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## ABC AD HOC COMMITTEE

### AGENDA

**Date of Meeting:** Tuesday, July 15, 2003      **Enquiry:** Doris Sue  
**Time:** 9:30 a.m.      **Committee Secretary**  
**Location:** Committee Room 2,      **416-392-7337**  
Second Floor, Toronto City Hall      **Email: dsue@toronto.ca**  
100 Queen Street West, Toronto

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### DECLARATIONS OF INTEREST PURSUANT TO THE MUNICIPAL CONFLICT OF INTEREST ACT

**CONFIRMATION OF MINUTES:**      June 19, 2003 and March 4, 2003

**DEPUTATIONS/PRESENTATIONS:** List to be submitted at meeting.

### COMMUNICATIONS/REPORTS

#### 1. Consultation Results

Report (June 10, 2003) from the Chief Administrative Officer, providing the results of consultation with the City's agencies, boards, commissions and corporations undertaken as part of the ABC Ad Hoc Committee Work Program, and recommending that:

- (1) this report containing the results ABC Ad Hoc Committee consultation with the City's agencies, boards, commissions and corporations be forwarded to the Policy and Finance Committee and to Council for information; and
- (2) the appropriate City Officials be authorized and directed to take the necessary action to give effect thereto.

**2. Citizen Nomination Processes for City Agencies, Boards, Commissions and Corporations – Recommended Policy**

Report (June 10, 2003) from the Chief Administrative Officer, outlining a more flexible approach to the process for citizen nominations to City Agencies, Boards, Commissions and Corporations that is geared to the needs of individual boards, and recommending that:

- (1) the changes to the City process for citizen nominations to Agencies, Boards, Commissions, and Corporations included as Attachment 1 to this report be adopted;
- (2) the CAO and Clerk's Office of Corporate Services amend the policy document to reflect these changes and submit the revised policy for approval in September 2003;
- (3) the CAO co-ordinate the process of reviewing board qualifications (including the requirement for citizenship) and identifying the most appropriate recruitment and selection process for each board, such review to be conducted co-operatively with agencies and appropriate City staff;
- (4) this report be forwarded to the Policy and Finance Committee and to Council for consideration; and
- (5) the appropriate City Officials be authorized and directed to take the necessary action to give effect thereto.

**3. Analysis of Annual Reports of City of Toronto Agencies, Boards and Commissions**

Report (June 10, 2003) from the Chief Administrative Officer, responding to a Council request for an analysis of the style and cost of annual reports produced by all City Agencies with a view to standardization, and recommending that:

- (1) all ABCs annually submit a copy of their annual reports to the Municipal Affairs Library;
- (2) the CAO request that each agency review the style and cost of producing its annual report to ensure it is commensurate with its purpose and intended impression;
- (3) this report be forwarded to the Policy and Finance Committee and to Council for consideration; and

- (4) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.

**4. Development of City Directives to the Boards of City of Toronto Agencies, Boards and Commissions**

Report (June 10, 2003) from the Chief Administrative Officer, proposing a strategy for articulating, clarifying and documenting the relationships between the City and its agencies, boards and commissions (ABC's), and recommending that:

- (1) the CAO staff proceed to work co-operatively with City Departments affected and all City Agencies, Boards and Commissions to develop individual City Directives for each City Agency, Board and Commission, using the attached template as a general guide;
- (2) staff report to Council for approval each City Directive and any necessary service level agreements along with any required amendments to the City of Toronto Municipal Code;
- (3) this report be forwarded to the Policy and Finance Committee and Council for consideration; and
- (4) the appropriate City Officials be authorized and directed to take the necessary action to give effect thereto, including the introduction of any necessary bills in Council.

**5. Public Access and Involvement for City of Toronto Agencies, Boards and Commissions – Recommended Policy**

Report (June 10, 2003) from the Chief Administrative Officer, forwarding for approval a draft policy on Public Access and Involvement Policy on City Agencies, Boards, and Commissions, and recommending that:

- (1) the Public Access and Involvement Policy for City of Toronto Agencies, Boards, and Commissions included as Attachment 1 to this report be forwarded to the Policy and Finance Committee and to Council for consideration;
- (2) the appropriate City Officials be authorized and directed to take the necessary action to give effect thereto.

**6. Policy on Remuneration and Expense Reimbursement for City of Toronto Agencies, Boards, Commissions and Corporations**

Report (June 10, 2003) from the Chief Administrative Officer, forwarding, for approval, policies for remuneration and expense reimbursement for City agencies, boards, commissions and corporations, and recommending that:

- (1) the Remuneration Policy included as Appendix 1 to this report be approved, with an effective date coincident with the date of new board appointments in 2004;
- (2) the Expense Reimbursement Policy included as Appendix 2 to this report be approved, with an effective date coincident with the date of new board appointments in 2004;
- (3) this report be forwarded to the Policy and Finance Committee and to Council for consideration; and
- (4) the appropriate City Officials be authorized and directed to take the necessary action to give effect thereto.

**6(a). Toronto Police Services Board Response to the City of Toronto's Draft Remuneration and Draft Expense and Travel Policies for Agencies, Boards, Commissions and Corporations and Review of the Position of Chair, Toronto Police Services Board**

Communication (March 28, 2003) from the Chair, Toronto Police Services Board, responding to the Draft Remuneration and Draft Expense and Travel Policies for the City of Toronto Agencies, Boards, and Commissions, and recommending that the ABC Ad Hoc Committee:

- (1) consider amending the Draft Expense and Travel Policy as it relates to requiring Board approval in advance of travelling on Board business and to include levels of authorization similar to the Toronto Police Services Board By-Law No. 100; and
- (2) receive the report, dated March 26, 2003, from William Gibson, Director of Human Resources, Toronto Police Service, with regard to the review of the position of Chair, Toronto Police Services Board, for information in conjunction with the ABC Ad Hoc Committee's consideration of the Draft Remuneration Policy for City Agencies, Boards, Commissions and Corporations.

**6(b). Expense and Travel Policy – Toronto Police Services Board**

PRESENTATION BY THE HAY GROUP

Communication (February 20, 2003) from the City Clerk, advising that the Toronto Pedestrian Committee, on February 19, 2003, had before it a communication from Ms. Rhona Swarbrick (February 3, 2003), and recommending to the ABC Ad Hoc Committee that:

- (1) it supports Councillor Layton's motion passed at the May 1, 2002 Works Committee meeting that transportation costs be provided for citizens appointed to advisory committees to the Works Committee, to be funded from the Works and Emergency Services consultants' budget; and
- (2) Ms. Rhona Swarbrick's request for a one-time reimbursement of out-of-pocket expenses for travel incurred during the period January, 2001 to September, 2001 in carrying out Committee business.

**7. Recommendations of Audit Committee – Arena Boards**

Report (June 10, 2003) from the Chief Administrative Officer, responding to the disposition of motions from the Audit Committee meeting of April 9, 2003, and recommending that:

- (1) the report from the City Auditor, dated March 30, 2001, and including the Financial/Internal Control Checklist appended thereto, be received for information;
- (2) the motions by Councillors Balkissoon and Ford referred to the ABC Ad Hoc Committee by the Audit Committee be considered for implementation within the context of the review of arena boards of management included in the ABC Work Program;
- (3) this report be forwarded to the Audit Committee, Policy and Finance Committee and Council for their information; and
- (4) the appropriate City Officials be authorized and directed to take the necessary action to give effect thereto.

## **8. Overview of Existing Governance of Museum Boards**

### **DEPUTATION**

Report (June 2, 2003) from the Commissioner, Economic Development, Culture and Tourism, providing an overview of the existing governance of museum boards, and recommending that this report be received for information.

#### **8(a). Historic Houses of Old Toronto**

Communication (April 9, 2003) from Councillor David Miller, forwarding a communication (undated) from Ms. Lynn Donoghue, Chair, Fundraising, Historic Houses of Old Toronto, regarding the relationship between the board and the staff.

#### **8(b). Governance of Museum Boards**

Communication (March 12, 2003 and April 14, 2003) from Mr. Geoffrey Geduld, Chair, Toronto Historical Museums Board, expressing disagreement over the issue of adding museum governance to the consultation process of the ABC Ad Hoc Committee, and advising that governance will be part of a feasibility study to develop a museum/cultural centre about Toronto's heritage being conducted in conjunction with Culture Division's Museum Services.

## **9. ABC Ad Hoc Committee Progress Report and Future Strategy**

Report (June 10, 2003) from the Chief Administrative Officer, responding to the Council directive for the ABC Ad Hoc Committee to report every six months on progress accomplishments of the Committee to date and the strategy for implementing the policy frameworks established through the ABC Ad Hoc Committee, and recommending that:

- (1) the ABC work program for 2004-2006 outlined in Appendix 2, being coordinated by the Chief Administrator's office working in consultation with City ABCs and an interdepartmental staff team, be forwarded to the Policy and Finance Committee in the new term of Council to determine whether any special Council committee or reference group should be established to deal with ABC governance issues;
- (2) the appropriate City Officials be authorized and directed to take the necessary action to give effect thereto.

## 10. Governance Review of the Toronto Atmospheric Fund

Report (July 8, 2003) from the Chief Administrative Officer, outlining the findings of the governance review of the Toronto Atmospheric Fund (TAF), conducted in response to several Council directives; and recommending that:

### Mandate and General Governance Relationship

- (1) Recognizing the value of the Toronto Atmospheric Fund's (TAF) contributions to the City and others in reducing greenhouse gas emissions and improving air quality, and the benefits of its unique governance relationship with the City, TAF's current status as a statutory corporation without share capital that functions as a local board for governance purposes be continued;
- (2) Prior Council approval be required for the establishment, amendment or dissolution by TAF of subsidiary entities, agreements with other agents to perform parts of TAF's mandate, and joint ventures and formal business partnerships involving a legal relationship or financial obligation;
- (3) The City Chief Financial Officer and Treasurer be designated as the City's administrative liaison with the TAF Board for financial coordination and monitoring purposes, with the City CAO retaining carriage for governance and legislative issues pertaining to TAF;

### Investment Framework

- (4) Council modify its December 1999 request to the Province of Ontario to amend the Toronto Atmospheric Fund Act (TAF Act), regarding application of Sections 27 to 31 of the Trustee Act to the investment of TAF funds, to more clearly reflect Council's existing authority to guide the investment of TAF assets;
- (5) Council revoke its December 1999 authorization of the indemnification of the TAF Board by the City, with respect to the standard of care set out in Section 27 of the Trustee Act and the City's investment of the TAF funds, since TAF now supervises the management of the investments and so that the City, TAF and TAF's investment managers each assume responsibility for their own actions;
- (6) Council approve the City's investment objectives for TAF as set out in Figure 1 of this report, and:
  - (a) TAF submit to the City CFO an amended Statement of Investment Objectives and Policies indicating:
    - (i) how the Statement implements the City's investment objectives for TAF as set out in Figure 1 of this report; and
    - (ii) the extent to which investments are mandate-related;

- (b) the City CFO transmit the Statement along with a commentary and recommendations to the Policy and Finance Committee and Council for their approval; and
  - (c) this process apply to future TAF amendments to its investment objectives and policies.
- (7) In addition to quarterly reports on investment results, TAF report annually to the CFO on performance measures that specifically include a comparison of the cost of external investment advisors to the investment returns (excluding loan interest) in excess of the earnings that would have resulted if TAF's funds had continued to be invested by the City and any other investment performance measures and reporting requirements that the CFO, in consultation with the Auditor General, may determine;
- (8) (a) The TAF Act be amended to permit Council to delegate to TAF, with any conditions it deems appropriate, any part of the City CFO's existing responsibilities to manage and invest TAF assets; and
- (b) Once this amendment is enacted, the CFO advise the Policy and Finance Committee on the appropriate parameters for delegating such authority to TAF, and the manner for outlining this in a Council Operating Directive to the TAF Board;

#### Framework for Funding Programs

- (9) (a) To clarify the conditions of the \$23 million cap placed by the TAF Act on the City's contribution to TAF, the TAF Act be amended to provide that the following financial transactions not be included in the calculation of the cap:
- (i) funds the City receives from third parties, for purposes falling within TAF's mandate, that the City transfers to TAF;
  - (ii) emission credits the City transfers to TAF; and
  - (iii) interest paid to TAF on mandate-related loans extended to the City or its agencies, boards, commissions and corporations; and
- (b) To preserve the City's ability to contribute funds to TAF subject to the \$23 million cap, the TAF Act be further amended to provide that the City may not contribute funds to the TAF Foundation (Clean Air Partnership), which would be seen as a means of circumventing the cap on the City's contribution to TAF;
- (10) The principles in the City's general grants policies (including anti-racism, access and equity policies) apply, with the necessary modifications, to TAF funding including those outlined in Appendix 1 and 2 of Clause No. 5, Report No. 26 of the Strategic Policies and Priorities Committee approved by Council in December 1998 and any future amendments;



- (11) If TAF receives donations containing a requirement that a portion of the benefit be applied outside of Toronto or Ontario, these funds be identified separately in any reports to the City;
- (12) As a matter of policy, other governments and their agencies not be eligible to receive TAF grants or loans, and private for-profit entities not be eligible to receive TAF grants;
- (13) The classification system for TAF funding to external organizations be adopted as presented in Figure 4 of this report and TAF develop procedures to ensure grants, loans and financing, awards, special allocations (e.g., special projects) and contracted services to provide program support (e.g., research and services) are appropriately classified and separately identified in any reports to the City;
- (14) TAF report to the Policy and Finance Committee on its strategy to increase the level of mandate-related loans using the principal of the fund;

#### City-TAF Financial Relationship

- (15) To streamline administration, the current process for the City and its agencies, boards, commissions and corporations to receive TAF grants be replaced with jointly developed multi-year contribution agreements with the following characteristics:
  - (a) each contribution agreement supports a few significant priority initiatives that are consistent with City and TAF air quality improvement and green house gas reduction objectives;
  - (b) to recognize TAF's unique relationship with the City, TAF funding for City initiatives be identified as a distinct financial commitment that does not compete with grants to external community-based organizations;
  - (c) to provide both flexibility and a degree of certainty, the annual contribution of TAF funds to the City, including its agencies, boards, commissions and corporations, be targeted at the same average level as experienced over the period 1999 to 2002 and go forward on a 4-year rolling average basis; and
  - (d) recognizing the City's intergovernmental obligations for the GTA Clean Air Council and Smog Summit, in addition to the contribution in recommendation 15(c), TAF continue to provide the City's annual contribution to these initiatives, subject to annual review by the City; and

the process for developing the multi-year contribution agreements be outlined in the Council Operating Directive to the TAF Board, ensuring an efficient process that accommodates adequate information sharing.

## Board Composition, Appointments Process, and Procedures

- (16) To eliminate the outdated board composition currently specified in the TAF Act and to accurately reflect the authority delegated to Council by the Province, the TAF Act be amended to provide that Council determine the TAF Board's structure, composition, appointments process and procedures, retaining the requirement that Council shall appoint all of the directors of the TAF Board.
- (17) The policies and process for nominating the Board of Directors of TAF be amended as follows:
  - (a) the selection criteria for citizen appointments to the TAF Board of Directors be amended to reflect that qualifications for citizens to serve as directors include requirements in the Municipal Act, being in good standing with the City, not being an undischarged bankrupt, and not being a mentally incompetent person;
  - (b) employees of the City and its agencies, boards and commissions not be eligible to hold positions on the TAF Board and that parameters for their participation on TAF committees be included in the Council Operating Directive;
  - (c) a TAF Board member not be an employee of TAF and not perform services for TAF on a remuneration basis; and
  - (d) TAF's Nominating Committee submit a short-list of qualified candidates to the City Clerk for interview and nomination by the City's Nominating Committee.
- (18) TAF Board procedures be amended as follows:
  - (a) Although committees of the Board may include persons who are not members of the Board of Directors, all committees of the Board are to be chaired by a member of the Board, and the majority of the members of committees that have responsibility for internal operating matters must be directors of the Council-appointed Board;
  - (b) To ensure open meetings and promote public access and input, meetings of the TAF Board and committees of the Board must be held within Toronto, although members of the Board or committee may participate in such meetings through electronic or other telecommunication means provided that a quorum is present, in person, at the meeting location within Toronto; the quorum requirement may be waived for meetings where only in-camera items are being addressed, or in emergency situations as declared by the Chair of the Board.;
  - (c) In the absence of the Chair or Vice-Chair, another member of the Board shall preside at meetings of the directors of the Board; except that the Executive Director, Chief Executive Officer or other employees are permitted to preside at meetings of the Board for the purpose of selecting a new Chair of the Board.

Clean Air Partnership (CAP) (aka TAF Foundation)

(19) Given that:

- (i) the TAF Act is prescriptive in defining the composition of the CAP Board;
- (ii) the Province has delegated to Council the authority to make changes to the structure of CAP through Ontario Regulation 214/96; and
- (iii) TAF has no legal capacity to change the structure of CAP; the TAF Act be amended to:
  - (a) provide that the City may not contribute funds to CAP;
  - (b) remove the details of the structure of CAP and provide that responsibility over governance matters be vested in the City;
  - (c) permit Council to delegate to TAF, with such conditions as it deems appropriate, the authority for determining the structure, composition, procedures and appointments of the board of directors of CAP; and
  - (d) vest in the City the authority to wind-up or dissolve CAP;

and Council delegate that authority to TAF on the condition that:

- (1) TAF funds are not provided to the TAF Foundation (CAP) except to cover administrative expenses, funds for the City's annual contribution to the GTA Clean Air Council and Smog Summit, or as otherwise authorized by Council; and
- (2) TAF's budget specifically show all funds contributed to the TAF Foundation (CAP).

Implementation

- (20) The City CAO be directed to prepare, for Council's approval, a Council Operating Directive to the TAF Board that codifies the governance, accountability and policy requirements and delegation of authority applicable to TAF.
- (21)
  - (a) Council approve proposed amendments to the TAF Act to generally contain the provisions set out in Appendix B to reflect changes recommended in this report, reflect changes previously approved by Council and not yet implemented, and generally update the Act to codify existing authorities provided by regulation, subject to drafting of and modifications to the legislation by the Province;
  - (b) the City, TAF and the TAF Foundation (CAP) jointly submit an application to the Province of Ontario for amendments to the TAF Act to generally contain the provisions set out in Appendix B; and
  - (c) the City CAO, with support from the City Solicitor and TAF and TAF Foundation (CAP) officials, negotiate with Provincial officials on the appropriate wording of the amendments;

- (22) The policies and procedures of the TAF Board, as set out in its By-law No. 1, be amended to ensure consistency with the recommendations of this report, and TAF consult with the City CAO during this process;
- (23) This report be forwarded to the Board of TAF and the Board of the TAF Foundation (CAP);
- (24) This report be forwarded to the Policy and Finance Committee and to Council for their consideration; and
- (25) The appropriate City, TAF and TAF Foundation (CAP) officials be authorized and directed to take the necessary action to give effect to the recommendations in this report.

**11. Council Operating Directive to the Board of Directors of the Toronto Parking Authority**

Report (July 8, 2003) from the Chief Administrative Officer, outlining the principles of governance and articulates the objectives and requirements of the City that the Toronto Parking Authority shall apply in carrying on its business, and recommending that:

- (1) the Operating Directive to the Board of Directors of the Toronto Parking Authority attached as Schedule 1 to this report be approved;
- (2) Municipal Code Chapter 179 be amended substantially in the form attached as Schedule 2 to this report and that the City Solicitor be authorized to introduce the necessary Bills in Council;
- (3) the Operating Directive and amended Municipal Code Chapter referred to in Recommendations (1) and (2) come into force at the beginning of the new term of the Board of Directors in 2004.
- (4) the list of desired qualifications for members of the Board of Directors be amended to include commercial sensitivity and acumen;
- (5) this report be forwarded to the Policy and Finance Committee and Council for consideration;
- (6) that formal notice be given to the Board of Directors of the Toronto Parking Authority of the recommendations of the ABC Ad Hoc Committee so that the Board has an opportunity to provide comments to the Policy and Finance Committee;

- (7) the appropriate City Officials be authorized and directed to take the necessary action to give effect thereto.

**DATE OF NEXT MEETING: Friday, September 5, 2003, 9:30 a.m. Committee Room No. 3.**