

Consolidated Clause in Policy and Finance Committee Report 7, which was considered by City Council on September 28, 29, 30 and October 1, 2004.

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**City of Toronto Membership in the
Association of Municipalities of Ontario**

City Council on September 28, 29, 30 and October 1, 2004, adopted this Clause without amendment.

Council also considered additional material which is noted at the end of this Clause.

The Policy and Finance Committee recommends that City Council adopt the recommendations in the Recommendations Section of the report (September 14, 2004) from the Toronto Caucus of Association of Municipalities of Ontario:

Purpose:

This report recommends that the City of Toronto suspend its participation and membership in the Association of Municipalities of Ontario.

Financial Implications and Impact Statement:

The City of Toronto membership fees of \$72,059.80 for 2004 have been paid. Should Toronto decide to discontinue its membership in AMO for 2005, no payment of fees will be made.

Recommendations:

It is recommended that:

- (1) the City of Toronto suspend its participation and membership in the Association of Municipalities of Ontario;
- (2) the City of Toronto continue to pursue its stated goal to achieve a government to government relationship;
- (3) the Chief Administrative Officer and the Mayor report back in December 2004 on the progress in achieving a government to government to government "seat at the table"; and
- (4) the appropriate City Officials be authorized and directed to take the necessary action to give effect thereto.

Background:

The Association of Municipalities of Ontario (AMO) membership includes 400 of the 445 municipalities in Ontario representing over 99.6 percent of the Province's population. The City of Toronto has been a member of the Association of Municipalities of Ontario since amalgamation in 1998.

The AMO Board of Directors is comprised of 49 members including 7 members from Toronto Council (the AMO Toronto Caucus). Council appointed the current AMO Toronto Caucus members at its meeting on July 20-22, 2004.

Toronto participates in AMO in number of ways:

- (i) Toronto's AMO membership fee for 2004 is \$72,059.80.
- (ii) Toronto provides meeting space in City Hall for the 4 or 5 AMO Board of Directors meetings held in Toronto each year.
- (iii) City of Toronto councillors and staff participate with other municipal officials in many AMO task forces and working groups to address provincial initiatives. As Chair of the AMO Toronto Caucus, Councillor Moscoe is also a member of the 12 member AMO Executive Committee.

Toronto benefits from and contributes to the activities of AMO. Toronto councillors and staff provide a level of expertise and experience on a range of AMO issues that is not available in smaller municipalities. Through participation in AMO, Toronto councillors and staff develop partnerships and alliances with other municipalities on specific issues and benefit from their experience.

Comments:

At the AMO Annual Meeting and Conference in Ottawa on August 23-25, 2004, the then President of AMO, Ann Mulvale, Mayor of Oakville, and the Honourable John Gerretsen, Minister of Municipal Affairs and Housing, signed a Memorandum of Understanding (MOU) for consultation between AMO and the Province of Ontario. The MOU (attached) was essentially the same as an earlier MOU signed in 2001 with the addition Schedule C "Protocol for Consultation with AMO in Canada-Ontario Negotiations on Matters that have a Direct Municipal Impact." This Protocol sets out conditions and terms for AMO to represent municipal interests in negotiations with other orders of government.

The Protocol is not acceptable to Toronto because of two fundamental flaws.

- (1) Process to Develop the Protocol:

First, the approach to the development of the Protocol was a breach of municipal accountability and transparency for the City of Toronto and for other member municipalities of AMO. The development of the Protocol did not permit meaningful

consideration of the content by the AMO Executive Committee, the AMO Board of Directors, or the municipal governments that are members of AMO.

The Protocol was presented to the AMO Executive Committee for the first time on August 12, 2004, two hours prior to a meeting with the Minister of Municipal Affairs and Housing. The AMO Executive Committee was informed that:

- (i) the draft Protocol was the product of extensive negotiations between the AMO executive director and provincial officials;
- (ii) the intention was that the new MOU and new Protocol would be signed at the AMO conference on August 23;
- (iii) the Protocol is considered by AMO and the Province to be a major step forward in municipal participation in Canada-Ontario negotiations; and
- (iv) any substantial changes to the Protocol requested by AMO Executive Members would jeopardize the signing of the MOU at the AMO conference.

The members were also informed that the confidentiality of the MOU prevented the Executive Committee members from discussing the MOU with the other members of the AMO Board of Directors.

Neither the draft nor the final Protocol was presented to the AMO Executive or the AMO Board of Directors for ratification. The AMO Board of Directors saw the Protocol for the first time only after the President of AMO and the Minister of Municipal Affairs and Housing signed the MOU on August 23. The AMO Executive Committee did not see the final Protocol until after it was signed by the President of AMO.

The City of Toronto did not participate in any way in the preparation of the Protocol and was not asked to comment on or to ratify the Protocol.

The Protocol could have far-reaching implications as it is intended to set the basis for municipal input to Canada-Ontario negotiations. As such it is inappropriate and entirely contrary to the New Deal that such a document would have been negotiated with no input from municipal governments and with no accountability to the AMO membership.

(2) Content of the Protocol:

The content of Protocol compromises the fundamental principle that Toronto must have a seat at the table and that Toronto must have a government to government to government relationship in partnership with Ontario and Canada on key issues.

The City of Toronto has been working vigorously toward a New Deal with the Province of Ontario and Government of Canada that would provide the City with:

- (i) an enabling legislative framework;

- (ii) revenue sources appropriate to the City's responsibilities; and
- (iii) a seat at the table in government to government negotiations.

Mayor David Miller has communicated to the Premier and the Minister of Municipal Affairs and Housing that a New Deal for Toronto must include a government to government relationship between Toronto, Ontario and Canada. Mayor Miller has also indicated to the Province and AMO that Toronto must speak for itself and represent its own interests at the table.

The MOU between AMO and the Province of Ontario and Schedule C "Protocol for Consultation with AMO in Canada-Ontario Negotiations on Matters that have a Direct Municipal Impact" is predicated on:

- (a) AMO speaking for and representing the views of municipalities to the Province of Ontario and the Province presenting these to the Government of Canada;
- (b) AMO providing one voice for municipal interests by consolidating municipal views and aligning municipal perspectives; and
- (c) the Protocol as the first step toward a tripartite framework agreement between Canada, Ontario and AMO.

The New Deal principle of a seat at the table and government to government to government partnership is undermined by establishing an association as the municipal partner in negotiations and agreements with Canada and Ontario rather than involving municipal governments directly. The City's objective of a government to government to government partnership is undermined and obstructed by this Protocol as it grants AMO the role of consulting with its membership to consolidate and align municipal perspectives and results in AMO being a partner in a Canada, Ontario, municipal tripartite framework agreement. As noted in the previous section on process, it is clear that AMO cannot be relied upon to engage its membership in any meaningful discussion on intergovernmental negotiations.

It is therefore recommended that the City of Toronto suspend its participation and membership in AMO.

The suspension of Toronto membership and participation in AMO would require:

- (a) the AMO Toronto Caucus discontinue their participation in the AMO Board of Directors and all AMO working groups and steering committees including the Toronto Caucus Chair participation in the Executive Committee and the AMO MOU Team;
- (b) Toronto staff discontinue their participation in AMO working groups, task forces and steering committees; and

- (c) Toronto communicate to provincial Ministers that as Toronto is no longer participating in AMO, the Province should consult directly with Toronto on issues with implications for municipalities.

Toronto Council should review its future membership in AMO when the 2005 membership renewal comes.

Conclusions:

The City will continue to pursue its goal to achieve an enabling legislative framework and a government to government to government relationship and a “seat at the table”. The Chief Administrative Officer and the Mayor will report back in December on the progress that has been made.

The “Protocol for Consultation with AMO in Canada-Ontario Negotiations on Matters that Have a Direct Municipal Impact”, that is now a part of the Memorandum of Understanding between the Association of Municipalities of Ontario and the Province of Ontario, is contrary to the principle of the New Deal for Cities that cities need a seat at the table to establish a government to government to government relationship in negotiations with Ontario and Canada. It is not in Toronto’s best interests to continue to participate in AMO as AMO acted in a manner that was unaccountable to its membership in the development of the Protocol. It is therefore, recommended that Toronto suspend its participation and membership in the Association of Municipalities of Ontario.

Toronto Caucus of the Association of Municipalities of Ontario:

Councillor Howard Moscoe, Chair;
Councillor Brian Ashton;
Councillor Bas Balkissoon;
Councillor Shelley Carroll;
Councillor Olivia Chow;
Councillor Janet Davis; and
Councillor Suzan Hall.

Attachment:

Memorandum of Understanding between the Association of Municipalities of Ontario and the Province of Ontario

The Policy and Finance Committee also submits the communication (June 8, 2004) from Mayor David Miller, Toronto, addressed to Mayor Ann Mulvale, Town of Oakville:

I am pleased we had the opportunity to meet at the FCM Annual Conference in Edmonton. We were able to discuss the importance to Toronto of direct government to government engagement with the Province. I appreciate your understanding and support for Toronto’s position.

The Province is embarking on a very ambitious and active agenda that will have significant implications for Ontario’s municipalities. As you are aware the issues and perspectives of

municipalities vary considerably across the Province. Toronto grapples with issues and concerns that are unique to the largest city in the country and the capital city of Ontario.

Toronto is a long-standing member of the Association of Municipalities of Ontario. Toronto councillors and staff participate in numerous AMO activities providing a depth of expertise and experience not always readily available in other municipalities. While Toronto contributes to and benefits from AMO activities, it is essential that Toronto be directly involved in provincial discussions, consultations and negotiations independent of the involvement of AMO or any other organization.

I have written to the Provincial Ministers of Municipal Affairs and Housing and Public Infrastructure Renewal to ask them to ensure that the City of Toronto is brought into discussions about provincial initiatives with an impact on Toronto at the beginning of the process. I have also requested that Toronto be directly involved, along with AMO, throughout the process. I have copied you on these letters. I made it clear that, although Toronto contributes significantly to AMO, the Province cannot substitute consultation with AMO for direct involvement of Toronto. Toronto must have its own seat at the table.

I am well aware of the need for municipalities to speak with one voice for a new deal with the provincial and federal governments. That is all the more reason for Toronto to be involved early on and independently from AMO. It is not realistic to expect that AMO can represent Toronto's perspective. Although we speak with one voice the results cannot be "one-size fits all".

I trust that I can depend on your support as President of AMO to ensure that when the Province consults with AMO it is clear that the City Toronto must be consulted as well. I look forward to working with you and having Toronto continue to participate with and contributed to AMO initiatives.

(A copy of the Memorandum of Understanding between the Association of Municipalities of Ontario and the Province of Ontario appended to the report dated September 14, 2004, from the Toronto Caucus of Association of Municipalities (AMO) was submitted at the September 15, 2004, meeting of the Policy and Finance Committee and a copy is also on file in the office of the City Clerk, City Hall).

The following Members of Council appeared before the Policy and Finance Committee:

- Councillor Suzan Hall, Etobicoke North;
 - Councillor Jane Pitfield, Don Valley West; and
 - Councillor Michael Walker, St. Paul's.
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City Council – September 28, 29, 30 and October 1, 2004

Council also considered the following:

Communications:

- (1) (September 20, 2004) from Roger Anderson, President, Association of Municipalities of Ontario;*
- (2) (September 22, 2004) from Mayor David Miller, addressed to the President, Association of Municipalities of Ontario; and*
- (3) (September 23, 2004) from Roger Anderson, President, Association of Municipalities of Ontario.*