

TO: Mayor and Members of Council

DATE: June 12, 2006

FOR YOUR INFORMATION

City of Toronto Act Approved

On June 12, 2006, the Ontario Legislature approved Third Reading of Bill 53, the *Stronger City of Toronto for a Stronger Ontario Act, 2006*, on a vote of 58 to 20. The Bill has also received Royal Assent. The Bill enacts a new *City of Toronto Act, 2006*, amends various public Acts regarding certain City matters and repeals various private Acts relating to the City.

Except for certain *Ontario Heritage Act* amendments which have come into effect on Royal Assent, the various new powers and authorities under Bill 53 will come into force on a date to be determined by the Ontario Cabinet. The City has asked for proclamation on December 1, 2006, in time for the new term of Council.

The new Act represents a crucial milestone in Council's long-standing effort to secure a more enabling legislative framework, commensurate with the City's responsibilities, size and significance. The Act recognizes Toronto as an economic engine of Ontario and Canada with a democratic government that is responsible and accountable. The Act further endorses building a mature relationship with the province based on mutual respect, consultation and cooperation. The Act recognizes the City's authority to enter into agreements with other governments, including the government of Canada.

Among other important measures, the new Act empowers the City through a broad and permissive approach to Council's powers and authorities. The City's primary focus will now be on "how to" approach its goals more creatively – subject to any express limits, such as conflicts with provincial and federal legislation. This approach will provide Toronto with a level of autonomy, authority and accountability rivaling – if not exceeding – any other city in Canada.

The new Act will allow the City to establish its own governance structure, with enhanced delegation authorities. The City Manager's report *Implementation of a new Council Governance model for the next term of Council* will be considered by the Policy and Finance Committee at its meeting on June 20, 2006 and has been distributed with the committee's main agenda.

Council requested the City Manager to report on implementing recommendations of the Governing Toronto Advisory Panel adopted, in principle, by Council last December. In preparing the report the City Manager reviewed the results of the public consultation and community council presentations earlier this year and the advice of a Council working group chaired by Councillor Brian Ashton. A Briefing Note is attached outlining the key features and principles of the changes recommended in the City Manager's report.

Regarding the new City of Toronto Act, Council will have discretion on whether and how to implement many of its new authorities under the Act. City staff will be reviewing the new Act to identify for Council's consideration any new provisions which will need to be implemented on proclamation, such as several new governance and accountability measures. Staff will also continue to work with provincial officials on the ongoing review of special legislation, the development of new regulations under the Act and the agreement between the Province and the City for ongoing consultation and cooperation.

The Ontario government's new City of Toronto Act is the result of the efforts of Council, business, labour and community leaders, academics, other municipalities, a joint staff task force and broad consultation over many years. As with all important policy initiatives, public consultation will continue to be critical in Council's deliberations on implementation of what amounts to Toronto's new constitution.

For further information on Bill 53, contact Phillip Abrahams, Manager, Intergovernmental Relations, at 416-392-8102.

Attachments:

- Briefing Note, "Implementation of a New Council Governance Model for the Next Term of Council", June 12, 2006
- News release, "Toronto applauds passage of City of Toronto Act", June 12, 2006

Prepared for: Mayor and Members of Council.

Distributed to: City Manager, Deputy City Managers, Division Heads.

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Date: June 12, 2006

BRIEFING NOTE

Implementation of a New Council Governance Model for the Next Term of Council: City Manager's Report to Policy and Finance Committee

Key Messages:

- The City Manager has completed the review of governance reforms proposed by an external advisory panel last December, and has submitted a report to Council's Policy and Finance Committee for consideration on June 20, 2006.
- The City Manager's report responds to a request from City Council to report on ways and means of implementing recommendations of the Governing Toronto Advisory Panel adopted, *in principle*, by Council last December
- In addition to the Panel's recommendations, the City Manager has reviewed the results of public consultation and community council presentations earlier this year, as well as the advice of a Council working group chaired by Councillor Brian Ashton.
- The plan outlined in the City Manager's report is intended to prepare the City for new powers and responsibilities under a new *City of Toronto Act*.
- The key features of the recommended 6-point plan include:
 - Establishment of a Speaker for City Council meetings
 - Establishment of an Executive Committee that includes standing committee chairs to coordinate strategic planning, financial planning and priority setting
 - Delegation of authority to the Mayor for appointing the Deputy Mayor and standing committee chairs and reserving Council's authority for other appointments
 - A new committee structure focused on the following key policy spheres:
 - The Economy
 - Social cohesion
 - Infrastructure
 - Urban form
 - Consumer safety and protection
 - The Natural Environment
 - Government assets and administration
 - Stronger community councils through the delegation of final decision-making powers for routine, local matters and an increase in the number of community councils to improve access to local decision-making

- Increased emphasis on citizen and neighbourhood engagement to be developed in dialogue with Torontonians.
- Several measures adopted in principle by Council have been considered but ultimately rejected in the report. These include the following:
 - Higher salaries for Executive Committee members
 - Giving the Mayor powers to appoint and dismiss the City Manager
 - Giving the Mayor power to appoint community council chairs
 - A separate office to support the Executive Committee
- The City Manager's report is scheduled to be debated by the Policy and Finance Committee on Tuesday, June 20, 2005 at 10:00 AM in Committee Room 1 of Toronto City Hall. Copies of the report together with additional background information can be found at www.toronto.ca/governingtoronto.

Questions & Answers:

Q1: What is the origin of this governance work?

The current governance system was designed at the time of amalgamation. It has been reviewed several times, but there have been no substantial changes since 1999. However, new powers and responsibilities set out in the new *City of Toronto Act* provide both an opportunity and a requirement to consider changes. Council established the Governing Toronto Advisory Panel in July 2005 to review the governance system with these new powers in mind. Council considered the Panel's report in December 2005 and asked the City Manager to report on implementation.

Q2: What was the process for arriving at the City Manager's implementation report?

When Council considered the Governing Toronto Advisory Panel's report it

- Adopted the recommendations in principle (with the exception of recommendation 8 on the planning process which was referred for separate review)
 - Referred the report to Community Councils for public comment
 - Requested the City Manager to prepare an implementation plan and consult with the public
 - Established a Council governance implementation working group to give advice to the City Manager
- Extensive public consultation was conducted in March and April.
 - Four open sessions were held across the City, attended by more than 300 people
 - The proceedings were submitted to the Community Councils, Policy and Finance Committee and the Council working group on governance (members: Councillors Ashton (chair), Augimeri, Lindsay Luby, Mammoliti and Soknacki; alternate members Councillors Giambrone and Nunziata)
 - The working group met seven times to review the Panel's recommendations, provide guidance on the public consultation and review staff proposals.
 - After careful review of the Panel's report, the public consultation results and the working group's deliberations, the City Manager prepared the implementation report.

Q3: What is being recommended?

A six-point plan is recommended for governance changes:

Improve how Council functions

Establish a Speaker to chair meetings of Council.

Authorize the City Clerk to make improvements to the legislative process and meeting cycle.

Improve integrated policy-making, strategic planning and priority setting

Create an Executive Committee to integrate City-wide strategies, plans and priorities on behalf of Council by including in its composition the Mayor, the Deputy Mayor, standing committee chairs and members from Council at large.

Improve the Mayor's ability to lead

Delegate authority to the Mayor to appoint the Deputy Mayor and the standing committee chairs, to serve at the Mayor's discretion, to enhance the Mayor's ability to lead on a coordinated, City-wide strategic agenda.

Improve Council's policy deliberations

Adjust the current committee structure and legislative calendar to focus on key policy spheres.

Improve local decision-making at Community Councils

Delegate decision-making to community councils for many local, routine matters.

Increase the number of community councils to enhance access to local government.

Improve the City's engagement with neighbourhoods and communities

Launch a community dialogue on reconnecting people with City government including processes and structures to improve civic engagement and the civic engagement role of Council, the Mayor, committees, community councils and advisory bodies.

Q4: What principles were used to arrive at these recommendations?

The following principles provide a foundation for the proposed model. These principles speak to a balanced governance model, where all components are strong:

Local Democracy

- People should be involved and engaged in decision-making
- Debate and decisions should take place in public
- People should know where their Councillor stands on issues
- People should have access to a variety of avenues for involvement in decision-making
- Neighbourhoods should have a say on issues that affect them

City Council

- City Council is the supreme legislative body

- City Council has a duty to come to consensus rather than a duty to oppose
- City Council should balance its City-wide perspective with its attention to neighbourhoods and local issues
- Council's structure should provide for equitable work distribution and a meaningful role for all Members

The Mayor

- The Mayor should be able to fulfill his/her City-wide mandate and meet the community's expectations
- The Mayor should lead Council in setting strategic and financial priorities
- The Mayor should represent the City to other governments and the world at large

Q5: Will the recommendations result in a 'strong Mayor' model?

While the delegation of some appointments to the Mayor would represent an increase in Mayoral powers, it in no way resembles a strong mayor model. In US-style strong mayor models, for example, mayors have by-law making powers, vetoes over City Council decisions, powers to appoint many administrative officials and requirements for supermajorities to turn back mayoral initiative. There are no such proposals before Council and in fact the Panel soundly rejected any such proposals.

Q6: How does the proposed governance model help the City prepare for the new *City of Toronto Act*?

The new Act broadens the City's policy-making capacity in areas such as new financial authorities and improved financial management tools, licensing and municipal standards, and intergovernmental relations. The Executive Committee, with its role to integrate policies, priorities and financial plans on behalf of Council, and a Standing Committee structure focused on policy spheres will support Council's increased policy-making role. Also, delegating authority to the Mayor for some political appointments will improve the Mayor's ability to lead on a coordinated, City-wide policy agenda.

The new *Act* increases Council's ability to delegate certain legislative and quasi-judicial decision-making powers to other bodies including committees and officers of Council. As one step, the proposed governance model recommends delegation of final decision-making to Community Councils for many local, routine matters. This will help to clear Council's agenda for significant City-wide policy matters and will move local decision-making closer to the people.

Q7: How will the Executive Committee work?

The Executive Committee will report to Council and will facilitate strategic planning, priority setting, budgeting and managing the flow of Council's policy agenda. Its mandate will include making recommendations on:

- Council's strategic policy and priority setting agenda
- Governance policy and structure
- Financial planning and budgeting
- Fiscal policy including revenues and tax policies

- Intergovernmental and international relations
- Council and its operations
- Human resources and labour relations

The Executive Committee will not approve all committee business, or act as a “funnel” for standing committee items.

The Executive Committee, as all other Council committees, will meet in public except in those limited circumstances currently in place for meeting *in camera*.

The Committee will focus on strategic directions rather than simply approving administrative reports that fall under its purview.

The Budget Committee (renamed from Budget Advisory Committee) and the Employee and Labour Relations Committee will report to the Executive Committee. Both of these committees will be composed of six members of Council at-large, plus a chair selected by the Executive Committee from among its members.

Standing Committee chairs will sit on the Executive Committee to ensure that items moving through the legislative process are in keeping with strategies and priorities and weighed within a City-wide context.

Q8: What will be delegated to Community Councils?

It is proposed that, following a review of legal, technical and operational requirements, Council proceed with delegation to community councils for many local, routine matters such as parking issues, traffic control and road work, and property matters such as fences, signs, and encroachments. Delegation of planning matters related to Official Plan amendments and zoning by-laws is not recommended and is not permitted under the new *City of Toronto Act*.

Q9: What process will be used to determine the number of Community Councils?

The City Manager and the City Clerk will conduct further work to propose options for the ultimate number and boundaries of community councils. Community input will be sought on this matter, and options will come forward to Council early in the next term.

Q10: When will the community dialogue on civic engagement start?

The community dialogue will begin early in the next term of Council.

Q11: What are the mandates of the proposed Standing Committees

The mandates are:

- Economic Development: to monitor and make recommendations to strengthen Toronto’s economy and investment climate
- Community Development & Recreation: to monitor and make recommendations to strengthen services to communities and neighbourhoods

- **Public Works & Infrastructure:** to monitor and make recommendations on Toronto's infrastructure needs and services
- **Planning & Growth Management:** to monitor and make recommendations on the planning, growth and development of the City of Toronto
- **Licensing & Standards:** to monitor and make recommendations on the licensing of businesses and enforcement of property standards
- **Parks & Environment:** to monitor and make recommendations on the sustainable use of Toronto's natural environment
- **General Government:** to monitor and make recommendations on the administrative operations of the City.

Q12: How is the recommended model different from the current one?

The model is different in several key areas:

Council deliberations will be improved by the appointment of a Speaker to chair Council meetings. The Speaker will develop expertise in procedural matters, bring continuity to the role of chair, and apply consistent rulings. This will improve Council's proceedings, decision-making, and decorum.

The Executive Committee with a composition including Standing Committee chairs will facilitate strategic planning, priority-setting, financial planning and managing the flow of Council's policy agenda. Standing Committee chairs will have a key integration role on the Executive Committee. This is different from the current Policy & Finance Committee, which has a similar mandate to the Executive Committee's, but where Standing Committee chairs are specifically excluded from membership.

The Mayor will have some additional appointment powers to enhance his/her ability to lead on the policy agenda.

Standing Committees: there will be seven standing committees instead of five. The committees will focus on broad policy areas of importance to the City. This varies from the current standing committee system where committees have been responsible for a group of City services reporting to them. The new model improves the ability for substantial policy debate of interrelated issues at the committee stage.

Concurrent improvements to the legislative calendar are planned to improve the effectiveness of the committee system, for example, allowing for different reporting cycles across committees, rather than imposing the same monthly cycle for all committees, as is currently the case. It is hoped that this will open up opportunities for committees to take more time and invite more information and input on significant policy issues, before making their recommendations to Council.

Community Councils will have increased powers to make local decisions locally, through delegation of final decision-making for many matters within their jurisdictions. Currently, all community councils recommendations are subject to debate at Council.

Q13: What about the other committees of Council?

No change is recommended to the mandates of the other Council committees as follows:

- The Affordable Housing Committee will continue with its current mandate, pending review as previously directed by Council.
- The Striking Committee's mandate to recommend Members' appointments should continue, but its duties require amendment if Council approves authority for the Mayor to make certain appointments.
- The Nominating Committee's title will be changed to 'Civic Appointments Committee', however no change in mandate is proposed at this time. A separate report dealing with the workings of the appointments process will be before Council later this year.
- The Audit Committee will continue with its current mandate and composition.

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Date: June 12, 2006

News Release

June 12, 2006

Toronto applauds passage of City of Toronto Act

The provincial government today passed Bill 53, *The Stronger City of Toronto for a Stronger Ontario Act, 2006*. Toronto has asked for the new Act to be in force for Council's new term.

The Act recognizes Toronto as Ontario's economic engine by providing it with more autonomy, authority and accountability needed in its role as a major urban centre. A strong Toronto means a strong Ontario.

The legislation gives the City greater access to tools and options to help develop "made-for-Toronto" policies that strengthen good governance, enhance economic growth and continue support for a good quality of life for residents and businesses alike.

"This is an important day for Toronto," said Mayor David Miller. "Toronto will now have a stronger voice at the table with other orders of government when discussing policy, programs and budgets that affect this City. It will have a broader range of financial tools to support the City's policy objectives and could reduce Toronto's reliance on property taxes, user fees and development charges.

"This is a significant step toward overall municipal reform," added Miller. "Cities are now being recognized as economic engines and cultural hubs of modern society. I applaud Premier Dalton McGuinty and the provincial government for listening to Toronto and recognizing the unique needs of this great city."