

The City We Want—The Government We Need

The Report of the Governing Toronto Advisory Panel

November 2005



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The following papers are available at www.toronto.ca/governingtoronto

- *Selected Urban Governance Models and Practices*, Lionel D Feldman Consulting Ltd & Katherine A. Graham
- *Civic Engagement–Review and Reflection on Current Practices and Future Approaches*, Pamela Robinson, PhD, School of Urban and Regional Planning, Ryerson University
- *Transcript of Public Consultation Input*, November 15, 2005 Public Meeting



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www.toronto.ca/governingtoronto

City of Toronto, November 2005



Governing Toronto Advisory Panel

Left to right: Ann Buller, Sujit Choudhry, Martin Connell

To Mayor Miller and Members of Toronto City Council,

Attached is the report of the Governing Toronto Advisory Panel, co-authored by the three of us, but representing the vision and passion of thousands of Torontonians. We submit this work humbled by the lessons we have learned, and emboldened by the fact that this is the time for transformative change.

The *City of Toronto Act* is expected to provide new and broader powers for the City. In anticipation of this new world, you asked us to consult with Torontonians and advise you on our future structure of democratic governance. Through emails, consultations, one-on-one meetings, briefs and letters, Torontonians shared their love for the city and their frustration with aspects of how it operates.

Most rewarding was the fact that the diversity of our city was reflected in this feedback—we heard from families that have been here for generations, and from those for whom such a generational attachment is still a goal.

The current City of Toronto is an amalgam of former cities, and a mosaic of neighbourhoods rich in history and a sense of community. Its size, diversity, need for social cohesion and the necessity to make the city welcoming and supportive of business and development, make governance both inordinately important and unbelievably complex. We have one over-arching vision: a government that, with its people, plans for the future, takes care of the present, and respects the past.

Through the *City of Toronto Act*, the provincial government is demonstrating its belief in the uniqueness of Canada's largest city. History will look back upon this moment in time and judge us all. Did we have the courage to do what is right for the long-term health of our city and our province? You must rise to the challenge. Make the necessary changes and you put to rest the criticism that City government will not take action. Whether or not you accept the recommendations we offer, this is the time when the pre-eminence of the City must take precedence.

On behalf of my colleagues Sujit Choudhry and Martin Connell, thank you for the honour of serving the City as the Governing Toronto Advisory Panel. We have been impressed by seeing first hand the passion and commitment each of you brings to your work. We feel even more strongly about our work today than when we began.

Respectfully submitted,

Ann Buller
Chair, Governing Toronto

November 23, 2005



Introduction

Toronto is at a remarkable point in its history. As one of the most prosperous, diverse and inclusive cities in the world, and as a major centre of commerce and culture, it also plays a special role on the national scene.

The anticipated powers under a new *City of Toronto Act* will give Toronto special, unique status in Canada. For the first time, the City will have the power to respond to the changing needs of its residents and to chart its own path for its future. Toronto will have the power to reform its model of democratic government. With its new powers come new responsibilities, a greater need for accountability and for a model of democratic government that recognizes the city's extraordinary complexity and diversity. We need a government that, with its people, plans for the future, takes care of the present, and respects the past.

The *City of Toronto Act* is not the only reason to change Toronto's model of democratic government. The underlying catalysts for both the *City of Toronto Act* and the reform of Toronto's system of government are the significant economic, social and planning challenges we face.

During our five months of review and consultations, the feedback we received, with its many different approaches and goals, made it clear that a new governance model for Toronto must:

- Be suitable for an autonomous order of government
- Ensure the implementation of strategic, long-term, city-wide perspectives
- Broaden accountability to the public
- Ensure a respectful learning and working environment for City staff and councillors
- Facilitate the debate and making of tough city-wide decisions
- Increase citizen participation and engagement from across the city

This last point has special significance. Although a City Council that reflects the diversity of our city is critical to meeting the imperative of social inclusion, increasing voter turnout and engagement across the city matters just as much.

Toronto's success depends on decisive and visionary leadership from its elected officials – in all *orders of government*. But while Toronto's government must be structured properly to give Torontonians the city they deserve, this is not enough. At the end of the day, it is our people who bring the city to life. Toronto has a wealth of intellectual and social capital. Highly educated and sophisticated leaders run our major businesses and educational institutions; impassioned and committed community leaders work toward greater social inclusion; hundreds of thousands of volunteers support our wide ranging civil society; youth bring answers upon which we can build for the future. Faith, ethnic, age-related and other community groups all add to the vibrancy of the city. It is critical that we capture and act upon their ideas to build the city we want.

Yet as we speak of a city so full of promise, we know we must also deal with very real challenges. Toronto is losing economic ground. Companies continue to locate in, or

move to, surrounding municipalities and other North American cities. The loss of jobs and investment is serious. Our commercial tax base has stagnated, exacerbating the enormous fiscal pressures already facing the city.

The need for social services has never been greater. Toronto has increasing levels of poverty and unemployment, largely concentrated in at-risk and significantly under-served neighbourhoods. This poverty is disproportionately experienced by visible minority communities and single-parent families headed by women.

The downloading of an increased share of social programs, and the inheritance of a housing portfolio in need of serious repair, has placed additional, open-ended stress on an already severely overstretched City budget.

These are not the only challenges Toronto faces. It currently has a planning process with both too much and too little local democracy. Local councillors exercise disproportionate influence over planning decisions at the expense of the city-wide interest. And every planning decision made by City Council can be appealed to the provincially-appointed Ontario Municipal Board.

The responsibility to act falls to all three orders of government –federal, provincial and municipal. But as the order of government most closely tied to the community and to the daily lives of its peoples, the City of Toronto has a special role to play.

Until now the legal framework set by the Province has hobbled the City's ability to face these challenges and control its future. But that will soon change. The Province of Ontario has indicated it will introduce a new *City of Toronto Act* by year-end, which is expected to give Toronto the tools to act like an order of government—that is, to exercise many of the powers currently held by the Province. Although much more needs to happen—such as a fair fiscal deal for Toronto—the new *City of Toronto Act* represents a major part of a “new deal” for our city.

The new *City of Toronto Act* raises a fundamental question. How can Toronto's system of democratic government ensure that the City fully realize the potential of its new powers, and face the social and economic challenges ahead? In July 2005, City Council appointed the Governing Toronto Advisory Panel and asked us to make recommendations responding to this very question.

The status quo is not an option – *that* we have concluded beyond question. Toronto's current model of democratic government is simply not capable of generating the sophisticated economic and social policies that citizens rightly expect from the government of Canada's largest and most complex urban centre.

Toronto needs a government that acts strategically, takes a city-wide perspective, uses a coordinated policy approach, and stands accountable to all Torontonians for delivering on its policy agenda. To do this we need a new approach to governance and a renewed and strengthened relationship between the political arm and the independent, professional public service. The importance of an effective and appropriate working relationship between these two cannot be understated.

These things require dramatic change. Without it, the City will never be able to exercise its new powers properly. With it, we can create a great and enduring community. We deserve nothing less.



Summary of Recommendations

In presenting our recommendations, we chose to bring forward those that we thought would be most helpful. We debated presenting options but opted instead for an integrated set of recommendations that together describe a system of government.

Recommendation One: Strengthen City Council's ability to focus on strategic, city-wide priorities

- Increase City Council's term of office from three years to four years
- Delegate transactional decision-making to staff, committees of City Council and other administrative bodies, with appropriate checks and balances
- Enforce procedural rules related to agenda deadlines and notice requirements
- Adjust the legislative meeting calendar to separate transactional business from strategic planning and policy-making work
- Appoint a full-time Speaker and a Deputy Speaker to preside over City Council meetings and protect the dignity of City Council's deliberations through the enforcement of procedural and behavioural rules

Recommendation Two: Create an Executive Committee with responsibility for furthering the City's agenda

- Appointed and chaired by the Mayor with membership comprising the chairs of Standing Committees, Community Councils (to ensure geographic representation), the Toronto Transit Commission, and the Deputy Mayor
- Responsible for:
 - Integrating city-wide strategic planning and setting priorities
 - Linking city-wide priorities to financial resources through the budget process
 - Coordinating City Council's agenda management and managing the flow of policy issues to City Council
 - Ensuring that Standing Committees develop work plans consistent with the City's strategic direction
- Salaries of councillors serving on the Executive Committee should be raised to recognize their increased responsibilities. The amount of this increase should be determined following a review of practices used in other cities and orders of government
- Receive advice and analytical support from a dedicated office consisting of professional, non-partisan staff, free of obligations to individual programs

Recommendation Three: Broaden the Mayor’s scope of responsibility to reflect the public’s expectations of the position and to enable the Mayor to lead effectively

- With the Executive Committee, at the beginning of each term, set a multi-year, city-wide vision and strategic directions for City Council’s approval
- Hold four annual meetings with members of the public (“Mayor’s days”) in different parts of the city to receive public feedback and input on the City’s direction
- Deliver an annual state-of-the-city address reporting on the achievement of the strategic directions
- Appoint and remove the Chairs and Vice-Chairs of Standing Committees, Community Councils, the Toronto Transit Commission, and the Deputy Mayor
- Make recommendations to City Council through the Executive Committee on major city-wide policy issues
- Lead a budget process supporting strategic directions; sponsor the budget in City Council
- Speak for Toronto nationally and internationally
- Negotiate with other orders of government, within broad policy parameters established by City Council
- Serve as a signing officer on intergovernmental agreements (but with no unfettered right to bind the City)
- Direct, appoint and dismiss the City Manager

Recommendation Four: Ensure Standing Committees move the city-wide agenda forward

- Establish work plans that demonstrate how they will advance the strategic priorities
- Committee chairs would be expected to champion the recommendations of their Standing Committees at City Council
- Review the process and approach to deputations, ensuring a respectful environment is created, and that the public has broadened access
- Form a new Standing Committee focusing on economic development and competitiveness

Recommendation Five: Empower Community Councils

- Exercise delegated local transactional decision-making authority, governed by Council-approved policy
- Conduct a minimum of four public engagement sessions annually within their areas, to provide community input into key issues, such as the setting of strategic directions and budget
- Determine a more effective method of ensuring neighbourhood input using the City’s 140 identified neighbourhoods, to feed into local priority setting and service planning
- Meet in the evening, when more community members are able to attend

Recommendation Six: Enhance civic engagement and community involvement

- In consultation with the community, the City develop a shared, common civic engagement strategy that integrates and builds upon activities currently undertaken
- In particular, use this engagement strategy in the 13 neighbourhoods identified as having priority for infrastructure investment under the Toronto Strong Neighbourhoods Strategy

Recommendation Seven: Retain ward-based representation

- City Council maintain wards and reject at-large election of councillors to help ensure that marginalized communities are not further disadvantaged

Recommendation Eight: A better planning process

- Mayor to champion the completion and adoption by City Council of the comprehensive zoning by-law to implement the new Official Plan, and City Council commit the necessary resources to complete the process
- Require a 2/3 majority whenever City Council wishes to make an amendment to the new comprehensive zoning by-law, which professional planning staff determines is contrary to the new Official Plan
- In anticipation of Ontario Municipal Board reform, establish a Toronto Appeal Board for Committee of Adjustment decisions
- Establish a professional design review panel to review and amend select development plans from a design perspective, working within Council-approved guidelines

Recommendation Nine: Budgeting tied to strategic priorities

- The Executive Committee must set out an overall vision for the budget (operating and capital) and realign resources and/or reduce costs as necessary, based on the overall vision
- The budget process and outcomes must be tied to and implement City Council's strategic priorities
- Move towards a budget process that places more emphasis on the upfront work of priority setting and committee review, and where the final step of the budget process involves City Council voting 'yes' or 'no' to adopt the budget as a whole

Recommendation Ten: Strengthen the commitment to economic development and competitiveness

- City Council must act immediately to create a new Standing Committee, the Economic Development and Competitiveness Committee
- The Mayor must provide the leadership on this policy matter

Recommendation Eleven: Engendering trust, respect and civility at City Hall

- City Council institute sanctions for breaches of confidentiality by deeming breaches to be offences under the *Provincial Offences Act*



How Toronto is Governed Now

To understand the importance of this opportunity it is necessary to remember where Toronto is and where it has come from.

Toronto is in its 8th year post-amalgamation. Overriding the concerns and consensus view of the citizens, the provincially mandated amalgamation in 1998 took the former two-tiered form of government with its metropolitan-wide political and administrative structure, and six local municipalities each with its own administrations and local political systems, and forged a single-tier city administration.

In the process of amalgamation the fiscal structure of the City was also significantly altered with the Province shifting greater amounts of social service costs with a reduced contribution for infrastructure and public transportation. Outside of certain shared cost programs and some transfers from other orders of government, property tax and user fees are the sole source of revenue for the City.

The consequences of amalgamation are now well understood. It is far from an optimal system. On the other hand, a return to the state of our pre-amalgamation metropolitan city, while evoking a nostalgic look back in some quarters, is clearly unrealistic and not particularly attractive.

City Council

Amalgamated Toronto now has a 45-member City Council with 44 councillors elected on a ward basis and a Mayor elected city-wide every three years. Once elected, all members, including the Mayor, have one vote in City Council. The system is very different from provincial and federal models: members do not run under a party banner and no formal system of party politics or cabinet model is in play in the decision-making process.

The City has been carved into 4 regions known as Community Council Districts to deal with local matters. Each Community Council has between 300,000 to 600,000 citizens and is represented by 10 to 12 ward councillors. As all City laws require a by-law that has been considered and approved by City Council as a whole, City Council remains the sole legislative authority. In addition to passing by-laws, City Council also awards contracts, makes all major appointments, and approves the hiring and dismissal of officers and executive staff.

The councillors play both a legislative and constituency role. While they are responsible through City Council for city-wide issues the sheer volume of constituency related activities absorbs the bulk of their calendar. Collectively, they are the ultimate power with both legislative and administrative responsibilities. They pass the laws, create the policies and programs, determine the service mix and service levels, and oversee the work of departments.

The Mayor

The Mayor has one vote in City Council and in theory has political powers equal to all other members of City Council. In practical terms the true powers are a direct function of the additional influence contained in the office plus the personality and character of the individual. As Mayor the person holds the official title of municipal Chief Executive Officer, presides as chair in City Council meetings, chairs the Policy and Finance Standing Committee and is a member as-of-right of each Standing Committee and Community Council.

The Mayor also provides leadership to City Council and represents the City at official functions. Further enhancement for the Mayor comes from the prestige of the position, the office they maintain with its current 17 person staff, and visible leadership presence at most civic functions. The Mayor also has the ability to influence the appointment of committee chairs and has better access to the public through the media. On the operational side is an ongoing ability to closely interact with the City Manager and key staff. It is authority through leadership and relationships, and the ongoing support of not less than half of the City Council membership.

The Legislative Process

The business of City Council is largely processed through the committee system. There are six policy Standing Committees of City Council and four Community Councils. In addition, there are several special committees that meet on an ongoing basis or at the call of the chair. The Standing Committees are Policy and Finance, Administration, Planning and Transportation, Works, Community Services, and Economic Development and Parks. They receive new business specific to their field of interest of a city-wide nature, hear deputations from the public, deliberate and make policy and legislative recommendations to City Council.

The Community Councils are geographic standing committees with an emphasis on the City's business at the community level. Issues such as traffic plans, parking regulations and exemptions to certain by-laws are deliberated with a recommendation to City Council for the appropriate by-law. The chairs of the Community Councils and Standing Committees are appointed for the half term (eighteen months).

Special committees include the Striking Committee (basically City Council's appointment and scheduling committee, chaired by the Mayor or the Mayor's designate), the Nominating Committee (to nominate citizens outside of City Council for City agencies, boards and commissions), Audit, Employee and Labour Relations, and Budget Advisory. This latter committee reports to Policy and Finance Committee and is charged with the responsibility of co-coordinating and deliberating over the annual capital and operating estimates presented by the City Manager, the Deputy City Manager/Chief Financial Officer and staff.

Under provincial legislation, Toronto is bound by the principle that City Council's authority may not be sub-delegated unless express statutory authority exists or where the sub-delegation is compatible with enabling statutes. Examples of this are the delegation of administrative functions, or delegation within prescribed policy frameworks.

Under the current *Municipal Act* (also provincial legislation) all meetings of Committees and City Council must be open to the public, and all votes shall be taken in public with no secret ballots. There are limited exceptions to the open meeting provision, where

meetings can be closed to the public on issues related to security of property, personal matters of identifiable individuals, and labour relations or employee negotiations.

Much has been said to the panel about the heavy work load faced by City Council members and the Mayor. Long hours, large volumes of paper, excessive numbers of meetings, ward constituency issues and a massive legislative agenda are a common theme. In 2004 City Council sat a total of 39 days at 13 different sessions, considered 5,300 items, approved over 75% of these items on consent and held 868 items for debate. This does not include the 72 days that Standing Committees, Community Councils, special committees and boards such as the Zoo, Toronto Transit Commission, and Police Services Board met. The number of meeting hours ranged from 114 at the Works Committee to 39 hours for Economic Development and Parks. The Standing Committees received 760 public deputations in 2004. Each Community Council met 9 times in 2004 for a total of approximately 60 hours each and considered 2,089 agenda items. The average number of items was 90. 896 people appeared before Community Councils.

The paper flow to councillors is often described as overwhelming. For a typical City Council meeting over 20 centimetres of paper is presented to each Councillor for pre-read. No distinction is made on City Council's agenda between transactional and strategic matters.



The Case for Change

Looking to the Future, not the Present

Toronto's system of government has been the subject of considerable discussion since amalgamation in 1998. City Council has turned its mind to this issue on a number of occasions and at each juncture opted to essentially maintain the status quo.

The question that now faces City Council is fundamentally different.

In the past, City Council has asked itself "What is the appropriate system of government for the City, given Toronto's current responsibilities and powers?" In other words, the focus has been on the present.

By contrast, our panel has focused on the future. The question City Council must now address is "What is the appropriate system of government, given the City of Toronto's future responsibilities and powers?"

Toronto faces a number of serious challenges, which our elected officials at the municipal, provincial, and federal governments must all address. Toronto faces serious threats to its economic prosperity, fiscal pressures on its municipal budget, strains on the fabric of its social cohesion, and a planning process that privileges local interests over a city-wide agenda.

Alone, any one of these issues would be a challenge. Together, they are truly daunting. Because these challenges are inter-related—for example, Toronto cannot enjoy future economic prosperity without social cohesion—our policy solutions must be creatively interconnected.

The new *City of Toronto Act* will likely provide the additional tools needed to exercise new policy mechanisms to the greatest benefit of Toronto's citizens. But as important as the tools are, we shall still need to confront and make tough political decisions. To succeed will require visionary leadership—imagination combined with political courage.

The Basis of Toronto's Prosperity

Even though Toronto faces serious economic challenges, we must not forget its successes. Toronto enjoys a world-wide reputation as a good place to do business and to live. Toronto's economy generates \$125 billion annually (\$50,000 per capita) and has an employment base of 1,400,000. With close to 2.5 million residents, Toronto is the largest, most culturally diverse and economically significant city in Canada. It is also a leading economic centre in North America. It stands at the hub of the Greater Toronto Area (GTA), a city-region of more than five million that is the continent's fourth-largest metropolitan area, within one day's drive of 40% of the United States business and consumer market.

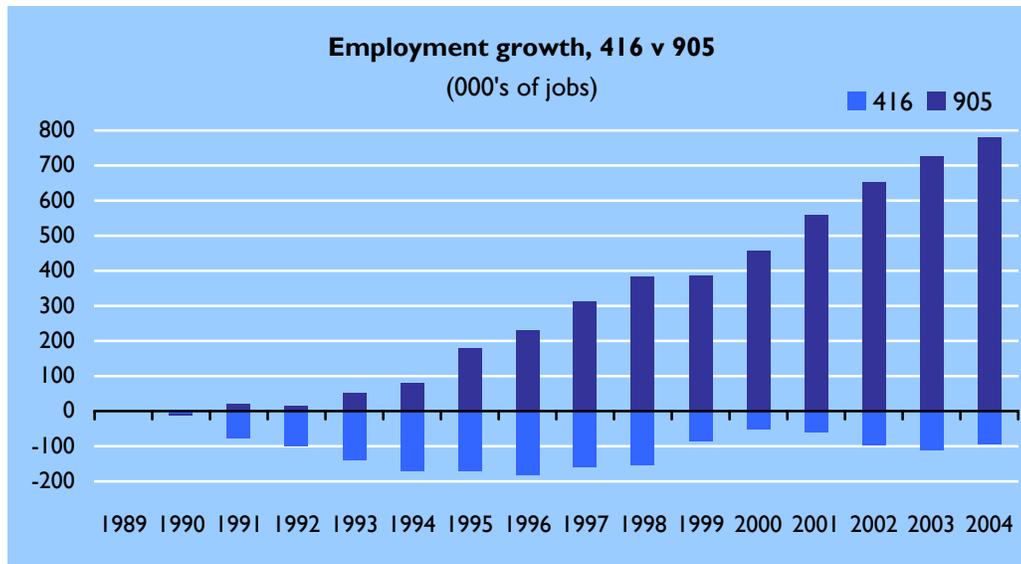
Toronto's economic success has made it very attractive to immigrants. Over 50% of all Torontonians were born outside Canada, making Toronto the country's most diverse city. Toronto remains the first-choice destination for immigrants by far. Moreover, the

city attracts and retains the best and brightest. Toronto has the most educated population of any major city in North America, over 50% of the workforce having completed post-secondary education.

The Threats to Toronto's Prosperity

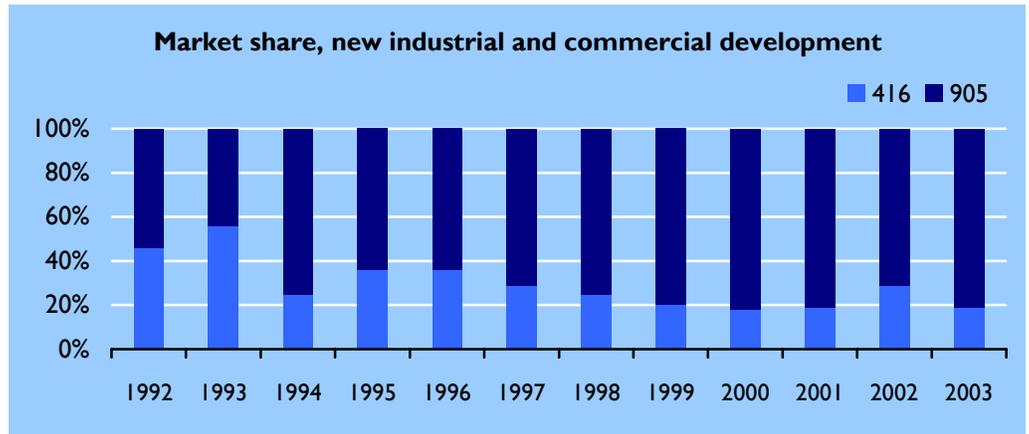
While Toronto has enjoyed past economic success, there are ominous signs that the city is falling behind. A principal factor is economic globalization. For over a century, Toronto prospered by default. Because of the location close to the U.S. border, the early development of local infrastructure, and protectionist trade policies, corporations wishing to do business in Canada were attracted to Toronto. The city did not have to compete for investment. However, Toronto now faces a much more competitive economic environment. NAFTA means that corporations can do business in Canada without being located here. Toronto is now in direct competition with other North American cities, which are much more aggressive in attracting investment and jobs. This competition will only increase.

Moreover, Toronto faces new Canadian competition from the Golden Horseshoe, which has seen explosive population and economic growth in the past 25 years. This is a struggle the city is slowly but surely losing. For example, while Toronto has lost more than 100,000 jobs since 1989—7% of total employment—the GTA outside of Toronto witnessed an increase of approximately 800,000 jobs. In the same period, manufacturing and warehousing jobs have slipped by a third. Over the past ten years, Toronto attracted only 21% of the new office space built in the GTA. Since office employment accounts for almost half of the city's total employment, this trend is alarming.



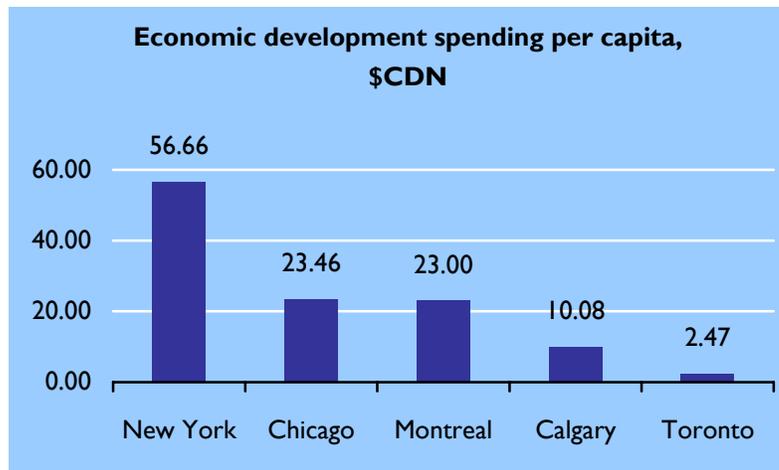
In short, Toronto is in an intense and highly competitive struggle, both nationally and internationally, in which nothing can be taken for granted. But the City is not powerless to respond. On the contrary, public policies adopted by the City are pivotal to economic competitiveness. City policies regarding economic development, social development, planning, transportation, public security, housing, and the municipal tax system, will affect Toronto's ability to successfully compete in the regional and global economy. The future of Toronto and its citizens depends on visionary, focused and determined leadership responding imaginatively and effectively to dramatic economic change.

But current municipal policies have hindered Toronto's ability to compete. As was just recognized by City Council, a principal cause is tax competition with other GTA municipalities for business properties. Toronto's commercial tax rate is 40% higher than Vaughan's or Markham's. Toronto's relatively high commercial tax rate encourages businesses to relocate elsewhere in the GTA. At another level, the City has been less proactive than its competitors in marketing its attributes.



The resulting stagnation in the commercial and industrial assessment base fuels a vicious cycle, worsening the city's fiscal situation. Exacerbating the problem as well are the consequences of the conversion of former industrial to condominiums with no offsetting new construction of employment districts. This market-driven shift, one of the unintended consequences of policy and taxes, has accelerated the relocation of industry and commercial development to surrounding communities. Any shift in the assessment mix from commercial/industrial to residential simultaneously increases service costs (because home owners need more services per dollar of assessed property values) and lowers overall tax revenues. While the condominium construction boom has brought a sense of vitality to some neighbourhoods, it is creating a false sense of economic security. Toronto is in danger of becoming a dormitory city for the suburbs.

City Council has recently made a decision to gradually lower commercial property taxes, but there remains a lack of resources devoted to retain and attract business to Toronto. This lack of commitment is reflected in the below chart from the City's 2004 budget papers:



In addition, neighbourhood resistance to residential and commercial intensification discourages investment. For example, the historic lack of funds for brownfield remediation has added to the attractiveness of locating on “greenfield” sites elsewhere in the GTA. The opaque, tedious and politicized process that is Toronto’s planning and zoning system—to which we return below—provides more impetus to look elsewhere. The City’s inability to maintain steady expansion of its public transit system means less service to outlying neighbourhoods and neighbouring communities; commerce and industry find it easier to follow the labour pool there.

Many of these challenges threatening Toronto’s prosperity are the result of policy silos, which the current political system seems ill-prepared to take down.

Toronto’s Fiscal Pressures

The pressure on Toronto’s tax base caused by the shift of economic activity to outlying municipalities comes at a time of enormous fiscal pressures. The City operates on a capital and operating budget woefully insufficient for its current needs, let alone for meeting future goals. The City may be running behind on both the capital and operating budgets by more than \$500 million a year. And this figure does not factor in deferred capital expenditures, which far exceed the so-called annual current state-of-good-repair capital budget.

Property taxes: 42% of Toronto’s annual revenues—approximately \$3 billion—comes from property taxes. Relative to assessed values, commercial, industrial and multi-residential taxes are disproportionately high, while residential taxes are disproportionately low (see chart below).

	Share of assessment base	Share of taxes	Tax rate % Assessed rate (1)
Residential	71%	40%	.91%
Multi-residential	9%	19%	2.56%
Total residential	80%	59%	
Commercial	18%	37%	4.51%
Industrial	2%	4%	4.89%
Total non-residential	20%	41%	

(1) includes education tax

These patterns have developed over time and for various reasons. City Council’s ability to recognize and tackle these imbalances is hampered by the way City government works. Since commercial and industrial property owners don’t vote, councillors are understandably more sensitive to residential property owners. Multi-residential tenants pay three times as much tax as residential property owners although since the taxes are buried in monthly rental payments, the tax burden is less apparent. This helps to create a bias that keeps residential property taxes low.

Commercial and industrial property owners have been historically—and mistakenly—viewed as less sensitive to taxation rates. The silent shift of commercial development away from Toronto confirms that this assumption is no longer correct. It should be noted that this situation is not helped by the higher business education tax rates set by the Province for Toronto compared to surrounding regions. If the Province were to reduce the Toronto rate to the regional average this would reduce the tax burden for Toronto businesses by \$120 million. City Council has urged the Province to act, but the decision is up to Queen’s Park.

City Council recently announced a long-term plan to bring tax rates for both commercial and multi-residential housing properties in line with neighbouring communities in the GTA. City Council has committed to hold multi-residential, commercial, and industrial increases to one-third of the residential increase, and over time to allocate a greater share of Toronto's tax burden to residential properties. The plan calls for this to take place over 15 years. We welcome this shift but we believe that the existing governance structure prevented City Council from taking bolder action in rectifying this imbalance in a more aggressive time frame.

User fees: The biggest contributor of revenues from user fees is the Toronto Transit Commission (TTC), which contributes \$750 million to Toronto's annual revenues. However, it is anticipated that in 2005 the TTC will still require \$236 million of operating funding for its conventional system—\$92 million from provincial gas taxes, the balance directly from the City. This does not include the several hundred million dollars in capital required from the City, through debt financing, to keep the current system in a state of good repair.

Transfers from Ontario and Canada: The Province of Ontario and, to a much lesser extent, the Government of Canada, contribute significantly to Toronto's revenues. These transfers constitute approximately 25% of total revenues. Most Provincial contributions relate to shared-cost social programs shifted to Toronto during amalgamation. Recent decisions to assign a portion of federal gas tax revenues to Toronto, and to remove the GST from City purchases, are welcome but modest in the wider scheme of things. Toronto's fiscal balance with the rest of Canada is large and negative. There is an annual gap of \$11 billion between what Torontonians pay in federal and provincial taxes and what they receive back in services from those orders of government—equivalent to the annual cost of the federal government's entire equalization program.

In sum, Toronto remains in a fiscal straight-jacket. The new revenue tools proposed in *Building a Twenty-First Century City*, just released by the joint staff Task Force of the City and Province, include only limited new taxing authority. To improve Toronto's competitive position, commercial and industrial property tax revenues must shoulder less of the burden. So without a major fiscal new deal for Toronto, only 20 % of Toronto's revenue base—residential properties—must carry most of growth in expenditures to meet current needs. This is completely unrealistic. In this climate, new expenditures are out of the question.

The net result of Toronto's fiscal plight is a deteriorating infrastructure, several hundred million dollars in deferred capital expenditures, and the frustrating sense that whatever extra Toronto receives comes from an annual pilgrimage to Queen's Park and Ottawa. To make matters worse, as the Task Force on Income Security recently highlighted, a sudden drop in the local economy contains a double jeopardy, simultaneously shifting families onto social assistance and causing a rapid rise in municipal expenses, while lessening the ability of many residential property owners to bear this increased burden.

Toronto's Social Cohesion Is Being Challenged

Toronto is rapidly becoming two different cities, divided by wealth and geography. In recent years, economic elites have prospered and thrived, the middle class has shrunk and low-income households have become more numerous and more marginalized.

According to *Vital Signs 2005 Report*:

- The number of low-income households has grown most significantly in the outer areas of the city (a 68% increase from 1980 to 2000). The inner city, meanwhile, has seen a 78% increase in high-income households during the same period.
- Between 1980 and 2000 the average income of the richest 10% of the region’s families rose by 23% while that of the poorest 10% of families fell 4%.
- Over the same 20 years, low-income households increased from 18% to 22% of the population and high-income households from 19% to 22%. Middle-income households fell from 63% to 56%.
- In 2003, 185,290 children (35.1% of Toronto’s children) were in low-income families.

These changes have transformed historically stable and diverse neighbourhoods into expensive enclaves, driving low-income households to the city’s outer regions and many middle-income first-time home buyers to other communities in the GTA.

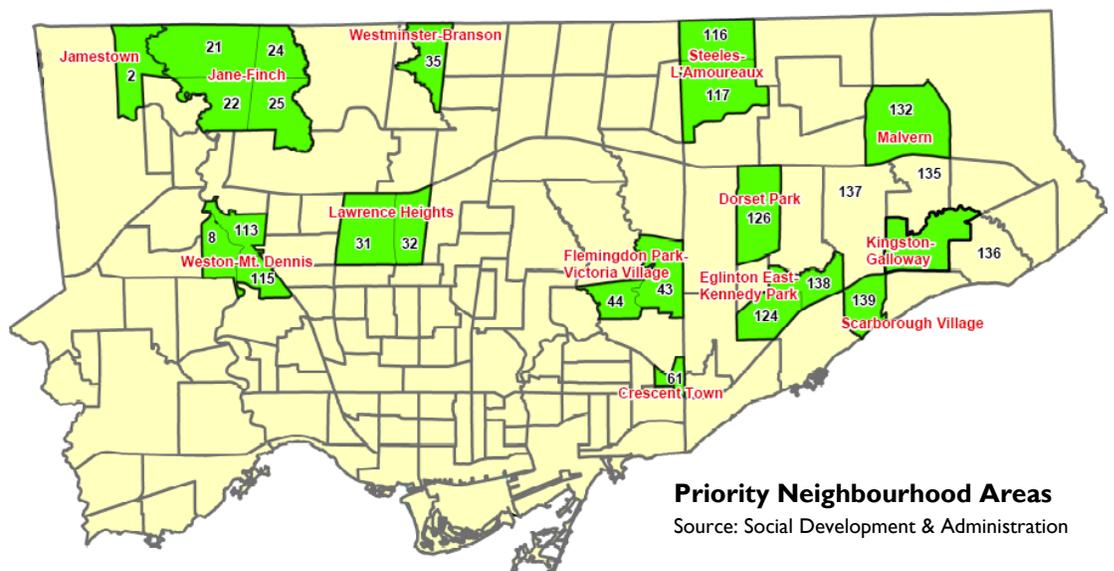
The Strong Neighbourhoods Task Force confirms the growing gap. In 2001, over 23% of Toronto residents had incomes below the Low-Income Cut-Off, the most widely used measure of poverty. Toronto’s poverty rate is higher than of the rest of the GTA, Ontario or Canada. This trend is worsening. And just as wealth has become geographically concentrated, so has poverty. As reported in The United Way’s *Poverty by Postal Code*, while 17.8% of low-income families lived in poorer neighbourhoods in 1981, 43.2% of them lived in these neighbourhoods in 2001. The median income in Toronto’s poorest 12 neighbourhoods fell by almost 16% in real terms between 1991 and 2001.

The Strong Neighbourhoods Task Force summed up the situation:

“Thousands of families caught in the squeeze between the high cost of living and low incomes have chosen the only route possible—to move to areas of the city where housing costs are cheapest, causing a dramatic increase in the concentration of poverty within certain neighbourhoods. Many of these new areas of highly concentrated poverty are in the former suburban municipalities of Scarborough, North York and Etobicoke—in areas originally built for lower densities and for middle-income households. As these neighbourhoods grew with an influx of poorer residents, community social services have proved inadequate to meet the needs of these “inner suburbs.”

The Strong Neighbourhoods Task Force identified 13 neighbourhoods for priority investment.

These neighbourhoods experience poor local employment options, low income levels, dependency on income support programs, and other indicators of deteriorating social structure, as suggested by recent gun violence. Distances to local



community services and a lack of range and depth in those services are out of alignment with this change in demographics.

As the most culturally diverse community in Canada, Toronto continues to attract the largest number of newcomers. While immigration into Toronto renews and invigorates the city, it brings with it costs of support for new Canadians, such as settlement services, extensive language education and employment training initiatives. As well, immigrants tend to need what many low-income Torontonians do—affordable housing, adequate public transportation, affordable day care and access to employment. How we cope with this relentless demographic shift in the years ahead will define our city.

The availability of affordable housing for families and individuals has not kept pace with the city's needs or with the rise of poverty. As a result a large number of Toronto residents find it difficult to find suitable accommodation and to pay the rent. In fact there are over 65,000 households at this moment who have applied to the City for affordable housing and are waiting for assistance with their housing needs.

Over the past six years, the City of Toronto has spearheaded, in partnership with others, the creation of 2,700 new rental homes. Residents have now moved into more than 1,000 units while 600 are currently under construction and 1,100 are in the planning and development process. Experiments last year in bridging the rental affordability gap have led to some new initiatives, but these will meet the needs of only a fraction of the people on the waiting list.

When the Ontario *Social Housing Reform Act* became law in December 2000, virtually all social housing in the city was downloaded to the City of Toronto and funding responsibility was transferred from Ontario to Toronto and the GTA regions. Today, the City is responsible for the administration of 87,800 non-profit homes at an annual operating cost to the municipal taxpayer of \$216 million. These non-profit homes are owned and operated by 230 different non-profit operators. The transfer of these homes by the provincial government to the City was done without the provision of sufficient funds to cover current and future capital repair and replacement needs. For example, the Toronto Community Housing Corporation (of which the City is the sole shareholder) operates 58,100 homes and currently has a deferred maintenance shortfall of \$224 million.

To address the affordable housing needs and challenges faced in Toronto the City requires from other orders of government sustained, sufficient and dependable funding programs and policies.

An Engaged Civil Society

There is an important bright light in the city. While the growing disparities are clearly disturbing, we have a vibrant and engaged civil society. From the community service outreach of faith based organizations, to the dynamic ratepayers associations, to the local after school arts and dance programs, to the splendour of new arts institutional renaissance, the city is alive. People care passionately about Toronto.

The rapid growth of affluence has unlocked unprecedented levels of philanthropy in our City. In 2003, 435,570 Toronto residents formally donated a total of \$958.6 million to charities, roughly \$1,000 per household. Torontonians who claimed donations on their tax returns made the highest average donation (\$2,200) of all the large cities of Canada. And these figures do not include corporate, institutional or foundation grants, or the millions of dollars in unreceipted donations made through collection plates, coin boxes and subway canvassers. It is likely that the aggregate level of charitable gifts in

2005 will exceed the \$1.2 billion the City raises through residential property taxes. As well, approximately 26% of Torontonians serve actively as volunteers. It is this powerful and totally engaged civil society that funds, staffs, and draws the volunteers that drive the many thousands of non-governmental organizations energizing, supporting and delighting so many citizens.

A Planning Process Waiting for its Plan

Torontonians are proud of their city and care deeply about how it looks and works. Yet we face a number of serious development challenges. How the City deals with them will dictate quality of life. Driving this imperative is the need for Toronto to accommodate population growth. Toronto's Official Plan sets a goal to accommodate an anticipated minimum of 3 million residents by 2031. To do that, Toronto must simultaneously strengthen its current employment base, expand the affordable housing stock, improve the public transit system and renew aging infrastructure. The City must also keep its books balanced and taxes competitive.

The Province of Ontario anticipates that by 2031 the population of the Greater Golden Horseshoe—from Simcoe County to Niagara, and Waterloo to Peterborough—will grow from 7.5 million to 11.2 million people, a 50% increase. This population growth can be accommodated in one of two ways: We can “build out,” by continuing to add low-density housing. Or we can “build in” through intensifying existing residential areas, such as Toronto, at the heart of the Greater Golden Horseshoe.

“Building out” would impose severe financial and environmental costs on Toronto and Ontario. For one, roads will become even more congested. The City estimates that by 2021, without improvements in public transit, we will need 19 additional lanes of expressways to move suburban commuters to jobs in Toronto and city residents to jobs in the rest of the GTA. Businesses will continue to shift outward, furthering the hollowing-out of the city's economic heart.

“Building in” is an option for Toronto. Although it feels like a built-out city, with little land available for new developments, Toronto has vast areas of low-density and dispersed development available, much along major arteries and subway lines, for more intense use. We have the opportunity, but do we have the will?

Achieving intensification requires political and community will plus a planning process that steers toward whatever outcomes are best for the city. The current planning process makes responsible intensification extremely difficult.

Under provincial law, every municipality must adopt an Official Plan, providing an overarching framework for regulating land use. As a result of amalgamation, Toronto inherited the existing Official Plans and zoning by-laws for seven municipalities, employing different land use designations (112 in all), plus more than 120 Secondary Plans. As well, there are 1,300 site-specific exceptions, which are the basis for almost every major development built in Toronto in the last 25 years. Moreover, they often have the effective of preventing change, focused as they are on prohibiting certain activities rather than promoting new ones.

In November 2002, City Council adopted a new Official Plan, which took a fundamentally different approach. The new plan is a strategic document, charting Toronto's development over the next 30 years. Instead of regulating and prohibiting, it is designed to promote developments that meet a range of social, economic, design and environmental objectives. That Official Plan is subject to review by the Ontario

Municipal Board (OMB), a provincially-appointed administrative tribunal. In April 2003, Toronto's Official Plan was appealed to the OMB, which is still holding hearings.

In a nutshell, the *Planning Act* contemplates proscriptive, or prohibitive, planning decisions, whereas the proposed Official Plan would encourage a prescriptive, enabling planning approach, allowing flexible, discretionary decision-making. In those parts of Toronto identified as appropriate for intensification, it would authorize the City to set minimum density and height requirements to encourage intensified use through the development of a comprehensive zoning by-law that would replace the 41 zoning by-laws inherited at amalgamation. That comprehensive zoning by-law is currently working its way through the bureaucracy. Without political leadership it could be years before this by-law sees the light of day.

However, in the absence of a comprehensive zoning by-law and an enacted Official Plan, the status quo remains—an ad hoc, politicized process bringing together individual ward councillors, ratepayer associations, development lawyers, a planning division with insufficient power and, ultimately, the OMB. At the heart of the system are the ward councillors, who act as gatekeepers to the planning process on behalf of their constituents. When planning applications run into local opposition, councillors too often take the path of least resistance and vote against developments. Moreover, councillors defer to each other on a reciprocal basis, a practice which is found nowhere in Toronto's zoning by-laws.

This system privileges local interests and often results in unintended negative city-wide consequences. The chief casualty has been intensification. Councillors are not rewarded politically—and are often punished—for pursuing a city-wide agenda. And the Mayor, while elected on a city-wide basis, lacks any special powers or responsibility for planning matters. Should the Official Plan be approved, we worry that the political pressure to resist a comprehensive, properly designed zoning by-law will be overwhelming.

Ironically, it is the OMB—a body utterly unaccountable to Toronto—that is often thrust into the role of custodian of the city-wide interest. In many cases, though, the OMB works against Toronto's interests. The net result is both too much and too little local democracy. Toronto needs to find a happy medium, one that locates final responsibility for city building within the institutions of municipal government.

The status quo has other shortcomings, too. For example, the City lacks the power to negotiate urban design, materials or architecture, leaving Toronto with developments that confound the ability to create a more beautiful city.

The City of Toronto Act: An Opportunity to Rise to the Challenge

To date, Toronto has lacked many of the policy tools needed to tackle these challenges. The reason can be found in Toronto's legal structure.

The City of Toronto is a creature of provincial statutes, most notably the *City of Toronto Act, 1997* and the *Municipal Act, 2001*. Toronto may only exercise powers that have been delegated to it by the Province through legislation. Historically, provincial laws have granted Toronto a limited menu of powers, which the courts, until very recently, interpreted narrowly.

The model for Ontario's municipal legislation dates to the mid-19th century, when cities were much smaller and responsible for a relatively narrow range of services. Fortunately, new powers recently announced in the Final Staff Report of the Joint Province and City Task Force, create an opening for broad and substantial changes.

One important example is the proposed ability to use Tax Increment Equivalent Grants (TIEGs) as a tool to encourage the redevelopment of brownfield sites. This form of redevelopment furthers a number of important policy objectives: intensification and the reduction of sprawl, gridlock and smog; provision of employment in at-risk neighbourhoods; increased demand for public transit and maximum use of existing infrastructure.

We anticipate that the new *Act* will be introduced in the Ontario Legislature this December.

The most fundamental change in the *Act* will be to broaden dramatically Toronto's power to enact by-laws. Presently, Toronto has narrowly defined powers over specific areas of public policy. The new *Act* is expected to take a "permissive powers" approach. In practical terms, this means Toronto will acquire much broader powers in regulating its own affairs. Its powers will be limited, however, in cases where the provincial interest is at stake. Moreover, certain areas of public policy—the Ontario Human Rights Code, labour relations, inter-provincial trade, primary health care and others—will be outside Municipal control and remain within provincial jurisdiction.

The new *City of Toronto Act* is expected to grant the City powers commensurate with its size and sophistication. Toronto will likely have the broadest powers of any city in Canada. It will finally become an autonomous order of government, able to enter new economic and social policy domains. How many of the anticipated changes will be enacted is impossible to say. However, realizing the full potential of these new powers will require a fundamental change in how Toronto engages in democratic self-government. The opportunity has finally arrived to make Toronto the city we want.



A New Model – Our Advice & Recommendations

The Status Quo Is Not an Option

Toronto's system of democratic self-government was designed for a different era. It is inherently unable to cope with the policy challenges of the 21st century, or to wield the promised new powers to address those challenges under a revised *City of Toronto Act*.

The heart of the problem is that City Council currently fulfills two different roles. City Council deliberates like a legislature on a range of policy files. In its legislative capacity, this City Council has adopted the Official Plan and policies on such issues as public housing and municipal tax reform. But City Council also acts as an administrative decision-maker, processing thousands of agenda items each year that involve the implementation of policies it has adopted. Although most of these items are passed on a consent basis (e.g. stop signs), they still dominate the City Council agenda.

In other words, City Council operates in two different ways simultaneously – deliberatively and transactionally. City Council works differently from legislative bodies at the provincial and federal level, which are not directly involved in direct service delivery. In part, Toronto's different approach stems from the fact that its enabling legislation gives City Council both legislative and executive powers, coupled with a historically narrow interpretation of its ability to delegate administrative decision-making.

The problem is one of both legal structure and political culture. How City Council has chosen to operate reflects its sense of its institutional role. Councillors see themselves, in the first instance, as advocates for their constituents on ward-based issues. Councillors are rewarded at election time on what they have done for their wards, not necessarily what they have done for Toronto as a whole. The central role that councillors play in planning decisions within their wards proves how powerful these incentives are.

But this system is poorly equipped to deal with a future that will soon be upon us.

The new *City of Toronto Act* will require City Council to make difficult decisions on city-wide priorities, which will often require City Council to allocate limited resources to some parts of Toronto but not others. For example, City Council will need to devote resources to city building projects such as improved transit, which will require investment in specific parts of the city. At the same time, community investment plans must be focused on specific neighbourhoods or they will achieve nothing. The allocation of limited resources to these plans must be done on an equitable and fair-minded basis, with special focus on at-risk neighbourhoods.

Another issue is policy coordination. To use the community investment example again, such investment may be more effective if, for instance, transit service to affected areas is increased. Community investment policy will accordingly have to coordinate with transit policy.

A final issue is agenda management. City Council should spend its time on what is truly important. At present, City Council often spends more time debating items that affect only one or a handful of wards, or issues not nearly as significant as the files it must soon address. A debate on community investment must take priority.

For that to happen, Toronto needs a government that deliberates and acts strategically – at a city-wide level, with a long-term perspective, and through a coordinated policy approach. Toronto’s government must be democratically accountable to all Torontonians for delivering on this policy agenda.

The new *City of Toronto Act* will give Toronto, for the first time, the power to choose how it governs itself. Torontonians will have the power to choose the system that will deliver the city we want.

The core principle is that City Council should continue to be the supreme legislative body with responsibility for city-wide priorities.

However, we feel strongly that the Mayor should be given the tools to provide strategic leadership for City Council on determining those priorities.

A key tool to assist the Mayor is an Executive Committee – not with the ability to enact by-laws, but with a clear mandate for policy integration and agenda management.

Finally, we propose measures to strengthen public participation and civic engagement on city-wide issues.

Recommendation One: Strengthen City Council’s ability to focus on strategic, city-wide priorities

- Increase City Council’s term of office from three years to four years
- Delegate transactional decision-making to staff, committees of City Council and other administrative bodies, with appropriate checks and balances
- Enforce procedural rules related to agenda deadlines and notice requirements
- Adjust the legislative meeting calendar to separate transactional business from strategic planning and policy-making work
- Appoint a full-time Speaker and a Deputy Speaker to preside over City Council meetings and protect the dignity of City Council’s deliberations through the enforcement of procedural and behavioural rules

To succeed in surmounting the challenges Toronto faces will require visionary leadership, imagination, and political courage. More than ever, Toronto will need a strong City Council that serves as the supreme authority for determining the City’s strategic policy agenda, and for adopting the budgets that implement that agenda. City Council is and should remain the supreme legislative decision-making body. With its ward-based composition – which, as we explain below, we recommend retaining – City Council is broadly representative of the city and must govern collectively and legislate on behalf of Toronto’s diverse population.

City Council’s current three-year term of office is problematic. City Council spends its first year adjusting to new members in its midst, while the new councillors find their feet and acclimatize themselves to the system. In the third year, City Council moves into election mode, leaving only one year in the middle to focus on the policy agenda. There

is widespread support for a four-year term for City Council, especially if it can be synchronized with Ontario provincial elections, which are now on a fixed four-year cycle.

However, to effectively exercise Toronto's new powers under the *City of Toronto Act*, City Council must become more deliberative and focus less on transactional matters and more on setting city-wide plans and priorities. Three changes will help City Council reorient its work plan and be more strategic: delegation of transactional matters to committees or staff, better agenda management, and the creation of a Speaker position to chair City Council meetings.

We anticipate that the new *City of Toronto Act* will grant City Council extensive powers of delegation. If City Council wishes to act as the legislative body of a new order of government, it must adopt a comprehensive policy of delegation. Delegation of transactional matters will result in a better division of workload and will free up time for City Council to debate and decide on major policy issues. City Council could delegate to staff, to committees such as Community Councils, and to new administrative bodies that City Council may choose to create. Which decisions should be delegated to which bodies is for City Council to determine.

Better agenda management is crucial to City Council's ability to focus on its strategic legislative agenda. The Executive Committee must ensure that City Council's business is ordered and prioritized in a planned way.

Another mechanism to help City Council focus on strategic issues is the establishment of a Speaker who would preside over meetings. This change will enhance deliberations by allowing Mayors or their alternates to dedicate themselves to driving a policy agenda, without simultaneously having to serve as an impartial chair. The Speaker's responsibilities would include protecting the dignity of City Council's deliberations. Fortunately, existing procedural rules are sufficient for this purpose; what has been lacking is consistent enforcement. A Speaker could enforce these rules without creating any suspicion of partisan political motivation.

The Speaker and Deputy Speaker would be selected by City Council from among its own members. To ensure they enjoy the confidence of City Council, they would be appointed and removed by City Council. The Speaker would be precluded from participating in City Council and committee debates and voting except within very narrow confines (e.g. on issues within his or her own ward). A Deputy Speaker would chair meetings on these very rare occasions.

Recommendation Two: Create an Executive Committee with responsibility for furthering the City's agenda

- Appointed and chaired by the Mayor with membership comprising the chairs of Standing Committee, Community Councils (to ensure geographic representation), the Toronto Transit Commission, and the Deputy Mayor
- Responsible for:
 - Integrating city-wide strategic planning and setting priorities
 - Linking city-wide priorities to financial resources through the budget process
 - Coordinating City Council's agenda management and managing the flow of policy issues to City Council
 - Ensuring that Standing Committees develop work plans consistent with the City's strategic direction

- Salaries of councillors serving on the Executive Committee should be raised to recognize their increased responsibilities. The amount of this increase should be determined following a review of practices used in other cities and orders of government
- Receive advice and analytical support from a dedicated office consisting of professional, non-partisan staff, free of obligations to individual programs

In our model, the Executive Committee would be a planning and coordinating body providing a mechanism for the Mayor to develop and set strategic priorities, to integrate the policies to implement them, and to link these priorities to the budget in order to ensure that service priorities reflect the City's financial capacity. It would not have the power to enact by-laws, an authority that remains with City Council.

As we explain below, the Executive Committee must assist City Council with agenda management, ensuring that City Council's business is ordered and prioritized in a planned way.

The inclusion of Standing Committee chairs on the Executive Committee will facilitate policy integration. The Executive Committee would knit together the work of Standing Committees which at present operate independently and often in isolation from each other. The Standing Committee chairs would be responsible for driving City Council determined strategic policies and priorities through the committee process.

The presence of Community Council chairs will ensure that the Executive Committee will not exclude any section of the city, a concern that was expressed to us by a number of councillors and was raised in every community-based consultation.

The TTC chair should be included to ensure that this service, with its large budget, significant policy mandate and obvious relationship to other major policy files (e.g. economic development and planning) is represented.

Under our proposal, the Executive Committee would comprise approximately 25% of City Council. This is an optimal size, and we recommend that membership on the Executive Committee be capped at a maximum of 30% of City Council.

In recognition of their increased responsibilities councillors serving on the Executive Committee should receive increased remuneration. The amount of increase should be determined following a review of practices used in other cities and orders of government.

In order for the Executive Committee to succeed in fulfilling its coordinating role, it must be properly supported. In governments where similar bodies exist, advice and analytical support is provided by a dedicated office consisting of professional, non-partisan staff, free of obligations to individual programs. The City should look to examples in other large governments.

Recommendation Three: Broaden the Mayor’s scope of responsibility to reflect the public’s expectations of the position and to enable the Mayor to lead effectively.

- With the Executive Committee, at the beginning of each term, set a multi-year, city-wide vision and strategic directions for City Council’s approval
- Hold four annual meetings with members of the public (“Mayor’s days”) in different parts of the city to receive public feedback and input on the City’s direction
- Deliver an annual state-of-the-city address reporting on the achievement of the strategic directions
- Appoint and remove the Chairs and Vice-Chairs of Standing Committees, Community Councils, the Toronto Transit Commission, and the Deputy Mayor
- Make recommendations to City Council through the Executive Committee on major city-wide policy issues
- Lead a budget process supporting strategic directions; sponsor the budget in City Council
- Speak for Toronto nationally and internationally
- Negotiate with other orders of government, within broad policy parameters established by City Council
- Serve as a signing officer on intergovernmental agreements (but with no unfettered right to bind the City)
- Direct, appoint and dismiss the City Manager

Toronto’s citizens expect their Mayor to be democratically accountable for delivering on a city-wide policy agenda, yet the current system insulates the Mayor from that very electoral accountability. The Mayor wields only one vote on City Council. This does not mean that she or he is equal to other councillors; the Mayor is elected city-wide, and often wields considerable political power. This power is often exercised behind the scenes. The way to enhance democratic accountability, and transparency, is to explicitly provide the Mayor with the tools to lead. We list these tools above.

In enhancing the ability of the Mayor to lead, we reject the adoption of a Strong Mayor model for Toronto. Some have suggested that Toronto adopt a Strong Mayor model, like those found in American cities, such as Chicago and New York. In Strong Mayor systems, Mayors have extraordinary powers in the legislative process. In some cities, they can veto City Council decisions, in others they can enact by-laws that only a super-majority of City Council can overturn. In some cities, the Mayor does not even sit as a member of City Council.

The adoption of such a Strong Mayor model would “presidentialize” Toronto’s system of democratic government. We recommend that this model be rejected once and for all. Strong Mayor systems are derived from a vastly different political heritage in which there is a marked separation of executive and legislative functions. Such a model is not consistent with the Parliamentary tradition, in which the executive sits in and is drawn from the legislature. Although our proposed model for democratic government in Toronto is not exactly Parliamentary in character, it is clearly modeled on it. A critical feature of Parliamentary democracy is that a government must muster a majority to carry a vote.

Addressing the challenges facing Toronto requires action from all three *orders of government* – municipal, provincial, and federal. Intergovernmental relations in Canada involve negotiations between those different levels. The *City of Toronto Act* will formally permit Toronto to participate in those discussions. However, for Toronto to participate fully and effectively, the Mayor must provide political leadership and speak on behalf of the city. Empowering the Mayor within Toronto will empower Toronto within Canada.

Recommendation Four: Ensure Standing Committees move the city-wide agenda forward

- Establish work plans that demonstrate how they will advance the strategic priorities
- Committee chairs would be expected to champion the recommendations of their Standing Committees at City Council.
- Review the process and approach to deputations, ensuring a respectful environment is created, and that the public has broadened access
- Form a new Standing Committee focusing on economic development and competitiveness

Standing committees are City Council’s deliberative bodies and an integral part of the legislative process. They deliberate on policy matters for recommendation to City Council and provide the opportunity for formal public input through deputations. Their work plans should be directed by the strategic plan and policy agenda set out by the Mayor and approved by City Council at the outset of term. We are recommending a new Standing Committee where we identified a gap, however, beyond that we believe any change to the number and composition of Standing Committees should be determined by City Council.

Many in the community expressed dissatisfaction with the deputation process, and felt they were not accorded sufficient respect when they appeared before Standing Committees. We believe the system and approach needs to be reviewed.

Recommendation Five: Empower Community Councils

- Exercise delegated local transactional decision-making authority, governed by Council-approved policy
- Conduct a minimum of four public engagement sessions annually within their areas, to provide community input into key issues, such as the setting of strategic directions and budget
- Determine a more effective method of ensuring neighbourhood input using the City’s 140 identified neighbourhoods, to feed into local priority setting and service planning
- Meet in the evening, when more community members are able to attend

One of the most consistent messages we heard during our consultations was the need for increased delegation of decision-making to Community Councils, provided that there is an appeal mechanism to City Council. Delegation should be expressly subject to Council approved policies.

It is felt that delegation will accomplish two objectives: it will free up time on the City Council agenda to enable City Council to focus on strategic policy issues, and it will

delegate decision-making to the most effective level of the system, allowing local decisions to be made locally. We agree that some matters should be delegated to Community Councils, e.g., stop signs on local roads, installation of speed bumps and speed humps, sign variances, etc. However, final decision-making on planning applications should not be delegated to Community Councils; the decision-making process for planning matters should be considered with the implementation of our advice outlined in Recommendation Eight.

Delegation must be accompanied by new checks and balances to prevent the abuse of power. Moreover, aggrieved parties should have grounds for review of delegated decisions. In some cases, the City could establish administrative tribunals to hear appeals of staff decisions. In others, the City may wish to allow a minimum number of councillors (e.g. five) to bring issues to the floor of City Council, which could then override a delegated decision. Care must be taken to ensure, however, that mechanisms for City Council oversight do not make delegation illusory.

An equally important role for Community Councils is as a mechanism to re-connect our government with neighbourhoods and communities in a more systematic way on issues of both city-wide and local importance. This goal can be accomplished by requiring Community Councils to conduct local engagement sessions on a regular basis. The result will be a stronger connection between neighbourhoods, and the development and implementation of city-wide priorities. The inclusion of Community Council chairs on the Executive Committee will also serve to institutionalize the link between neighbourhoods and Toronto's strategic agenda.

We heard many concerns that Community Council boundaries are artificial and do not follow natural geographic or community lines and are not necessarily the best forums for raising neighbourhood concerns. The City has already identified 140 neighbourhoods that can be used as the basis for more effective priority setting and service planning.

Recommendation Six: Enhance civic engagement and community involvement

- In consultation with the community, the City develop a shared, common civic engagement strategy that integrates and builds upon activities currently undertaken
- In particular, use this engagement strategy in the 13 neighbourhoods identified as having priority for infrastructure investment under the Toronto Strong Neighbourhoods Strategy

Civic engagement is part of governance. It is critical that City Council's governance reform include actions to improve civic engagement.

Community voices were loud and clear on the need to increase the diversity of City Council, to involve and engage youth in municipal politics, to educate new Canadians about their political rights, and to reach out to disenfranchised or marginalized groups. Suggestions we believe are important for consideration include:

- City Council adopt a plan to increase voter turnout through outreach and education
- City Council consider ways residents using City services can be informed about City issues through existing infrastructure (schools, libraries, recreation centres)
- The City work with School Boards to ensure that civic engagement is addressed in the curriculum
- City Council meet outside the downtown core on occasion

Over the past few years, there has been an increase in the number and nature of civic engagement activities – those expressly designed to allow citizens to influence budget, policy, or services. Engagement in a city of Toronto’s size, diversity and complexity is challenging. Add to that the City’s commitment to engage disenfranchised populations and it becomes clear that the City requires great agility in terms of how, when and where civic engagement activities are organized.

One key problem identified in our research is that the City lacks a common understanding of civic engagement. To citizens, engagement includes everything from volunteerism to running for elected office and from public consultation on policy initiatives to serving on task forces and working groups.

Engagement initiatives require a shared, common strategy. Moreover, the process used to frame, develop and implement this engagement strategy should be a model of progressive civic engagement practice itself.

While the City should take care to develop its citizen engagement efforts across the city, there is an opportunity to pay special attention to the 13 neighbourhoods identified in the Strong Neighbourhoods Strategy for priority infrastructure investment. Since these neighbourhoods are targeted for increased investment, it makes sense to involve their residents in setting priorities and allocating resources.

One of the shadows cast by amalgamation is the distance many suburban Torontonians feel from City Hall –literally and figuratively. Over and over again, we heard about the need for activities to take place in these communities, for the Mayor and councillors to be visible, and to meet on occasion outside the downtown core.

Recommendation Seven: Retain ward-based representation

- City Council maintain wards and reject at-large election of councillors to help ensure that marginalized communities are not further disadvantaged

We heard a wide range of proposals on the effectiveness of the ward-based electoral system. Those concerned with City Council’s ability to deliberate and act strategically emphasized the need for electoral reform. As an alternative, several suggested that an at-large electoral system, either on a city-wide basis or within defined geographic districts, would serve Toronto better by forcing those elected at-large to put the good of the city first.

While we understand these proposals, we have decided to reject them.

In an at-large election, citizens from low-income, diverse, and at-risk neighbourhoods have less chance of being represented on City Council. Wards with a lower median income have lower voter turnout than wards which are more affluent.

We fear that at-large elections could result in particular parts of the city being more heavily represented on City Council, thus shaping Council’s legislative agenda. This would work to the disadvantage of precisely those Torontonians whose voices must be heard in City Hall. Compounding matters would be the significant costs of mounting an election campaign on an at-large basis, which would serve as a barrier to equal political participation by candidates of relatively modest means.

Recommendation Eight: A better planning process

- Mayor to champion the completion and adoption by City Council of the comprehensive zoning by-law to implement the new Official Plan, and City Council commit the necessary resources to complete the process
- Require a 2/3 majority whenever City Council wishes to make an amendment to the new comprehensive zoning by-law, which professional planning staff determines is contrary to the new Official Plan
- In anticipation of Ontario Municipal Board reform, establish a Toronto Appeal Board for Committee of Adjustment decisions
- Establish a professional design review panel to review and amend select development plans from a design perspective, working within Council-approved guidelines

The planning process is central to city government. At present, Toronto has both too much and too little local control over planning issues. On the one hand, good city-wide planning is often trumped by local concerns. On the other hand, a provincially-appointed administrative tribunal, the OMB, sits in review of every planning decision in Toronto, ranging from minor variances approved by the Committee of Adjustment right up to the Official Plan itself.

The status quo is far from ideal. Moreover, Toronto's planning process must change to meet the challenges ahead. However, Toronto cannot achieve meaningful institutional reform alone. It will require further negotiations with the Province over the role of the OMB. It is safe to assume that the OMB will retain its current role unless the City establishes processes of its own to serve as a check on involvement by local councillors in the planning process.

We recommend that Toronto enter into negotiations with the Province at the earliest possible opportunity to change the role of the OMB in planning and development decisions. The basis for negotiations should focus on limiting the OMB's role to two types of situations: (a) procedural impropriety on the part of the City, and (b) substantive review when City decisions contradict a provincial plan or are inconsistent with provincial policy. The OMB would hear the former type of case if it granted leave to appeal. The latter sort of case, by contrast, it would hear automatically. However, OMB hearings for compliance with provincial plans and policy would not be "de novo" (i.e., starting over from scratch), which should expedite proceedings considerably.

In addition the City should establish its own Appeal Board for Committee of Adjustment decisions. This would be consistent with the grant of broader governmental powers anticipated under a new *City of Toronto Act*. There is no reason why a government so-empowered should not establish its own quasi-judicial bodies that allow decisions about Toronto matters to be made by Torontonians. We leave the details of composition, duties and procedures to a further in-depth review but urge City Council to seize the opportunity to use its newly granted powers.

City Council must also adopt checks and balances within its planning process to protect the Official Plan from amendments which erode the city-wide vision. Since the creation of this process would require amendments to the *Planning Act*, it should therefore form part of the City's negotiations with the Province on OMB reform.

The key is the adoption of the comprehensive zoning by-law currently under preparation by the City Planning Division. The Mayor should champion the completion

and adoption of this by-law by City Council. This new comprehensive zoning by-law would contain detailed, site-specific rules for the City. Zoning by-law amendments would be reviewed by staff to determine their consistency with the Official Plan. Amendments which further the vision of the Official Plan could be approved by a simple majority of City Council. But amendments which run contrary to the Official Plan would require a 2/3 majority of City Council to be adopted. This super-majority requirement would protect the city-wide interest in planning decisions while allowing for political oversight. It may require changes to provincial legislation and would be part of discussions with the Province on the reform of the OMB.

In sum, City Council would set policy by adopting the comprehensive zoning by-law, would delegate the authority to staff to implement it, and would retain ultimate political control. For Toronto to function as an order of government, delegation to staff to implement Council-approved policies is an absolute must. Moreover, without appropriate safeguards in place within Toronto's planning process, the Province is unlikely to proceed with significant OMB reform.

High quality design of the city's built environment is in the public interest, fundamental to economic success, competitive advantage and quality of life. Many cities around the world use design review panels to achieve and uphold standards of design excellence and to make an important contribution to the development approvals process. We recommend the establishment of a professional design review panel to review and amend select development plans from a design perspective, working within Council-approved guidelines.

Recommendation Nine: Budgeting tied to strategic priorities

- The Executive Committee must set out an overall vision for the budget (operating and capital) and realign resources and/or reduce costs as necessary, based on the overall vision
- The budget process and outcomes must be tied to and implement City Council's strategic priorities
- Move towards a budget process that places more emphasis on the upfront work of priority setting and committee review, and where the final step of the budget process involves City Council voting 'yes' or 'no' to adopt the budget as a whole

At present, given its largely fixed nature, Toronto's annual operating budget is very closely aligned with the previous year's experience, with most changes in operating-expense items containing only adjustments for inflation. It is extraordinarily difficult to realign resources and begin new initiatives, even of a very modest nature, in an environment of severe fiscal limitations. Moving forward, in the absence of significant new revenues, it is clear that the budget process must continue to be directed in a fair manner, but ensure that city-wide issues receive appropriate weight with a firm hand.

We have recommended roles for the Mayor and the proposed Executive Committee in sponsoring and integrating the budget. These should provide the tools necessary to remake the City's budget process so that it addresses the following key elements:

- Establishment of meaningful priorities by City Council based on the recommendation of the Executive Committee
- Clear direction to staff to guide budget preparation
- Rigorous review by Standing Committees and the Executive Committee

The ultimate goal should be to avoid the line-by-line review of the City's budget on the floor of City Council and invest more in the upfront work of priority setting and committee review.

Recommendation Ten: Strengthen the commitment to economic development and competitiveness

- City Council must act immediately to create a new Standing Committee, the Economic Development and Competitiveness Committee
- The Mayor must provide the leadership on this policy matter

Economic development and competitiveness must be a major priority for City Council. Toronto needs to enhance its ability to proactively attract and retain jobs and investment. Our city government should foster a competitive spirit and deploy tools to further Toronto's economic development. These matters demand a separate, focused Standing Committee devoted to them.

Recommendation Eleven: Engendering trust, respect and civility at City Hall

- City Council institute sanctions for breaches of confidentiality by deeming breaches to be offences under the *Provincial Offences Act*

Justice Bellamy's report on the Toronto Computer Leasing Inquiry and External Contracts Inquiry spoke in great detail to the issues of trust, respect and civility at City Hall. We heard about these same problems during our review. Ill-mannered behaviour impedes progress on policy issues and diminishes City Council's stature. There is an absence of respect between and among members of City Council and staff. While City Council has rules in place to guide decorum and parliamentary behaviour, they are neither followed nor enforced consistently.

Confidentiality is a serious problem. Breaches of confidentiality of items discussed at in-camera meetings has caused considerable embarrassment both for the City and for individuals, and impeded the work of city government. Many, including Justice Bellamy, point to the need for sanctions and one way to address this is to deem breaches to be offences under the *Provincial Offences Act* with fines up to \$5,000.

We want to emphasize that we agree with Justice Bellamy's conclusions on these matters. We strongly encourage City Council and senior staff to understand the organizational impact of the culture of mistrust and lack of respect, and take steps to make positive changes.



Looking to the Future

Although our panel was asked to look at Toronto's system of self-government, as our report makes clear, it is hard to separate how we govern ourselves from the broader challenges facing Toronto. During our deliberations, we identified three important issues critical to Toronto's future which must be addressed. These are: (a) securing a new fiscal deal for Toronto, (b) the paramount importance of sustaining the Nation's Cities agenda with the federal and provincial governments and (c) regional government.

A New Fiscal Deal for Toronto

We were often told during our consultations—especially by councillors—that without a new financial deal for Toronto, the *City of Toronto Act* will not live up to its full potential. Their concern is that if Toronto turns to the Province to fund budget shortfalls, as it now does on an annual basis, Toronto will be told to raise its own revenues through its new revenue-raising tools.

To be sure, the new streams of revenue envisioned from the exercise of powers granted by the new *City of Toronto Act* will afford Toronto some flexibility in enhancing local services. Moreover, it will give Toronto the ability to engage in a wide-ranging debate over the appropriate mix between property taxes, consumption taxes and user charges to fund municipal services.

However, the larger issue is that Toronto has been asked to fund income redistributive services from a property tax base that should be supported through other sources of revenue. As a matter of public policy, it is simply wrong to fund redistributive social programs from the property tax base. Rather, they should be funded from income taxes, a tax base which rightly belongs to the Province and the federal government.

Moreover, the new *City of Toronto Act* will not increase the levels of provincial and federal support for the TTC. Some progress has been made during this term of City Council. The City now receives a share of provincial and federal gas tax funds, and funding improvements have been made in the areas of child care and social housing. But there is still much work to do.

There is a need for new financial arrangements for Toronto. The *City of Toronto Act* and the reform of Toronto's system of democratic self-government are the first steps toward that goal because they give Toronto a seat at the table with the other two orders of government. The ultimate solution to the city's fiscal issues will result from ongoing discussions between the City, provincial and federal governments.

The Cities Agenda

The new *City of Toronto Act* is an important component of what is now known as the Cities Agenda. In the broadest possible terms, the Cities Agenda calls for nothing less than a fundamental reshaping of the institutional and fiscal architecture of Canada to take into account that we have become a country of city dwellers.

The call for a new deal for Canada's cities has been endorsed, to varying degrees, by the provincial and federal governments. However, what bears repeating is that the Cities Agenda has two different components. The first is a policy to empower municipalities, both jurisdictionally and fiscally, to take control over a wide range of policy areas – including land use planning, transportation, and economic development – which are integral to the enhancement of Canada's urban centres as communities in which we all wish to live and work. A new Act and a new fiscal deal fall into this category.

But in our desire to empower Toronto and to enhance its autonomy, we must not forget the second component of the Cities Agenda – that the federal and provincial governments, in their areas of responsibility, make the health of Toronto and Canada's principal urban centres a matter of the highest national priority. Even the most expansive version of autonomy for Toronto, for example, would leave macroeconomic policy and immigration policy in the hands of the federal government. Even after the *City of Toronto Act*, the Province will retain responsibility for education and health care. Both orders of government are actively engaged in promoting the innovation agenda, which is critical to Toronto's long-term economic prospects. And although Toronto must play a central role in addressing the growing inequality within Toronto, the principal policy tools belong to the federal and provincial governments.

The two halves of the Cities Agenda are linked. The adoption of the new *City of Toronto Act*, and reform of Toronto's system of democratic self-government, will enable the Mayor and City Council to assume a seat at the table with the other two orders of government. But then it is for Toronto's political leadership to show imagination, vision and political courage, not only to change how Toronto governs itself, but also to drive public policy at the federal and provincial levels in a new direction.

Regional Government

The GTA is an interdependent city-region with many issues that cross boundaries. Residents of the GTA often live in one municipality, and drive through a second to reach their place of employment in a third. As the Province recently recognized in the Greater Golden Horseshoe Growth Plan, there is a clear and immediate need for coordinated planning across the entire region to address development and transportation. At issue are both our economic prosperity and our quality of life.

The need for regional decision-making raises the question of regional government. Regional government is not a new issue. During the 1990's, numerous task forces, as well as several municipal governments, concluded that there was a need for a coordinated mechanism to deal with the growth pressures facing the GTA.

The Province has progressed haltingly toward this objective. Greater Toronto Services Board (GTSB) attempted to promote coordinated decision-making amongst municipalities within the GTA and to exercise general direction and control of GO Transit. The GTSB was a first step in the right direction, but was eliminated by the Province as of December 31, 2001.

The current provincial government has taken action on many regional issues. The Greater Golden Horseshoe Growth Plan and the 10-year Infrastructure Strategy Plan are two cases in point. However, the Province also promised to create a Greater Toronto Transportation Authority (GTTA) with the "clout and resources" to address gridlock. Unfortunately, the GTTA remains a proposal.

The reform of Toronto's system of self-government should pave the way for the establishment of a regional governing body.



Appendix I – Consultation Process and Summary of Input

In preparation for presenting its advice to City Council, our panel spent four months meeting with and talking to hundreds of people in scheduled meetings and interviews, including councillors, the Mayor, senior staff, representatives of various community groups and organizations, and the public. The people we met with included representatives of the following: Toronto Act Now Coalition, Toronto Board of Trade, the Broadbent Group, Scarborough Chamber of Commerce, United Way of Greater Toronto, Association of Community Organizations for Reform Now (ACORN), Toronto Women’s Call to Action, African Canadian Heritage Association, Horn-of-Africa Parents Association, Malvern Family Resource Centre, Salvation Army, South Asian Family Support Services, Warden Woods Community Centre, the Working Group on Immigration and Refugee Issues and others. Written submissions enriched and deepened the discussion.

One of our goals was to offer as many opportunities as we could, within our short time-frame, to hear from the general public. We accessed the public information from the June 22 joint Toronto-Ontario consultation on the *City of Toronto Act* which was attended by over 700 people in four locations and where many governance ideas were discussed. Over sixty people responded to our on-line citizen survey. We hosted a public session on November 15 at the St. Lawrence Market North which was attended by approximately 150 people.

Considering that we started with only the most rudimentary knowledge, the learning curve was steep. However, the help we received from everyone we met with has made it possible to gain sufficient insights and develop concrete recommendations. The panel greatly appreciates the thoughtfulness and candour of those we met. Each and every individual was passionate about our city.

Summary of Input

The input from our consultation was very diverse and we heard much about perceived problems with the current system. We received advice along a wide continuum: from re-creating the former 2-tier model, to the view that the system is working fine as it is, to transforming to something substantially different.

The recommendations and commentaries were generally provided within certain tensions inherent to the governance system and its decision-making process. These tensions highlight the complexity of city government.

Within these tensions, several themes were apparent, and views were often contradictory. There was no clear consensus on most issues, and points of view differed depending upon people’s conceptualization of the problems and their individual experiences. The following information, while not all inclusive of every comment we received, highlights the spectrum of views.

City wide	vs	Local
Strategic	vs	Efficient
Efficient	vs	Democratic
Participatory	vs	Representation through election
Good for city	vs	Good for ward
Power for all	vs	Power in hands of few
Transparent	vs	Behind closed doors
The system works	vs	The status quo not on
The City is in a financial straight jacket	vs	The City won't make hard choices
The City is part of a region	vs	The City competes with the region
The Mayor has the leadership platform	vs	The Mayor is one vote on City Council

Themes

City Council's Strategic Policy Capacity:

- City Council is too big to be strategic, it manages but it does not govern; local issues dominate and overload Council meetings and the legislative calendar
- City Council is doing its job well, making final decisions and providing an effective check and balance
- The Mayor does not have sufficient leadership tools
- The Mayor exercises power through the position and has enough strength
- The Mayor has few legislated powers but the public does not know this and expects accountability
- It's important for the Mayor to participate in debate and fight for her or his view
- Party politics is not good for representation, City Council members should be able to vote their conscience; without party lines it is difficult to forge a consensus on key policies
- The current system encourages compromise and therefore better policy decisions
- The current three-year term makes it difficult to develop policy momentum

Accountability:

- When everyone is in charge, no one is in charge
- Members are accountable only at election time
- Election time accountability is not enough
- No accountability measures are in place for City Council decision-making
- Mayor is seen to be in charge but lacks the tools to carry out the roles the public expects
- An order of autonomous government must have a rigorously accountable governance structure
- No clear accountability link between City Council and services – which of these is in charge?

City Council's Connection to the People:

- Amalgamation resulted in a disconnection with people
- This disconnection is manifested by low voter turnout, especially in outlying wards
- There is a physical remoteness of City Council from the people
- The deputation process is ineffective, there is no real dialogue, no real respect for deputants
- Formal meetings are transactional, not transformative
- Lobbyists and professional deputants crowd out public speaking time at Community Council meetings
- Meetings are during the day which precludes those with day jobs from participation
- Proliferation of business through notices of motion (late business added to agendas) reduces public notification and input

Efficiency and the Legislative Process:

- The legislative process is unsustainable, over 9,000 agenda items in 2004
- The system is too big for a legislative process designed for small municipalities
- There is no distinction in the approval process between routine transactions and significant policies and programs
- Too much time spent on small matters, not enough time on big strategic issues. “No one could seriously suggest that the parliament of Canada should debate whether a two-kilometre stretch of the Trans-Canada Highway should have solid or broken yellow lines.” (Justice Bellamy)
- Debate and/or democracy is passionate and messy but local government values both efficiency and full participation in decision-making process
- City Council should delegate more decision-making authority to Community Councils and staff with some kind of appeal process to City Council
- Too many late entries for the agenda, City Council can't finish and items keep getting deferred
- Meetings are too long/too numerous vs there should be more frequent meetings

Behaviour:

- There is a lack of civility, decorum and respect
- The often ill-mannered behaviour impedes progress and diminishes City Council's stature
- The Chair needs to be consistent in the application of rules and decorum
- There is an absence or lack of will to impose discipline tools
- Absence of respect between and among staff and City Council members
- Breaches of confidentiality are a serious matter that can embarrass, humiliate and impede the work of city government
- Rules and practices are inconsistent with parliamentary principles

Electoral System:

- Change to a four year term -- new councillors spend first year learning the ropes and final year in a re-election mode
- Move to a member at large model
- Avoid any move to members at large, too expensive, difficult for women, new citizens and all but wealthy ward members to mobilize resources
- Women and minorities are underrepresented in City Council and on agencies, boards and commissions – strategies for greater inclusion must be developed

The Budget Process:

- City Council should endorse targets and guidelines early in the process and stick to them
- The Mayor should lead and direct the budget process
- The Mayor should present the budget to City Council
- There should be more public engagement in the budget process
- There should be a multiyear operating budget, supported by clear business and strategic plans and goals for all services
- The roles of the Budget Advisory Committee and Standing Committees need to be better defined in the process
- Budgets are seen as something to add to; seldom does discussion ensue about how to take costs out or redistribute within the budget envelope

The Planning and Development Process:

- The ward councillors have a difficult role; they are often in agreement with a development that their constituents don't support which unlocks a dance that usually ends up at the OMB
- Planners have a difficult role—balancing city-wide issues, the official plan vision, the Byzantine complexity of the zoning by-laws, local priorities and the mediation of a variety of local issues
- Good planning is consistently trumped by local politics
- If there were clearer rules for planning matters the rules could be enforced by local planners; this might displace the complex and time consuming process of dealing excessively with community advocates/ critics/ councillors/ and ultimately the hand off to the OMB
- Some councillors vote against intensification, knowing that either City Council will either pass the proposal or, if not, the OMB will overturn the decision
- Section 37, which trades local community benefits and facilities for height and density incentives, doesn't work and should be replaced by a system of development charges
- The OMB should be replaced with a "Toronto Appeal Board"
- The OMB works well and should be retained. It would be difficult to keep the politics out of a local process
- OMB should not hear appeals *de novo*



Appendix 2 – Research Paper Summary

To help us in our work we looked at governance models and practices and legislative processes used in other world cities, and reviewed the City’s current civic engagement practices and future approaches. We commissioned respected academics in these fields to prepare papers on these topics. We know that models and practices cannot be lifted from one city and superimposed on another, so we asked the researchers to focus on effective or innovative practices that could inform governance change in Toronto.

Governance Models and Practices

The governance models and practices scan included New York City, London UK, Vancouver and Chicago. Vancouver and New York are often cited as cities with interesting and innovative planning processes, London has undergone relatively recent, quite significant governance changes, and Chicago is a city comparable to Toronto in many ways, including its one-tier status.

Very large and complex cities such as New York, Chicago and London have governance systems which separate executive and legislative functions. The Mayor works with City Council but is separate from it and there is a clear division of authority. Mayors in these cities are clearly seen to be in charge of the city government and are held to account by the electorate.

The Mayors of New York and Chicago have wide-ranging executive responsibilities, up to and including presidential-like authority to veto ordinances (with a two-thirds majority of City Council required to overturn the veto), and appointment of key public service positions. This model tips the balance of power in the Mayor’s direction and is very different from models in Canadian cities.

London’s recent reforms have established a new model where the Mayor is the chief executive of London’s strategic authority – the Greater London Assembly (GLA). There is a distinct separation of powers between the Mayor and the Assembly. The Mayor has ultimate responsibility for leadership and policy direction, is London’s spokesperson, and leads the preparation of statutory strategies in four key areas: transport, spatial development, economic development, and the environment. The Mayor sets budgets for the GLA, Transport for London, the London Development Agency, the Metropolitan Police, and London’s fire services. The Assembly has a scrutiny role and works through a system of committees to scrutinize and investigate the Mayor’s proposals. The Assembly is responsible for appointing GLA staff including those who work in support of the Mayor.

Formal party systems are in play in each of the cities reviewed, but they are not necessarily parliamentary party systems. While the presence of formal party politics may shape the broad agenda and efficacy of city government, it is not a pre-condition. In any event, political parties cannot be mandated; they form of their own volition.

Vancouver has employed very innovative citizen engagement strategies around planning and development and diversity. At the staff level Vancouver relies on integrated service teams to respond to neighbourhood issues and has integrated the need for dealing with

a diverse population into its planning function with a position of multi-cultural planner. Under its charter, Vancouver has sole jurisdiction over planning matters and there is no oversight body such as the Ontario Municipal Board. Vancouver has delegated planning permission to appointed officials who are advised by two bodies as they carry out their planning approval duties. These are the Development Permit Advisory Panel (DPAP) and its sub-committee, the Urban Design Panel (UDP). DPAP is composed of the Director of Planning (chair), the City Engineer and the City Manager (or designate), two community representatives appointed by City Council and two representatives from the development industry. The UDP is a panel of experts nominated by the British Columbia Architects' Society and the British Columbia Institute of Planners. City staff may seek the advice of these bodies on any development application. Typically however their role is focused on major or otherwise contentious development proposals. Both panels have a wide scope for consultation.

London has assigned greater-London-wide planning and development responsibility to the Mayor. The Mayor must be consulted on planning applications that are considered of potential strategic importance as defined by national planning policy.

New York City has a very complex planning approval system with many levels of checks. Applications flow through a local process involving planning staff, community advisory boards, borough councils, and the City Planning Commission before moving on to full City Council and Mayoral review.

These planning models point to the complexity of big-city planning and the need for rigorous review to meet city-wide goals.

Legislative Processes

The legislative processes scan looked at Calgary, the Greater Vancouver Regional District (GVRD), Montreal and Ottawa. Calgary was chosen because of its reputation for efficiency. The GVRD is the upper tier of a complex urban agglomeration. Montreal is characterized by tightly knit decision-making involving a strong executive committee. Ottawa is the second largest Ontario municipality and is subject to the same basic legislative regime.

The research showed that procedural and legislative processes and practices in these jurisdictions are comparable to Toronto's, but that there are some key potential differences. The larger size of Toronto City Council expands the potential number of agenda items and the amount of time consumed in deliberation. Even with system changes, the time and format of City Council meetings may need to change to improve City Council's ability to be both strategic and efficient.

While this research did not uncover a clearly applicable model or practice that fits perfectly with Toronto's needs, we feel that, nonetheless, there are elements of practice that warrant our consideration and we have woven some of these elements into our advice and recommendations.

Civic Engagement

The civic engagement research paper reviewed engagement activities currently carried out by the City of Toronto and looked at several examples from elsewhere including: Montreal's Office du Consultation Publique, Vancouver Council's Guiding Principles for Public Involvement, the Office of Neighbourhood Involvement in Portland Oregon, the London Civic Forum in London UK, and the participatory budget process used in Brazilian cities.

The research showed that commitment to and enthusiasm for civic engagement activities at the City are deep and high, despite capacity issues. There are many challenges in responding to Toronto's diversity and complexity and a commitment to engaging commonly disenfranchised populations. The complexity of the city requires agility in terms of how, when and where civic engagement activities are organized. A significant problem is that the City lacks a common definition of civic engagement which in Toronto includes everything from volunteerism to becoming an elected official.

The paper concluded that no other city in the world is like Toronto; therefore, no other city provides a neat and easy template to apply here. However, the research pointed to several important actions that the City can take to improve its approach to civic engagement and we have incorporated these actions into the recommendations section of our report.

**The following papers are available at
www.toronto.ca/governingtoronto**

- *Selected Urban Governance Models and Practices*, Lionel D Feldman Consulting Ltd & Katherine A. Graham
- *Civic Engagement—Review and Reflection on Current Practices and Future Approaches*, Pamela Robinson, PhD, School of Urban and Regional Planning, Ryerson University
- *Transcript of Public Consultation Input*, November 15, 2005, St. Lawrence Market North



Appendix 3 – Terms of Reference

Purpose

- To provide information, findings and options to City Council so that it can debate and make decisions about its governance system in order to prepare for and exercise governmental powers.
- To ensure an engagement process with Members of Council, citizens, civic leaders and other stakeholders so that various points of view and ideas can be heard and discussed.
- To encourage a civil, robust and informed discussion of options among all sectors of Toronto society interested in a well governed city.
- To integrate related issues resulting from the *City of Toronto Act* review, the final report of the Bellamy Inquiry and any recommendations pertaining to good governance, and the ongoing procedures review.

Leadership and Support

The Mayor (as chair) and Policy and Finance Committee will provide political leadership to the review. A 3-member external advisory panel will participate in the review and undertake an engagement process with Members of Council, civic leaders, community members and other key stakeholders. Staff support and professional advice will be provided by the City Manager and other staff identified by the City Manager as required. Staff will provide professional expertise and assistance in summarizing findings and options and will provide information and research, development of detailed work plans, logistical support, and administrative co-ordination for the review.

Guiding Principles

City Council approved ten governance principles in 1999 and they were reaffirmed during governance discussions in 2003. These principles will be reviewed and evaluated as part of the study.

Council's Governance Principles:

- Enable Council to set goals and priorities and adhere to these.
- Allow for meaningful opportunities for public input to Council's decision-making process.
- Ensure that every Member of Council has an important role in the decision-making process.
- Ensure that Council workload is shared as evenly as possible among Members of Council.
- Enable councillors to be held accountable for their decisions.
- Be simple and understandable to the public.
- Enable the control of municipal expenditures.
- Ensure that Standing Committees are where policies are developed for recommendation to Council and where the implementation of policies is monitored.

- Ensure that all Committees of Council add value to the political decision-making process.
- Enable councillors to spend time in their constituencies.

These principles were created for Toronto's particular governance model and are a starting point for the review. The principles reflect a model that encourages civic democracy and the involvement of people in decision-making and that is open and transparent; a model where policies are considered in public with community input, where votes are taken in open meetings and the public knows where their elected representatives stand on issues at all times in the decision-making process.

Study Framework

The following discussion points will provide a preliminary framework for the review and particularly for the engagement and consultation process:

- What actions will set the stage for Council to exercise governmental powers?
- What actions will ensure that Council can take a strategic approach on city-wide issues?
- What actions will make the Mayor's leadership role most effective, given the responsibilities of this city-wide elected position?
- What is the right balance of shared power between the Mayor and Council?
- What actions will improve community representation and engagement with the decision-making process?
- What actions will contribute to vibrant and engaged neighbourhoods?
- What actions will support councillors to deliver on the priorities of their neighbourhoods?
- What actions will ensure that the interests of residents from diverse communities with modest income levels are reflected in the decision-making process?
- What actions ensure a professional and independent public service?

These discussion points will be further developed for meaningful exploration of governance options.



Appendix 4 – Panel Member Biographies

Ann Buller



Ann Buller is the President of Centennial College. Her career spans twenty years in the college system, where her work demonstrates her belief that colleges must meet the economic and social inclusion imperatives facing our country. Leadership approaches that enable major transformational change have become her hallmark, while her commitment to the values of the Learning Centered College movement is evidenced in her ability to refocus institutions on learning.

Ms Buller recently served as the Vice President Academic and Chief Learning Officer at the Nova Scotia Community College (NSCC), where she established a new vision for academic and student services– an integrated approach to learning founded on a portfolio education model. She was the first woman vice president of a college in Nova Scotia and the first Chief Learning Officer in the country.

Prior to joining NSCC, Ms Buller spent eleven years with Centennial College in a variety of positions, all of them focusing on students and student success. As Director of Student Services she partnered with academic colleagues to address retention issues – earning the College a Noel Levitz Retention Excellence Award. As Vice President Student Advocacy and Services, Ms Buller established a blueprint for renewed student services that entrenched the College's commitment to human rights and diversity.

Ms Buller is a Champion and mentor for the Mentoring Partnership, an initiative of The Maytree Foundation's Toronto Region Immigration Employment Council (TRIEC). Since its inception in 2003, TRIEC has been working to improve access to employment for immigrants by providing instructive mentorships for foreign-trained professionals together with Toronto's corporate community.

Significantly, Ms Buller is a community college graduate herself, having studied public relations at Humber College (1985). She went on to complete a BA in Sociology at York University in 1995, and a Master of Arts in Education from Central Michigan University in 1999. She has earned numerous college marketing awards and awards of excellence for student retention, organizational development and leadership.

Sujit Choudhry



Sujit Choudhry is an Associate Professor at the Faculty of Law, University of Toronto, where he is cross-appointed to the Department of Political Science in the Faculty of Arts and Science. He is also a Senior Fellow of Massey College. Professor Choudhry holds law degrees from Oxford, the University of Toronto, and Harvard. Professor Choudhry was a Rhodes Scholar. He served as law clerk to Chief Justice Antonio Lamer of the Supreme Court of Canada.

Professor Choudhry is one of Canada's leading constitutional scholars. He has published over 40 articles, book chapters, and reports. Professor Choudhry was a consultant to the Royal Commission on the Future of Health Care in Canada (the Romanow

Commission) and the National Advisory Committee on SARS and Public Health (the Naylor Committee), the World Bank Institute at the World Bank, and was part of a team of foreign constitutional experts working with the Forum of Federations and the Centre for Policy Alternatives in support of the Sri Lankan peace negotiations. He served on the Province of Ontario's Academic Advisory Committee on Democratic Renewal.



Martin Connell

Martin Connell is a well respected business and community leader. He is a co-owner and co-founder of ACE Bakery Limited. He is also Chair of the Toronto Community Foundation.

Mr. Connell is also Chair of ProFund Internacional, S.A., former President of AfriCap MicroVentures Ltd., two investment funds with interests in local financial institutions providing credit and financial services to low-income self-employed people in Latin America and Africa.

Mr. Connell holds honorary doctorate degrees from five Canadian universities. His other honours and awards include: CESO Award for International Development (1997), Ontario Entrepreneur of the Year Award (1995), the Order of Ontario (1994), The Pearson Peace Medal from the United Nations Association in Canada (1994) and Officer of the Order of Canada in 1998.

Mr. Connell co-founded Calmeadow, an organization that supports provision of credit and financial services to micro-entrepreneurs in developing countries who are unable to access traditional sources. Since ACE began in 1993, ACE had given a portion of its pre-tax profits to Calmeadow. Calmeadow has attained self-sufficiency and ACE now focuses on donating to food and nutrition programs that assist low-income members of the community, financing culinary scholarships and supporting organic farming initiatives.

