



STAFF REPORT TA9.1
ACTION REQUIRED
 with Confidential
 Attachment

Report Title: Terms for Negotiation of a Transfer Payment Agreement for the Ontario Endowment

Date:	June 2, 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

The Ad Hoc Endowment Expansion Working Group (WG), established by the TAF Board to support securing the provincial contribution of \$17 million to TAF’s endowment, is recommending key terms to be advanced by TAF and the City of Toronto in negotiating a Transfer Payment Agreement with the Ministry of Municipal Affairs & Housing.

RECOMMENDATIONS

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

1. Authorize the public release of the confidential information in Confidential Attachment 1 to this report (June 2, 2016) once the Transfer Payment Agreement is signed with the Province of Ontario;
2. Adopt the attached as core terms for negotiating a Transfer Payment Agreement between TAF and the City of Toronto and the Province of Ontario.
3. Direct TAF staff, in consultation with the City Manager’s Office, to negotiate a Transfer Payment Agreement (TPA) with the Province of Ontario, and to bring it forward for approval by TAF’s Board of Directors and Toronto City Council.

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.

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.

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 (“the 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 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, established Terms of Reference which were approved by the Board on April 28, 2016.

The Working Group met on April 13, 2016, along with a representative of the CMO. A confidential report on activities and considerations was presented to the TAF Board at its meeting of April 28, 2016

The Working Group met on June 2, 2016, along with representatives of the CMO and the CFO's Office to develop negotiating positions for presentation to the Board, which is the focus of this report.

CONTACT

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SIGNATURE

Julia Langer
Chief Executive Officer

ATTACHMENT:

Confidential Attachment 1: Draft Terms for Negotiation of Transfer Payment Agreement (TPA) between TAF and the Province of Ontario