



**STAFF REPORT
ACTION REQUIRED** **TA8.5**
with Confidential
Attachment

**Report Title: Expansion of TAF’s Endowment:
Status Update and Approval of Terms of
Reference of the Ad Hoc Working Group**

Date:	April 25, 2016
To:	Toronto Atmospheric Board of Directors (TAF Board)
From:	Julia Langer, CEO
Wards:	ALL
Reason for Confidential Information:	This report involves the security of property belonging to the City or one of its agencies, boards, and commissions.

SUMMARY

This report provides an update on the activities undertaken to date by Toronto Atmospheric Fund (TAF) staff with City staff and the Ad Hoc Endowment Expansion Working Group (WG), to advance the development of a Transfer Payment Agreement between TAF and the Ministry of Municipal Affairs & Housing (MMAH) for the provincial contribution of \$17 million to TAF’s endowment, as directed by the TAF Board at its February 11, 2016 meeting. It seeks authority for TAF staff to negotiate terms with MMAH, in consultation with the City Manager’s office, and subject to Board and City Council approval.

The report also provides the Terms of Reference for the Ad Hoc Endowment Expansion Working Group for the Board’s approval.

RECOMMENDATIONS

The Chief Executive Officer recommends that the Toronto Atmospheric Fund Board of Directors:

1. authorize the public release of the confidential information from the Chief Executive Officer in Confidential Attachment 1 to this report (April 25, 2016) once the Transfer Payment Agreement is signed, if applicable, by the TAF Board with the Province of Ontario;

2. approve the terms of reference for the Ad Hoc Endowment Expansion Working Group in Attachment 2 to this report; and
3. direct TAF staff to negotiate with the Province, in consultation with the City Manager's Office, the draft terms of a Transfer Payment Agreement (TPA) for review and approval by TAF's Board of Directors and Toronto City Council approval for TAF to receive the provincial endowment and implement the TPA.

ISSUE BACKGROUND

On the occasion of TAF's 25th anniversary, given that 60 percent of Ontario's greenhouse gas emissions originate in cities and that the provincial government has signalled its commitment to climate action, the opportunity to secure provincial funds to increase TAF's endowment was explored.

Province of Ontario Endowment

In its 2016 Budget, tabled on February 25, 2016, the Province of Ontario committed \$17M as an endowment for TAF to extend its mandate-related activities throughout the Greater Toronto and Hamilton Area. This recognizes TAF's unique and effective approach to advancing, demonstrating and de-risking innovative urban climate solutions, and how critical it is to reduce urban greenhouse gas emissions in order to achieve the Province's ambitious climate targets.

Ad Hoc Endowment Expansion Working Group

At its meeting of February 11, 2015, TAF's Board of Directors struck an Ad Hoc Endowment Expansion Working Group comprised of the TAF Board Chair, Vice-Chair, Treasurer and at least one other Board member, to consider new opportunities and make recommendations to the Toronto Atmospheric Fund Board concerning advancement of these opportunities, in consultation with the City Manager.

The Working Group, comprised of Sandra Odendahl (Chair of the working group), Councillor Mike Layton, Councillor Justin Di Ciano and Rob Roberti, in consultation with the City Manager's Office, has established Terms of Reference which are submitted to the Board for approval.

The Ontario Ministry of Municipal Affairs and Housing (MAH) has been tasked with developing the Transfer Payment Agreement with Toronto Atmospheric Fund. TAF staff and City staff have had several discussions with MMAH staff with the aim of setting out

key principles and elements for an agreement including governance, reporting (including program metrics, financial metrics), outreach and communications. An underlying theme is to leverage the robust governance and accountability systems already established through the TAF Act and City of Toronto Relationship Framework.

DECISION HISTORY

At its meeting of February 11, 2016, TAF Board of Directors:

- a) Established an Ad Hoc Endowment Expansion Working Group,
- b) Requested the assistance of the City Manager's Office (CMO) in exploring mechanisms to facilitate non-City of Toronto contributions to augment TAF's endowment and the expansion of TAF's mandate, including any necessary amendments to the Toronto Atmospheric Fund Act, the TAF/City Relationship Framework or the establishment of other governance instruments or agreements, while maintaining the purpose of the original endowment and accountabilities to the City of Toronto, and
- c) Requested that the CMO and TAF's CEO continue discussion with the Provincial Government for the purpose of expanding the endowment and report to the TAF Board of the Directors.

The Ad Hoc Endowment Expansion Working Group met on April 13, 2016, along with a representative of the CMO, to discuss and advise on various options presented by staff. In addition, several meetings have been held with provincial staff to discuss terms of a potential agreement. The current considerations are set out in Confidential Attachment 1.

TAF Staff now seeks to obtain formal approval of the terms of reference for the Ad Hoc Working Group, to update the Board on current considerations of TAF, City and MMAH Staff to formulate these terms, and direction to proceed with development of a Transfer Payment Agreement with the Province for approval by the Board and City Council.

CONTACT

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SIGNATURE

Julia Langer
Chief Executive Officer

ATTACHMENT:

Confidential Attachment 1: Expansion of TAF's Endowment: Update on Activities and Considerations

Attachment 2: Terms of Reference for TAF's Ad Hoc Endowment Expansion Working Group