

**Toronto Computer Leasing Inquiry
Research Paper**

MUNICIPAL GOVERNANCE

**Volume 2: City of Toronto Issues and
Recommendations**

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Executive Summary and Summary of Recommendations

Part 1: Introduction

This report focuses on governance issues and challenges currently faced by the City of Toronto as well as recommendations for potential changes to political and administrative governance, including:

- An overview of the governance provisions of the *City of Toronto Act, 1997* and the City of Toronto Municipal Code.
- A summary of the findings and options described in the City's own *Governance Review Discussion Paper* from April 2003.
- A description of current governance issues and challenges facing the City of Toronto.
- A set of recommendations for strengthening governance at the City of Toronto.

This report builds on the information presented in the Toronto Computer Leasing Inquiry Research Paper *Municipal Governance: Volume 1*, including:

- An overview of major different models of political governance and administrative structures at the municipal level.
- A discussion of the effectiveness of the different models.
- An overview of the governance provisions of the new Ontario *Municipal Act, 2001*.

The research for this report included over 1,400 pages of documents and interviews with 28 individuals including current and former municipal officials

including a number of former elected and non-officials, provincial government officials, academics, representatives of provincial associations, and legal experts. Documentary resources included legislation, government reports and research/policy documents, public proceedings, correspondence, academic and other expert analysis/writings, opinion pieces, etc.

Part 2: City of Toronto Acts & City of Toronto Municipal Code

City of Toronto Act, 1997

Under this legislation, the City of Toronto is subject to a number of limitations/special provisions that are not placed on Ontario municipalities in general, including:

- The Mayor of Toronto must be elected at large.
- Councillors are to be elected by wards, with the boundaries of the 44 wards prescribed in Regulations under the Act.
- Council does not have the power to make changes to basic elements of its own structure.

The Act authorizes Council to create:

- An Executive Committee.
- Any number of neighbourhood committees and Community Councils with certain limitations on boundaries and membership.

The Act specifies that any matter that can be delegated to Standing Committees, appointed committees, or to appointed officials (i.e. administrative staff) can be delegated to a Community Council. Council may also delegate to Community

Councils any of the functions of a Committee of Adjustment under the *Planning Act*, as well as management of recreational facilities.

City of Toronto Municipal Code

The Municipal Code sets out the next layer of municipal governance structures.

This includes:

- Additional roles and responsibilities for the Mayor and other Councillors.
- The City's system of Committees.
- The agenda process.
- The high-level roles and responsibilities of elected officials and administrative staff.

As a general observation, the system set out in the Code is one that:

- Is decentralized in terms of a wide range opportunities for Councillors to participate through various Standing and other Committees that generally have recommending powers.
- Is centralized in terms of decision-making in that Council (as opposed to Standing Committees or Community Councils) retains decision-making authority for virtually all decisions that have not or cannot be delegated.
- Provides for a multiplicity of layers and points of interface between Council (as a whole and in the various committees) and the administrative staff.

Part 3: City of Toronto Governance Review Discussion Paper

This discussion paper is focused on raising issues and identifying options – it does not include a set of formal recommendations. The issues and options as presented are primarily:

- Whether and to what extent to create an executive committee and/or more empowered Mayor.
- Whether to change the configuration of Standing Committees and to give those Standing Committees more decision-making authority.
- Whether to change the configuration (number, boundaries) of Community Councils and to give those Councils more decision-making authority.
- Whether to streamline how business is introduced at Council and to establish the position of Speaker.

The paper, however, does not directly address key issues that have major implications for effective governance:

- It relies on current interpretations with respect to the extent to which Council can delegate decision-making authority or other activities.
- It focuses on the decision-making structures of Council and does not deal with the very significant governance issue of the appropriate division of roles and responsibilities between Council and administrative staff.
- It does not deal with the critical area of the culture of governance at the City of Toronto – the operating values that are reflected in individuals, both political and administrative.

The report identifies the following governance areas of concern based on interviews with Councillors and senior staff:

- Executive powers/an executive committee as a vehicle for improving coordination and integration of major policy and financial decisions.
- Standing Committee workload and unevenness in terms of degree of attention that issues receive.
- Changes in the number of Community Councils with the potential for enhanced decision-making.
- Potentially reducing the number of ad hoc committees, advisory committees, and advocate positions
- Concerns about effective agenda management and the lack of time to read and understand material before Council is asked to make a decision.

Key options presented in the paper include:

- Creating an Executive Committee.
- Potentially increasing or reducing the number of Standing Committees as well as the delegation of more decision-making to Standing Committees.
- Reducing Community Councils from four to six as well as potentially providing them with funding for discretionary services.
- Rationalizing/scaling back on the number of ad hoc, advisory and other committees.
- Changing the frequency of meetings or points of introducing new business as means of streamlining Council agenda.
- Potentially creating a speaker position.

Part 4: Toronto's Governance Issues

The following are the major issues identified through the research and interviews:

An Evolving Operating Culture: Since its inception, developing a new consolidated culture within the City has been a subject for discussion and of a number of initiatives. However, the consensus is that Toronto's operating culture has not yet fully matured.

The Transition Process: The Transition Team did not focus sufficiently on the administrative aspects of amalgamation. As a result the intended turnkey operation was not in place from the outset and as such, the process of building and consolidating the new City is taking somewhat longer than otherwise would have been the case.

The City is Still New: There is a general sense that the City is still relatively new and that it is simply too early to tell to what extent governance issues are structural in nature or simply that insufficient time has passed to allow the City – both Council and administrative staff – to develop a clear and consistent approach to how they do business.

Emphasis on Personalities and Relationships: To be effective, the Ontario model of municipal governance relies strongly on personalities and relationships. In governance terms, individual legislators are more important at the municipal level compared, for example, to the federal or provincial level. It was suggested that this flexibility can put considerable additional strain on Councillors and administrative staff.

A Larger and More Complex City: Toronto is not like other municipalities by virtue of its very large Council, very large bureaucracy, and the higher volume of issues, including larger and more complex issues. It may be unrealistic to expect

that the standard model of governance in Ontario (council and policy committees) will work as well in this kind of setting.

Size of Council: A larger Council presents additional governance challenges for Council, the Mayor, and staff, e.g. harder to get consensus, more time consuming for the Mayor to exercise leadership/build coalitions, harder for the CAO and senior staff to build a trust relationship, etc. A smaller Council would make the City less representative and Councillor workload too demanding. The alternative would be to streamline and decentralize decision-making to a greater extent than has happened to date.

Strategic Focus: The research input was generally critical of Council with respect to strategic focus – not because quality strategic plans are not developed, but rather because Council is not seen as using these plans to drive subsequent policy, program, and budgetary decisions. The general sense is Toronto would benefit from citywide strategic planning and decision-making having a higher profile with Council and moving away from what many perceive to be an overly operational or ward-based focus on the part of Council.

Political Party Alignment: In Ontario, there is a strong attachment to the notion of a non-partisan Council as a central underpinning of good governance and good government for Ontario municipalities. The view is strongly expressed that most municipal decisions are very local and practical in nature and as such do not relate to party values/platforms. In the absence of party discipline, there is a greater onus on consensus building that in turn leads to better public policy.

Delegation of Authority: An aggressive and robust approach to delegation of authority emerges as an essential part of effective municipal governance, particularly for larger municipalities. The general perception is that Toronto City Council has been more inclined to see itself as responsible for managing the City and therefore less inclined overall to delegate to the staff and also has more time

to oversee staff. The situation is exacerbated by narrower legal interpretations relative to Council's powers to delegate either to Committees or to administrative staff. It is also believed that one of the consequences of the recent computer leasing matter will be further retrenchment by Council with respect to delegating both decisions and activities to staff, rather than strengthening its role and focus on approving policies and policy guidance for staff decision-making and more robust and risk-based mechanisms for holding the CAO accountable.

Clarity of Roles and Responsibilities: Having clarity relative to the respective roles and responsibilities of Council and administrative staff is arguably the most important aspect of effective municipal governance. This includes roles and responsibilities descriptions that are carefully thought through, well defined in operational terms, and that are embedded/reinforced in the operating culture of the municipality. Toronto is not seen at present as having a well-defined breakout of roles and responsibilities that are generally understood and/or accepted in both theory and practice. Observers generally perceive that the dividing line is blurred from both the political and administrative ends of the spectrum.

Relationships between Individual Staff and Councillors: At the municipal level in Ontario, there is much closer contact between public servants and individual legislators than is the case provincially or federally. With respect to Toronto, however, the general perception is that there is more *clientism* than would be considered healthy in a leading or *best practice* municipality. *Clientism* in this case apparently refers to public servants who are very politically inclined/who cultivate direct relationships with Councillors and vice versa.

An Executive Committee: Executive Committees are generally seen as useful for ensuring strong political leadership, direction, integration, etc. particularly with a large Council as per Toronto. However, they are viewed by some as having the potential to create more problems than they solve depending on whether an Executive Committee's authority is accepted by Council. The general view is that

past Toronto Councils have had difficulty with the notion of delegating at least a measure of political and strategic leadership to an Executive Committee, often including suggestions that such a measure would somehow be “anti-democratic” compared to the current situation. As such, it would be essential for an Executive Committee in Toronto to have a representative membership that balances the Mayor’s and Council’s interests and in doing so ensures democratic representation.

The CAO: The CAO model as the professional head of the public service is still relatively new to Ontario municipalities. Many Councils have not either understood or perhaps accepted what this means for their role. At the City of Toronto, the role of the CAO is articulated at a high level on paper, but the general view from the research is that the practical reality has been much more fluid and not consistent with the demands and requirements of such a large, complex organization.

Community Councils: Community Councils were originally envisioned in the *City of Toronto Act, 1997* as a tool to streamline Council decision-making and to allow the debate at Council to focus on more citywide and strategic considerations. However, the necessary delegation has not taken place. The prevailing view within the City was that this would weaken Council and generally weaken and fragment the overall effective management of the City. Externally, Community Councils are viewed by many as generally being responsible enough to make final decisions in many areas, although significant concerns exist with respect to discretionary service level decisions.

Respect and Decorum: A high standard of decorum in the relationship between and among Councillors and with the public service is critical to effective municipal governance, including a climate of courtesy, mutual trust, and respect. Toronto Council is generally recognized within the municipal sector for its demonstrated lack of respect between Councillors and, even more notably, with the public

service. Consistent with this recognition, Council is not viewed as having a clearly understood and/or enforced set of protocols or expectations with regard to what constitutes appropriate behaviour within Council or towards public servants.

Power of the Bureaucracy: An ongoing source of tension between municipal Councils and administrative staff is the perceived increase in the power of the bureaucracy relative to the power and influence of individual Councillors. In Toronto, this is exacerbated by the challenge of a large Council having to supervise the staff with “one voice”. It was also suggested that the situation is further complicated by the need for greater clarity and consistency in terms of roles and responsibilities. A closely related issue is the widely perceived lack of confidence in the public service that is often demonstrated by individual Councillors and on occasion by Council as a whole. It was suggested that this would likely become more intense in the wake of the recent computer leasing matter but that it was firmly in place prior to these events. Some suggested that the “trust issue” is a screen for the more fundamental question of the respective roles and responsibilities of governors and managers.

Training and Orientation: Training and orientation for Councillors and staff is critical to good governance, particularly with respect to understanding in operational terms the respective roles and responsibilities and what constitutes appropriate behaviour. The general sense of Toronto is that efforts in this direction need to be intensified for both staff and Councillors, including substantive and thoughtful time set aside (as in a formal retreat setting) for Councillors to discuss and explore expectations with each other and with senior staff in a collegial format.

Special Operating Agencies: The view was expressed that a city of the size, scope, and complexity of Toronto, with its large Council, cannot be expected to govern strategically in the absence of these more operationally focused arms-length bodies. The challenge appears to be one of how to keep special

operating agencies accountable and responsive to policy direction from elected officials. There are many examples from other jurisdictions of accountability frameworks, memoranda of understanding, appointments processes, etc. that ensure appropriate accountability to elected officials.

Part 5: Recommendations

An overall consensus emerges from the research that governance at the City of Toronto is currently operating at a less than optimal level. However, there is no similar consensus with respect to what action, if any, should be taken, i.e. whether these are simply growing pains that need to be endured or whether the problems can only be addressed through specific structural or other responses.

In general, there is a strongly held view among experts and practitioners that while the *strong council-weak mayor* model, as it currently exists in Ontario may not be perfect, no other approach is likely to be as successful because of the inherent nature of Councils, Councillors, and municipal politics in general in Ontario. According to this view, efforts to improve governance should focus first on ensuring that the right people are in place, with good relationships, and with clear roles and responsibilities, rather than on major structural or legislative/mandate changes.

This does not mean, however, that certain structural changes should not be considered as well. The literature on organizational effectiveness and change management notes that structural change is an important way that organizations send signals about new expectations and reinforce in an ongoing way how business will be conducted in the new world.

Intended Outcomes

The proposed changes generally focus on the following high-level outcomes for the City of Toronto:

- Strong political leadership of City Council and strong leadership of the administrative staff, including a strengthened strategic capacity for Council.
- Greater focus and descriptive clarity with respect to roles and responsibilities.
- An approach to governance that maximizes the benefits of having a large professional bureaucracy that is accountable to elected officials and that ensures that the responsibilities of Council/Councillors are manageable.
- A renewed public climate of respect and professionalism.
- Renewed and sustained efforts to build and stabilize the operating culture of the new City.

A New Deal for Cities

Much of the popular debate with respect to whether Toronto is or can be effectively run as a City continues to focus on the theme of a “new deal” for cities, i.e. that the City cannot be governed properly without adequate financial resources/greater independence from provincial policy decisions.

Access to and adequacy of revenue sources is noted as an important governing challenge and one that has faced virtually all public sector organizations for the past decade or more. For the purposes of this review, however, these challenges are more properly viewed as fiscal and public policy rather than governance challenges. The experts would say that the basic elements of good governance (clear direction, clear roles and responsibilities, effective decision-

making, etc.) are not contingent on, for example, whether an organization's funding is adequate to meet real or perceived needs.

Enhancing Democracy

During the research, it was suggested that measures to strengthen executive leadership, streamline decision-making, and make better use of delegation to staff would be positioned by critics as "less democratic". It is important, however, not to confuse the requirements of *good governance* with the fundamentals of *good government*. The former is about direction, clear roles and responsibilities, and efficient and effective decision-making. The latter is more broadly defined, including effective public engagement, consultation, and input.

In terms of good governance, the recommendations that follow reflect the view that Toronto with its size and 44-member Council requires something more than "everyone and no one in charge". In terms of good government, the recommendations do not set any limits on Council's capacity to engage the public in consultation and meaningful input into decision-making. However, effective public consultation/engagement mechanisms need to be well structured, manageable and appropriate in terms of the role of elected officials, and make effective use of the administration.

1. Roles and Responsibilities

It is recommended that:

- A review of current roles and responsibilities be undertaken with a view to:
 - Developing a shared understanding of the issue at the political and administrative levels.

- More clearly defining and realigning the respective roles and responsibilities.
- This definition and realignment be at a high level (for example, the kind of language that might be appropriate for a by-law) and also in very descriptive/operational terms.
- This more situational/operational understanding become a part of the ongoing training and development of Councillors and administrative staff.
- The CAO be held accountable for ensuring compliance with the new expectations on the part of administrative staff.
- The Mayor be given the lead within Council for ensuring that the operating values of Council are consistent with the new expectations.
- Future governance reviews by the City include issues associated with clarity in roles and responsibilities.

2. Delegation

It is recommended that:

- There be greater clarity and consistency in terms of a common understanding across municipalities of the extent to which different types of decisions and activities can be delegated.
- The municipal community, with Toronto in a major leadership role, undertake a comparative review of delegation interpretations with a view to creating a common operating standard that would guide and inform (as opposed to prescribe) local Councils.
- In light of this review, Council ask the CAO to:
 - Provide advice with respect to changes that could be made in existing delegation to further streamline decision-making and enhance Council strategic focus.

- Institute robust and risk-based reporting/accountability mechanisms so that Council can be assured that decisions and actions delegated to staff are executed in a manner that is consistent with Council direction as set out in policy and strategic directions.

3. Executive Committee

It is recommended that:

- An Executive Committee be established with a mandate to provide coordination and integration to Council's decision-making, to lead the development of Council's strategic agenda, and provide oversight on behalf of Council with respect to its implementation.
- Executive Committee have the authority and responsibility to review and revise Standing Committee and Community Council recommendations in certain types of situations, e.g. major citywide/strategic/financial implications, etc.
- Executive Committee have the responsibility to assist the CAO and senior staff in managing the ongoing interface and boundaries between Council and the administration, including that roles and responsibilities are respected in practice, ensuring high standards of behaviour and decorum, and ensuring that the CAO and the public service are non-partisan and professional.

4. The Mayor

It is recommended that the Mayor's capacity to *influence* decision-making rather than *make* decisions be expanded. This would be accomplished through:

- The Mayor as chair of a more empowered Executive Committee.

- Continuing with the Mayor (or their designate) as Chair of the Striking Committee with the responsibility for recommending Striking Committee members to Council.
- Continuing with the expectation that the Mayor (or designate) will function as head of Council.
- As per the recommendations on roles and responsibilities, charging the Mayor with responsibility for ensuring that the operating values of Council, its Committees, and individual Councillors are consistent with the new expectations.

5. The CAO

It is recommended that:

- Council confirm the role of the CAO as having clear and unequivocal responsibility and accountability for the overall management of the administration and that this clear and unequivocal authority receive special attention within the more general review of roles and responsibilities recommended earlier.
- This more extensive description be embedded in the professional development training of the public service and Council.
- Consistent with this authority, the CAO be given the responsibility to hire, dismiss, promote and otherwise deal with senior staff.

6. Standing Committees

Most of the recommendations with respect to Standing Committees are in effect consequences of other recommendation, as follows.

- As a consequence of creating the Executive Committee, the Policy and Finance, Administration, and Budget Advisory Committees would no

longer be required although subcommittees of Executive Committee may be required depending on workload and the extent of delegation.

- Standing Committee Chairs would be members of the Executive Committee.
- In certain circumstances (already described under the previous recommendations dealing with Executive Committee), the Executive Committee could review and revise Standing Committee recommendations before proceeding to Council.

Based on the reviews recommended earlier with respect to roles and responsibilities and delegation of authority, each Committee would have consistent operating approaches with respect to:

- The extent of delegation and the types of matters/activities that are delegated.
- The respective roles and responsibilities of Committee members and administrative staff.
- Matters that are of strategic and/or financial significance and that should be referred to Executive Committee.

7. Special Committees

It is recommended that:

- The Striking Committee would have an additional responsibility to recommend the other (non-Standing Committee chair) members of Executive Committee, as well as the Standing Committee Chairs.
- The Budget Advisory Committee would no longer be necessary in light of the newly mandated Executive Committee, although Executive Committee could decide to create a budget subcommittee depending on workload pressures/extent of delegation.

8. Community Councils

We support the recent Board of Trade recommendations with respect to Community Councils including the following:

- Community Councils should be aligned with service delivery areas and reduced in number from six to four.
- Council should look to delegate additional decision-making to Community Councils and that these decisions should not need secondary approval of the Council.
- Community Councils should take on a proactive policy role within their Community Council area.
- Community Councils should focus on building better civic engagement.
- Community Councils also should not make decisions in matters that cross boundaries.

With respect to delegated decision-making, it is also recommended that additional delegation to Community Council take place based on the results of the reviews of roles and responsibilities and delegation already recommended in this report.

It is recommended that Executive Committee have an oversight role with respect to Community Councils as part of ensuring consistency and integration with respect to financial and strategic directions.

9. Ad Hoc, Special and Other Committees, Advocates, etc.

It is recommended that:

- Council substantially rationalize and reduce these kinds of special purpose bodies.
- The purpose/intent of these special purpose bodies be realigned within the existing Committee structure and/or assigned to administrative staff.
- The future creation of new special purpose bodies should include a clear understanding of why the matter cannot be addressed either through an existing Committee structure or the administrative staff and emphasize the establishment of time-limited bodies.

10. Special Operating Agencies

In support of future efforts directed at alternative service delivery, it is recommended that Toronto conduct a review of effective accountability mechanisms related to alternative service delivery in place in other jurisdictions with a view to identifying best practices that could be used to inform and shape future City actions.

Part 1

Introduction

The focus of this second and final volume on municipal governance is governance issues and challenges currently faced by the City of Toronto as well as recommendations for potential changes to its political and administrative governance.

In addition to this Introduction, the report is presented in four sections:

- An overview of the governance provisions of the *City of Toronto Act, 1997* and the governance provisions of the City of Toronto Municipal Code.
- A summary of the findings and options described in the City's own *Governance Review Discussion Paper* from April 2003.
- A description of current governance issues and challenges facing the City of Toronto, including factors that are unique to the City as well as common across many municipalities, drawn from the interviews that were conducted during the research phase.
- Flowing from the description of issues and challenges, a set of recommendations for strengthening governance at the City of Toronto.

This report builds on the information presented *Volume 1*, including

- An overview of major different models of political governance at the municipal level.
- An overview of the major different models of senior administrative structure at the municipal level and the relationship with the political level.
- A discussion of whether and to what extent any one particular model is more effective than another.

- An overview of the governance provisions of the new Ontario *Municipal Act, 2001*.

Research Approach

The preparation of the reports on governance included reviewing over 1,400 pages of documents and interviewing 28 individuals. These included provincial officials from the municipal policy field, current and former municipal public officials from various (primarily Ontario) jurisdictions, including some former elected officials, academics from Canada and the U.S, legal experts, representatives from the Association of Municipalities of Ontario and the Association of Municipal Managers, Clerks and Treasurers.

Documentary resources focused on publicly available material (either in print or electronic format), including legislation, government reports and research/policy documents, public proceedings, correspondence, academic and other expert analysis/writings, opinion pieces, etc.

Documentary material was collected on a wide range of jurisdictions including: examples from across Canada, the U.S., Great Britain, Australia, and New Zealand. Sources for these documents included various departments/branches of municipal, provincial, and state governments, academics and researchers, citizen groups, associations representing municipal political and administrative officials, and the media.

Part 2

City of Toronto Act

City of Toronto Municipal Code

City of Toronto Act, 1997

Additional governance provisions affecting the City of Toronto are included in the *City of Toronto Act, 1997*.

Under this legislation, the City of Toronto is subject to a number of limitations/special provisions that are not placed on municipalities in general in Ontario. In some cases, the limitations are fairly fundamental, i.e. Council's general power to reorganize itself. In other cases, they appear to signal a preference for a particular approach to governance, i.e. an empowered executive committee and Community Councils with delegated authority.

Included in the limitations within the Act are the following:

- Councillors are to be elected by wards, with the boundaries of the 44 wards prescribed in Regulations under the Act.
- Council does not have the power to make changes to basic elements of its own structure (within the normal confines of the *Municipal Act, 2001*) including:
 - The number of Councillors.
 - The number and boundaries of Wards.
 - The method of electing councillors (at large vs. by ward).

The Act does not restrict Council's ability to establish Standing Committees and specifically authorizes Council to create:

- An Executive Committee, without defining its powers/scope (an Executive Committee as another form of Standing Committee is already provided for under the *Municipal Act, 2001*).
- Any number of neighbourhood committees and Community Councils with the following limitations:
 - Community Councils are considered to be committees of Council for all purposes.
 - All urban areas of Toronto must be included.
 - Ward boundaries cannot be divided among neighbourhood committees/Community Councils.
 - Only City Councillors may be members of Community Councils.

In terms of delegation to these Committees, the Act specifies that any matter that can be delegated to Standing Committees, appointed Committees, or to appointed officials (i.e. administrative staff) can be delegated to a Community Council.

In addition, Council may delegate to Community Councils any of the functions of a Committee of Adjustment under the *Planning Act*, as well as management of recreational facilities, including incurring expenses as per approved budgets. The Act also provides that Council is obliged to pass bylaws as recommended by Community Councils if they relate to a function assigned to the Community Council and if the recommended by-law does not exceed allocated funds.

City of Toronto Municipal Code

As described by the City, the City of Toronto Municipal Code is a plain-language compendium of bylaws arranged in chapters by subject, along with comments and references intended to make it easier to see the current status of a bylaw and any recent amendments. The Code includes the various by-laws that relate to governance structures, powers, and roles and responsibilities.

The following is a summary of the key governance components of the Municipal Code of the City of Toronto. This material draws on information presented in the City of Toronto *Council Governance Review Discussion Paper* (April 2003).

The Municipal Code sets out the next layer of municipal governance structures. This includes:

- Additional roles and responsibilities for the Mayor and other Councillors.
- The City's system of Committees.
- The agenda process.
- The respective roles and responsibilities of elected officials and administrative staff.

As a general observation, the system set out in the Code is one that:

- Is decentralized in terms of a wide range of opportunities for Councillors to participate in various Standing and other Committees that primarily have recommending powers.
- Is centralized in that Council (as opposed to Standing Committees or Community Councils) retains decision-making authority for virtually all decisions that have not or cannot be delegated.

- Provides for a multiplicity of layers and points of interface between Council (as a whole and in the various committees) and the administrative staff.

Additional Powers of the Mayor

Under the Toronto Municipal Code, City Council has established the following duties of the Mayor, in addition to the various responsibilities under the *Municipal Act*:

- The Mayor is a member of all committees and is entitled to one vote.
- The Mayor chairs the Policy and Finance Committee, the Striking Committee and the Nominating Committee.

However, the Mayor may designate the Deputy Mayor as chair of the Policy and Finance and Striking Committees, and any other member of Council to chair the Nominating Committee. The Mayor recommends to Council the membership of the Striking Committee.

Under the Toronto Municipal Code, City Council has established the duties of the Deputy Mayor as:

- A member who is not the chair of any Standing Committee or Community Council, appointed by Council by-law as Deputy Mayor to assist the Mayor and act from time to time in the place and stead of the Mayor when the Mayor is absent from the City, or is absent through illness, or the office of the Mayor is vacant, and while so acting, such member has, and may exercise, all the rights, powers and authority of the Mayor, save and except the by-right-of-office powers of the Mayor as a member of a Community Council.

As described by the City, Councillors play both a legislative role and a constituency role. In their constituency role, Councillors are responsible for consulting with the constituents they represent through the electoral system, and for ensuring that all sides of an issue are considered in the decision-making process. Councillor work encompasses issues that are of citywide significance as well as ward based and local neighbourhood issues. To carry out this multifaceted role effectively Councillors serve on various components of the committee system. A typical Councillor's workload includes:

- Chair or member of a Standing Committee.
- Chair or member of a Community Council.
- Chair or member of an average of fifteen additional committees and boards such as sub-committees.
- Special committees, ad hoc committees, advisory committees, task forces, boards of management, and program operating boards.

Standing Committees

The current system of committees includes the following:

- Six standing policy committees of Council.
- Six (and now, with changes passed in the fall of 2003, four) geographic Standing Committees in the form of Community Councils.
- Five special purpose committees: Striking Committee, Nominating Committee, Audit Committee, Budget Advisory Committee, and Ethics Steering Committee.
- A variety of ad hoc and advisory committees.
- Advocates: individual Councillors with responsibility for advocating to Council on certain issues, e.g. children and youth, disability, diversity, etc.

The Code sets out the general duties of Standing Committees as follows:

- Provide direction, set priorities and ensure co-ordination among related policies, programs and services.
- Provide a forum for public participation and for detailed discussion of the City's decision-making.
- Make policy recommendations to Council and recommend priorities within the Committee's budget envelope.
- Consider reports from the corporate administration on implementation of program and policy decisions within the Committee's areas of responsibility.
- Promote accountability and interaction with Council on the part of agencies, boards and commissions of the City.

The Municipal Code also sets out Standing Committee authority for making awards within the procurement process for contracts between \$2.5 and \$5.0 million, where the award is based on lowest price.

Standing Committees are expected to operate within the following underlying principles:

- Each Standing Committee shall report to Council.
- Every Councillor shall sit on one Standing Committee.
- The Mayor is a member of every Committee and when present, is entitled to vote.
- Each Standing Committee is composed of eight members plus the Mayor, except the Policy and Finance Committee, which has 10 members including the Mayor.

- Only members of Council may serve as members of Standing Committees.
- Membership on Standing Committees is rotated every 18 months (i.e., every half-term) unless otherwise specified.
- No member is to chair the same Standing Committee or Community Council in both half-terms except the Mayor.

The general areas of responsibilities for each Committee are presented in *Appendix A*.

Sub-Committees

Standing Committees have a number of subcommittees that can be either to address a time-limited matter or to provide ongoing advice on more detailed matters. Subcommittees report through their respective Standing Committees. Examples include: Personnel Sub-Committee of the Administration Committee, the Grants Sub-committee of the Policy and Finance Committee.

Community Councils

Community Councils are authorized as an option for the City under the *City of Toronto Act, 1997*.

The intention of the Act was to create local vehicles to which Council could delegate decision-making authority for local issues and in doing so, allow Council as a whole to focus on citywide matters. The Act describes the potential functions of the Councils as follows:

- Functions in connection with local planning matters that the *Planning Act* allows the Council to delegate to a committee of Council, an appointed committee or an appointed official.
- The functions of a committee of adjustment under the *Planning Act*.
- The management of one or more recreation facilities located in the area served by the Community Council.

In 1998, the City established six Community Councils. This was recently changed to four in the fall of 2003.

The City describes the duties and authorities as different from those of the policy Standing Committees in that they consider the City's business of a local nature at the community level, and provide a forum for local input into Council decision-making. Their responsibilities generally include making recommendations to City Council on local planning and development matters, as well as neighbourhood matters including traffic plans, parking regulations and exemptions to certain City bylaws (e.g. sign, fence, ravine and tree bylaws). Each Community Council includes several electoral wards and between 300,000 to 600,000 residents.

Each member of Council serves on the Community Council that incorporates his or her ward. The Mayor is a voting member of all Community Councils.

The *City of Toronto Act, 1997*, prescribes certain basic rules that must be followed by Community Councils:

- All of the City must be represented by Community Councils
- A ward may not be represented partly by one and partly by another Community Council.
- Only Council members may be members of a Community Council.
- Each Community Council is a committee of City Council for all purposes

- The chair of a Community Council is elected by that Council's members and in the event of a tie, the chair is to be chosen by lot.

Council has established Community Councils to be recommending rather than decision-making bodies, with the recommending powers primarily related to community-specific matters. They also have a significant community consultation role.

Their neighbourhood-specific recommending powers include:

- Recommendations on neighbourhood matters that require by-laws, e.g. exemptions re fences, signs, ravines, etc.
- Hearing deputations on staff decisions related to construction permits, billings related to snow removal, clearing debris, cutting long grass, etc.
- Nominating citizens to sit on community panels under the Committee of Adjustment panels and recreational facility boards.
- Recommendations to Council on City-initiated official plan and zoning by-law amendments that are not of a citywide nature and on other planning applications that are not of a citywide nature.
- Recommendations to Council on the acquisition or sale of property of local interest valued up to \$500,000.
- Recommendations to Council on city planning policy and research matters that are of not of citywide interest.

On citywide matters, Councils' powers are limited to:

- Considering and making recommendations to the Planning and Transportation Committee on reports from the Commissioner of Urban Development Services on planning applications that are of citywide interest.

With respect to consultation, Community Councils have the power to:

- Involve citizens in neighbourhood issues, identify of recreational needs, monitor community well-being, and report to Council on how well neighbourhood needs are being met.
- Convene community meetings to inform the public of planning applications that are of citywide interest and to hear deputations at community meetings.

Special Committees

In addition to the policy and geographic committees, the City has five special committees that meet on an ongoing basis as required or as determined by the Chair, including:

Striking Committee:

- Makes recommendations to Council on the appointment of the Deputy Mayor, Committee appointments, appointments to agencies, boards and commissions, and the schedule of meetings for Council and its committees.
- Up to seven members recommended by the Mayor and is chaired by the Mayor or Deputy Mayor at the Mayor's discretion.

Nominating Committee:

- Makes recommendations to Council on the appointment of citizens to committees and agencies, boards and commissions.
- Up to eight members of Council, including the Mayor or the Mayor's designate as chair.

Audit Committee:

- Considers the annual external audit of the City's financial statements, including reports from the Auditor General.
- Recommends the appointment of the Auditor General and the external auditors.
- Membership cannot include a Standing Committee chair, Community Council chair or a member of the Budget Advisory Committee.

Budget Advisory Committee:

- Reports to the Policy and Finance Committee.
- Assists the Policy and Finance Committee by co-ordinating the preparation of the capital and operating estimates.
- Duration of the Budget Advisory Committee is limited to the annual budget process.
- Seven members including two from the Policy and Finance Committee and one member each from the other Standing Committees.
- Chair must be a Policy and Finance Committee member.

Ethics Steering Committee:

- Reports to the Administration Committee with respect to policy recommendations and protocols to deal with complaints.
- Reports directly to Council on any recommendation to engage an external investigation of a formal complaint involving non-compliance with the Code of Conduct.
- Responsible for ensuring that policy matters in the Code of Conduct are adequate as guidelines for member conduct, and for establishing new policies.

- Ensures that Council has a process to deal with alleged non-compliance with the Code of Conduct.
- Up to five members, including Mayor or the Deputy Mayor or the Mayor's designate as chair, the Chair of the Administration Committee and the Chair of the Personnel Sub-committee.

Other Committees

From time to time, Council establishes other ad hoc committees, task forces, reference groups, etc. These can be time limited or ongoing in nature. Their membership is open to all members of Council and is not limited to the members of the Standing Committee through which they report. Some of these bodies, such as advisory committees, can include citizens. Examples include the Film Liaison Industry Committee and the Toronto Cycling Committee.

Part 3

City of Toronto Governance Review

Discussion Paper

In this section, we provide a summary of the issues and analysis put forward in the City of Toronto Governance Review Discussion Paper. This Discussion Paper represents the third review since 1998, the latest in an ongoing process of regular reviews mandated by Council.

General Comments on the Discussion Paper

The paper provides an excellent overview of the current governance system in place at the City and attempts to focus the debate on a number of the key governance challenges currently facing the City.

The paper raises issues and identifies options – it does not include a set of formal recommendations. The issues and options as presented are focused primarily on:

- Whether and to what extent to create an empowered executive committee and/or more empowered Mayor.
- Whether to change the configuration of Standing Committees and to give those Standing Committees more decision-making authority.
- Whether to change the configuration (number, boundaries) of Community Councils and to give those Councils more decision-making authority.
- Whether to streamline how business is introduced at Council and whether to establish the position of Speaker.

The paper, however, does not address what we would suggest are key areas that have major implications for effective governance:

- It relies on current City of Toronto interpretations with respect to the extent to which Council can delegate decision-making authority. The general position is that any further delegation by Council beyond the power to recommend as per what currently exists would require provincial enabling legislation. As indicated in *Volume 1* on Governance, the City is viewed to an extent within the larger municipal community and internally as being conservative in this regard and unwilling to consider more aggressive interpretations of its delegation powers that might exist in other municipalities.
- The paper focuses on the decision-making structures of Council, i.e. primarily on the role and function of committees. It does not deal directly with the central and significant governance issue of the appropriate division of roles and responsibilities between Council and administrative staff. As will be discussed in Part 4 of this volume, this issue was identified in the research as a major governance challenge for the City.
- Consistent with its focus on decision-making structures, the paper does not deal with the culture of governance at the City of Toronto – the operating values that are reflected in individuals, both political and administrative. The literature on governance is clear that understanding the importance of culture, and defining and shaping operating values is critical to effective governance. As will be discussed in Part 4, culture emerged from our research as a major governance challenge for the City.

Eight Principles of Good Governance

The paper is framed by a set of eight principles that could be viewed as being more about *good government* than *effective governance* as we define and explore it in this paper:

- *Participation*: Participation by both men and women is a key cornerstone of good governance. Participation can be either direct or through legitimate intermediate institutions or representatives. Participation must be informed, organized and should take into account a society's diversity.
- *Rule of Law*: Good governance requires fair legal frameworks that are enforced impartially and requires the full protection of human rights.
- *Transparency*: Transparency means that decisions taken and enforced are undertaken in a manner that follows rules and regulations. It means that information is freely and directly accessible to those who will be affected by such decisions and their enforcement and that enough information is provided in an understandable form.
- *Responsiveness*: Good governance requires that institutions and processes try to serve all stakeholders within a reasonable timeframe.
- *Consensus oriented*: There are many views in any given society. Good governance requires mediation of different interests to reach a broad consensus on what is in the best interest of the whole community and how this can be achieved.
- *Equity and Inclusiveness*: A society's well being depends on ensuring that all members feel they have a stake in it, do not feel excluded, and have opportunities to improve or maintain their wellbeing.

- *Effectiveness and Efficiency:* Good governance means that processes and institutions produce results that meet the needs of society while making the best use of resources at their disposal.
- *Accountability:* Accountability is a key requirement of good governance. Organizations must be accountable to the public and to their institutional stakeholders. In general, an organization or institution is accountable to those who will be affected by its decisions or actions. Accountability cannot be enforced without transparency and the rule of law.

The key questions for discussion were:

- How does the City of Toronto's current governance system measure up against these principles?
- Which principles should be given emphasis in any future governance system?

Issues Raised in Consultation

In preparing the report, City staff conducted a series of interviews and consultations with Councillors and senior staff with a view to identifying issues and areas of concern. The following is a summary of the findings:

Executive powers/Executive Committee

- Considerable interest in ways in which Council could improve the co-ordination of its policy priorities and effectively integrate major policy decisions and their financial implications.

- Support for a more empowered Executive Committee is offset by concerns about more power for a subset of Councillors on that Committee and less power and influence on decision-making for individual Councillors.
- Concern that corporate matters are currently split between the Policy and Finance Committee and Administration Committee.

Standing Committees

- Overall satisfaction with the Standing Committees.
- Concerns expressed about imbalanced workload between Committees and unevenness between Committees in terms of degree of attention that issues receive.

Community Councils

- General agreement on reducing the number of Community Councils to four and on aligning the boundaries of Community Councils and service districts where appropriate.
- Potential possibility of providing Community Councils with funding to make discretionary changes to service levels.

Ad hoc committees, advisory committees, and advocate positions

- General concern about the proliferation of ad hoc committees, advisory committees, and the advocate positions currently held by some members of Council, and their roles within the overall governance structure.
- Recognition that Council needs flexibility to create special committees but at the same time needs to ensure the integrity of the Standing Committees and their capacity to deal with issues.

The council-committee meeting cycle and process

- Lack of time to read and understand material prior to making decisions.
- Need for improved document management.
- Profusion of walk-ons and late items at Standing Committees.
- Proliferation of notices of motion at Council.
- Potential for changing the frequency of meetings or the entry point for new business in the Council cycle.
- Need for improved agenda management, and the application of parliamentary mechanisms such as a speaker position.

Statistical Profile

The governance discussion paper contains some very interesting statistics (based on 2002 activities) on the type and volume of agenda-related activity.

- 45 percent of Council agenda items come from Standing Committees, 55 percent from Community Councils.
- 76 percent of these matters were adopted without debate.
- 24 percent were held for debate. Of this 24 percent, slightly more than half (13 percent) were considered to be urgent, i.e. required a decision before the end of the meeting.
- Of this 24 percent, slightly less than half (11 percent) were amended.
- Of the amended items, 32 percent were from Community Councils. The remaining 63 percent were from Standing Committees, and 5 percent were from other Committees.

- Although Community Council items accounted for more than half of all agenda items, only 10 percent of all Community Council items (207 items or 6 percent of the total agenda items) were held for debate.
- Of these 207 items, 124 were held by the ward Councillor, 45 by another member of the Community Council, and 38 by a Councillor from another area of the City.

Options

As noted earlier, the paper is focused on raising issues and identifying options – it does not include a set of formal recommendations. The following is a high-level summary of the key options:

Executive Committee Mandate

- A basic reconfiguring of the Policy and Finance Committee into an Executive Committee with no change in mandate.
- Combining the Policy and Finance Committee mandate with corporate resources issues (e.g. from Administration Committee) including human resources, labour relations, property management, certain financial and legal matters, information and information technology, and program reviews.
- In addition to the above, responsibility for reviewing, vetting, and setting priorities among major new policy issues or policy changes with significant financial impact coming forward through the committee process.
- The potential for a requirement of a 2/3^{rds} majority of Council to change or overturn an Executive Committee recommendation (identified as requiring provincial enabling legislation).

Executive Committee Composition Options

- Mayor as chair plus Standing Committee and/or Community Council chairs.
- As above, but a further number of appointees from within Council.
- Mayor as Chair, Standing Committee chairs, TTC Chair, and an elected member from the Toronto Police Services Board.
- Mayor as Chair, Council appoints all other members.

Standing Committee Structure and Mandate

Options for establishing different policy clusters for Standing Committees include:

- Breaking out existing Standing Committee policy clusters into separate Committees with a single policy focus (i.e. creating additional single-policy area focused Committees).
- Recombining policy clusters to create fewer Standing Committees (i.e. four or five rather than the current six).
- Delegating final decision-making on policy issues to Standing Committees (identified as requiring provincial enabling legislation).
- Delegating more contract award decisions to Standing Committees.

Community Council Options

- Reduce from six to four Community Councils (subsequently approved by Council).
- Provide Community Councils with funding for discretionary services, e.g. leaf collection, parks and recreation user fees, snow clearing, frequency of yard waste collections, etc. (identified as requiring provincial enabling legislation).

Ad hoc Committees, Advisory Committees, and Advocates Options

- Make no change to the current practice of establishing these kinds of bodies.
- Significantly scale back or eliminate certain committees and fold issues under the appropriate Standing Committee.
- Adopt a more formal structure for these kinds of committees, including a standard schedule of committees, guiding principles for their creation, procedural rules, etc.

Council-Committee Meeting Cycle and Decision-making Process

- Changing the frequency of meetings, i.e. meeting every two weeks instead of monthly and dealing with half of the monthly agenda at each meeting.
- Introducing new business at full Council and only referring items requiring debate or public input to the Committee process, thereby dealing more efficiently with routine matters.
- The creation of a speaker position (identified as potentially requiring provincial enabling legislation).

Part 4

Toronto's Governance Issues

Introduction

The following summary of governance issues is based on interviews conducted during the research phase. It represents a summary of the comments under major themes or headings. In preparing this summary, however, we have tried to remain as true as possible to the different comments, a task made easier by the fact that there was a reasonably high level of consistency in the views expressed.

The themes under which the feedback has been captured are set out for the purposes of clarity and ease of presentation as discrete elements. In reality, the issues are much more integrated and interrelated, as evidenced in the overlap in some of the findings.

Finally, we want to say a word about the tone of the feedback that relates to the research methodology. The focus on inquiry was very much on where are the problem areas in terms of governance, why these are problems for the new City, and what should be done to improve the situation. By definition, this results in answers that tend to emphasize shortcomings. It is important to note, however, that almost universally participants in the research noted that outstanding governance issues aside, and notwithstanding the inevitable confusion and disruption of any major amalgamation, the new City had achieved significant accomplishments in a relatively short time. This included bringing together the amalgamating organizations, laying the foundations of a new administration, developing strategic plans and new directions, and most importantly for its citizens, continuing to deliver services effectively to the new City throughout the process.

Issues Description

An Evolving Operating Culture

Over time, cities develop their own culture and operating values that can carry over from Council to Council and administration to administration. Since the City's inception, developing a new consolidated culture has been a focus of discussion and a number of new initiatives. However, the consensus is that Toronto's operating culture has not yet fully matured. The general perception is that:

- To varying degrees, members of Council and administrative staff carried over the operating values of their former municipalities, particularly their views with respect to "hands-on" versus governing Councils, and the extent of delegation to administrative staff (i.e. "that's not the way we did it at my old city".)
- In the early stages, the development of the new City was hampered by political and administrative opposition to amalgamation in many parts of the new City and resulted perhaps unintentionally in a mixed level of support for efforts to build the new organization.
- The challenge of forging a new culture is made more complex by infusions over time of new Councillors. Each of these comes with their own experience in serving on boards in terms of what constitutes appropriate board member behaviour, the appropriate division of roles and responsibilities between board members and staff, and the appropriate extent of delegation to staff that is required for effective governance and good management.
- Council and the senior administration has yet to fully come together as one in terms of its own operating values and behavioural expectations/definitions and, in particular, the most appropriate way to

operationalize the respective roles and responsibilities of Council and the administration.

In light of these factors, the general consensus is that although progress has been made, it will take a continued and, relative to the past, more concerted/organized effort, possibly over several terms of Council for an effective City operating culture to fully emerge.

The Transition Process

The original mandate of the Transition Team was to produce a turnkey operation that included the harmonization of systems, culture, policies, practices, etc. – in effect achieving the administrative merger of the former municipalities. The result would have been that the new Council assumed power supported by integrated systems, policies, and administration.

However, the general view is that Transition Team did not focus sufficiently on the administrative aspects of amalgamation. As a result, the intended turnkey operation was not in place from the outset and as such, the process of building and consolidating the new City is taking somewhat longer than otherwise would have been the case.

The City is Still New

Consistently throughout the research process, we were cautioned that the City is still relatively new and that it is simply too early to tell:

- To what extent governance issues are structural in nature (e.g. shortcoming that are inherent in Ontario's *strong council-weak mayor* model).

- Or simply that insufficient time has passed to allow the City – both Council and administrative staff – to develop a clear and consistent approach to how they do business.

Some interviewees suggested that implementing change of this magnitude needs to be viewed as an eight to ten year process – a view that is strongly supported by the literature on Change Management.

Furthermore, it was suggested that the effectiveness of the current governance model should not be seen in terms of success or failure. The original analysis of governance done under the Transition Team highlighted that it would be unrealistic to expect the new governance structure to be “right” the first time out and that Council’s governance structure and underlying values would need to evolve over time.

With respect to the workability of the *strong council-weak mayor* model for a City of Toronto’s size, scope, and complexity, a number of those interviewed suggested that it would be easier to make the case for special governance powers or structures currently not contemplated under the *Municipal Act 2001* (for example, an strong mayor or executive committee/board of control with more independent executive authority) if it was clearer that the City had already pushed to the limit what they could already do under the Act.

Emphasis on Personalities and Relationships

As described to us, it is important to appreciate that one of the central strengths and weaknesses of the Ontario model of municipal governance, relative to other more centralized models such as the U.S.-style strong mayor model, is its reliance on personalities and relationships for good governance.

As noted by many, this means that when the right people are in key positions of responsibility the system works very well. However, when the wrong people are in place – e.g. a fractured council, a Mayor that wants to be the administrative as well as political leader of the City, administrative staff that are too political, etc. – the model functions much less effectively.

It was suggested to us that individual views, values, and characteristics become even more important at the municipal level relative, for example, to the federal or provincial level. Compared to these more senior levels of government, municipalities have a tradition (enshrined in the *Municipal Act, 2001*) of much more flexibility/less prescriptiveness with respect to defining and redefining their approach to governance, including such things as the appropriate division of responsibilities between Council and the administration. In terms of governance, it was suggested that this less prescriptive approach and the variations that can result between and among different Councils, can put considerable additional strain on Councillors and administrative staff.

A Larger and More Complex City

Virtually all of those interviewed stressed that Toronto is not like other municipalities by virtue of its size and complexity. As suggested to us, this size and complexity has three important dimensions that need to be considered in any discussion of governance:

- It has a very large Council.
- It has very large bureaucracy.
- It has to deal with a higher volume of issues and more large and complex issues than most Ontario municipalities.

For some, it is simply too early to tell whether Council's governance challenges are related to the *strong council-weak mayor model* or to the continuing evolution of the City. Others noted that most cities of comparable size and scope (let alone much smaller provincial or state governments) are governed with considerably more emphasis on streamlined executive leadership and strong delegation to staff. As such, it was suggested that it may be unrealistic to expect that the standard model of governance in Ontario will work as well in this kind of setting.

Size of Council

As noted above, it is difficult to see the size of Council as a neutral factor in effective governance of the City. As reported to us, the evidence to date is that it is considerably more difficult to achieve effective governance with a 44 member Council compared to a Council of ten or twelve. This view is strongly supported by the professional literature on governance.

The large Council means it is much harder and more time consuming for the Mayor to exercise the kind of leadership that the Ontario model envisions: to forge individual relationships, to build coalitions and consensus, to exercise leadership in terms of decorum and behaviour, to champion the appropriate division of roles and responsibilities between Council and the administration, etc. It places similar additional demands on the CAO and senior staff, e.g. harder to build trust and close working relationships, more difficult and time consuming to manage the interface between Council/Councillors and other staff, more Committees to support, etc.

The obvious solution discussed in the interviews would be to downsize Council. However, it was generally felt that Council could not be reduced in size without

making the City less representative and without the constituency workload on individual Councillors becoming too overwhelming.

Rather than downsize Council, the answer suggested by many, again drawing on the experience of other municipalities of comparable size, scope, and complexity, appeared to be in stronger executive leadership both politically and in the administration. This would include streamlining and delegating decision-making to a greater extent than has taken place to date, including reducing the volume and types of decisions that go through Council. The general consensus appears to be that Toronto has not streamlined the decision-making process sufficiently and is not taking appropriate advantage of the capacity of the administration. This includes not having exercised the option to create an executive committee that could provide for more strategic leadership, integration of effort, and focus for decision-making, or maximizing delegation to the Community Councils and/or the staff.

Strategic Focus

Interviewees were generally critical of Council with respect to strategic focus – not because quality strategic plans are not developed, but rather because Council is not seen as using these plans to drive subsequent policy, program, and budgetary decisions.

As suggested to us and as referenced in the literature, strategic plans present a challenge to governing bodies, whether municipal or otherwise, because they require decisions to be made within the context of the strategic plan. This requires discipline, which in turn forces orderly thinking with respect to problem identification, options developments, and decisions required.

The general sense appears to be that governance in Toronto would benefit from citywide strategic planning and decision-making having a higher profile with Council, particularly given the size, scope, and complexity of the City and its issues. This would require a move away from what many perceive to be an overly operational or ward-based focus on the part of Councillors.

At the same time, the view is widely held that a strong ward focus for Councillors, while perhaps inconsistent with the primary role of Council as expressed in the *Municipal Act, 2001* to represent the City as a whole, is firmly entrenched in the realities of municipal politics – what some referred to as a more U.S. style “ward boss” approach.

The consensus, however, appears to be that the issues that are often of most interest to Councillors and their constituents are very local – Is the grass cut in parks? Do the swings work? Has the garbage been picked up? As suggested to us more than once, individual Councillors do not generally get elected on strategic issues or good governance.

A general perception of Toronto Council (although by no means unique to the City) is that Councillors generally want to (and feel they need to in order to respond to constituent concerns) be able to intervene with staff to ensure that their ward-specific issues are addressed and in some cases to make the operational or administrative decisions themselves. It was also suggested that this pressure to intervene and to become more involved in operational or administrative decisions inevitably becomes more intense when Councillors are full time with significant staff resources.

A number of those interviewed pointed to the two-tier system in Ontario or the elected-at-large *Board of Control* model currently in place in London, Ontario as vehicles for rebalancing these strategic and ward-based concerns. The consensus appears to be that elected-at-large upper tier Councils are generally

better able to maintain their strategic and big-picture focus in the absence of having ward constituents. This allows lower tier Councillors to focus appropriately on ward specific issues and concerns.

Finally, it was suggested that it is important to recognize that there are limits on how strategic a municipality can be without potentially coming into conflict with the provincial interest. Given Toronto's size, scope, and complexity, there is greater potential for conflict with the provincial interest than with smaller municipalities and therefore an even greater requirement for close working relationships between the two.

Political Party Alignment

As suggested to us, most other municipal jurisdictions of comparable size outside of Canada have moved to formal political alignment as part of the governing structure. In these jurisdictions, non-partisan governance models are generally found in smaller cities.

Within the Ontario municipal community, however, there is a strong attachment to the notion of a non-partisan Council as a central underpinning of good governance and good government for Ontario municipalities. The view is strongly expressed that:

- Most municipal decisions are very local and practical in nature and as such do not relate to party values/platforms.
- The non-partisan nature of Council places a much greater onus on the Mayor and other leaders within Council to achieve consensus and build coalitions on issues and concerns.
- This consensus model, similar to a minority government at the federal or provincial level, results in better public policy, although the process by

which that policy is made may appear publicly to be less organized/more chaotic.

While party politics and ideology may not be completely absent from municipal politics in Ontario, practitioners in the municipal sector stress that the predominant trend remains essentially non-partisan. For example, most Mayors and Councils – Toronto included – seek a balance of Councillors in key positions such as Standing Committee chairs. There is also much more political fluidity in terms of voting across ideological lines.

Finally, the prevailing view is that the Ontario public consistently expects its municipal politicians to remain generally non-partisan. The historic experience is that candidates that become overtly political in a party sense do not do well at the polls.

Delegation of Authority

As suggested by our interviews, there are two relevant aspects of delegation of authority:

- The extent to which Council is comfortable defining and delegating both decisions and activities.
- The more fundamental question of which matters and decisions can Council delegate under the *Municipal Act, 2001*.

The interviews confirm the importance of an aggressive and robust approach to delegation of authority as an essential part of effective municipal governance, particularly for larger municipalities. This is strongly supported in the literature on governance, particularly for organizations where the Board (or Council) is clearly

in the strategic direction setting and policy-making/governing role, comparable to what is in place for Ontario municipalities under the *Municipal Act, 2001*.

As noted in the interviews, however, (and confirmed in the literature) the Ontario municipal tradition (albeit with generally much smaller municipalities and Councils) has been one of more *hands-on* Councils, and more blurring with respect to appropriate roles and responsibilities of elected officials and staff.

It was suggested that over the past decade this *hands-on* tradition has been changing gradually, particularly with the increasing utilization of Chief Administrative Officers and professionalization of municipal bureaucracies. As a result, Councils have generally been increasing the extent of their delegation. At the same time, however, there is a perception that the increasing prevalence of full time Councillors with staff resources may be reversing that progress. The suggestion was made that full time Councillors are more likely to want to retain more administrative and operational decisions for themselves, compared to a municipality with part time Councillors.

The general perception from our research is that Toronto City Council falls into this latter category and perhaps exacerbated by its full time Councillor status:

- Has been more inclined to see itself as responsible for managing the City and therefore less inclined overall to delegate to the staff.
- Has had more time to oversee or become involved in what in other municipalities (both relative to other Ontario municipalities and comparable large, complex governments) might be otherwise delegated to staff.

As reported to us, the situation is exacerbated by the fact that Toronto's legal interpretations have historically been narrower in terms of Council's powers to

delegate either to Committees or administrative staff under the *Municipal Act, 2001* or previous legislation.

Toronto is not necessarily unique in this regard. The literature on governance and the interviews emphasizes that this is one of the most difficult challenges faced by Councils and boards of directors alike. In addition, as noted in *Volume 1*, the new *Municipal Act, 2001* attempts to depart from the previous “if it doesn’t say you can do it, you can’t do it” approach, and towards a more permissive approach. Many of those interviewed commented on the general difficulty that some municipalities are having adapting to this approach. The consensus, however, is that Toronto’s legal interpretations are often at the more extreme end of the spectrum and this has resulted in more limited delegation to the staff and Committees than many other cities, including some of the former municipalities.

Also as suggested to us by a number of those interviewed, Toronto’s perceived legal conservatism is fuelled by the generally higher level of public scrutiny that exists as a consequence of the attention paid to municipal affairs by the major Toronto media and concerns within Council with regard to potential legal challenges. These challenges would be primarily private in nature (individual citizens or businesses) given that the province does not have a history of challenging municipal interpretations. In fact, it was suggested to us that it is actually easier for the province to consider changes to the *Municipal Act, 2001* if municipalities have pushed their interpretive boundaries and lost Court challenges.

Finally, there is a consistent view that in the wake of the computer leasing issue, Council’s overall confidence in the professional capacity of the administration as a whole has been diminished, notwithstanding the general view that the computer leasing situation does not reflect the general standard of professionalism in the City’s public service. It was reported to us that this has

already been experienced by staff and has led to a decrease in morale, a loss of confidence, and in some areas, a lessened ability to take appropriate risks.

It is believed that one of the consequences of this will be the likelihood that the new Council will retrench with respect to delegating both decisions and activities to staff. This could manifest itself as:

- Reinforcing a strong existing tendency, a greater reluctance to extend delegations and less willingness to rely on the staff to make decisions and carry out activities without direct reference to Council.
- A greater tendency for Council as whole, Committees, and individual Councillors to more directly oversee or become involved in administrative matters and/or decision-making.
- A greater likelihood by the staff to become risk averse and to refer matters to Council that could and should otherwise have been dealt with by staff.

A number of those we interviewed suggested that this would be an understandable reaction, but unfortunate in terms of the evolution of governance at the City from two perspectives:

- First, there is the widely held view that Council and Councillors are already overburdened in terms time and capacity in the range and volume of policy and more operational decisions they make and the activities in which they engage.
- Second, one of the perceived overarching challenges facing Toronto Council is the need to continue evolving towards governing rather than managing. This continued evolution would require Council to:
 - Strengthen its role and focus on approving policies and policy guidance for staff decision-making.
 - Strengthen its emphasis on holding staff accountable for implementing decisions, including a new emphasis on more robust

and risk-based mechanisms for holding the CAO accountable for making decisions and carrying out operations in accordance with policy direction.

Clarity of Roles and Responsibilities

As indicated in the literature and in interviews, having clarity relative to the respective roles and responsibilities of Council and administrative staff is arguably the most important aspect of effective municipal governance. This includes roles and responsibilities descriptions that are carefully thought through, well defined in operational terms, and embedded/reinforced in the operating culture of the municipality.

As noted earlier, the historical tradition among Ontario municipalities has been towards Councils defining their roles in very *hands-on* terms. This is often facilitated in municipalities by descriptions of roles and responsibilities that are kept at a high level as opposed to being more detailed and descriptive.

The general consensus from the research is that Toronto's dividing line is blurred from both the political and administrative ends of the spectrum. The City at present does not have a well defined breakout of roles and responsibilities that reflects an appropriate balance of roles and responsibilities between *governors* and *managers* and that is generally understood and/or accepted in both theory and practice, i.e. is agreement about how these should be operationalized.

Part of the reason given for this is that each of the former municipalities was different in terms of their own experience with respect to what was appropriate or worked best. There is a sense that since its inception, Toronto Council has not focused sufficiently on the need for greater clarity and has not included this important governance issue in its own periodic reviews of governance.

A number of those interviewed suggested that in their view many members of Council either do not understand the governing vs. managing distinction (or least how to operationalize it in a large complex organization) or not withstanding the experience of other jurisdictions, simply disagree with it and view it as somehow “undemocratic”.

That this would be the case is consistent with a general finding in the literature on governance – that the act of *governing* is fundamentally at odds with most people’s day-to-day personal and professional experience, with the latter emphasizing “doing”, “operating”, and “managing”. While most individuals appreciate the distinction in theory, it is often very difficult – particularly without a concerted, sustained, and organized discussion – to realize what this means in operational terms and, more importantly, to “walk the talk” on a daily basis .

Consistent with best practices in Change Management, experts in this area suggest that the step of describing roles and responsibilities in operational terms is a critical part of getting buy-in and support for changes in operating values. It has also been suggested it is important for Council, administrative staff, and even the media to monitor actual practice on an ongoing basis as part of ensuring that the desired values are taking root.

At the same time, we were cautioned that it is not realistic or appropriate to expect a water-tight, prescriptive division. It should, however, be firm and clear to all, e.g. consistently understood in both theory and operational practice, and supported by Council and the staff.

Relationships between Individual Staff and Councillors

Many of those we interviewed noted that at the municipal level in Ontario there is much closer contact between public servants and individual legislators that, for

example, at the provincial or federal level. This is more pronounced in the absence of a ministerial model similar to what exists at the provincial or federal level or even the typical U.S. *strong mayor* governance model.

With respect to Toronto, however, the general perception is that there is more *clientism* than would be considered healthy in a leading or *best practice* municipality. *Clientism* in this case apparently refers to public servants who are very politically inclined/who cultivate direct relationships with Councillors and vice versa.

The general view among those we spoke with is that staff in any municipality should refrain from lobbying individual Councillors to support their recommendations and that staff should be discouraged from giving attention to individual Councillors in exchange for their support at Council.

In Toronto, part of the issue relates to the fact that staff and Councillors from the former municipalities brought their own practices and relationships with them and that it has taken time for new and consistent operating practices and relationships to emerge. In general, however, the City (and as interviewees were quick to point out, many other Ontario municipalities as well) is generally not viewed as having a clearly articulated set of protocols or expectations that are understood, respected, and enforced.

An Executive Committee

The *City of Toronto Act* envisioned an empowered Executive Committee and this kind of Committee was originally discussed by Council at the outset of the new City. As reported to us, there was concern at that time that this kind of Committee, including the requirement that Standing Committee reports would go

through the Executive Committee, would give the Mayor too much power and detract overly from the primacy of Council.

Based on our interviews, the general view about the effectiveness of Executive Committees is mixed:

- Some were of the opinion that that Executive Committees have the potential to create more problems than they solve and lead inevitably to a dysfunctional tension between the Committee and Council, again with the administrative staff caught in the middle.
- Others felt that Executive Committees are useful and appropriate mechanisms for ensuring strong political leadership, clear direction, and more focused strategic and streamlined decision-making.
- All agreed that to make an Executive Committee work, however, it is essential for Council to have trust and confidence in the Committee and for Council and the Committee to have a good working relationship.
- The general view with respect to Toronto is that past Councils would likely have had considerable difficulty with the notion of delegating political and strategic leadership to an Executive Committee. It was suggested to us that some Councillors have typically positioned proposals for an Executive Committee as “anti-democratic” when in fact the real issue was individual Councillors’ lack of willingness to accept the need for more effective governance.
- Many of those interviewed felt that the large size of Council and the imperative of a more strategic, citywide focus make a legitimate and demonstrated effective governance structure such as an Executive Committee inevitable and that any resulting tension within Council would simply need to be managed.

On the issue of a provincially mandated Committee, the input was contradictory. On the one hand, it was generally felt that a provincially mandated Committee

would not be accepted and would fail to achieve the desired outcome. On the other hand, most of those we spoke with expressed doubt that Toronto Council (or most any Council for that matter) would be willing on its own to delegate meaningful responsibility to an Executive Committee.

It was suggested to us that as part of increasing the likelihood of success, it would be important to avoid an Executive Committee being seen as an elite group that was disconnected from Council. It was felt that this perception could be offset by a formal framework for individual councillors and Standing and other committees to have meaningful input into Executive Committee deliberations.

One suggested way to do this would be to be clear that Executive Committee's deliberations on strategy, budget, etc. are informed broadly by individual Councillors and the Standing and other Committees. This would ensure respect for the democratic process in that individual Councillors and Committees would have many opportunities to bring forward citizen concerns in the initial rounds of debate and discussion, as well as more direct citizen input from various external consultation mechanisms. Furthermore, full Council approval of Executive Committee recommendations would be required.

The CAO

As noted elsewhere, the model of the CAO as the professional head of the public service is still relatively new to Ontario municipalities and has been emerging gradually over the past 10 years. It was suggested in our interviews, that many Councils have not either understood or perhaps accepted what this means for their role.

According to practitioners and the literature on municipal governance, the CAO's relationship with Council is as important as his/her relationship with the Mayor.

However, in the *strong council-weak mayor* model, the CAO has to walk a fine line. Both the Council and Mayor want to feel that the CAO is responsive to their direction and leadership. Being seen as “the mayor’s person” or as the person of a group of Councillors is generally seen as fatal for CAOs in Ontario.

A closely related issue is the relationship of the Mayor and Council/Councillors with senior staff. Councillors and the Mayor have to respect the role of the CAO in terms of their dealings with and direction to the senior staff. This has to include support for the CAO in reinforcing the appropriate reporting relationships. At the City of Toronto, the role of the CAO is articulated at a high level on paper. However, the general view from our research is that this lacks the necessary level of detail and precision and that the practical reality has been much more fluid and perhaps not consistent with the demands and requirements of such a large, complex organization.

The feedback consistently suggests that the reporting relationship between Council and the CAO has been affected in the past by relationships between Council/Committees and other senior staff that that may have tended to undermine the CAO’s authority. Depending on the Council and/or Mayor, the CAO risks becoming relegated to the role of coordinator, rather than leader in the absence of more extensive definition and discipline in this regard.

In addition, most experts offered views on whether the Mayor should be appointing the CAO and having more direct control over the administration, as per the U.S. *strong mayor* model. The major concern appears to be that this inevitably leads to politicization of the bureaucracy and that the public interest is best served by a professional, as opposed to partisan bureaucracy.

Having said this, many of those we spoke with noted that it is already a trend in parts of Ontario that when the Mayor changes, the senior staff frequently change as well. It was suggested, however, that this turnover is more often related to

tensions that arise over differences in style or views about respective roles and responsibilities.

In addition, the prevailing view appears that a hybrid model whereby Council appointed the senior administrator(s), but those administrators reported to the Mayor, has a higher potential for dysfunctionality with the administrative staff caught in the middle.

Community Councils

As with an Executive Committee, Community Councils were originally envisioned in the *City of Toronto Act* as a tool to streamline Council decision-making and to allow the debate at Council to focus on more citywide and strategic considerations.

The original thinking appears to be that empowered Community Councils would allow Toronto to have something more like a two-tiered government – an upper tier (Council as a whole and Standing Committees) focused on strategic, citywide issues/policy and a lower tier focused on local issues.

However, the necessary delegation to achieve the original intent has not taken place. As reported to us, the prevailing view of previous Councils as well as some members of the senior staff was that this would weaken Council and generally weaken and fragment the overall effective management of the City.

As indicated in our interviews, the sense continues to exist that empowering Community Councils would tend to perpetuate issues of turf protection for the former municipalities and in doing so work against the integration of the new City. It was felt, however, this should be substantially offset somewhat by the Council's

decision earlier this year to reduce the number of Community Councils and to set boundaries that cut across the former municipalities.

The prevailing view from our research is that Toronto's Community Councils have proven to be responsible enough to make final decisions in many areas. As pointed out to us on a number of occasions, the overwhelming majority of Community Council recommendations are already accepted without debate by Council. In addition, if Council felt it was necessary, they could define certain "exceptional circumstances" criteria that would allow them to override a Community Council's decision, e.g. decisions that have budgetary implications, that would result in inappropriately differential service levels, that are inconsistent with City strategic direction or other policies, etc.

The prevailing view was also that Community Councils could be used more effectively as vehicles to engage the public in local and citywide policy and service delivery debates and as part of the performance feedback loop for Council and the City as a whole.

A major part of the empowerment debate has been whether to give Community Councils some spending powers and staff. This is somewhat different than allowing them to make local decisions on behalf of Council such as fence variances or the placement of stop signs. Among those we spoke with, there was a general sense that with budgets and staff for Community Councils there could be a greater risk of creating "cities within a city", protecting turf and "pet projects", and potentially creating different levels of service across the City.

Respect and Decorum

Most interviewees highlighted the importance of a high standard of decorum in the relationship between and among Councillors and between Council and the

public service as critical to effective governance. The latter was viewed as particularly important in establishing an overall climate of courtesy, mutual trust, and respect. In the absence of these elements, staff morale and effectiveness can be negatively affected.

As indicated in the research, this climate is even more important for staff at the municipal level of government compared to their federal or provincial counterparts. Relative to the latter, municipal staff are required to play a more direct and public role in policy development. Furthermore, they do so without having the kind of ministerial protection that exists at the provincial and federal level.

A common viewpoint expressed during the research phase, however, was that Toronto Council is generally recognized within the municipal sector for its demonstrated lack of respect between Councillors and, even more notably, with the public service. Consistent with this recognition, Council is not viewed as having a clearly understood and/or enforced set of protocols or expectations with regard to what constitutes appropriate behaviour within Council or towards public servants.

Interviewees pointed to public and behind the scenes behaviour that, as suggested to us, would not be tolerated in many other municipalities. Abusive and disrespectful behaviour and use of language towards Councillors and staff in private and public meetings was described as “common”. It was also suggested that this is increasingly a factor in recruitment and retention and is something that engenders a corresponding lack of respect among public servants towards their political masters.

Power of the Bureaucracy

As noted in the literature and confirmed in a number of interviews, an ongoing source of tension between municipal Councils and administrative staff is a perceived increase in the power of the bureaucracy relative to the power and influence of individual Councillors.

As suggested to us, there are a number of factors that contribute to this perception:

- Under provincial legislation, Councillors are generally required to exercise their authority over the bureaucracy as a collective rather than as individuals. This is considerably more challenging for elected officials than the system of Cabinet/ministerial responsibility that exists provincially or federally.
- Staff at the municipal level have significantly more public power/influence than their provincial or federal counterparts, in that staff recommendations to Council are made publicly and debated publicly (as opposed to confidentially through a Cabinet process). Furthermore, staff are asked to speak to and often to defend their recommendations publicly (particularly where this role is not actively filled by the Mayor and/or Standing Committee chairs).
- From time to time, municipal staff are perceived as taking advantage of this public power and the fact that Council has to provide direction collectively, to either “push through” an unpopular decision or to prevent Council from taking a decision that is not supported by the staff, for example, by making the issue overly complex.
- Municipal staff often become perceived as “too powerful” when there is a lack of political leadership or weak/dysfunctional Council. In those situations, the staff are more likely to step in to fill the perceived leadership void which in turn can lead to tension with Council. If a new,

more effective Council enters the picture it can be difficult for the staff to revert to a more balanced role.

Specific to Toronto, the perceived power of the bureaucracy is magnified by the large size of Council and the challenge of “speaking with one voice”. Relative to the considerable size and capacity of the bureaucracy, this can leave Councillors feeling overmatched. It was also suggested that the situation is further complicated by the current lack of clarity and consistency in terms of roles and responsibilities.

A closely related issue is that of trust in the bureaucracy. Many of those we interviewed suggested that the actions of individual Councillors and sometimes of Council as a whole would seem to indicate a fundamental lack of trust in the competency and professionalism of the bureaucracy. This is viewed as being particularly pronounced in this City relative to other municipalities – in many cases, an apparent holdover of operating values from the former municipalities.

The general expectation is that this lack of trust has and will continue to become more intense in the wake of the recent computer leasing issue. We were cautioned, however, that in Toronto the “trust issue” is often a screen for the more fundamental debate about the respective roles and responsibilities of governors and managers – again the issue of lack of clarity and consistency in terms of definitions and shared understanding. In the view of a number of observers, the issue has also been used to protect the preferred status quo with respect to delegation.

Training and Orientation

In the view of most of those interviewed, and as confirmed in the literature, training and orientation for Councillors and staff – including joint opportunity to

meet and discuss – is absolutely critical, particularly with respect to understanding in operational terms respective roles and responsibilities and what constitutes appropriate behaviour.

As suggested to us, the best practice in this area would be to have clearly articulated roles and responsibilities, expectations for decorum, etc. that are embedded in the ongoing training and development of Councillors and staff, including the following:

- Describing expectations in situational/operational terms as part of providing guidance, promoting a common understanding, and ensuring increased awareness.
- Substantive and thoughtful time set aside (as in a formal retreat setting) for Councillors to discuss and explore the expectations with each other and with senior staff in a collegial format.
- Similar ongoing opportunities for the staff to meet to discuss and explore expectations with an emphasis on what constitutes appropriate behaviour, how to fulfil role and responsibilities in operational terms, etc.

From the interviews, the general sense is that efforts in this direction are already underway for the administrative staff and need to be intensified, extended throughout the organization, and sustained over time. It was suggested to us that similar intensified and sustained efforts would be required for Council as well, particularly given the general perception that new and returning Councillors are thrust into actual decision-making without having a more thoughtful individual and – perhaps more importantly – collective opportunity to discuss and explore their expectations of each other and the staff.

Special Operating Agencies

The issue of special operating agencies came up in the course of the research, given the recent Council debates with respect to the creation of a Water Board. It was suggested to us that the issue became politicized in the context of the provincial and municipal elections and that this political dimension overshadowed a more thoughtful and rational discussion of pros and cons.

In terms of expert opinion, views on the appropriateness and effectiveness of special operating agencies were decidedly mixed.

Some experts pointed out that special operating agencies have over several decades been demonstrated in many other jurisdictions to be an essential part of improving and streamlining service delivery and avoiding political and senior staff temptations to intervene/micromanage at the operational level. A number of these experts expressed the additional view that the Council of a city of the size, scope, and complexity of Toronto simply cannot be expected to govern strategically in the absence of these more operationally arms-length bodies.

Other experts expressed significant concern that as sometimes instituted, special operating agencies become increasingly independent and less accountable to elected officials. In the municipal context, the “one voice” model of Council adds further complexity to the challenge of effectively giving direction to agencies, compared to the provincial or federal system that relies more heavily on direct ministerial and/or Cabinet accountability.

The challenge, therefore, appears to be one of how to keep special operating agencies accountable and responsive to policy direction from a 44 member Council. The general sense from the interviews was that there are many examples from other jurisdictions of accountability frameworks, memoranda of understanding, appointments processes, etc. that ensure the special operating

agencies do remain accountable to elected officials and operate within the policy and fiscal parameters set by those officials.

Part 5

Recommendations

Introduction

From our perspective, the opportunity to recommend changes to the governance structure of the City of Toronto is not to be taken lightly or without careful consideration. Within the overall provincial policy framework, Toronto and all Ontario municipalities are very much unique individual entities with their own cultures, personalities, values, structures, etc. Consistent with this individualism, there is no shortage of opinion – much of it very strongly or even emotionally held – with respect to what is fitting and proper for municipal governance in general or more specifically for a particular municipality. As indicated by the research, Toronto is certainly no exception in this regard.

In this context, the starting point for recommendations is the results of the research process, including the interview phase. As presented in the previous section, a consensus emerges that governance at the City of Toronto is currently operating at a less than optimal level. This consensus includes general agreement on most of the specific issues or challenges that the City is facing and that need to be addressed

The more difficult challenge, however, is what to do about it. In addition to a consensus on the issues and challenge, the research generally indicates that there is a high level of awareness with respect to the various options that are available to Council to address those issues. However – and most importantly for our purposes – there is no similar consensus with respect to what action, if any, should be taken.

In this introduction to the recommendations, we want to take the opportunity to explore this lack of consensus/mix of views in more detail. If we were to characterize it in one overarching sentence, it would be that while there is consensus about the governance problems, experts are not clear on whether these are simply growing pains that need to be endured or whether the problems can only be addressed through specific structural or other responses. Along these lines, we would highlight the following mix of points from the input:

- The City's governance model was intended to be evolutionary in nature. It would be a mistake to assume that the original structure is the best suited for all time.
- The City is still very new and it will take more time for the structures and culture of governance to fully emerge and stabilize.
- Toronto is a large City: a large Council, a large bureaucracy, very extensive service delivery responsibilities, and large complex issues. As with other large, complex municipalities, it is reasonable to assume that it may have special governance requirements compared to other smaller communities/councils.
- Well-run municipalities in the Ontario model seem to be less about structure and more about clarity of mandate and good relationships between and among the players. When a city has good people that can work together and that understand their respective roles, the result is good governance regardless of structure, process, etc.
- Structural changes for Toronto that depart from the Ontario norm run the risk of failure unless Council as a whole and individual Councillors understand, accept, and actively support the need for change and the proposed solutions.

From our perspective, the latter two points deserve special attention because they reflect a strongly held view about governance within the municipal community that we need to remain very respectful of in making recommendations

In essence, this view as reported to us is an argument against fundamental or more radical change. It says that while the *strong council-weak mayor* model as it currently exists in Ontario may not be perfect, no other approach is likely to be as successful in effect because of the inherent nature of Councils, Councillors, and municipal politics in general in Ontario, including the following:

- Most Councillors have a strong personal preference for the “everyone is equal” principle and a strong distaste for anything that is perceived to put a limit on their individual power and influence (for example, characterizing an empowered Executive Committee or a more executive-style Mayor as “less democratic” notwithstanding demonstrated need or the experience of other jurisdictions).
- Any structural solution that has at its core an attempt to change the role of Councillors (e.g. more focused on strategic consideration, less emphasis on “ward-boss” behaviour, etc.) will be doomed to fail because Councillors themselves are unlikely to accept the change.
- Even if Councillors agree and support the need for certain types of changes, (e.g. more emphasis on citywide representation and less on ward issues) their constituents will not accept this change and they will not be re-elected.

According to this view, efforts to improve governance should focus first on ensuring that the right people are in place, with good relationships, and with clear roles and responsibilities, rather than on major structural or legislative/mandate changes.

Our purpose in highlighting these various themes from the research is to be able to say at the outset that we do not disagree with the general sentiments expressed above and in particular that:

- Governance for any organization and especially new organizations should be seen as evolutionary.
- It is very important to be careful that proposed solutions do not create new and potentially worse problems.
- Change efforts are almost certain to be ineffective unless the various players in the organization agree on the need to change and what that change should be.

This does not mean, however, that certain structural changes should not be considered.

The literature on organizational effectiveness and change management clearly emphasizes that successful change depends first and foremost on people and creating the right operating environment in which people can be effective. The best practice in this area involves:

- Defining why people need to change how they do their business.
- Helping people to understand the urgency of the need for change.
- Describing what that new business and operating style will look like in future.
- Articulating how individual behaviour needs to change accordingly.

However, more structural changes are also seen as an important part of the change process. Changes such as new organizations, new reporting relationships, new mandates, etc. are important ways that organizations send signals about new expectations and reinforce in an ongoing way how business will be conducted in the new world.

What the Recommendations are intended to Achieve

Before moving on to the actual recommendations, it is important to be clear about what those recommendations would be intended to achieve. For this, we refer back to the discussion of “preconditions for effective municipal governance” that were discussed in Part 2 of *Municipal Governance Volume 1*. Those preconditions were:

- Strong Political Leadership
- An Effective Mayor
- Clear Roles and Responsibilities
- Excellence in Public Service/Confidence in the Public Service
- Respect and Professionalism
- Reinforcing Culture with Embedded Rewards and Sanctions

With these preconditions as a guide and also reflecting the input received during the research, the following are high-level outcomes we are suggesting should be the focus of changes to governance:

- Strong political leadership of City Council and strong leadership of the administrative staff with a view to providing clear direction to the staff,
- clear reporting relationships, ensuring integration and coordination across program areas, and ensuring consistency with strategic direction.
- A strengthened strategic capacity for Council that emphasizes the primary role of Council and Councillors as articulated in the *Municipal Act, 2001* to represent the City as a whole, including the capacity to set strategic direction, make decisions within that strategic context, and effectively hold others accountable for implementing and achieving Council’s policy intent.
- Greater focus and descriptive clarity with respect to roles and responsibilities and what is meant by Council’s role to govern, set policy,

and hold the administration accountable for delivery compared to the administrative staff's non-partisan role to advise, implement, and manage on an ongoing basis.

- An approach to governance that maximizes the benefits of having a large professional bureaucracy and ensures that the responsibilities of Council and Councillors are manageable.
- A renewed public climate of respect and professionalism within Council and between Council and the administrative staff that emphasizes and reinforces high standards of decorum and mutual regard.
- Renewed and sustained efforts to build and stabilize the operating culture of the new City for both Council and administrative staff in a way that supports and reinforces the how business is to be conducted.

A New Deal for Cities

Much of the popular debate with respect to whether Toronto is or can be effectively run as a City continues to focus on the theme of a “new deal” for cities. Much of this new deal is actually related to financial issues and financial authority and in particular whether cities should have greater financial autonomy – in essence, more power to raise revenues/taxes without provincial scrutiny and oversight.

A central theme in this debate is that the City cannot be governed properly without adequate financial resources and that in this regard the City needs to be less dependent on provincial policy decisions. A related theme, most recently expressed by the Board of Trade in its September 2003 report on governance, is that Council needs to demonstrate its ability to govern effectively before it can “take on new power or manage new mechanisms of generating revenues.”

In *Municipal Governance Volume 1*, access to and adequacy of revenue sources is noted as an important governing challenge and one that has faced virtually all public sector organizations for the past decade or more. Furthermore, we do not question that inadequate financial resources make planning, decision-making, and managing at the municipal level more challenging. For the purposes of our review, however, these challenges are more properly viewed as fiscal and public policy realities rather than governance challenges.

As expressed by the University of Ottawa's Centre on Governance, governance is about:

... the processes by which human organizations, whether private, public or civic, steer themselves. The study of governance involves:

- *Examining the distribution of rights, obligations and power that underpin organizations;*
- *Understanding the patterns of coordination that support an organization's diverse activities and that sustain its coherence;*
- *Exploring the sources of an organization's dysfunction or lack of fit with its environment that may result in lacklustre performance;*
- *Establishing benchmarks, building tools, and sharing knowledge to help organizations renew themselves when their governance system demonstrates a need for repair.*

From this perspective, the basic elements of good governance (clear direction, clear roles and responsibilities, effective decision-making, etc.) are not contingent on, for example, whether an organization's funding is adequate to meet real or perceived needs. Furthermore, based on the research and interviews, it is apparent that governance as defined above is an issue for the City as an organization, apart from challenges related to financial matters. It is not unreasonable to assume that the City's governance challenges, as depicted in

this report, would not be resolved through additional revenue generating powers or more independent constitutional status.

Enhancing Democracy

Throughout our interviews, we were cautioned that any recommendations to strengthen executive leadership within Council, to streamline decision-making at the Committee level, and to make better use of delegation to staff would run the risk of being positioned as “less democratic”. This would include a perceived diminishing of the role of individual Councillors and somehow limiting opportunities for the public to have input.

Our response has typically been that it is important not to confuse the requirements of *good governance* in any democratic institution with the fundamentals of *good government*. We would suggest that the two concepts are closely related but not the same. The former is about providing direction, establishing clear roles and responsibilities for both governors and managers, and having structures and processes that result in efficient and effective decision-making. The latter is usually much more broadly defined, and includes the need for effective public engagement, consultation, and input into policy and decision-making.

In terms of good governance, the recommendations that follow reflect the view that a City as large and complex as Toronto with a Council of this size, requires something more than, as a number of interviewees suggested to us, “everyone and no one in charge”.

In terms of good government, however, the recommendations should not be seen as any form of limit on Council's capacity to engage the public in consultation and to ensure meaningful public input into decision-making. The

research indicates that leading jurisdictions at all levels of government and regardless of their governance model invest considerable time, energy, and resources to ensure meaningful public input to and involvement in policy development and decision-making. This includes elected officials and administrative staff in traditional face-to-face consultation mechanisms and more recent and increasingly effective electronic methods. Others such as the Toronto Board of Trade have suggested that the City of Toronto can be strengthened by having more effective public consultation/engagement mechanisms. We do not disagree. We would suggest, however, that these efforts need to be well structured, manageable and appropriate in terms of the role of elected officials, and make effective use of the administration. In our view, nothing recommended below would limit this from taking place.

1. Roles and Responsibilities

The literature on governance in general and also specific to municipal governance makes it clear that clarity in roles and responsibilities is the most common and difficult challenge for organizations, municipal or otherwise, to deal with.

George Cuff, municipal governance expert, writes that “the single issue of role clarity has dominated all others as the greatest source of discontent among those elected to govern and those appointed to manage and/or deliver services.”

The research for this paper indicates that roles and responsibilities between Council and the administrative staff at the City of Toronto are not as clearly drawn, understood, and respected in practice as they should be and that as a result, optimal governance of the City on the part of both Council and the administrative staff may not be in place.

With this in mind, our recommendations focus on ensuring that Orespective roles and responsibilities are clearly articulated, well understood, accepted and supported, reinforced through rewards and sanctions, and ultimately embedded in the operating culture of the City.

Accordingly, we recommend that a review of current roles and responsibilities be undertaken with a view to:

- Developing a shared understanding at the political and administrative levels of the current situation and the problems that this creates for effective governance.
- More clearly defining and realigning the respective roles and responsibilities to ensure that Council and Councillors are focused on their collective role to govern and that administrative staff are clear in their non-partisan role to advise, implement, and manage.

We recommend that this definition and realignment be at a high level (for example, the kind of language that might be appropriate for a by-law) and also in very descriptive/operational terms. The purpose of the latter is consistent with best practices in Change Management – not as an attempt to prescribe every situation but rather to provide ongoing interpretive guidance to both Councillors and staff.

As part of embedding this realignment of roles and responsibilities, we recommend that this more situational/operational understanding become a part of the ongoing training and development of Councillors and administrative staff and that success be measured by the extent to which it becomes “standard operating procedure”.

Also as part of the embedding process, we further recommend that:

- The CAO be held accountable for ensuring compliance with the new expectations on the part of administrative staff, including building these expectations into the City's performance management/contracting system.
- The Mayor have the lead within Council for ensuring that the operating values of Council as a whole, its Committees, and individual Councillors are consistent with the new expectations.

Finally, we support the policy already instituted by Council of regularly reviewing its governance structure (the April 2003 staff discussion paper on governance represents the third such effort since the new City was established). However, as noted earlier, clarity in roles and responsibilities – a critical component of good governance – has not been included in past reviews. Therefore, we recommend that this be included routinely in future reviews.

2. Delegation

The recommendations in this area deal with two important themes:

- The benefit of having greater clarity and consistency between and among municipalities with respect to the extent to which different types of decisions and activities can be delegated under the *Municipal Act, 2001*.
- Ensuring that the City of Toronto's approach to delegation optimizes its effectiveness and efficiency and maximizes the benefits of having a large, professional and accountable bureaucracy.

On the theme of the types of matters and decisions can be delegated by municipalities, the *Municipal Act, 2001* provides only general guidance to municipalities with respect to what can and cannot be delegated. Traditionally, each municipality has had considerable flexibility to interpret this power at an

operational level. The research indicates that the line between what can and cannot be delegated is often drawn differently from municipality to municipality. As indicated earlier in this volume, Toronto is seen as being among the more conservative municipalities in this regard.

Our sense is that effective and efficient municipal governance across the province is not well served by this variation in interpretation. Governance would be made more effective and efficient – and transparent for citizens – by having greater clarity and consistency in this area, in effect by creating a common operating standard of interpretation that would provide guidance to all municipalities.

It is important to be clear, however, that we are not suggesting a common standard with respect to the matters and decisions that municipalities ultimately decide to delegate. It is entirely appropriate that each Council make delegations that reflect its own unique local circumstances. However, the same degree of flexibility with respect to interpreting the law is not necessary or perhaps not in the public interest.

For leadership on this issue, we would look to the municipal community itself as the place where the expertise, experience, and breadth/depth of understanding of common approaches exists to create this operating standard.

Accordingly, we recommend that the municipal community – for example, the Association of Municipalities of Ontario and the Ontario Association of Municipal Managers, Clerks and Treasurers, in consultation with their members – undertake a comparative review of delegation interpretations with a view to creating a common operating standard of interpretation that would guide and inform (as opposed to prescribe) decisions by local Councils. It will be important that this operating standard be defined on a practical level that provides citizens, administrative staff, the legal community, and Councillors, both new and

experienced alike, with a common understanding of what is acceptable under the Act.

Ideally, the City of Toronto would play a major leadership role in this review. If, however, the review is not likely to take place in a timely manner or, in fact, at all, we believe there is a compelling case for Toronto to proceed on its own, including that:

- Effective governance requires elected officials to have the capacity (time, energy, administrative supports, lack of other distractions, etc.) to establish and retain their focus on governing, e.g. setting strategic direction, determining policies, and holding the administration accountable for delivery.
- The size, scope, and complexity of the strategic and policy challenges faced by the City of Toronto – whether it is public infrastructure, poverty, health and safety, economic development, etc. – means that Council has to take maximum advantage of its powers to delegate both decisions and activities if it is going to effectively engage on these challenges.
- The size and professional capacity of its administration provides the City of Toronto with opportunities to maximize efficiency and effectiveness through delegation of decisions and activities that may not be available to smaller municipalities.

Based on this review, we would recommend that Council ask the CAO to provide advice with respect to changes that could be made in existing delegations and to do so with the following general (as opposed to prescriptive) guiding principles:

- That the philosophical (as opposed to strictly legal) starting point for delegation should be not which decisions and matters/activities can Council let go to other levels, but rather which of these are essential, either for legal reasons or reasons related to financial, strategic, or other essential areas of risk, for Council to retain.

- That decisions, activities, or other matters to be delegated should be delegated to the lowest possible level in the organization, commensurate with risk. This would mean that where Council has the option of delegating an administrative matter either to a Committee or to administrative staff, in general delegation should go to staff, unless there is a compelling reason not to do so.

We also recommend that the CAO and Council institute and place greater emphasis on robust and risk-based reporting/accountability mechanisms so that Council can be assured that decisions and actions delegated to staff are executed in a manner that is consistent with Council direction as set out in policy and strategic directions.

3. Executive Committee

Strong political leadership is essential to an effectively governed municipality. This is both an individual and shared responsibility of Council. It is also part of the Mayor's responsibility. However, the consensus of opinion during the research phase was that this is clearly a challenge for Toronto City Council. As was suggested, this challenge is in part personality-driven. It also reflects the relative newness of the City and the fact that a stable operating culture is still evolving.

At present, effective governance at City Council is made more difficult by the sheer size of of Council and the challenge of 44 individuals speaking with one voice with a clear vision and strategic focus, particularly in the absence of mechanisms such as political parties and party whips.

Given the importance of strong political leadership, and based on the experience of other very large municipalities (let alone other provinces or states that are

considerably smaller in size, scope, and complexity) we join others such as the Board of Trade in recommending what in reality would be a small step in this direction for Toronto in the creation of a modestly empowered Executive Committee that is still firmly within the Ontario/Canadian municipal tradition.

Mandate and Responsibilities

The high-level mandate of the Executive Committee would be to provide coordination and integration to Council's decision-making, to lead the development of Council's strategic agenda, and to provide oversight on behalf of Council with respect to its implementation. Within this overall mandate, Executive Committee's primary responsibilities would include much of what was formerly under the Policy and Finance and Administration Committees, as well as the Budget Advisory Committee, including responsibility for:

- Developing and recommending the strategic plan and budget.
- Monitoring and reporting publicly on progress against the strategic plan and budget.
- Policy leadership for corporate matters such as financial policy and planning, human resource and labour relations policy and strategy, corporate physical assets, litigation and legal matters, and information technology.
- Responsibility for identifying and addressing matters that cut across policy and program areas.
- Responsibility for recruiting and recommending to Council the hiring, dismissal or other matters, such as performance appraisal, related to the tenure of the CAO.
- Policy leadership for cross-municipality/intergovernmental matters.
- Accountability oversight of the CAO and administration with respect to adherence to policy and strategic direction.

These responsibilities are particularly important in terms of achieving ongoing strategic integration within the City. In order to achieve this integration in theory as well as practice, we would suggest that Executive Committee requires an authority that is more than moral suasion but still falls far short of independent statutory decision-making authority.

As such, we would suggest that Executive Committee have the authority and responsibility to review and revise Standing Committee and Community Council recommendations that:

- Have major financial, strategic, or citywide implications.
- Are not consistent with the City's strategic or fiscal direction or the broader health and well-being of the City.
- Raise significant issues with respect to integration with other policy and program priorities.

In deciding how and when to exercise this responsibility, Executive Committee would be guided by a set of clearly articulated criteria.

In addition, we recommend that Executive Committee have the responsibility to assist the CAO and senior management team in managing the ongoing interface and boundaries between Council and the administration. By this we mean:

- Ensuring that appropriate roles and responsibilities are respected in practice, e.g. Council, Committees, and individual Councillors remain focused on the strategy/policy level rather than more operational or administrative matters and vice versa for the public service.
- Defining and enforcing high standards of behaviour and decorum on the part of Councillors, reflecting at all times the need for respect and professionalism in their dealings with the public service.

- Ensuring that the CAO and the public service are non-partisan and professional in the exercise of their duties and respectful of the role of elected officials.

Membership

There are many different approaches to determining the membership of the Executive Committee. The most important consideration is the need for an appropriate balance between the Mayor and Council. By this we mean that the Committee has to be an effective vehicle for the Mayor to define and drive the implementation of the City's strategic direction. At the same time, the Committee can only function effectively if it has the confidence of Council.

With this need for balance in mind, we would suggest that an odd-numbered Executive Committee be made up of:

- The Mayor.
- The Chairs of the Standing Committees.
- A small number of additional Councillors, e.g. four.

In terms of managing its workload, we would suggest that the Executive Committee, as with any Standing Committee, would have the power to establish sub-committees as it sees fit. Furthermore, we would not limit the membership of those sub-committees only to Executive Committee members but rather, at Executive Committee's discretion, that they be open to all members of Council. As well, Executive Committee should look to the CAO to provide extensive support in this regard.

In terms of selection process, we appreciate that the current Striking Committee process is intended to achieve that essential balance between leadership on the part of the Mayor and confidence in the Committee process on the part of

Council. As such, we are not recommending a change to the current Striking Committee configuration whereby:

- The Mayor or his designate chairs the Striking Committee and recommends the members of that Committee to Council.
- The Striking Committee recommends the Standing Committee Chairs and members for Council's approval (in this we would include the members of Executive Committee).

Why not elected-at-large Executive Committee members?

In the interview the process, the suggestion was frequently made that sustained strategic focus and drive for an Executive Committee drawn from Council will be difficult to achieve primarily because of:

- The considerable workload/time pressures on Councillors as part of Standing Committees, Community Councils, and their other responsibilities.
- The apparently inevitable local/ward based pressures on individual Councillors.

Frankly, the arguments in favour of an elected-at-large Executive Committee were very compelling. As with other two-tiered systems in place, it has the considerable advantage of clearly separating out strategic/citywide focus from ward-based issues and election pressures. At the same time, however, the research does not clearly indicate that such a radical step is necessary for the City at this time from two perspectives:

- There is much truth in the view that the City is relatively new and that a stable governance culture is still emerging.
- There is no reason to believe at this stage that with the appropriate supporting structures such as an Executive Committee as recommended

above, a strong vision and sustained strategic direction cannot come from within Council.

If, however, the recommended approach does not achieve a strong vision and sustained strategic direction, consideration could be given at that time to an elected-at-large approach.

Why not a 2/3rds majority?

This question also arose continually during our research. Again, the primary consideration is one of achieving an appropriate balance between leadership provided by the Mayor and the Executive Committee on the one hand, and Council's confidence in the Committee on the other hand. In our view, retaining the simple majority approach puts considerable constructive onus on the Mayor, Executive Committee, Standing and other Committees, and Council as a whole to work out consensus based positions.

As reported to us, the reality in London Ontario, which formerly required a 2/3rds majority of Council to overturn Board of Control recommendations, was that the Board in practice had appropriate regard for Council's concerns as it developed its recommendations. As a result, the vast majority of its recommendations were strongly supported by Council.

We would not recommend a change at this time to the current "50 percent + 1" voting standard. Over time, however, if the recommendations of Executive Committee are continually overturned in favour of less strategic/more parochial decisions, a 2/3rds majority to overturn should be considered.

4. The Mayor

Overall, we do not see the need at this time for major changes to the powers of the Mayor. As many others have quite rightly pointed out, Ontario's *strong council-weak mayor* model has produced many very strong mayors over the years that have been able to effectively establish visions and strategic directions for their cities.

As such, we are not recommending additional independent decision-making powers be vested in the Mayor, such as the power to appoint the CAO or Standing Committee chairs without regard to Council.

At the same time, however, we recognize that providing leadership to a Council of 44 without more independent decision-making powers is much more challenging than would be the case for a Council of ten. In light of this, we are suggesting that the Mayor's capacity to *influence* decision-making rather than *make* decisions his or herself be expanded. This would be accomplished through:

- The Mayor as chair of a more empowered Executive Committee.
- Continuing with the Mayor (or their designate) as Chair of the Striking Committee with the responsibility for recommending Striking Committee members to Council.
- Continuing with the expectation that the Mayor (or a designate) will function as head of Council.
- As per the recommendations on roles and responsibilities, charging the Mayor with responsibility for ensuring that the operating values of Council, its Committees, and individual Councillors are consistent with the new expectations.

Mayor as head of Council

In the course of the research, the issue of a separate Speaker for Council was raised a number of times, primarily as a vehicle for strengthening the management of Council agendas and decorum within Council meetings. This is a common practice in many large municipalities, particularly in the U.S., where the Mayor does not have a role in Council and is the City CEO, i.e. where the administration is directly and solely accountable to the Mayor. It is also a standard feature of provincial and federal legislatures.

However, there are important key differences that we would suggest make an independent speaker less appropriate for Toronto.

The most important of these is the fact that the Mayor is not – and, if our recommendations are implemented – would not be the CEO of the City, i.e. would not have extensive independent executive authority and responsibilities outside of Council. Rather, the Mayor's power would still come primarily from his/her ability to directly influence Council decisions. In this regard, the statutory role of head of Council is a very important vehicle for exercising this influence. This includes influence over the agenda, the tone and nature of debate, and decorum.

Finally, we would suggest that one should not overemphasize the importance of the Speaker in ensuring effective agenda management and decorum in provincial and federal legislatures. In reality, it is less the speaker and more the political party system of leaders, whips/party discipline, and house leaders that at the end of the day determines whether agendas are well managed or members behave appropriately. In the absence of this kind of formal party structure at City Council, we believe that the Mayor would be more effective and influential than a neutral Speaker.

5. The CAO

To paraphrase from noted governance expert John Carver: no single relationship in a municipality is as important as that between the Council and its CAO. Based on the research, it does not appear that this central truth is always well or fully appreciated at the City of Toronto.

The role of the CAO as the head of the public service and as the focus of Council decision-making may be clearly – if somewhat briefly – stated in the Toronto Municipal Code. As described to us by a number of interviewees, however, it is less precise and considerably more fluid in practice. The evidence suggests that Council to date has not invested the CAO with the kind of clear and unequivocal responsibility and accountability for the overall management of the administration that is required in an organization of the size, scope, and complexity of Toronto. Furthermore, the reporting relationship between Council and the CAO is frequently offset by relationships between Council/Committees and other senior staff that can tend to undermine the CAO's responsibility. Depending on the Council and/or Mayor, the CAO risks becoming relegated to being more of a coordinator, than a leader in the absence of more extensive definition.

In terms of guidance on this front, we look more to the relatively well-developed and defined U.S.-style City Manager model, as described in *Volume 1*, rather than the more recent, evolving, and somewhat less precise CAO concept in Ontario. (Having said this, it does not matter what the title is, but rather whether the role is right and more importantly whether that role is accepted and supported).

Accordingly, we recommend that:

- Council confirm the role of the CAO as having clear and unequivocal responsibility and accountability for the overall management of the administration.
- This clear and unequivocal authority receive special attention within the more general review of roles and responsibilities recommended earlier, with a view to providing a more extensive description of how this authority should be operationalized between and among the CAO, department heads, and Council.
- This more extensive description be embedded in the professional development curriculum of the public service and in ongoing staff and Council training and performance assessments.
- Consistent with this authority, the CAO be given the responsibility to hire, dismiss, promote and otherwise deal with senior staff, including department heads.

6. Standing Committees

Most of our recommendations with respect to Standing Committees are in effect consequences of other recommendations.

The key structural changes are as follows:

- As a consequence of creating the Executive Committee, the Policy and Finance, Administration, and Budget Advisory Committees would no longer be required, although subcommittees of Executive Committee may be required depending on workload and the extent of delegation.
- Standing Committee Chairs would be members of the Executive Committee.

- In certain circumstances (already described under the previous recommendations dealing with Executive Committee), the Executive Committee would be in a position to review and revise Standing Committee recommendations before proceeding to Council.

We anticipate that other changes to Standing Committees would fall out of our earlier recommendations with respect to conduct reviews of delegation of authority and roles and responsibilities. Based on these reviews, we would expect each Committee to have consistent operating approaches with respect to:

- The extent of delegation and the types of matters and activities that are delegated to Standing Committees, Community Councils, and/or administrative staff.
- The respective roles and responsibilities of Committees and administrative staff including the primary role of Standing Committees to recommend policies to Council and feed into more strategic, Council-wide discussions, versus providing direction to City staff on the delivery of programs and services.
- What constitutes a matter of strategic and/or financial significance that should be directed to Executive Committee prior to going to full Council.

7. Special Committees

For the most part we are not recommending changes to the various Special Committees, with two exceptions:

- The Striking Committee would now have an additional responsibility to recommend the additional (non-Standing Committee chair) members of Executive Committee, as well as the Standing Committee Chairs.

- The Budget Advisory Committee would no longer be necessary in light of the newly mandated Executive Committee. This does not mean that Executive Committee would be precluded from creating sub-committees

8. Community Councils

The primary issue with respect to Community Councils, well articulated in the City's April 2003 governance discussion paper and elsewhere, is that they have yet to achieve their intended purpose of streamlining Council decision-making and allowing Council and Standing Committees to be more focused on citywide and strategic considerations.

In this regard, we find ourselves in general agreement with the Board of Trade recommendations with respect to Community Councils as follows:

- Community Councils should be aligned with service delivery areas of the City of Toronto as per Council's July 2003 decision to reduce the number of Community Councils from six to four.
- They should be comprised of elected councillors from the wards bounded by the Community Council area, with a Chair elected from within.
- Council should look to delegate more decision-making to Community Councils.
- Decisions taken by the Community Councils in their areas of responsibility should not need secondary approval of the Council. However, if necessary, an appeals process for citizens should be instituted.
- Community Councils should take on a proactive policy role within their Community Council area to provide input to the City's policy development and to be more actively involved with citizens by working closely with neighbourhood groups and actively soliciting of citizen input.

- Community Councils should focus on building better civic engagement within their geographic areas and through this engagement to inform Council of emerging issues.
- Community Councils also should not make decisions in matters that cross one or more of the four geographic boundaries, even if it relates to a matter for which they have decision-making authority.

We also agree with the Board of Trade Task Force that Community Councils should not have responsibility for service delivery, as this is the explicit domain of the City's service delivery departments and their associated Standing Committees. However, Community Councils should inform service departments – here we would add, in the form of formal reports made to Council through the appropriate Standing Committee, and on to the CAO – of issues related to the quality of service delivery within their boundaries.

Implicit in the Task Force's recommendations is a balance for Community Councils between their role to make local decisions within City policies, and a renewed emphasis on Community Councils as a major vehicle for citizen engagement. We have one caveat with respect to this balance: that the local decision-making power of Community Councils needs to be established in the context of the proposed reviews of delegation and roles and responsibilities recommended earlier in this report. Ideally, this would mean that some decisions that have already been contemplated publicly for delegation to Community Councils could actually be delegated to the administrative staff, with the appropriate accountability mechanisms in place.

This caveat is important because the reality, as reported to us, is that Councillor workload already prevents them from being effective in all of their various roles and with all of their various committee duties. Additional delegation to Standing Committees or Community Councils redistributes but does not change the overall workload demands on Councillors. Furthermore, the Community Council

recommendations with respect to civic engagement create greater rather than fewer potential workload expectations for Councillors.

All of this suggests that unless all layers of Council, including Standing Committees and Community Councils, find more opportunities to assign additional activities or delegate decisions to administrative staff, the desired streamlining and more strategic focus will be more difficult to achieve.

Finally, we would suggest that the Executive Committee have an oversight role with respect to Community Councils. This is intended in no way to diminish the recommended authority of Community Council to make decisions but rather to ensure, as has already been recommended with respect to Standing Committees, consistency and integration with respect to financial and strategic directions.

9. Ad Hoc, Special and Other Committees, Advocates, etc.

Our recommendations in this area relate primarily to the need for clear roles and responsibilities, maximum delegation of activities and decisions, the importance of Council having time to focus on strategic, citywide issues, and a more manageable workload for Councillors and administrative staff.

As reported in the City's discussion paper on governance, there is concern about the proliferation of these kinds of instruments both in terms of workload and ensuring the integrity of the mandates of the Standing Committees and their capacity to deal with issues.

The point on integrity of mandate is particularly common in the literature on governance. Generally, the more committees that exist, the more likelihood there is

for overlap, duplication of effort, and lack of clarity, either between and among bodies of Council or between Council and the administration.

The real challenge for Council, as with any board of governors dealing with its own finite resources, is one of discipline -- to refrain from the temptation to create more committees, beyond the Standing Committees and Community Councils, than is absolutely necessary and to ensure that Committees that are created are there to assist Council in fulfilling its own role, as opposed to the role of the staff.

Accordingly, we recommend that:

- Council make the difficult decision to substantially rationalize and reduce these kinds of special purpose bodies.
- To the extent possible, the purpose and intent of these special purpose bodies be realigned within the existing Committee structure and/or to assign the activity to administrative staff – in short, to find other alternatives to achieving the intended result without creating additional committees.
- In future, the creation of any new special purpose bodies should include a clear understanding of why the matter cannot be addressed either through an existing Committee structure or through actions that might be requested of administrative staff.
- To the extent possible, a principle in the creation of new special purpose bodies of Council should be a focus on bodies or activities that are time-limited. Wherever bodies are recommended that are other than time-limited, it should raise in Council's collective mind the question of whether the matter should not be assigned either to an existing body or to the staff.
- To the extent that many of these committees are vehicles for public consultation and engagement, Council should consider other more structured and regularized consultation mechanisms, including by necessity greater reliance on staff in this regard.

10. Special Operating Agencies

The experience of other large and complex organizations suggests that day-to-day pressures and operational considerations often tend to dominate the time, attention, and resources of elected officials and the senior staff. As noted earlier, there is a general sense that it will be increasingly difficult for Council to effectively govern a City the size, scope and complexity of Toronto without additional reference to alternative service delivery mechanisms such as special operating agencies.

In light of this reality, it is recommended that Toronto conduct a review of effective accountability mechanisms related to alternative service delivery in place in other jurisdictions with a view to identifying best practices that could be used to inform and shape future City actions in this regard.

Appendix A

Standing Committee Areas of Responsibility

Policy and Finance Committee:

- Financial priority setting.
- Capital and operating estimates.
- The corporate strategic plan.
- Corporate intergovernmental and international activities.
- Annual budgets of the City's Agencies, Boards and Commissions (ABCs).
- Tax policies.
- Matters cutting across different Departments and ABCs.

Administration Committee:

- Human resources, labour relations, occupational health and safety, access, equity and human rights.
- Information technology and corporate communications
- Purchasing policies and fleet management
- Acquisition and disposal of City property
- Administrative matters of the Treasurer, Solicitor and Clerk
- Administration of the Provincial Offences courts

Planning and Transportation Committee:

- The Official Plan and citywide planning policy and research
- City-initiated planning applications of Citywide interest

- Transportation policies and plans
- Building permit policies
- Changes to key infrastructure, transportation, public transit and open space systems and publicly-owned lands affecting the entire City of Toronto
- Municipal property standards and licensing

Economic Development and Parks Committee:

- Economic growth and promotion
- Tourism
- Arts, culture and heritage
- Parks and recreation policies and operations

Works Committee:

- Water supply, waste water, sanitary and storm water systems
- Solid waste control and use of road allowance
- Road and traffic operations

Community Services Committee:

- Social development policies and community grants
- Housing and homelessness, child care, social assistance and employment programs, emergency shelter and assistance, seniors' services
- Fire and ambulance services, emergency planning and communications.