



STAFF REPORT **TA10.6**
ACTION REQUIRED

Date:	20 June 2016
To:	TAF Board of Directors
From:	Mary Pickering – VP Programs and Partnerships
Re:	Expenses for Regional Program Development

SUMMARY

Given the momentum provided by climate policy developments at both provincial and federal government levels, TAF aims to position itself to deploy the new assets in the regional service area as soon as possible. An organizational development plan and \$300K budget is proposed, pending approval of the Provincial Transfer Payment Agreement (TPA). Funds will be drawn from TAF’s operating line of credit (see Item 10.4 of the agenda) and repaid by the earnings of the Ontario endowment. This approval-in-principle will enable TAF to start implementing purchasing and staffing decisions so that work can begin without delay upon signing of the TPA.

RECOMMENDATION

It is recommended that TAF’s Board of Directors approve, pending approval of the transfer payment agreement governing TAF’s new \$17M endowment from the Province of Ontario, spending of up to \$300,000 to support expenses associated with TAF’s regional expansion, as outlined below.

BACKGROUND

On February 25, 2016, the Ontario government announced an historic \$17 million investment to expand the Toronto Atmospheric Fund (TAF) endowment for the purposes of expanding TAF’s services throughout the Greater Toronto and Hamilton Area (GTHA). The TAF Board subsequently struck an Ad Hoc Working Group to negotiate a transfer payment agreement among TAF Board, The City of Toronto and the Province of Ontario. Negotiations of this agreement are ongoing, and a final agreement is currently slated to be advanced to Toronto City Council for final review and approval at its meeting of October 4, 2016.

To prepare TAF’s administrative and program structures to accommodate expansion to a new regional service area, TAF staff is recommending an organizational development and program kick-start plan, comprised of the following elements:

- 1. Review and strengthen TAF’s existing administrative structures (up to \$75K).**
 With a new investment in TAF’s endowment, a strengthening of TAF’s operating structure is prudent to ensure the smooth and efficient operations of the organization as we undertake a larger regional mandate, and potentially leverage further

expansion. Assisted by an external management consultant, TAF's existing administrative structures and policies, including HR, purchasing, IT, premises, financial reporting, fund accounting, and business planning will be reviewed and recommended improvements will be implemented throughout 2017 and 2018.

TAF's Director of Finance, Richard Rysak, will undertake management of this process, overseen by TAF's CEO. A report concerning the recommended changes would be provided to the TAF Board of Directors by June 30, 2017.

- 2. Building familiarity with regional GHG reduction actions and approaches (up to \$75K).** Expansion of TAF's mandate to serve regional GHG reduction in the GTHA offers opportunities to adjust some of TAF's approaches and to support an expanded group of local climate action leaders. However, TAF needs to familiarize itself with regional players, projects, and best practices in order to make strategic investments. TAF will commission research and analysis regarding the existing GHG reduction stakeholders and activities in the GTHA, stakeholder strengths, weaknesses, and service needs and advice on the best way to undertake outreach to key players. This process will also identify potential program partners, funders, and collaborators, including potential future Board and Grants and Program Committee candidates and create a short-list of high-impact regional granting opportunities that TAF could consider supporting in 2017-2018. In addition, we are seeking information about how other regional jurisdictions are organized to support regional climate action programming, to familiarize ourselves with best practices when structuring our regional program design.

TAF's VP-Programs and Partnerships, Mary Pickering, will develop an RFP to support this research, supervise the contract, and in co-operation with the TAF Grants Manager, translate the outcomes of the study into a regional program plan to be presented to the TAF Board by June 30, 2017.

- 3. Establishing regional GHG impact evaluation tools (up to \$150K).** TAF evaluates all grant and investment opportunities using a GHG forecasting model calibrated to the City of Toronto. The information for this model is based on the City of Toronto GHG Inventory and other supplementary sources. TAF will need to have a GTHA version of this model in order to evaluate the significance of potential regional GHG reduction projects. We propose a two-phased approach to building our regional evaluation tools. First, a brief study of what GHG inventories already exist in the GTHA, with respect to comprehensiveness, age, compatibility, reliability, ownership, and their use to help us understand what regional GHG inventory capacity and tools already exist, what parties are interested in using a regional GHG inventory, and what gaps may need to be filled to create an inventory that meets TAF's needs. A second phase will identify and implement a GTHA GHG Inventory and modelling approach to be undertaken by TAF alone or in partnership with other stakeholders.

This work will be overseen by TAF's VP-Programs and Partnerships Mary Pickering and TAF's Director of Policy and Programs, Bryan Purcell. Our goal is to create a baseline regional GHG modelling tool for use beginning in Q3 of 2017.

FINANCIAL IMPLICATIONS

All organizational development costs to support the regional expansion will be supported by the Provincial endowment fund. Since proceeds from this endowment will not be available immediately, funds will be drawn from TAF's operating line of credit (see Item 10.4) and repaid by the earnings of the Ontario endowment.

CONTACT

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