

- (i) recommending and overseeing collective bargaining matters;
- (ii) recommending and overseeing matters related to the Council-committee governance structure and system.

It is recommended that the composition of the Policy and Finance Committee be changed to the Mayor (Chair), the five standing committee chairs, four members of Council selected from Council as a whole, one of which is the Deputy Mayor, and a TTC Commissioner.

During the review there was much discussion about a more fundamental re-positioning of the Policy and Finance Committee as a typical municipal "executive committee". Several mandate changes were proposed in this regard, i.e.:

- (i) reviewing major new policy issues or policy changes with significant financial impact coming through the standing committee process;

- (ii) responsibility for major corporate wide policies requiring strategic direction and corporate control such as:
- (iii) recommending and overseeing litigation matters of corporate significance;
- (iv) recommending policies and overseeing directions for the use of major City-owned property assets where innovative or alternative models of operation are anticipated; and
- (v) recommending and overseeing matters related to major administrative restructuring with corporate wide or cross-departmental impact.

These proposals have been included in the terms of reference for the proposed ad hoc committee on governance, for review and recommendation in the new term of Council.

Recommendation:

For referral to the incoming Council for consideration and action:

It is recommended that the proposed ad hoc committee on governance consider options to further re-position the mandate and composition of the Policy and Finance Committee as a more typical municipal executive committee.

(b) Selection of committee membership:

Council requested the Administration Committee to review the Striking Committee process and this request was referred to the governance review. In the current appointment process the Mayor recommends the membership of the Striking Committee to Council. Council approves or amends the Mayor's recommendations. Once established, the Striking Committee recommends to Council appointments of members to various positions and bodies based on a polling of interests.

The Administration Committee asked the City Clerk, in consultation with the Chief Administrative Officer and members of Council, to report on appointment methods used in other jurisdictions. The City Clerk contacted 14 municipal jurisdictions across Ontario and Canada.

Many municipalities with smaller Councils are able to have the whole of Council make appointments without committee recommendations, an option that would be impractical for a 45 member Council with over 930 individual appointments to at least 440 bodies. No other municipalities noted any difficulties caused by inter-related appointments, whereas in Toronto a number of committee appointments preclude membership on others, and over one quarter of the members are limited in their appointments by being chair of one of the six community councils or six standing committees. This requires more co-ordination

of proposed memberships than is practical without draft recommendations submitted for Council's consideration.

Every municipality had a role for the Mayor in the co-ordination of the appointment process. Even in those municipalities with fewer and less complex appointments, the Mayor is usually given the responsibility for chairing the appointment process or with naming either committee chairs or entire committees.

It is clear from the governance review consultation that most Councillors wish to maintain the current Striking Committee process. However, there is also a desire to clarify what is seen to be an appropriate role for an elected-at-large Mayor to influence the membership of committees in order to promote integrated policy making in such a large governance system.

Recommendation:

For referral to the incoming Council for consideration and action:

It is recommended that the proposed ad hoc committee on governance review and make recommendations on ways to clarify and/or strengthen the Mayor's role in the appointment process.

(c) Standing Committee Portfolios:

The review results indicated that the number and portfolios of standing committees are effective for the most part. However, several issues were raised and are of enough significance to indicate further review is necessary in the longer term. Examples of concerns include:

- (i) a lack of flexibility in meeting cycle, for example, the ability to separate policy and transactional or operational issues and to meet more frequently to make purely transactional decisions;
- (ii) a lack of clarity about "what goes where", for example initiatives can sometimes be deliberated at one committee for policy decisions, and at another for administrative implementation matters;
- (iii) a lack of clarity about the role of Budget Advisory Committee vis a vis the Policy and Finance Committee and the manner in which Council reviews the budget through its committee structure;
- (iv) committee names do not accurately reflect committee mandates; and
- (v) uneven workload among committees.

As well, any significant changes to the Policy and Finance Committee mandate and decision making process and composition, or the implementation of an

executive committee model will have an impact on the standing committee structure and process.

Recommendation:

For referral to the incoming Council for consideration and action:

It is recommended that:

- (i) the proposed ad hoc committee on governance review and make recommendations on the distribution of standing committee responsibilities, and on improvements to the standing committee meeting process and cycle; and
 - (ii) the proposed ad hoc committee on governance review the role and membership of the Budget Advisory Committee and the manner in which Council reviews the budget through its committee structure.
- (d) Proposed Water and Wastewater Committee:

In November 2002, Council referred the issue of a proposed separate standing committee for water and wastewater matters to this review.

Council's preferred model for this committee included:

- (i) increased delegated powers to award capital and operating contracts within the approved capital and operating budgets, to meet operational needs;
- (ii) two advisory committees, one technical advisory committee providing advice on the operational needs of the Water and Wastewater Services Division, and one citizen advisory committee composed of citizens, labour unions, environmental groups, water and sewer main construction organizations, representatives of the business and financial communities, health advocates and resident associations; and
- (iii) a committee composition drawn from Councillors appointed to the Board of Health, the Toronto and Region Conservation Authority, the Economic Development and Parks Committee, the Planning and Transportation Committee, the Works Committee, and the Water Advocate position.

The perceived benefits of the proposed committee included:

- (i) specialized attention to an important public policy area;
- (ii) focused, long term strategic decisions around the issues of infrastructure and sustainability;
- (iii) focused expertise at the committee table; and

- (iv) increased opportunity for technical and citizen advice.

The implications of establishing the proposed committee include:

- (i) the Works Committee mandate would be reduced;
- (ii) co-ordination of related policy issues may be diminished if major environmental and infrastructure issues are deliberated at separate committees;
- (iii) based on the proposed committee composition, some Council members would become members of more than one standing committee;
- (iv) the addition of a standing committee would require review and reorganization of the City Clerk's resources, processes and procedures; and
- (v) there would be more committees feeding the Council cycle.

Increased delegated procurement authority for proposed Water and Wastewater committee:

The Municipal Code, Chapter 195 (purchasing) sets out procurement authorities for committees. That authority is for awarding of contracts between \$2.5 and \$5.0 million, where the award is based on lowest price. Contracts for amounts higher than \$5.0 million, and contracts for any amount where the award is based on criteria other than lowest price, require Council approval.

Council recently approved the Auditor General's report on procurement services in which the Auditor General recommended that no changes be made to the levels of delegated authority for awarding of contracts as currently assigned to standing committees, or to any proposed water and wastewater committee at this time.

Council has also recently approved the designation of the Water and Wastewater Services Division as a business unit. This approval permits the Commissioner of Works and Emergency Services to delegate his levels of purchasing and spending authorities to the General Manager of Water and Wastewater. This change will help to streamline the procurement process, while supporting the business unit status of the service.

While it is possible for Council to increase a committee's delegated authority by amending the Municipal Code, this would be a major departure from established practice and, if undertaken for the proposed water and wastewater committee, would set a precedent for other standing committees. This change would require a very clear policy framework and accompanying administrative rules and procedures to guide the committee's decision making.

Proposed water and wastewater advisory committees:

Water and Wastewater Services currently has an advisory system involving residents and technical experts on a variety of site- and project-specific committees. This system provides meaningful public input into project planning and project development and will ensure a necessary counterbalance to the increased delegated financial and operational authority of the business unit model.

The establishment of two additional advisory committees could be problematic since Council may receive advice that is conflicting or different from the advice and recommendations made by staff with input from the current advisory system. However, the existing advisory committee system might benefit from restructuring to include the organizations proposed in the November 2002 Council motion.

In light of the implications outlined above, the impact of an additional standing committee on the current committee system, and the Auditor General's recommendation, a separate water and wastewater committee is not recommended at this time. The governance review results did not indicate Council support for increasing the number of standing committees and it is noted that no other Canadian jurisdiction reviewed has a separate standing committee for water and wastewater issues. The Commissioner of Works and Emergency Services and the General Manager of Water and Wastewater Services have been consulted on this matter.

Recommendations:

For immediate action:

It is recommended that:

- (i) the proposed Water and Wastewater Committee not be established, and that water and wastewater policy matters continue to be considered by the Works Committee; and
- (ii) the General Manager of Water and Wastewater consider restructuring the current water and wastewater advisory committee system to include the organizations proposed in the November 2002 Council motion on a preferred water and wastewater governance model.

(e) Community Councils:

Community council number and boundaries:

During the consultation considerable agreement emerged on reducing the number of community councils to four and changing their boundaries. At the same time there is agreement that service districts and community councils should be aligned for those business units that interact with the decision-making functions of community councils, i.e., planning, building, licensing (except city-wide programs like taxis), transportation services such as neighbourhood traffic plans

and parking regulations. Many service areas do not relate to the functions of community councils and use boundaries that enhance service efficiency or are delivered city-wide. It would not make sense to alter the service boundaries of these programs.

Perceived problems with the current configuration of community councils and service districts:

- (i) wards and community councils are split between service districts;
- (ii) in some cases staff from one district provide service to more than one community council; and
- (iii) since several community councils meet on the same day, senior staff cannot attend all meetings. As a result, Councillors feel they are not being well served. Councillors also feel that staff who do attend are sometimes not familiar with the by-laws and practices for the particular area.

Perceived benefits of reducing the number of community councils and aligning community council and service district boundaries:

- (i) the potential to create larger, more evenly populated areas (i.e., approximately 600,000 people per council) with eleven Councillors on each (although Scarborough's number of 10 Councillors is unlikely to change unless the Victoria Park boundary changes);
- (ii) the possibility of establishing councils with an "odd" number of members, thus avoiding votes losing on ties;
- (iii) senior staff will be able to attend community council meetings since they will be serving only one council;
- (iv) the configuration will be clearer to staff and the public, especially for front counter services; and
- (v) staff will be able to identify with and build a working relationship with one council.

Proposed process for determining community council number and boundaries:

At its May meeting Council will consider a motion to establish four community councils and to refer the issue of boundaries to the Administration Committee. Since the Policy and Finance Committee will be considering the governance changes outlined in this report, it would be appropriate for the matter of community council boundaries to be referred to the Policy and Finance Committee, rather than the Administration Committee.

During the previous community council discussion in 2000, there were 17 boundary options for four community councils. It is recommended that the Chief Administrative Officer review and report on these options to the Policy and Finance Committee for its meeting on June 12, 2003.

Recommendation:

For immediate action and subsequent implementation with the new Council term:

It is recommended that:

- (i) upon commencement of the new Council term, the number of community councils be reduced to four, and
- (ii) the Chief Administrative Officer report on boundary options for four community councils to the Policy and Finance Committee meeting of June 12, 2003.

Community Council duties:

Council requested that the governance review consider the matter of providing funding to community councils and vesting them with the power to make discretionary changes to service levels for such matters as leaf collection, parks and recreation user fees, sidewalk snow clearing, frequency of yard waste collection and street cleaning.

Under the *City of Toronto Act* and the *Municipal Act*, committees of Council are restricted in their ability to make final decisions. Ultimately, all decisions pertaining to local service levels must be approved by City Council.

Standing committees are responsible for providing direction, setting priorities within the committee's policy envelope, ensuring co-ordination among related policies, programs and services and for making policy recommendations to Council. Community councils are responsible for making recommendations on local planning and development, traffic, and parking matters and on certain by-laws.

While it is widely agreed that "one size fits all" should not be the principle on which service delivery is based, community councils are an artificial construct to drive service planning and customization. Other models are being used successfully, for example the community services and health areas use a service planning model based on 144 neighbourhoods. One possible role for community councils would be to monitor service delivery and provide input to Council on the effectiveness of services.

While there may be perceived benefits to providing funding and empowering community councils to make service delivery decisions, there are many disadvantages. Providing community councils with this power would challenge

Council's capacity to set priorities and accurately assess the impacts of expenditure decisions and would call into question the role of standing committees in making service policy recommendations to Council. This change would also require funds to be diverted from elsewhere. Legislative amendment would be required for any such delegation of final decision making to community councils to occur.

(f) Ad hoc and Advisory Committees, Advocates:

A key issue that emerged during the review was the abundance of political ad hoc and advisory committees (including political task forces and council reference groups) and the advocate positions held by some members of Council, and their roles within the governance structure. One specific concern is that the unchecked creation of these bodies increases the workload for members of Council and for staff thus diluting the capacity of the governance system overall.

Although attempts have been made by Council to control the establishment of ad hoc and advisory committees and advocate positions, they continue to be created without consistent terms of reference, sunset provisions, or information about their staffing and other resource requirements, and they sometimes have overlapping or duplicate mandates.

While the problems relate mainly to political ad hoc and advisory committees, some concern was also voiced with respect to citizen-composed advisory committees that are established to provide advice to program areas. The major issue for these committees is that more flexible procedural rules are necessary. For example, if the procedural rules of the Municipal Code are applied, rules of quorum come into play. If quorum is not met, the meeting cannot proceed, even though these committees are not decision making bodies, and are outside the formal committee structure.

Specific concerns were raised with respect to the advocate positions:

- (i) there are often no specific duties, expectations or accountabilities set out for these positions;
- (ii) there are no consistent rules about how they report out, or about their relationship to standing committee mandates;
- (iii) in some cases advocates give work direction to staff directly, by-passing the usual process wherein staff is given direction from standing committees and Council; and
- (iv) some suggested that advocate positions should be considered only for very specialized purposes that are clearly not covered in the mandates of standing committees, and that to create these positions arbitrarily reduces their validity and effectiveness.

Recommendations:

For immediate action and subsequent implementation with the new Council term:

It is recommended that the Chief Administrative Officer and the City Clerk, in consultation with all departments, undertake a review of the informal components of Council's decision making structure (ad hoc committees, advisory committees and advocates), and report on a rationalized system to be used in the next Council term.

(g) Meeting cycle and process:

The consultation process raised several concerns that are symptomatic of problems with the meeting cycle and process, including:

- (i) lack of time to read and understand council-committee documents prior to making decisions;
- (ii) lack of a streamlined process to avoid multiple printings of council-committee reports and material;
- (iii) profusion of late items and walk-on items at standing committees; and
- (iv) proliferation of notices of motion at Council and the concern that all pertinent information is not available when decisions are made in this manner.

The City Clerk has initiated work on these and other process issues and plans to report in the new term of Council specifically addressing the implementation of improved document and information management practices, improvements to the current report format, and procedural changes to improve meeting management.

In the meantime, several new or different approaches were identified during the review that might help to alleviate these problems and improve Council's decision making.

Agenda Management:

To function effectively Council must have the ability to co-ordinate and manage the information coming to it from the committee process. Several options for meeting cycle and process improvement changes that could be implemented over time are discussed later in this section.

However, there is a need to assist Council and the Chair to identify key items for deliberation and to group items on the agenda, to ensure co-ordination and integration of related matters, and to institute better time management mechanisms. The current agenda management system of the Mayor and Deputy Mayor in consultation with the Chief Administrative Officer, the City Clerk and

the Commissioners requires strengthening. It would be appropriate to refer the issue of agenda management to the incoming Mayor, in consultation with the Chief Administrative Officer and the City Clerk, to review and report on options for improved agenda management mechanisms.

Recommendations:

For referral to the incoming Council for consideration and action:

It is recommended that the:

- (i) City Clerk report to the proposed ad hoc committee on governance on current work being undertaken in the area of procedural change and meeting management; and
- (ii) incoming Mayor, in consultation with the Chief Administrative Officer and the City Clerk, review and report on options for improved Council agenda management mechanisms.

Parliamentary mechanisms:

Municipal Councils typically use a decision making process based on new business being introduced at committee and forwarded to City Council. One result of this system is that there are relatively few opportunities for new business to be presented. This can pose timing problems for matters where authority must be obtained on routine matters, and has resulted in a growing number of notices of motion introduced at Council for time sensitive matters, and in late items and walk-on items at committee.

Increasing the frequency of Council meetings is one way to increase the opportunities for deliberation of new business. However, this change is regarded as an ineffective solution, with concern that any new meeting opportunity will soon be filled to capacity. Another option would be to change the way in which business moves through the decision making process, possibly introducing some aspects of a parliamentary system.

One example of a parliamentary mechanism would be to introduce new business at Council and refer items requiring debate to committee. Those matters that members do not wish to debate or for which no member of the public wishes to make a presentation could be approved by consent. A variation would be a process where some items such as those requiring public hearing go directly to committee.

Another parliamentary approach would be to have Council meet in ongoing sessions such as those at the provincial and federal level, rather than on a monthly cycle.

Some raised the possibility of creating a speaker position. The role of this position might be to assist the Chair in maintaining order in the chamber and to manage procedural activities. However, this change would require legislative amendment since the *Municipal Act* set out the duties of the Mayor including presiding at Council and maintaining order.

Recommendations:

For referral to the incoming Council for consideration and action:

It is recommended that the proposed ad hoc committee on governance consider longer term meeting cycle and process changes to improve Council's decision making process.

(h) Changes requiring legislative amendment:

There are several governance changes that Council could consider but which require provincial legislative amendment. These include:

- (i) seeking legislative change to provide some final decision making power to the Mayor, or to a sub-set of Council such as an executive committee, standing committees, or community councils; and
- (ii) seeking legislative change to provide restructuring powers to Council to change the composition of Council, the method of election (at large vs. ward based), or the number, boundaries or names of wards.

These are long term governance changes that Council may wish to pursue during the next term.

Recommendation:

For referral to the incoming Council for consideration and action:

It is recommended that the proposed ad hoc committee on governance review provincial legislative amendments that Council may wish to pursue in the areas of additional decision making delegation and the re-instatement of certain municipal restructuring powers.

(i) Council's delegation framework:

In 1999 the City Solicitor reported on Council's legal authority to delegate decision making power to committees and to staff. Since that time the new *Municipal Act*, 2001 has passed into law. In light of this change, it is recommended that the Chief Administrative Officer and the City Solicitor, in consultation with all departments, report on any changes to Council's delegation authority, or to the delegation framework within which the City operates, resulting from the new *Municipal Act*. This report should be prepared in the

context of a related report that is coming forward from the Chief Administrative Officer on achieving an improved legislative framework for the City of Toronto.

Recommendation:

For referral to the incoming Council for consideration and action:

It is recommended that the Chief Administrative Officer and the City Solicitor, in consultation with all departments, review and report to the proposed ad hoc committee on governance on any changes to Council's delegated decision-making authority, or to the City's delegation framework, in light of the new *Municipal Act*, and that this review be undertaken within the context of related work on achieving an improved legislative framework for the City of Toronto.

Conclusion:

The recommendations in this report take into consideration the short time left in the current term of Council, focusing on minor changes that could assist the incoming Council to improve its decision making and on establishing a process to consider longer term, more fundamental governance changes.

These recommendations result from an in-depth review and analysis of the current governance system, consideration of governance models used in other jurisdictions, and an extensive consultation process with members of Council and staff.

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List of Attachments:

- (1) Terms of Reference for proposed ad hoc committee on governance
- (2) Governance Review Discussion Paper, including:
 - (i) Summary of Jurisdictional review
 - (ii) Summary of agenda data analysis

Appendix 1
Ad Hoc Committee on Governance: Terms of Reference

(1) Timeframe:

The committee will be established immediately upon commencement of the new Council term and will operate for the 2003-2006 term of Council. Progress will be reviewed at that time.

(2) Reporting Relationship:

The committee will report to the Policy and Finance Committee.

(3) Composition:

Composition will be a five to seven Council members.

(4) Meeting Schedule:

Meetings will be held as required, or at the call of the chair.

(5) Staff Support:

Work program support will be provided by staff of the Chief Administrator's Office, Strategic and Corporate Policy Division, the City Clerk's Office, and the Legal Division, with input from other departments and divisions as required.

Meeting administration support will be provided by staff of the Chief Administrator's Office, Strategic and Corporate Policy Division.

(6) Mandate:

The committee will consider and make recommendations on the following matters:

- (a) Options for a more typical municipal executive committee including: changes to the mandate and composition of the Policy and Finance Committee; options to improve integration of key corporate wide matters requiring strategic direction and control; defining ways to increase the ability of the Committee to co-ordinate Council's policy agenda and better integrate financial implications of major new policy initiatives.
- (b) The role and membership of the Budget Advisory Committee and the manner in which Council reviews the budget through its committee structure.
- (c) Options to clarify and/or strengthen the Mayor's role in the appointment process.
- (d) The distribution of standing committee responsibilities, meeting cycle and process, considering changes that would clarify the flow of issues into the

standing committee structure (what goes where), and changes that would allow routine or transactional matters to be dealt with more quickly.

- (e) Meeting cycle and process changes to improve Council's decision making, including current work being undertaken by the City Clerk in the area of procedural change and meeting management.
 - (f) Provincial legislative amendments in the areas of additional decision making delegation and restructuring powers.
 - (g) The establishment of a Members' Services Committee to monitor and make recommendations on Council members' administrative issues.
 - (h) Additional governance matters identified by the committee.
 - (i) The ad hoc committee will monitor the effectiveness of the governance system during the 2003-2006 term of Council.
- (7) Work plan and Reporting Timeframe:

The committee will develop a work plan and reporting timeframe and will report within the first 12 months of the next Council term on the substantive governance matters outlined in section 6 (mandate) and will report on a regular basis on additional matters as required.

(A copy of a discussion paper dated April 2003, from the Chief Administrator's Office entitled, "City of Toronto Council Governance Review", was forwarded to all Members of Council with the May 8, 2003, agenda of the Policy and Finance Committee and a copy thereof is also on file in the office of the City Clerk, City Hall).

The Policy and Finance Committee submits the following joint communication (May 5, 2003) from Mr. John Sewell, Mr. George Milbrandt and Mr. David White:

We have read the reports prepared by the Chief Administrative Office staff on Council governance, and believe they are a useful start on a difficult and complicated question.

We see two problems with engaging in significant change at the current time. First, these are issues of great interest to and impact on, residents in the city, yet very little has been done to engage them in discussion. Until there is good structured public discussion – which must be preceded with a publicity campaign to make the issues and ways to resolve them known – it would not be wise to implement changes. This kind of discussion would take four or five months, which means it would be difficult to conclude before the municipal election in November. Perhaps it should begin before the election, but it should certainly not conclude before it.

Second, council is headed into an election and most councillors will be distracted enough trying to perform their elected functions and direct their own re-election campaigns to take on the added burdens of directing structural change. Discussion might be organized by staff and consultants, but decision-making is a matter for the councillors, most of whom would be otherwise occupied.

However, there are things that could happen. Debate could get underway – that debate might help structural issues to get on to the election agenda, which would be a good thing – and actions could be taken to help the council elected in November proceed quickly to address governance issues. We believe this is a reasonable course of action.

To that end, we propose three recommendations flowing from our brief, that:

- (1) it be recommended to the Council elected in November 2003 that it should appoint an independent commission to study and report on the larger issues around the structure of local and citywide government in Toronto.
- (2) consideration be given to implementing a more independent style of departmental management, as suggested in the brief, by making the chief administrative officer into more of a co-ordinator, and creating departments which report independently to council.
- (3) consideration be given to creating an Executive Committee with limited powers to co-ordinate administrative and political issues.

Issues around Council Governance

This report responds to the reports of staff of the CAO's office on the Council Governance Review, and suggests three issues that require priority attention.

- (1) Reviewing the mega-city structure:

City Staff's mandate in conducting the Council Governance Review was limited. One issue they were not mandated to review was the functioning of the mega-city itself.

The mega-city has been in place for more than five years, and it is time it was seriously reviewed to determine how it is working and what changes should be made. From a citizen's viewpoint there are a number of worrisome observations about how it is functioning:

- (a) City Council's process is beset by lobbyists who often seem to have more influence than neighbourhood representatives;
- (b) Council business is so overwhelming that most councillors are overworked and rarely have a chance to attend to all the matters that require their attention. In addition, they often do not have the time to inform themselves of and comprehend neighbourhood concerns outside of their own wards;

- (c) All neighbourhoods in the city are not favoured with high quality services, perhaps because they need – but are not getting - different levels of services which the mega-city has difficulty delivering; and
- (d) Citizen access to both local and citywide decisions has been made very difficult. Many citizens feel they have been disenfranchised.

The best way to respond to these legitimate complaints is to assess the current government structure, and ascertain whether it should be amended and/or changed - and in what ways. Toronto needs the best system of governance possible so all neighbourhoods can be good places to live and work.

This review is large and potentially controversial, and is not something that can be undertaken by staff. It would be best accomplished by a strong and independent process, one committed to creating a vibrant local democracy that serves neighbourhoods as well as the city as a whole. City Council should establish a commission composed of at least half a dozen individuals (but no more than 15), respected in the community, knowledgeable of local government and reflecting the diversity of Toronto, to undertake this task.

The commission should lead a public debate in a transparent manner, prepare reports, and within 12 months of being established, issue a report with recommendations for change to be put in place for the Council elected in 2006. Council should agree that before changes are proposed, there should be a reasonable acceptance by the residents of the city of the proposed changes. To ensure this occurs, Torontonians should be asked to vote on the proposals and/or any obvious alternatives by the middle of the 2004-06 term of council.

The establishment of such a review commission should be a first order of business for the City Council elected in November 2003. This council should propose such a commission to the new council, which will help ensure the idea receives some attention in the November election.

- (2) Clarifying and improving the role of senior staff:

One of the most significant changes at City Hall in the last five years has been the staff's loss of professional status. In the past staff were prized for their professional advice and the independent approach they took to issues their concern. Now they often seem to be giving advice that reflects more a political agenda than the reasonable reflections of experts.

At the same time as one senses this loss of honest opinion, many reports seem simplistic. City issues are complex and difficult, closely intertwined with other issues, but this complexity is rarely present in staff reports. Perhaps this is because these reports are written with a view to serving political masters rather than being the expression of independent professional advice.

There has also been a noticeable tendency for the Mayor's Office to take unreasonable charge of the city staff. Some senior officials have privately admitted that clearance is

required from senior politicians before reports are finalized. Given the centralization of the administration under the Chief Administrative Officer – a move that was seen as necessary in the confusion of establishing the mega-city - it is relatively easy for a senior politician to have an undue influence on officials, and “sabotage” their sense of professionalism.

One should also note the accompanying loss of transparency within the civil service. Currently civil servants report upwards through a long chain of command so that the normal differences between experts working in areas that often compete in interest are smudged. One set of opinions is rejected for the benefit of another before the public has the opportunity to hear the various viewpoints. Members of the community are unable to actually determine the interests that have been set aside and the ways in which this has occurred.

In order for the public to be able to rely on the professional expert advice and opinions given by staff, these controls must be loosened. The starting point is to disband the centralization within the administration and to establish independent centres of expertise. The office of the Chief Administrative Officer should become a co-ordinating agent, and separate departments, each headed by a commissioner appointed by City Council and each reporting independently to Council, should be established as centres of expertise.

In this model, department heads would not have to compromise their position in reports to Council. The lead department reporting on an issue – sometimes that would be the CAO’s office, sometimes it would be a lien department - would note the opinions provided by other departments and attempt, where possible, to resolve them in the report. When this is not possible, the report would simply state the differences and propose a resolution. In these unresolved situations, it is City Council that would make the political decision about which interest deserved priority.

Some co-ordination of departments is needed. A Committee of Heads, consisting of all commissioners, chaired by the Chief Administrative Officer, can provide this co-ordination. The committee would meet regularly, once a week in private, to sort out responsibilities flowing from decisions at Council and committee meetings. Since each department would be able to present its views clearly and without compromise, there would develop among the heads of departments a healthy sense of collegiality with the recognition that they were serving the public interest, even if on occasions their opinions conflicted.

This more independent department model of management should be discussed as perhaps the best way to begin reforming the civil service to better serve council and the people of Toronto. Departments should be clearly defined or allocated – no more than a dozen departments is appropriate - each with a commissioner appointed by Council, exhibiting strong expertise in the areas of responsibility for that department. The City Solicitor should report directly to Council. The Chief Administrative Officer – maybe renamed the Chief Co-ordinating Officer - will play a leading role in ensuring a sense of independence and transparency for senior staff.

(3) Improving co-ordination at the political level:

City Council needs better co-ordination to sort out administrative matters and to help set priorities at the political level. Everyone benefits from this kind of political and administrative clarity – the politicians, the administration and the public.

An Executive Committee that is broadly representative of City Council could achieve this goal. The best way to ensure broad representation is for election of councillors to the Executive Committee by the Council itself at the beginning of each term of council (it may be possible to also have an election for the Executive within the term of council, say half way through). To ensure that the Executive Committee serves Council in these two roles certain rules must be put in place:

- (1) No member of the Executive Committee should be permitted to chair any standing committee. This will ensure that the Executive Committee is not a depository of those who already have power. It will also ensure that the attention of members of the Executive Committee is not distracted by other duties.
- (2) The Executive Committee should have no formal powers over the Council. It should not have the ability to interfere with the recommendations of standing committees that are going forward to City Council, unless they conflict with existing policy, or require new funding allocations. In these situations the Executive Committee should be permitted to make recommendations on the issues of priority and funding, although these recommendations can be overturned by a simple majority vote of Council.

The Executive Committee could consist of the Mayor and either four or six councillors. All committee recommendations would be through the Executive Committee on their way to Council, subject to the conditions mentioned above.

This kind of arrangement helps to ensure that power is shared among all councillors rather than concentrated among a few. It would not delay decision-making since the Executive would not be in the game of second-guessing. This model is far superior to a Board of Control, which would be in direct competition with Council and would consist of people vying for the mayor's chair. It should be made part of the active discussion of needed changes.

Conclusion:

We suggest the following actions:

- (1) Recommend to the incoming council that it appoint an independent commission to study and report on the larger issues around the structure of local and citywide government in Toronto.
- (2) Consider implementing a more independent department style of management for the City of Toronto as suggested here by making the chief administrative officer into more of a

co-ordinator and creating departments which report independently to council, as outlined in this brief.

- (3) Consider creating an Executive Committee with limited powers to co-ordinate administrative and political issues, as outlined in this brief.

The Policy and Finance Committee also had before it the following communications and presentations which were distributed at the meeting of the Policy and Finance Committee on May 8, 2003, and copies thereof are also on file in the office of the City Clerk, City Hall:

- (May 8, 2003) a presentation paper entitled, "Overview of CAO Reports";
- (May 7, 2003) from Mr. Russ Armstrong, Acting President, Local 79, Canadian Union of Public Employees (CUPE); and
- (May 8, 2003) a further presentation paper entitled, "Overview of CAO Reports".

The Chief Administrative Officer made a presentation to the Policy and Finance Committee in connection with the foregoing matter and filed a copy of her presentation material in regard thereto.

The following persons appeared before the Policy and Finance Committee in connection with the foregoing matter:

- Mr. John Sewell and Mr. George Milbrandt and filed a written submission in regard thereto;
- Ms. Janet Davis;
- Mr. John Cartwright, President, Toronto and York Region Labour Council; and
- Mr. John Papadakis.

The following Members of Council also appeared before the Policy and Finance Committee in connection with the foregoing matter:

- Councillor Anne Johnston, Eglinton-Lawrence;
- Councillor Irene Jones, Etobicoke-Lakeshore;
- Councillor David Miller, Parkdale-High Park; and
- Councillor Denzil Minnan-Wong, Don Valley East.