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March 28, 2011

Ms. Jane Pyper
Chief Librarian
Public Library Board
789 Yonge Street
Toronto, ON M4W 2G8

Mr. Matthew Church
Chair, Public Library Board
166 Crawford St.
Toronto, ON M6J 2V4

Dear Ms. Pyper and Mr. Church,

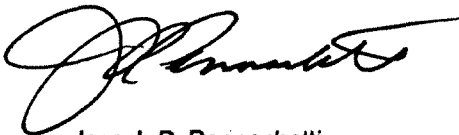
In an earlier communication (dated March 14, 2011), I informed you of key reports to be considered by City Council's Executive Committee. On March 21, 2011, the Executive Committee considered reports EX4.6 Managing Through Agencies and Corporations and EX4.7 Amendments to Public Appointments Policy.

The Executive Committee requested that I report directly to City Council at its meeting on April 12, 2011 on two separate motions regarding recommendation 14 which concerns the composition of the Public Library Board. Please note that my revised recommendation was that the change to the composition of the Library Board take effect at the end of this term of Council.

The Executive Committee has asked that I meet with you to receive your comments regarding the recommendations in these reports, particularly regarding changes to the board composition. I have set aside a half hour on April 6 at 1:30 p.m. to meet with you in my office. As the timelines are tight for preparing our report, please provide your written comments by April 4, 2011 to guide our discussion.

Thank you in advance for your cooperation by meeting on such short notice given our limited timeline.

Yours truly,



Joseph P. Pennachetti
City Manager

Cc: Councillor Paul Ainslie
Councillor Janet Davis
Councillor Sarah Doucette
Councillor Cesar Palacio
Councillor Jaye Robinson





Tracking Status

- This item was considered by Executive Committee on March 21, 2011 and was adopted with amendments. It will be considered by City Council on April 12, 2011.

Executive Committee consideration on March 21, 2011

EX4.6	ACTION	Amended		Ward:All
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Managing Through Agencies and Corporations

Committee Recommendations

The Executive Committee recommends that:

1. City Council request the City Manager to continue to review agency governance structures focussing on key opportunities for improvement with the following goals:
 - a. ensure that the services provided by agencies are appropriate municipal services;
 - b. ensure that the number of agencies and related governance costs add value to their purpose, capitalize on opportunities to combine similar businesses, eliminate overlaps with City programs and services, or, for revenue-generating boards, achieve the critical mass to be self-sustainable;
 - c. clarify City objectives for agencies, ensuring that the policy framework is appropriate to the business sector in which they operate; and
 - d. put mechanisms in place to ensure alignment and commitment to City objectives.

2. a. City Council endorse the following accountability mechanisms for managing through City agencies:
 - i. City Council appoint the Chair of each board except where legislation restricts this power, such as for the Police Services Board, the Board of Health, the Toronto Public Library Board and Committee of Adjustment and, for greater clarity, does not apply to community-based boards such as AOCCs, BIAs and arena boards;
 - ii. City Council approve the board by-laws of all agencies that regulate the internal conduct of the business and affairs of the agency, as is currently required for all City corporations;

- iii. City Council establish City by-laws codifying the governance structures of City agencies and their Council-approved financial reporting obligations; and
 - iv. agency reports be submitted to the City through the City Manager for transmittal to the appropriate standing committee in order to provide information on the impact on the City, similar to the process established for City corporations; and
- b. City Council authorize the City Manager to establish the necessary protocols or take other actions to implement the accountability mechanisms set out in Recommendation 2a above.
- 3.
 - a. City Council request the City Manager to review board human resources policies and practices and recommend changes to ensure alignment with City objectives including: compensation, appointment and performance management of senior board staff and labour relations; and
 - b. City Council direct every board to provide the City Manager with all information required to conduct the review.
 - 4. City Council request the City Manager to bring forward a City policy framework that ensures that City principles, policies and accountabilities are applied appropriately to each agency and that the appropriate degree of independence is respected.
 - 5. City Council direct that the Sinking Fund Committee and the Investment Advisory Committee be dissolved and their investment decisions be delegated to the Deputy City Manager and Chief Financial Officer.
 - 6. City Council direct that Chapter 103 Article 1 Sections 103-1, 103-2, and 103-3 of the Municipal Code, regarding the Museum Boards, be deleted to reflect the status of Museum Boards as key advisory bodies since Council approval of the 2002 Memorandum of Understanding between the City and the Museum Boards, and to enable a transition to an alternate engagement process as endorsed by the Museum Boards.
 - 7. City Council authorize the City Manager, where necessary, to set the effective date of the changes resulting from approval of the recommendations in this report and amend any and all relationship frameworks, shareholder directions, policies, websites, or other documents to implement the changes as approved by Council.
 - 8. City Council authorize the City Solicitor to bring forward any necessary amendments to City by-laws or the Municipal Code including bills giving effect to decisions to dissolve and change local boards under s. 145 of the City of Toronto Act, 2006 to implement Recommendations 2(a)(i), 5 and 6 above, or to take any other action she deems necessary to implement those recommendations.

Decision Advice and Other Information

The Executive Committee requested the City Manager to report on the following motions directly to Council:

By Councillor Ainslie:

1. That Recommendation 1 of the report (March 9, 2011) from the City Manager be deleted and replaced as follows:
 - "1a. The City Manager at the beginning of each term is requested to report on the City's management of its ABCs, and make recommendations as necessary to:
 - i. ensure that the services provided by agencies are appropriate municipal services;
 - ii. ensure that the number of agencies and related governance costs add value to their purpose, capitalize on opportunities to combine similar businesses, eliminate overlaps with City programs and services, or, for revenue-generating boards, achieve the critical mass to be self-sustainable;
 - iii. clarify City objectives for agencies, ensuring that the policy framework is appropriate to the business sector in which they operate;
 - iv. put mechanisms in place to ensure alignment and commitment to City objectives;
 - v. the recommendations of the Auditor General's reports be applied to the City's appropriate ABC's in the same manner as the City's internal divisions.
 - 1b. every five years, on a rotating basis, each Agency, Board, and Commission (ABC) is requested to create a strategic plan, the preparation of which includes outreach to stake holders. The City Manager is to report on each plan to Council, and make recommendations with respect to the purpose and effectiveness of each organization, and its 'fit' within the overall City structure."
2. That Recommendation 3 of the report (March 9, 2011) from the City Manager be deleted and replaced as follows:
 - "3a. The City Manager review board human resources policies and practices and recommend changes to ensure alignment with City objectives including: compensation, appointment and performance management of senior board staff and labour relations;
 - b. The City Manager review board purchasing, information technology and payroll practices and standards.
 - c. Council direct that such practices be centralized as the City Manager deems appropriate and which are consistent with the staff report.
 - d. Council direct every board to provide the City Manager with all information required to conduct the review."

3. That recommendation 4 of the report (March 9, 2011) from the City Manager be deleted and replaced as follows:

"4. The City Manager bring forward a City policy framework that ensures that City principles, policies and accountabilities are applied appropriately to each agency."

By Councillor Mammoliti:

That the City Manager submit a report directly to Council clarifying which body a Councillor represents while serving as a Board member on the City's Agencies, Boards, Commissions and Corporations.

By Councillor Spence:

The report to the Executive Committee on the advisability of Council appointing chairs to each of the restricted boards, and what legislative changes the City should request of the Province to give the City the authority to appoint the Chairs

Origin

(March 9, 2011) Report from the City Manager

The use of various models of arm's-length governance structures to deliver certain programs or services is a longstanding practice of most governments. It is also best practice to regularly review the number, structures and governance relationships of City agencies.

The City has 119 City and partnered agencies and corporations including 71 BIAs, 10 advisory centre boards, 8 arena boards and 30 other boards. More than 33% of the budget and services are managed by City agencies and corporations. Since amalgamation there has been a long-term workplan to document the governance relationship between the City and its agencies and corporations through Relationship Frameworks and Shareholder Directions. In addition, individual agencies have been the subject of governance reviews that resulted in changes to structures.

However, there has been no comprehensive rethink of why the City manages services through agencies and corporations, the most effective organization of these agencies, how agencies are aligned with City public policy and structures, and the strategies for ensuring City agencies are accountable to City Council. It is also appropriate to review the cost-effectiveness of agency models to deliver services and how well they achieve transparency and accountability objectives.

The use of the agency model carries with it additional governance costs arising from separate audit requirements, resource-intensive board recruitment, and staff resources to support board meetings, set up websites, establish separate policies, review separate budgets, and manage separate accounting and HR systems. A significant finding of the Fiscal Review Panel indicated that the City needed to "get a grip on" its agencies and take firmer control to reduce costs and strengthen accountability to Council.

Provincial legislation gives the City authority to make changes to governance structures for most of its local boards. As the City matures as an order of government, there is an opportunity to take a leadership approach to managing through agencies and corporations. This report proposes that the City continue to undertake reviews of agency governance structures informed by the following objectives: modernize governance to a form more appropriate to the size, complexity, and maturity of the City of Toronto; improve accountability and transparency; and gain efficiencies and reduce costs.

Background Information

(March 9, 2011) Staff Report - Managing Through Agencies and Corporations
(<http://www.toronto.ca/legdocs/mmis/2011/ex/bgrd/backgroundfile-36606.pdf>)

(March 21, 2011) Presentation - Managing Through Agencies and Corporations & Public Appointments Policy
(<http://www.toronto.ca/legdocs/mmis/2011/ex/bgrd/backgroundfile-36738.pdf>)

Communications

(March 12, 2011) E-mail from Peter Clarke (EX.Supp.EX4.6.1)

(March 18, 2011) E-mail from James L. Robinson, Executive Director, Downtown Yonge Business Improvement Area (EX.Main.EX4.6.2)

(March 19, 2011) E-mail from Sharon Yetman, Inventor/Innovator, Platform Technology (EX.Main.EX4.6.3)

(March 21, 2011) Letter from Maureen O'Reilly, President, TPLWU Local 4948 (EX.Main.EX4.6.4)

Speakers

Leslie Thompson, President, LESRISK, Debt & Risk Management Inc.

Councillor Shelley Carroll, Ward 33 - Don Valley East

Councillor Adam Vaughan, Ward 20 - Trinity-Spadina

Councillor Gloria Lindsay Luby, Ward 4 - Etobicoke Centre

Councillor Frances Nunziata, Ward 11 - York South-Weston

Councillor Paula Fletcher, Ward 30 - Toronto-Danforth

Councillor Joe Mihevc, Ward 21 - St. Paul's

Councillor Gary Crawford, Ward 36 - Scarborough Southwest

Councillor Mary Fragedakis, Ward 29 - Toronto-Danforth

Councillor Josh Matlow, Ward 22 - St. Paul's

Councillor Gord Perks, Ward 14 - Parkdale-High Park

Councillor Janet Davis, Ward 31 - Beaches-East York

Councillor Sarah Doucette, Ward 13 - Parkdale-High Park

Motions

1 - Motion to Amend Item moved by Councillor Paul Ainslie (Referred)

That Recommendation 1 of the staff report be deleted and replaced as follows:

- "1. (a) The City Manager at the beginning of each term is requested to report on the City's management of its ABCs, and make recommendations as necessary to:
- i. ensure that the services provided by agencies are appropriate municipal services;
 - ii. ensure that the number of agencies and related governance costs add value to their purpose, capitalize on opportunities to combine similar businesses,

eliminate overlaps with City programs and services, or, for revenue-generating boards, achieve the critical mass to be self-sustainable;

- iii. clarify City objectives for agencies, ensuring that the policy framework is appropriate to the business sector in which they operate;
 - iv. put mechanisms in place to ensure alignment and commitment to City objectives;
 - v) the recommendations of the Auditor General's reports be applied to the City's appropriate ABC's in the same manner as the City's internal divisions.
1. (b) every five years, on a rotating basis, each Agency, Board, and Commission (ABC) is requested to create a strategic plan, the preparation of which includes outreach to stake holders. The City Manager is to report on each plan to Council, and make recommendations with respect to the purpose and effectiveness of each organization, and its 'fit' within the overall City structure."

2 - Motion to Amend Item moved by Councillor Paul Ainslie (Referred)

That Recommendation 3 of the staff report be deleted and replaced as follows:

- "3 (a) The City Manager review board human resources policies and practices and recommend changes to ensure alignment with City objectives including: compensation, appointment and performance management of senior board staff and labour relations;
- (b) The City Manager review board purchasing, information technology and payroll practices and standards.
- (c) Council direct that such practices be centralized as the City Manager deems appropriate and which are consistent with the staff report
- (d) Council direct every board to provide the City Manager with all information required to conduct the review."

3 - Motion to Amend Item moved by Councillor Paul Ainslie (Referred)

That recommendation 4 of the staff report be deleted and replaced as follows:

"4. The City Manager bring forward a City policy framework that ensures that City principles, policies and accountabilities are applied appropriately to each agency."

4 - Motion to Amend Item (Additional) moved by Councillor Giorgio Mammoliti (Referred)

That the City Manager submit a report directly to Council clarifying which body a Councillor represents while serving as a Board member on the City's Agencies, Boards, Commissions and Corporations.

5 - Motion to Amend Item (Additional) moved by Councillor David Shiner (Referred)

That the City Manager report to the Executive Committee on the advisability of Council appointing the Chairs of each of the restricted boards, and what legislative changes the City should request of the Province to give the City the authority to appoint the Chairs.

6 - Motion to Refer Motion moved by Councillor Mike Del Grande (Carried)

That the City Manager report directly to Council on the motions by Councillors Ainslie, Shiner and Mammoliti.

7 - Motion to Amend Item moved by Councillor Doug Holyday (Carried)

That Recommendation 2 a.i. of the report (March 9, 2011) from the City Manager be deleted and replaced as follows:

"2.a.i. Council appoint the chair of each board except where legislation restricts this power such as for the Police Services Board, the Board of Health, the Library Board, and Committee of Adjustment and for greater clarity does not apply to community-based boards such as AOCCs, BIAs, and arena boards."

8 - Motion to Adopt Item as Amended moved by Councillor Doug Holyday (Carried)

Source: Toronto City Clerk at www.toronto.ca/council

Managing Through Agencies and Corporations

Date:	March 9, 2011
To:	Executive Committee
From:	City Manager
Wards:	all
Reference Number:	

SUMMARY

The use of various models of arm's-length governance structures to deliver certain programs or services is a longstanding practice of most governments. It is also best practice to regularly review the number, structures and governance relationships of City agencies.

The City has 119 City and partnered agencies and corporations including 71 BIAs, 10 community centre boards, 8 arena boards and 30 other boards. More than 33% of the budget and 48% of the staff are managed by City agencies and corporations. Since amalgamation there has been an on-going workplan to document the governance relationship between the City and its agencies and corporations through Relationship Frameworks and Shareholder Directions. In addition, individual agencies have been the subject of governance reviews that resulted in changes to structures.

However, there has been no comprehensive rethink of why the City manages services through agencies and corporations, the most effective organization of these agencies, how agencies are aligned with City public policy and structures, and the strategies for ensuring City agencies are accountable to City Council. It is also appropriate to review the cost-effectiveness of agency models to deliver services and how well they achieve transparency and accountability objectives.

The use of the agency model carries with it additional governance costs arising from separate audit requirements, resource-intensive board recruitment, and staff resources to support board meetings, set up websites, establish separate policies, review separate budgets, and manage separate accounting and HR systems. A significant finding of the Fiscal Review Panel indicated that the City needed to "get a grip on" its agencies and take firmer control to reduce costs and strengthen accountability to Council.

Provincial legislation gives the City authority to make changes to governance structures for most of its local boards. As the City matures as an order of government, there is an opportunity to take a leadership approach to managing through agencies and corporations. This report proposes that the City continue to undertake reviews of agency governance structures informed by the following objectives: modernize governance to a form more appropriate to the size, complexity, and maturity of the City of Toronto; improve accountability and transparency; and gain efficiencies and reduce costs.

RECOMMENDATIONS

The City Manager recommends that:

1. The City Manager continue to review agency governance structures focussing on key opportunities for improvement with the following goals:
 - (i) ensure that the services provided by agencies are appropriate municipal services;
 - (ii) ensure that the number of agencies and related governance costs add value to their purpose, capitalize on opportunities to combine similar businesses, eliminate overlaps with City programs and services, or, for revenue-generating boards, achieve the critical mass to be self-sustainable;
 - (iii) clarify City objectives for agencies, ensuring that the policy framework is appropriate to the business sector in which they operate; and
 - (iv) put mechanisms in place to ensure alignment and commitment to City objectives.

2. (a) Council endorse the following accountability mechanisms for managing through City agencies:
 - (i) for City agencies where Council makes appointments, Council appoint the Chair of each board except for the Police Services Board, the Board of Health, and the Toronto Public Library Board whose Chairs must be elected by board members in accordance with the legislation that governs these agencies;
 - (ii) Council approve the board by-laws of all agencies that regulate the internal conduct of the business and affairs of the agency, as is currently required for all City corporations;
 - (iii) Council establish City by-laws codifying the governance structures of City agencies and their Council-approved financial reporting obligations; and
 - (iv) agency reports be submitted to the City through the City Manager for transmittal to the appropriate standing committee in order to provide information on the impact on the City, similar to the process established for City corporations; and

- (b) The City Manager be authorized to establish the necessary protocols or take other actions to implement the above accountability mechanisms.

3. (a) The City Manager review board human resources policies and practices and recommend changes to ensure alignment with City objectives including: compensation, appointment and performance management of senior board staff and labour relations; and

- (b) Council direct every board to provide the City Manager with all information required to conduct the review.
4. The City Manager bring forward a City policy framework that ensures that City principles, policies and accountabilities are applied appropriately to each agency and that the appropriate degree of independence is respected.
 5. The Sinking Fund Committee and the Investment Advisory Committee be dissolved and their investment decisions be delegated to the Deputy City Manager and Chief Financial Officer.
 6. Chapter 103 Article 1 Sections 103-1, 103-2, and 103-3 of the Municipal Code, regarding the Museum Boards, be deleted to reflect the status of Museum Boards as key advisory bodies since Council approval of the 2002 Memorandum of Understanding between the City and the Museum Boards, and to enable a transition to an alternate engagement process as endorsed by the Museum Boards.
 7. The City Manager be authorized, where necessary, to set the effective date of the changes resulting from approval of the recommendations in this report and amend any and all relationship frameworks, shareholder directions, policies, websites, or other documents to implement the changes as approved by Council.
 8. The City Solicitor be authorized to bring forward any necessary amendments to City by-laws or the Municipal Code including bills giving effect to decisions to dissolve and change local boards under s. 145 of the *City of Toronto Act, 2006* to implement recommendations 2(a)(i), 5 and 6 or to take any other action she deems necessary to implement those recommendations.

Financial Impact

Dissolving the Sinking Fund Committee and the Investment Advisory Committee will result in \$20,000 annual savings in honoraria for public members.

The agency model is administratively costly to maintain since it requires duplicate administrations and support systems, separate budget reviews, separate audits and financial reports, a time-consuming appointments process, remuneration and expenses for some board members, labour relations strategies that may impact the City, and agency staff compensation that sometimes exceed the City's policies and practices. It is therefore necessary to ensure that the governance model is justified and results in benefits commensurate with the added governance cost. The recommendations in this report are intended to implement strategies that will ensure added value is commensurate with the governance cost.

The Deputy City Manager and Chief Financial Officer has reviewed this report and agrees with the financial impact information.

Equity Impact

The review of Agencies' policies will ensure that they are consistent with City directions and policies related to Access, Equity and Human Rights.

DECISION HISTORY

The current City agencies have generally been in place since before amalgamation in 1998 and there has never been a comprehensive review of the agency model. In 1999, City Council undertook a long-term process of developing Relationship Frameworks for City agencies in order to document the relationship between the City and each agency. To date, Council has approved Relationship Frameworks for 10 AOCCs, 8 arena boards, 71 BIAs in the form of a by-law, Licensing Tribunal, Toronto Atmospheric Fund, and Heritage Toronto, and has completed Shareholder Directions for all City corporations. The City Manager's Office is in the process of developing Relationship Frameworks for the Parking Authority and the 3 major theatres and will shortly begin the process for the Library Board and the TTC.

The City was also successful in encouraging the Province to amend the City of Toronto Act to ensure that the City has the needed authority to determine appropriate governance structures.

The Executive Committee has requested that the City Manager conduct a review of the governance of the Toronto Atmospheric Fund to explore options. In another complementary report before the Executive Committee, the City Manager is recommending a Core Services Review of all services delivered by City divisions and agencies, as well as selected Service Efficiency Studies. The governance objectives and directions outlined in this policy report should be considered in these reviews respecting City agencies. In addition, another related report on the same agenda pertains to amendments to the Public Appointments Policy that impact the composition of some of the boards.

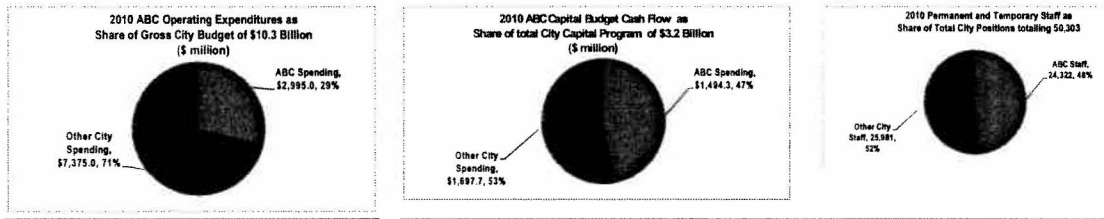
ISSUE BACKGROUND

Why Agencies and Corporations Matter

Agencies and corporations have a major impact on the City and its costs because they:

- spend tax money (33% of City's combined annual operating and capital cashflows);
- hold and operate a considerable asset base (public transit and housing assets alone have an estimated value of almost \$15 billion);
- employ a lot of staff (almost as many as the City itself - 48% of total);
- impact City policy and strategy by providing a wide variety of municipal services to a great number of people having a diverse range of needs

The charts below demonstrate the City impact of these structures.



Overview

Many City services are delivered through City agencies or City corporations. They range in size and scope and degree of independence from the City.

- A. Corporations are owned by the City, but they own their own assets and operate independently from the City (e.g. Toronto Hydro and Build Toronto) in accordance with a Shareholder Direction that establishes objectives, operating rules, and reporting requirements.
- B. Agencies have decision-making authority, but the City generally owns the assets and Council approves their budgets, sets certain policies, and makes certain significant decisions. There are 3 types of agencies:
 - Service agencies employ their own staff, have their own administrative capacity, and deliver a specific service under the direction of a board with authority delegated by Council (e.g. TTC, Parking Authority, Exhibition Place)
 - Small community-based agencies rely extensively on community involvement and volunteers to deliver programs and the City provides the capital budget and a range of administrative supports (e.g., community centre boards of management and arena boards).
 - Quasi-judicial adjudicative bodies and administrative boards make final and binding decisions, but rely on City staff for all administrative support so their costs are included with divisional budgets (e.g. Committee of Adjustment, Licensing Tribunal).

Advisory bodies are not included in this categorization as they are not final decision-making bodies. The term ABCs has been used in the past to mean Agencies, Boards, and Commissions. There is no longer any discernable difference between these terms. It is less confusing to the public if these are all referred to as City agencies. The board of directors of an agency is referred to as the board.

Attachment 1 provides an overview of City agencies, corporations, and other bodies and their classification as described above.

Relationship to the City

Different agencies and corporations may have different governance relationships with the City based on different legislative requirements and differences in status, mandate and structure. Where legislatively permissible, City Council has also delegated varying levels of authority to its agencies to deliver services on Council's behalf. With this assignment of responsibilities comes the obligation to conduct business in a manner consistent with City objectives. This occurs through a number of mechanisms:

- Council has the power provided by the *City of Toronto Act 2006* to change the mandates and governance structures of most of its agencies and City services corporations. Legislative limitations apply for Police, Library, and Board of Health.
- Council appoints members of Council, Toronto residents, and in some cases City staff on an ex officio basis to serve on the boards of directors of agencies and corporations.
- Council has approved a number of relationship frameworks that define the relationship between the City and the specific agency including Council's delegation of authority, expectations, policy requirements, and requirements for reporting to Council.
- In most cases, agencies have authority over human resources except that City staff of Public Health provide services that are overseen by the Board of Health, AOCC staff are considered City staff and although managed by the board are required to adhere to all City HR policies, and all quasi-judicial and financial administrative boards have no staff but are supported by City divisions.
- For City-owned corporations, Council as the shareholder approves Shareholder Directions to the boards of directors that outline the City objectives for the corporation, operating principles, decisions that need to come to Council, and reporting requirements.

COMMENTS

Governance Principles

Because agencies (not corporations) are, in most cases, agents of the City in accordance with legislation, the City is fully responsible for the financing and operation of the agency. It is therefore important for the City to ensure that City boards:

- have appropriate structures and qualified boards
- are managed well
- are accountable to the City
- are financially stable
- follow legislative rules and City direction
- support City objectives established for the Board.

Opportunity for Improved Governance

- At amalgamation, some boards (Hydro, Parking Authority, Committee of Adjustment, Property Standards) were amalgamated through legislation, but most others continued as were established by the former municipalities. Few major changes have occurred since

amalgamation to ensure that the City's approach to agency governance is in line with the City size and complexity.

- The Province has given the City control over its board structures (with legislative constraints regarding Police, Health, and Library) and as the City matures as an order of government, there is an opportunity to take a stronger leadership approach to managing through agencies and corporations.
- The agency model has an added governance cost since it requires duplicate administrations and labour relations, separate audits, a time-consuming appointments process, some remuneration and expenses for board members, and agency staff compensation that sometimes may not be in line with City's policies. The agency model should be reviewed from time to time to ensure that these costs are justified by the added benefits of an arm's length approach.
- The agency approach was intended to engage residents in the decision-making process, permit a more commercial approach to service delivery, or focus additional expertise on a strategic service. Continual oversight is required to ensure that agencies do not gain an unintended independence or stray from Council's direction and that services do not overlap or conflict with City services.
- Blueprint for Fiscal Stability and Economic Prosperity observed that the City needed to "get a grip on" its agencies by taking firmer control and making them more accountable and recommended the City develop a "plan for much more alignment, cooperation, and increased oversight of City ABCCs" and "create more opportunities for savings and joint initiatives and look for opportunities to consolidate certain key functions and responsibilities."

Table 1 sets out the characteristics of good governance practices and provides information about how the City has implemented each and what additional actions are necessary. The actions required are addressed in the recommendations in this report.

Table 1: Characteristics of Good Governance

Desired Characteristics	In Place	Action Required
Governance structures that support City mandate, that are appropriate for the size and complexity of the City, and provide the appropriate degree of self-sufficiency for the circumstance		Rec # 1 Continue governance reviews with new objectives
City By-laws that establish and regulate the agency Agency operating by-laws approved by Council.	Little in current Municipal Code; level of detail varies by boards that are included; Agency procedure by-laws not currently approved by Council as are by-laws for corporations.	Rec #2(a)(ii)&(iii) New Municipal Code chapters for agency governance; and Council to approve by-laws passed by each agency governing their procedures.
Board members that support objectives, collectively possess appropriate qualifications, have perspectives needed to make solid decisions, appreciate and comply with City requirements for the Board, publicly represent the City well, supervise the management of the agency to ensure all information needed to make good decisions is made available to the Board and that management is held appropriately accountable	Council-approved comprehensive Public Appointments Policy that outlines board composition, balance of Councillors and public members, qualifications, and recruitment methods.	Rec #2(a)(i) City appoint the Chair for each board (except Board of Health, Police, Library) as is done for corporations. Public Appointments Policy changes contained in complementary report. Future consideration: <ul style="list-style-type: none"> • Orientation program for new board members • Evaluation of board
Documentation to guide the agency that outlines the objectives for the agency, mandate, delegated	Completed relationship frameworks: AOCCs, arenas, BIAs (through by-law),	Finish relationship frameworks as previously approved by Council.

Desired Characteristics	In Place	Action Required
authority and constraints, expectations, rules of engagement, supports provided by the City, City liaisons, City rules that apply, reporting requirements	Exhibition Place, Heritage Toronto, Licensing Tribunal, TAF Shareholder Directions for: Hydro, TCHC, Enwave, Build, Invest, TPLC	Rec # 7 Update existing Shareholder Directions and Relationship Frameworks to ensure they address the recommendations in this report.
Sufficient accountability mechanisms are in place	Annual reporting to Council Budget approval by Council Quarterly variance reports Performance measures City authority to appoint or remove board members	Rec #2 <ul style="list-style-type: none"> • City to appoint the Chair. • Council to approve Operating by-laws • Municipal code for agency structures • Agency reports to Council to be reviewed by City staff to determine City impact.
Agency management that is qualified and responsible, has an allegiance to City priorities and respects the City requirements and HR policies that are consistent with the City's.		Rec #3 City Manager to report on agency HR policies and practices and what City's future role should be.
Policy framework that ensures that City principles and policies are applied appropriately to each agency and that the appropriate degree of independence is respected		Rec #4 Policy applicability review

The above chart and the recommendations in this report outline a proposed workplan for improving the governance structure of City agencies and corporations and their relationships to the City. These initiatives will take some time to work with all of the City agencies and corporations to fully implement. As each initiative takes shape, recommended actions will come forward to the Executive Committee and Council for approval.

Sinking Fund Committee and Investment Advisory Committee

The Sinking Fund Committee and Investment Advisory Committee both have mandates pertaining to investments:

- The Sinking Fund Committee establishes investment policies, authorizes all withdrawals from sinking fund accounts, determines the necessity for reductions in levies and authorizes reports to City Council, and approves dispositions of surplus funds in accordance with statutory requirements. The composition of the Sinking Fund Committee is 4 citizen members who receive remuneration, plus the Deputy City Manager and CFO as Chair.
- The Investment Advisory Committee advises the CFO on investment matters relating to the management of the City's money market and fixed-income investment portfolios and provides advice to the CFO on the management of sinking fund assets accumulated to redeem debenture debts issued by the City. The members of the Sinking Fund Committee also serve on the Investment Advisory Committee (the remuneration of citizen members covers appointment to both).

The City is required to establish and maintain a Sinking Fund and to have it audited, but is not required by legislation to have a Sinking Fund Committee or Investment Advisory Committee. Maintaining two committees each having an investment mandate is not an efficient structure, and there are other options for the CFO to obtain external advice without establishing boards (the CFO has discretion to consult with private sector experts as required). To streamline the

governance model, it is recommended that both the Sinking Fund and the Investment Advisory Committees be dissolved and all authority for investment decisions be delegated to the CFO.

Eliminating the Sinking Fund Committee and the Investment Committee will result in annual savings of \$20,000 for remuneration for the 4 citizen members. Other benefits include administrative streamlining and reductions in Councillor and staff time in both selecting members and providing support.

Museum Boards

Community museums are operated by City staff and costs are included in the Culture Division budget. There is currently a network of community advisory committees (known as Museum Boards) that provide volunteer support and program input to City staff. This structure has been in place since 2002 with Council's approval of the Memorandum of Understanding between the City and Museum Boards. The Municipal Code is out of date and describes Museum Boards as local boards with authority over staff and budgets. It is therefore recommended that Chapter 103 Sections 1 to 3 of the Municipal Code, regarding the Museum Boards, be deleted in keeping with current practice.

Culture staff have been working with the existing advisory committees and others in the heritage community on an alternative model. The new model would be a single reference group that will be responsible for advising and advocating for the work of the City of Toronto museums. It will provide support and experience in areas such as tourism, sponsorship, marketing, arts, education, programming as well as international and national museums' standards and ethics. The work of the reference group will be augmented by friends groups for each of the museums (such as the Friends of Fort York) and an online Friends of Toronto Museums to promote the events and programs at the City museums and to create a culture of museum going. There is no need for a City by-law to establish such groups.

CONTACT

Nancy Autton, Manager Governance Structures and Corporate Performance, Strategic and Corporate Policy Division, City Manager's Office,
Email: nautton@toronto.ca; tel.: 416-397-0306; fax: 416-696-3645

SIGNATURE

Joseph P. Pennachetti
City Manager

ATTACHMENTS

Attachment 1: Chart of City of Toronto Agencies and Corporations

Attachment 1 - City of Toronto Agencies and Corporations ¹

Agencies ²		Corporations ³	Other Bodies	
<div style="border: 1px solid black; padding: 5px; margin-bottom: 5px;"> <p style="text-align: center;">Service Agencies</p> <ul style="list-style-type: none"> ➤ Board of Health ➤ Exhibition Place ➤ Heritage Toronto ➤ Police Services ➤ Public Library ➤ Sony Centre for the Performing Arts ➤ St. Lawrence Centre for the Arts ➤ Toronto Centre for the Arts ➤ Toronto Parking Authority ➤ Toronto Transit Commission ➤ Toronto Atmospheric Fund ➤ Toronto Zoo ➤ Yonge-Dundas Square </div> <div style="border: 1px solid black; padding: 5px; margin-bottom: 5px;"> <p style="text-align: center;">Community-Based Agencies</p> <ul style="list-style-type: none"> ➤ Arena Boards (8) ➤ Association of Community Centre Boards (AOCCs) (10) ➤ Business Improvement Areas (BIAs) (70+) </div> <div style="border: 1px solid black; padding: 5px;"> <p style="text-align: center;">Partnered Agency</p> <ul style="list-style-type: none"> ➤ Toronto and Region Conservation Authority </div>	<div style="border: 1px solid black; padding: 5px; margin-bottom: 5px;"> <p style="text-align: center;">Quasi-Judicial & Adjudicative Boards ⁴</p> <ul style="list-style-type: none"> ➤ Committee of Adjustment ➤ Committee of Revision ➤ Property Standards Committee / Fence Viewers ➤ Rooming House Licensing Commissioner ➤ Sign Variance Committee ➤ Toronto Licensing Tribunal </div> <div style="border: 1px solid black; padding: 5px;"> <p style="text-align: center;">Administrative Boards</p> <ul style="list-style-type: none"> ➤ Compliance Audit Committee ➤ Sinking Fund Committee⁶ </div>	<div style="border: 1px solid black; padding: 5px; margin-bottom: 5px;"> <p style="text-align: center;">City Corporations</p> <ul style="list-style-type: none"> ➤ Build Toronto Corporation ➤ Invest Toronto Corporation ➤ Toronto Community Housing Corporation ➤ Toronto Hydro Corporation ➤ TEDCO operating as Toronto Port Lands Company (TPLC) </div> <div style="border: 1px solid black; padding: 5px;"> <p style="text-align: center;">Partnered Corporations</p> <ul style="list-style-type: none"> ➤ Enwave Energy Corporation ➤ Waterfront Toronto </div>	<div style="border: 1px solid black; padding: 5px; margin-bottom: 5px;"> <p style="text-align: center;">Advisory Bodies</p> <ul style="list-style-type: none"> ➤ Museum Boards ⁶ (to be replaced by reference group and Friends groups for each museum) ➤ Toronto Preservation Board ➤ Public advisory bodies appointed by Council from time-to-time ➤ Program advisory bodies established by agencies and divisions from time-to-time </div> <div style="border: 1px solid black; padding: 5px;"> <p style="text-align: center;">Pension Bodies ⁵</p> <ul style="list-style-type: none"> ➤ Metro Toronto Pension Plan Board of Trustees ➤ Metro Toronto Police Benefit Fund Board of Trustees ➤ Toronto Civic Employees' Pension & Benefit Fund Committee ➤ Toronto Fire Department Superannuation & Benefit Fund Committee ➤ York Employees' Pension & Benefit Fund Committee </div>	
<div style="border: 1px solid black; padding: 5px;"> <p>Notes:</p> <ol style="list-style-type: none"> 1. Chart includes agencies, corporations and other bodies. The City also makes nominations for board appointments to a number of external bodies (not on this chart). 2. Previously referred to as agencies, boards and commissions. 3. City Corporations are Ontario Business Corporations Act (OBCA) corporations. 4. Includes quasi-judicial positions. 5. Pension Bodies are Trust Fund Administrators. 6. To be removed if Council approves recommendations in this report. <p style="text-align: right;">Updated: March 2011</p> </div>				



Tracking Status

- This item was considered by Executive Committee on March 21, 2011 and was adopted with amendments. It will be considered by City Council on April 12, 2011.

Executive Committee consideration on March 21, 2011

EX4.7	ACTION	Amended		Ward:All
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Amendments to Public Appointments Policy

Committee Recommendations

The Executive Committee recommends that:

General Policy

1. City Council establish the schedule for public appointments as follows:
 - a. Council consider the Public Appointments Policy as one of its first policy issues in each term; and
 - b. The recruitment process begin following the approval of the Policy and be spread over 6 months to even out the workload of the Civic Appointments Committee with priority given to boards with vacancies, the Library Board, and the Committee of Adjustment.

2. City Council direct that, in addition to the principles of openness, competition, and equity, impartiality be added as a principle in Section 1.4 of the Policy to mean that the selection process is conducted at arm's length from the boards being recruited and staff that report to the board.

3. a. City Council direct that the recruitment methods set out in the Public Appointments Policy be replaced with:
 - Type 1: Advertised Recruitment that includes web-based, local and City-wide advertising
 - Type 2: Interest Group Nomination where designated stakeholder groups, users, partners, professional organizations or other interest groups nominate one or more positions
 - Type 3: Membership-Based Nomination used for community-based boards such as BIAs and AOCCs or the tenant representatives for TCHC where members elect nominees;

- b. City Council direct that the Nomination by Invitation method be eliminated and replaced by an open advertised recruitment process through the Civic Appointments Committee for the members formerly chosen by the Invitation method; and
 - c. City Council direct that Type 1 Recruitment Method, as set out in Recommendation 3a above, apply to all corporation boards with the option of using a search consultant to augment the applicant pool.
4. City Council amend the Public Appointments Policy to require that alternates be named for every board recruited through an advertised process in order to avoid a costly recruitment process to fill vacancies during the term and that the Civic Appointments Committee be required to obtain Council approval for additional advertising expenditures prior to directing staff to conduct a full advertised recruitment process to fill vacancies as they occur during the term.
5. City Council require all agencies and corporations to submit records of attendance at board and committee meetings for incumbent members during the previous term for the information of the nominating panel.
6. City Council require all nominees nominated by external bodies to submit applications which may include their resumes to the relevant nominating panel along with their nomination so that the City is aware of the background of all members appointed to boards of the City.
7. City Council authorize the City Manager to make minor wording changes to the Public Appointments Policy to update terminology and titles, clarify existing processes, and reflect use of new technologies.

Specific Boards

8. City Council extend to all quasi-judicial and adjudicative bodies (identified in Appendix 2 to the report (March 9, 2011) from the City Manager) the restriction currently in place for the Toronto Licensing Tribunal that former Council Members who served in the immediately preceding term of Council are ineligible for appointment as public members.
9. City Council direct that Eligibility for appointment to the Toronto Licensing Tribunal be amended to provide that individuals are ineligible if they are current City license-holders or are engaged in the business of a corporate licence-holder or do not pass the required written test.
10. City Council expand the qualifications to include a youthful perspective (age range 18 to 30) as a desired qualification for at least one member of the following boards:
 - i. Toronto Public Library Board
 - ii. Board of Management of the Toronto Zoo
 - iii. Board of Health
 - iv. Exhibition Place Board of Governors
 - v. Sony Centre for the Performing Arts
 - vi. St. Lawrence Centre for the Arts

- vii. Toronto Centre for the Arts
 - viii. Toronto and Region Conservation Authority.
11. City Council direct that the standard process for all public members, where the Civic Appointments Committee short-lists, interviews, and nominates candidates and a corporate staff review team including a staff representative for the board conducts the initial screening of applicants for eligibility and qualifications, apply to the following boards:
- i. Toronto Public Library Board
 - ii. Sony Centre for the Performing Arts
 - iii. St. Lawrence Centre for the Arts
 - iv. Toronto Centre for the Arts
 - v. Board of Management of the Toronto Zoo
 - vi. Board of Health
 - vii. Toronto Atmospheric Fund.
12. City Council amend the Sony Centre for the Performing Arts, St. Lawrence Centre for the Arts, and Toronto Centre for the Arts as follows:
- a. The composition of the board be changed to 3 Council Members and 6 public members (3 representing the business community and 3 representing the arts and culture community) nominated through the standards open advertised process through the Civic Appointments Committee;
 - b. Public appointees collectively demonstrate a range of qualifications including financial management, hospitality services, knowledge of the performing arts industry and facilities management, marketing and sponsorship, law, or expertise and linkages in the diverse cultural community; and
 - c. To maintain a tenant representation for the St. Lawrence Centre, the board be augmented by 3 non-voting members including 2 representatives of the Canadian Stage Company and 1 representative of the Jane Mallett Theatre Music Presenters.
13. City Council direct that, since the current composition of the Board of Management of the Toronto Zoo requires nomination by the now discontinued Toronto Zoo Foundation and to implement other changes recommended in the report (March 9, 2011) from the City Manager, the Board of Management of the Toronto Zoo be amended as follows:
- a. The composition be changed to 2 Members of Council and 7 public members, one of whom is a nominee of the Board of the Toronto Region Conservation Authority;
 - b. Public members of the Zoo Board collectively demonstrate a range of qualifications including financial management, tourism/attractions marketing, knowledge of zoos and the role they play in wildlife conservation, education, large scale fund-raising or public-private partnerships, leadership and partnership development, or general public sector board experience.
14. City Council amend the composition of the Public Library Board to 7 public members,

1 Councillor and the Mayor or the Mayor's designate.

15. City Council amend the composition of the Yonge-Dundas Square Board of Management to replace 2 of the 4 BIA representatives and one nominee of each of the Yonge Street Mission and the Toronto Theatre Alliance with 4 at-large members recruited through an open advertised process through the Civic Appointments Committee.
16. City Council request the Provincial government and the CNE Association to amend the CNE Act to reduce the number of City of Toronto Councillors on the CNE Association, Municipal Section from 16 to 12.
17. City Council amend the public member qualification to require that at least one member be a qualified accountant or have comparable financial management expertise for Invest Toronto, Build Toronto, Toronto Community Housing Corporation, and Toronto Hydro.
18. City Council direct that, as previously directed, an open advertised City process be used to recruit the at-large public members of all arena boards as outlined in Appendix 1 of the report (March 9, 2011) from the City Manager, while retaining the current board composition.
19. City Council amend the City policy respecting the composition of the Debenture Committee, Waterfront Toronto and Invest Toronto to permit the Mayor to name a Council Member as his designate through the Striking Committee, and for Invest Toronto the Chair of the City Economic Development Committee be appointed Chair in the place of the Mayor if the Mayor names a designate.

Implementation

20. City Council direct that, where the current number of Council Members is being reduced through implementation of these recommendations, the composition of the boards impacted be temporarily amended to permit the current number of Council Members to continue serving on the board until the mid-term when Council Member appointments are normally adjusted.
21. City Council authorize the City Manager, in consultation with the City Solicitor, to amend any and all relationship frameworks, shareholder directions, policies, websites, or other documents to reflect the recommendations of this report as approved by Council and ensure that agency by-laws and other documents are amended to bring them into compliance with these directions and the prevailing legal requirements.
22. City Council authorize the City Solicitor to bring forward any necessary amendments to City by-laws or the Municipal Code including bills giving effect to decisions to change local boards under s. 145 of the City of Toronto Act, 2006 or to take any other action she deems necessary to implement the recommendations in the report (March 9, 2011) from the City Manager as approved by Council.

Decision Advice and Other Information

The Executive Committee requested the City Manager to report on the following motions

directly to Council:

By Councillor Ainslie:

1. That Recommendation 10 of the report (March 9, 2011) from the City Manager be amended by adding the words:

"(b) private business section and (c) not for profit sector" after the words "(age range 18 to 30)", so that the Recommendation now reads:

"10. The qualifications be expanded to include: (a) a youthful perspective (age range 18 to 30); (b) private business section; and (c) not for profit sector as a desired qualification for at least one member of the following boards:

- i. Toronto Public Library Board
- ii. Board of Management of the Toronto Zoo
- iii. Board of Health
- iv. Exhibition Place Board of Governors
- v. Sony Centre for the Performing Arts
- vi. St. Lawrence Centre for the Arts
- vii. Toronto Centre for the Arts
- viii. Toronto and Region Conservation Authority."

2. That Recommendation 12 of the report (March 9, 2011) from the City Manager be amended as follows:

1. deleting "6" and replacing with "up to 8" in Recommendation 12a.

2. deleting "3" and replacing with "up to 5" in Recommendation 12a.

3. adding "fundraising" in Recommendation 12b.

4. deleting "3 non-voting members including 2 representatives" and replacing with "2 voting members including 1 representative" in Recommendation 12c.

5. adding a new Recommendation 12d. to read:

"d. The Boards have the ability to forward recommendations of public members to sit on Boards to the Civic Appointments Committee"

so that Recommendation 12 now reads:

"12. The Sony Centre for the Performing Arts, St. Lawrence Centre for the Arts, and Toronto Centre for the Arts be amended as follows:

- a. The composition of the board be changed to 3 Council Members and up to 8 public members (3 representing the business community and up to 5 representing the arts and culture community) nominated through the standards open advertised process through the Civic Appointments Committee;

- b. Public appointees collectively demonstrate a range of qualifications including financial management, hospitality services, knowledge of the performing arts industry and facilities management, marketing and sponsorship, law, fundraising or expertise and linkages in the diverse cultural community;
 - c. To maintain a tenant representation for the St. Lawrence Centre, the board be augmented by 2 voting members including 1 representative of the Canadian Stage Company and 1 representative of the Jane Mallett Theatre Music Presenters; and
 - d. The Boards have the ability to forward recommendations of public members to sit on Boards to the Civic Appointments Committee."
3. That Recommendation 14 of the report (March 9, 2011) from the City Manager (Item EX4.7) be deleted.

By Councillor Holyday:

That Recommendation 14 of the report (March 9, 2011) from the City Manager be amended by adding the words, "to take effect at the end of this Council term" so that the Recommendation now reads:

- "14. The composition of the Public Library Board be amended to 7 public members, 1 Councillor and the Mayor or the Mayor's designate, to take effect at the end of this Council term."

The Executive Committee also:

1. authorized the City Clerk to amend the report (March 9, 2011) from the City Manager, prior to its consideration by Council, so that the description of the Yonge-Dundas Square Board composition in the body of the report includes a nominee of Massey Hall, as this nominee was inadvertently omitted.
2. requested the City Manager meet with representatives of the affected Boards who made deputations to the Executive Committee, prior to the Council meeting on April 12, 2011, to discuss the proposed changes.

Origin

(March 9, 2011) Report from the City Manager

Summary

The City appoints 1,436 residents of Toronto to 119 City agencies (including 71 Business Improvement Areas (BIAs)), corporations; partnered boards; advisory committees that fall under the Public Appointments Policy; and 6 external boards. Of those, 428 public members are nominated through a City-run process and 1,008 are nominated by external bodies through other processes, primarily by membership organizations such as exists for BIAs (772 board members) and Association of Community Centres (AOCC) boards (104 public board members).

The existing Public Appointments Policy is a comprehensive document outlining Council's principles and objectives as well as the processes to be followed in recruiting and selecting public appointees. It includes an appendix that details the composition of each individual board, the process for recruitment and is a useful reference for Councillors, staff, and residents interested in serving the City as a board member.

For the past 3 terms, Council has approved amendments to the Policy to accommodate changes in board composition, improve the clarity of the Policy, and refine the process to ensure that Council's objectives are met in selecting highly qualified board members to manage City business delegated to agency boards.

During the last term of Council, staff were directed to recommend changes to the composition or the selection process of a number of boards, some changes have been triggered by changing circumstances such as the dissolution of the Toronto Zoo Foundation, and new agencies were established that needed to be included in the Policy. This report recommends amendments to the Policy to satisfy these changes, to improve the efficiency and effectiveness of the process, and to go the next steps in implementing the principles on which the Policy is based.

Background Information

(March 9, 2011) Staff Report, as revised on authority of Executive Committee - Amendments to Public Appointments Policy

(<http://www.toronto.ca/legdocs/mmis/2011/ex/bgrd/backgroundfile-36607.pdf>)

(March 21, 2011) Presentation - Managing Through Agencies and Corporations & Public Appointments Policy

(<http://www.toronto.ca/legdocs/mmis/2011/ex/bgrd/backgroundfile-36742.pdf>)

Communications

(March 16, 2011) Letter from John P. Wilson, Chair, Task Force to Bring Back the Don (EX.Supp.EX4.7.1)

(March 18, 2011) E-mail from James L. Robinson, Executive Director, Downtown Yonge Business Improvement Area (EX.Main.EX4.7.2)

(March 21, 2011) Letter from Miguel Avila (EX.Main.EX4.7.3)

(March 21, 2011) Letter from Maureen O'Reilly, President, TPLWU Local 4948 (EX.Main.EX4.7.4)

Speakers

Miguel Avila (Submission Filed)

Jacoba Knaapen, Toronto Alliance for the Performing Arts

Peter Gillin, St. Lawrence Centre for the Arts

Matthew Jocelyn, Artistic-General Director, Canadian Stage Company

Maureen O'Reilly, Local 4948 TPLWU (Submission Filed)

Jim Roe, St. Lawrence Centre for the Arts

Councillor Shelley Carroll, Ward 33 - Don Valley East

Councillor Gary Crawford, Ward 36 - Scarborough Southwest

Councillor Adam Vaughan, Ward 20 - Trinity-Spadina

Councillor Janet Davis, Ward 31 - Beaches-East York

Councillor Mary Fragedakis, Ward 29 - Toronto-Danforth

Councillor Frances Nunziata, Ward 11 - York South-Weston

Motions

1 - Motion to Amend Item (Additional) moved by Councillor Paul Ainslie (Referred)

That Recommendation 10 of the staff report be amended by adding the words:

"(b) private business section and (c) not for profit sector" after the words "(age range 18 to 30)", so that the Recommendation now reads:

- "10. The qualifications be expanded to include: (a) a youthful perspective (age range 18 to 30); (b) private business section; and (c) not for profit sector as a desired qualification for at least one member of the following boards:
- i. Toronto Public Library Board
 - ii. Board of Management of the Toronto Zoo
 - iii. Board of Health
 - iv. Exhibition Place Board of Governors
 - v. Sony Centre for the Performing Arts
 - vi. St. Lawrence Centre for the Arts
 - vii. Toronto Centre for the Arts
 - viii. Toronto and Region Conservation Authority."

2 - Motion to Amend Item moved by Councillor Paul Ainslie (Referred)

That Recommendation 12 of the staff report be amended as follows:

1. deleting "6" and replacing with "up to 8" in Recommendation 12a.
2. deleting "3" and replacing with "up to 5" in Recommendation 12a.
3. adding "fundraising" in Recommendation 12b.
4. deleting "3 non-voting members including 2 representatives" and replacing with "2 voting members including 1 representative" in Recommendation 12c.
5. adding a new Recommendation 12d. to read:

"d. The Boards have the ability to forward recommendations of public members to sit on Boards to the Civic Appointments Committee"

so that Recommendation 12 now reads:

12. The Sony Centre for the Performing Arts, St. Lawrence Centre for the Arts, and Toronto Centre for the Arts be amended as follows:
 - a. The composition of the board be changed to 3 Council Members and up to 8 public members (3 representing the business community and up to 5 representing the arts and culture community) nominated through the standards open advertised process through the Civic Appointments Committee;
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 - c. To maintain a tenant representation for the St. Lawrence Centre, the board be augmented by 2 voting members including 1 representative of the Canadian Stage Company and 1 representative of the Jane Mallett Theatre Music Presenters; and
 - d. The Boards have the ability to forward recommendations of public members to sit on Boards to the Civic Appointments Committee.

3 - Motion to Amend Item moved by Councillor Paul Ainslie (Referred)

That Recommendation 14 of the report (March 9, 2011) from the City Manager (Item EX4.7) be deleted.

4 - Motion to Amend Item moved by Councillor Doug Holyday (Referred)

That Recommendation 14 of the report (March 9, 2011) from the City Manager (Item EX4.7) be amended by adding the words, "to take effect at the end of this Council term" so that the Recommendation now reads:

"14. The composition of the Public Library Board be amended to 7 public members, 1 Councillor and the Mayor or the Mayor's designate, to take effect at the end of this Council term."

5 - Motion to Refer Motion moved by Councillor Mike Del Grande (Carried)

That the City Manager report directly to Council on the motions by Councillor Ainslie and Motion 4 by Councillor Holyday.

6 - Motion to Refer Motion moved by Councillor Giorgio Mammoliti (Redundant)

That Councillor Anslie's motion regarding Recommendation 12 be referred to the City Manager for a report directly to City Council.

7 - Motion to Amend Item (Additional) moved by Councillor Doug Holyday (Carried)

That the City Clerk be authorized to amend the report (March 9, 2011) from the City Manager, prior to its consideration by Council, so that the description of the Yonge-Dundas Square Board composition in the body of the report includes a nominee of Massey Hall, as this nominee was inadvertently omitted

8 - Motion to Amend Item (Additional) moved by Councillor Michael Thompson (Carried)

That the City Manager meet with representatives of the affected Boards who made deputations to Committee, prior to the Council meeting on April 12, 2011, to discuss the proposed changes.

9 - Motion to Adopt Item as Amended moved by Councillor Mike Del Grande (Carried)

Source: Toronto City Clerk at www.toronto.ca/council



STAFF REPORT ACTION REQUIRED

Amendments to Public Appointments Policy

Date:	March 9, 2011
To:	Executive Committee
From:	City Manager
Wards:	all
Reference Number:	

SUMMARY

The City appoints 1,436 residents of Toronto to 119 City agencies (including 71 Business Improvement Areas (BIAs)), corporations; partnered boards; advisory committees that fall under the Public Appointments Policy; and 6 external boards. Of those, 428 public members are nominated through a City-run process and 1,008 are nominated by external bodies through other processes, primarily by membership organizations such as exists for BIAs (772 board members) and Association of Community Centres (AOCC) boards (104 public board members).

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For the past 3 terms, Council has approved amendments to the Policy to accommodate changes in board composition, improve the clarity of the Policy, and refine the process to ensure that Council's objectives are met in selecting highly qualified board members to manage City business delegated to agency boards.

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RECOMMENDATIONS

The City Manager recommends that:

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 - (b) The recruitment process begin following the approval of the Policy and be spread over 6 months to even out the workload of the Civic Appointments Committee with priority given to boards with vacancies, the Library Board, and the Committee of Adjustment.
2. In addition to the principles of openness, competition, and equity, impartiality be added as a principle in Section 1.4 of the Policy to mean that the selection process is conducted at arm's length from the boards being recruited and staff that report to the board.
3. (a) The recruitment methods set out in the Public Appointments Policy be replaced with:
 - Type 1: Advertised Recruitment** that includes web-based, local and City-wide advertising
 - Type 2: Interest Group Nomination** where designated stakeholder groups, users, partners, professional organizations or other interest groups nominate one or more positions
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- (b) the Nomination by Invitation method be eliminated and replaced by an open advertised recruitment process through the Civic Appointments Committee for the members formerly chosen by the Invitation method; and
- (c) Type 1 apply to all corporation boards with the option of using a search consultant to augment the applicant pool.
4. The Public Appointments Policy be amended to require that alternates be named for every board recruited through an advertised process in order to avoid a costly recruitment process to fill vacancies during the term and that the Civic Appointments Committee be required to obtain Council approval for additional advertising expenditures prior to directing staff to conduct a full advertised recruitment process to fill vacancies as they occur during the term.
5. All agencies and corporations be required to submit records of attendance at board and committee meetings for incumbent members during the previous term for the information of the nominating panel.

6. All nominees nominated by external bodies be required to submit applications which may include their resumes to the relevant nominating panel along with their nomination so that the City is aware of the background of all members appointed to boards of the City.
7. The City Manager be authorized to make minor wording changes to the Public Appointments Policy to update terminology and titles, clarify existing processes, and reflect use of new technologies.

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8. Council extend to all quasi-judicial and adjudicative bodies (identified in Appendix 2 to this report) the restriction currently in place for the Toronto Licensing Tribunal that former Council Members who served in the immediately preceding term of Council are ineligible for appointment as public members.
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10. The qualifications be expanded to include a youthful perspective (age range 18 to 30) as a desired qualification for at least one member of the following boards:
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 - (v) Sony Centre for the Performing Arts
 - (vi) St. Lawrence Centre for the Arts
 - (vii) Toronto Centre for the Arts
 - (viii) Toronto and Region Conservation Authority.
11. The standard process for all public members, where the Civic Appointments Committee short-lists, interviews, and nominates candidates and a corporate staff review team including a staff representative for the board conducts the initial screening of applicants for eligibility and qualifications, apply to the following boards:
 - (i) Toronto Public Library Board
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 - (iii) St. Lawrence Centre for the Arts
 - (iv) Toronto Centre for the Arts
 - (v) Board of Management of the Toronto Zoo
 - (vi) Board of Health
 - (vii) Toronto Atmospheric Fund.
12. The Sony Centre for the Performing Arts, St. Lawrence Centre for the Arts, and Toronto Centre for the Arts be amended as follows:

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 - (b) Public appointees collectively demonstrate a range of qualifications including financial management, hospitality services, knowledge of the performing arts industry and facilities management, marketing and sponsorship, law, or expertise and linkages in the diverse cultural community; and
 - (c) To maintain a tenant representation for the St. Lawrence Centre, the board be augmented by 3 non-voting members including 2 representatives of the Canadian Stage Company and 1 representative of the Jane Mallett Theatre Music Presenters.
13. Since the current composition of the Board of Management of the Toronto Zoo requires nomination by the now discontinued Toronto Zoo Foundation and to implement other changes recommended in this report, the Board of Management of the Toronto Zoo be amended as follows:
- (a) The composition be changed to 2 Members of Council and 7 public members, one of whom is a nominee of the Board of the Toronto Region Conservation Authority;
 - (b) Public members of the Zoo Board collectively demonstrate a range of qualifications including financial management, tourism/attractions marketing, knowledge of zoos and the role they play in wildlife conservation, education, large scale fund-raising or public-private partnerships, leadership and partnership development, or general public sector board experience.
14. The composition of the Public Library Board be amended to 7 public members, 1 Councillor and the Mayor or the Mayor's designate.
15. The composition of the Yonge-Dundas Square Board of Management be amended to replace 2 of the 4 BIA representatives and one nominee of each of the Yonge Street Mission and the Toronto Theatre Alliance with 4 at-large members recruited through an open advertised process through the Civic Appointments Committee.
16. Council request the Provincial government and the CNE Association to amend the CNE Act to reduce the number of City of Toronto Councillors on the CNE Association, Municipal Section from 16 to 12.
17. The public member qualification be amended to require that at least one member be a qualified accountant or have comparable financial management expertise for Invest Toronto, Build Toronto, Toronto Community Housing Corporation, and Toronto Hydro.
18. As previously directed by Council, an open advertised City process be used to recruit the at-large public members of all arena boards as outlined in Appendix 1, while retaining the current board composition.

19. The City policy respecting the composition of the Debenture Committee, Waterfront Toronto and Invest Toronto be amended to permit the Mayor to name a Council Member as his designate through the Striking Committee, and for Invest Toronto the Chair of the City Economic Development Committee be appointed Chair in the place of the Mayor if the Mayor names a designate.

Implementation

20. Where the current number of Council Members is being reduced through implementation of these recommendations, the composition of the boards impacted be temporarily amended to permit the current number of Council Members to continue serving on the board until the mid-term when Council Member appointments are normally adjusted.
21. The City Manager, in consultation with the City Solicitor, be authorized to amend any and all relationship frameworks, shareholder directions, policies, websites, or other documents to reflect the recommendations of this report as approved by Council and ensure that agency by-laws and other documents are amended to bring them into compliance with these directions and the prevailing legal requirements.
22. The City Solicitor be authorized to bring forward any necessary amendments to City by-laws or the Municipal Code including bills giving effect to decisions to change local boards under s. 145 of the *City of Toronto Act, 2006* or to take any other action she deems necessary to implement the recommendations in this report as approved by Council.

Implementation Points

Once Council approves the amendments to the Policy, the City Clerk's Office and City Manager's Office will jointly establish a schedule for recruitment to spread the work over the remainder of 2011 so that all boards are in place by fourth quarter 2011. The schedule will be approved by the Civic Appointments Committee and distributed to all Members of Council for information.

The City Manager's Office and City Clerk's Office will provide a briefing on the Policy to the Civic Appointments Committee. The City Manager's Office will finalize the wording of the Policy to reflect Council's decisions and post the Policy on the City website and make copies available to Councillors and the general public.

Financial Impact

The funding for advertising is included in the 2011 approved budget to cover the cost for the first year of the term where the majority of recruitment activity occurs. Any funding required for recruitment of corporate boards is provided by the corporations.

The Policy provides a number of methods to avoid the cost of advertising in future years of the term to fill vacancies as they occur and recommendation 4 in this report contains a

requirement that additional advertising funds for future recruitments be approved on a case-by-case basis by Council.

The Deputy City Manager and Chief Financial Officer has reviewed this report and agrees with the financial impact information.

Equity Impact

One of the key objectives outlined in the Public Appointments Policy is to appoint board members that collectively represent the diversity and geographic distribution of the community. The City has won an award from the Maytree Foundation for its Policy and process and has achieved a significant improvement in balanced representation. The amendments to the Policy recommended in this report will provide the means to improve further on those achievements.

DECISION HISTORY

The Policy was updated during the last term to reflect changes approved by Council during the term. This report deals with issues beyond those previously approved.

During the last term of Council, there were 32 directives from Council that had an impact on the Policy and processes that are addressed in this report. In addition there were changes in legislation that impacted the Policy and changes in the names of organizations and officials to be reflected in the Policy and new boards were created.

Staff fielded numerous inquiries and comments from Councillors, applicants, agency staff, appointees, and the general public that highlighted areas needing clarification or change in the Policy to make it more understandable, consistent, and compliant with the stated objectives.

In addition, staff met with former members of the Civic Appointments Committee (CAC) to understand what processes worked in their view, what needed revision, and any new ideas that would improve the efficiency and effectiveness of the recruitment process.

All of these inputs were considered in developing the recommendations in this report and the wording changes that will be included in the final Policy document.

ISSUE BACKGROUND

The Public Appointments Policy was established to guide the City's public appointments to agencies, corporations, major advisory bodies, and external boards to which Council makes appointments based on the following principles:

- selection will be skill-based pertinent to the needs of the individual board and a variety of perspectives will ensure the best decisions
- fair, open, and competitive process will be employed to select board members
- boards in total will reflect the City's diverse population in terms of gender, age, physical ability, ethnicity, sexual orientation, and geographic representation
- only residents of Toronto will govern the municipal business of Toronto and members do not need Canadian citizenship status to qualify

In recent years, Council has been very successful in achieving these objectives and has received recognition for the integrity of the process. The Policy has been a useful tool to assist the many individuals involved in this significant recruitment effort and to make prospective applicants aware of the requirements and the process to assist them in preparing their application and interview.

For each agency, the Policy outlines the composition of the board (the number of members and the balance in number of Council Members and public members), the term of appointment, the qualifications desired for public members and written test requirements if applicable, the method of selecting members and the organizations involved in the selection process. Appendix 2 contains a chart of City agencies, corporations, and other bodies.

City staff have developed an online application computer system and applicants database that will provide a more efficient process and analytic tool. It will be much easier to develop statistics on the appointments process to assist in reporting how well the objectives are being met to assist the nominating panels in their decision-making. This will also be helpful in analyzing the geographic representation across all wards that has not been specifically monitored so far.

COMMENTS

Timing and Scheduling of Appointments

It is important that each new Council adopt the Public Appointments Policy as their own as one of its first major policies. This also serves to notify the public that recruitment is beginning and outlines the process being employed. This means that the recruitment process should start following adoption of the Policy.

Due to the large volume, the process is necessarily spread over a period of time. In the past, the terms were to end at the conclusion of the term of Council. If instead the board term ended 4 years from the date of the initial appointment of public members on or about April, then members would serve a full 4 years and would not need to unduly overstay the end of their term awaiting appointment of their successors. In addition, in the past, the advertisement for all boards was posted at the beginning of the process. Some applicants waited many months to hear further on the status of their application due to the high volume of applicants to be considered. It is proposed that spreading the recruitment over several months and processing them in batches will demonstrate a more efficient process to the public and prospective applicants. Advertising costs can be minimized by directing prospective applicants to the City website for the details of positions available.

Principle-Based Approach

City Council has committed to an open, competitive, equitable public appointments process as documented in the Policy. It is recommended that impartiality be added as a fourth principle. This officially documents what has been one of the major principles followed in the past and evidenced by Council's adoption of the Integrity Commissioner's recommendations in this respect. It also supports the recommendations that position the

recruitment process at arm's length to the members of the board being recruited and staff that report to the board.

The current Policy engages a number of different groups in the selection process. Most recruitments are processed through the CAC with staff support from the City Clerk's Office (process) and the City Manager's Office (policy). However, some boards currently have a process that uses the staff from the agency and Councillors on the board of the agency to conduct the first screening and short-listing process. The rationale for this variation is that some boards are so specialized that they need the expertise and experience of the incumbent board to conduct the screening process. However, the screening process through the CAC for other boards already engages staff from the agencies in the screening process and the results have been successful. Centralizing the selection process under the direction of the CAC will also assist in achieving the diversity and geographic distribution objectives set out in the Policy. This report recommends that the recruitment of at-large members for all agency boards move to the standard arm's length process.

Recruitment Methods

The current Policy establishes a selection process specific for each board or a process based on a combination of the following:

- advertised recruitment
- nomination from interest groups or community-based process
- recruitment through search consultant
- invitation offered to high profile candidates

The following changes are recommended to the above processes.

First, the advertised process and recruitment through a search consultant are essentially the same and it is recommended that they be combined as one method. Experience has demonstrated that search consultants generally use advertising in addition to use of their database. Search consultants are being used only for recruiting boards for City or partnered corporations and it is recommended that the open advertised process, as has been used consistently in the recent past, always be employed for corporate boards with the option of using a search consultant to augment the applicant pool.

Second, the interest group nomination process is fundamentally different from the community-based process and it is recommended that the two be distinguished as distinct recruitment types in the amended Policy. Interest group nominations are used when Council delegates to an external organization the authority to nominate one or more members on the assumption that they offer a valued perspective in the decision-making process. The community-based method is used for boards where there is an election process by a constituent base that is to be represented on the board such as election of members of AOCCs or tenants of Toronto Community Housing Corporation.

Third, the Invitation process was introduced on a trial basis for the purpose of recruiting a few high profile individuals to the Library Board. This method was subsequently extended to the Sony Centre, the Toronto Centre for the Arts, and selected members for

the Zoo. This process necessarily requires that staff of the boards control the process to select board members to which they report. This means that they are privy to confidential information about the board members to which they report such as diversity information. To ensure impartiality, and to ensure that the other principles are held central to the process, it is recommended that this method be replaced by the standard open advertised process where the CAC recommends appointments. The staff currently engaged can continue to participate as a member of the corporate review team that reviews all applications for eligibility, qualifications, and conflict of interest.

Alternates

The Policy provides for naming of alternates by Council who would become members of the board when a vacancy occurs during the term. This is particularly important now that there is a four year term. When a vacancy occurs, the named alternates are contacted to ensure that they are still eligible and available and the CAC recommends a nominee from the alternates list. If no alternates remain, then the Policy provides that the first action is to review the original applicant list for the agency or to look at qualified applicants from other recruitment processes. Where no alternates are named by Council, it is a fairly expensive and time-consuming process to recruit, advertise for, and select new public members of boards. Therefore, this report recommends that the Policy be amended to require that alternates be named for every board recruited through an advertised process. Names of alternates are kept confidential until they are appointed by Council.

Term Limits and Staggered Terms

A key objective of the selection process is to ensure that there is both continuity and new perspectives for each board. It is important to consider re-appointing some members with experience in past terms, but achieve sufficient turnover to ensure fresh ideas are brought to the table. There is currently a maximum term limit for all board members (usually equivalent to 8 years representing 2 terms of Council). A performance review process would help the CAC in making a selection among board members who apply to serve for a second term. As a starting point, it is recommended that all agencies and corporations submit attendance records for incumbents.

Some boards, particularly boards of corporations, have suggested that staggered terms should be used to ensure effective turnover of members. However, the current policy already provides some direction on this issue by stating as an objective the appointment of a balance of new and returning members each term. If approximately half of the board members are replaced each recruitment and members are permitted to serve for 8 consecutive years, then the objectives of both continuity and new perspectives can easily be accomplished.

Eligibility

A number of directives and questions raised were related to eligibility requirements.

1. Former Members of Council

Quasi-judicial and adjudicative boards conduct hearings and make independent decisions on individual cases. They must be seen to operate in an independent manner. Currently,

former Members of Council who served in the immediately preceding term are not eligible for appointment as public members to the Licensing Tribunal, a cooling-off period that reinforces the impartiality of the decision-making process. It is recommended that this limitation be extended to all quasi-judicial and adjudicative boards and positions: the Committee of Adjustment, Committee of Revision, Property Standards Committee / Fence Viewers, Rooming House Licensing Commissioner and Deputy, and Sign Variance Committee, in addition to the Toronto Licensing Tribunal.

2. Licensing Tribunal

In the past, the CAC requested staff to indicate whether applicants for the Licensing Tribunal were current license holders. In addition, the CAC selected only applicants who passed the written test. It is important for applicants for the Licensing Tribunal to demonstrate their writing ability because Tribunal members are all required to write the reasons for decisions of the Tribunal for posting on the City website. This report recommends that the eligibility requirements for the Toronto Licensing Tribunal screen out applicants who either are current license holders or engaged in the business of a current license holder or do not pass the written component of the screening process.

3. Residence Requirement

The standard eligibility for all boards is that applicants be residents of Toronto. For nominees of interest groups, it has been suggested that the City waive this requirement. This is not recommended. Where the nominating panel deems necessary, the panel may request that Council waive this requirement in order to appoint a nominee.

4. Subsidiaries

The Policy also prohibits City staff or staff of a City agency or corporation from applying, but does permit staff to serve on a board as ex officio members where the composition specifies. The Policy will clarify that this prohibition equally applies to boards of subsidiaries.

5. Term Limits

Council also requested that the Policy be amended to permit waiving of term limits when there is an insufficient number of qualified applicants to permit incumbents to serve past the normal term limit. The Policy already provides for this situation.

Young Adults

One of the major objectives set out in the Public Appointments Policy is to appoint members that collectively reflect the diversity of the community including age distribution. Staff have taken steps in the past to ensure that the applicant pool fairly represent young adults ages 18 to 30. However, it is difficult for these applicants to compete with older age groups purely based on demonstrated experience. For boards such as the Library, Zoo, Exhibition Place, the Board of Health, the theatres, and the Toronto and Region Conservation Authority, a youthful perspective is as important an input on the board as other selection criteria. It is recommended that the qualifications for these boards be amended to encourage appointment of at least one member in the 18 to 30 age range.

Standard Process and Role of the CAC

In the past it was unclear what role the CAC played for nominations that were determined through processes that did not involve the Committee. There are 3 major categories where this is an issue – interest group nominations, nominations by invitation, and nominations where the individual board conducts the initial screening and/or interviews. The changes recommended in this report resolve this issue.

First, this report recommends that nominees of interest groups be required to submit applications with their nomination. This will provide the CAC with the means to review their application, their residency and other eligibility requirements, and determine their suitability in order for the CAC to support the recommendation to Council for appointment. This will also provide data for analyzing success in achieving the objectives of the appointments process.

Second, eliminating the Invitation method of recruitment for the Library, theatres, and the Zoo as discussed above places the responsibility for recruitment with the CAC using the open advertised process.

Third, the recruitment process for the Board of Health and TAF currently provides that TAF staff and/or incumbent board members conduct the initial screening of applicants, in most cases interview candidates, and make recommendations to the CAC to pass on to Council. It is recommended that these processes be normalized such that the CAC short-lists, interviews, and nominates candidates and a corporate staff review team including a staff representative for the board conducts the initial screening of applicants for eligibility, qualifications and conflicts.

Balance of Council Members and Public Members

One of the fundamental reasons for establishing agencies is to engage residents in the decision-making process and take advantage of specialized expertise to oversee the business of the agency. In addition, the rationale is that agencies operate with a focus and narrower social objectives than those considered for divisional issues by Council as a whole. Political oversight is provided for agencies through:

- a) approval of the business direction as outlined in the Council-approved operating and capital budgets;
- b) the requirement for certain major decisions to come forward to Council; and
- c) performance measurement and variance reporting.

It is therefore recommended that the board size be rationalized and the balance of the number of Council Members and the number of public members be adjusted for the boards described below.

Several boards are currently fairly large. A moderate number of members is 9, large enough to provide a varied perspective and small enough to manage time for debate and reach consensus in a timely fashion. The balance between number of Council Members and number of public members should be governed by the agency's impact on the City in terms of overall cost and policy impact.

1. Theatres

Although the three theatre boards are essentially in the same business, the composition of the boards are very different, based on the historical origins of the board rather than business need. In addition, none of the public members are recruited through an open, advertised process and most are selected by parties not at arm's length.

Board	#	#	Method or recruiting public members
	Council	public	
Sony	3	9	recruited by Sony staff and board by invitation process
St. Lawrence	2	16	nominated by the tenants
Toronto Centre	5	7	recruited by Centre and City staff by invitation process

It is recommended that the composition of these boards be changed to 3 Council Members and 6 public members (3 representing the business community and 3 representing the arts and culture community). The St. Lawrence Centre is the only one of the three that has long-term performance tenants. To maintain a tenant representation for the St. Lawrence Centre, it is recommended that the board be augmented by 3 non-voting members including 2 representatives of the Canadian Stage Company and 1 representative of the Jane Mallett Theatre Music Presenters. The current composition also includes one nominee of the St. Lawrence Forum which is no longer operational.

It is also recommended that the standard open advertised process be employed to recruit board members and that public appointees collectively demonstrate a range of qualifications including financial management, hospitality services, knowledge of the performing arts industry, facilities management, marketing and sponsorship, law, or expertise and linkages in the diverse cultural community.

2. Zoo

The current composition of the Board of Management of the Zoo is 6 Members of Council, a nominee of the Zoo Foundation, 2 members invited by the Board and 2 public members recruited by the CAC. Since the Toronto Zoo Foundation is now discontinued and this report recommends discontinued use of the invitation method of recruitment, a change to the Zoo board composition is required at this time. It is recommended that the composition be changed to 2 Members of Council and 7 public members one of whom is a nominee of the Board of the Toronto Region Conservation Authority that owns approximately half of the Zoo lands.

Public members of the Board should collectively demonstrate a range of qualifications including financial management, tourism/attractions marketing, knowledge of zoos and the role they play in wildlife conservation, education, large scale fund-raising or public-private partnerships, leadership and partnership development, or general public sector board experience.

3. Library Board

The current composition of the Library Board is 13 members, including 5 Members of Council and 8 public members, 3 of whom may be invited to serve on the board by the

Mayor and the remainder are recruited using an open, advertised process through the CAC. To reduce the size of the board, eliminate the invitation process and rebalance the political and public membership, it is recommended that the composition of the Public Library Board be amended to 7 public members, 1 Councillor and the Mayor or the Mayor's designate.

4. Yonge-Dundas Square

When the Yonge-Dundas Square Board was established, it was expected that it be a self-sufficient commercial enterprise and that the BIA would take some administrative responsibility. The board composition was set to include the ward Councillor and nominees of groups in the immediate area including 4 representatives of the BIA. To reflect the current reality that the Square is a major civic space with broader City-wide interest and still financially dependent on the City, it is recommended that the City recruit 4 public members of the 13 member board changing the composition as follows:

Current

- 1 Ward Councillor
- 4 members of BIA
- 1 nominee of Ryerson University
- 1 nominee residents' association
- 1 nominee Yonge Street Mission
- 1 nominee Toronto Theatre Alliance

Recommended

- 1 Ward Councillor
- 2 members of BIA
- 1 nominee of Ryerson University
- 1 nominee residents' association
- 4 public members recruited by the City

The ex officio non-voting members would remain the same. These include 1 staff of Toronto Parking Authority, one staff of the Police Service, and 2 City staff.

Table 1 summarizes the proposed changes in compositions of the above boards.

Table 1: Composition and Balance of Board Members

Board	Current			Proposed		
	#Council	# Public	#Total	#Council	# Public	#Total
Sony Centre for the Performing Arts	3	9 by invitation	12	3	6 by CAC	9
St. Lawrence Centre for the Arts	2	16 nominated by tenants	18	3	6 by CAC + 3 non-voting nominated by tenants	9 + 3 non-voting
Toronto Centre for the Arts	5	7 by invitation	12	3	6 by CAC	9
Toronto Zoo	6	5	11	2	6 by CAC + 1 nominated by TRCA	9
Toronto Library	5	8	13	2	7 by CAC	9
Yonge-Dundas Square	1	4 BIA + 4 interest group nominees + 4 ex officio staff	9 + 4 non-voting	1	4 by CAC + 2 BIA + 2 interest group nominees + 4 ex officio staff	9 + 4 non-voting

5. CNEA

The Canadian National Exhibition Association is a membership organization that plans and organizes the 18 day fair held at Exhibition Place each year. The CNEA is comprised of 4 sections including 27 members of the Municipal Section, and 44 members in each of the Manufacturers and Industry Section, Agriculture Section, and General and Liberal Arts Section. The Municipal Section is comprised of 16 Members of Toronto Council and 11 members appointed by other municipal bodies.

To provide coordination, the Board of Governors of Exhibition Place includes the President of the CNEA and 3 other nominees of the CNEA. City Council exercises its authority by approving the budget for the CNE as a program within Exhibition Place, and Exhibition Place provides staffing to support the CNEA. Since the composition of the CNEA is set out in the *CNEA Act*, it is recommended that the City recommend to the Provincial government and the CNE Association that the *CNE Act* be amended to reduce the number of Toronto Councillors on the Municipal Section from 16 to 12. The City would still maintain a majority.

Financial Expertise for Corporations

Corporations incorporated under the *Business Corporations Act (Ontario)* are required to have an Audit Committee and sign off on their audited financial statements. Members of the Build Toronto Board have suggested that having a qualified accountant on the Board would be appropriate. It is therefore recommended that the public member qualifications be amended to require that at least one member be a qualified accountant or have comparable financial management expertise for Invest Toronto, Build Toronto, Toronto Community Housing Corporation, and Toronto Hydro.

Arenas

At the beginning of the last term of Council, the nominations for Ted Reeve Arena were brought forward by the Board to the Community Council for appointment. The Community Council did not accept the nominations recommended by an external group and instead directed the City Manager to recommend an alternative nomination process. In the Fall 2007, through EX 11.11, the process for Ted Reeve was revised to be an open advertised process through the Community Council. Council approved the new process and directed that the process be extended to other arena boards. By that time, the new boards for other arena boards had already been completed for the term and the change for other boards was deferred to the beginning of this new term.

The process is:

- a) the City locally advertises the positions and receives the applications
- b) the Community Council names the ward Councillor and at least one other Councillor to shortlist, interview, and nominate members
- c) the Community Council approves the nominations.

The Relationship Framework for arena boards indicates that a City Manager's Office staff be an ex officio member of each arena board. It is recommended that this position be changed to a staff person to be named by the General Manager of Parks Forestry and

Recreation. Appendix 1 to this report sets out the recommended composition of each arena board, which is otherwise unchanged, and the recommended recruitment process.

Mayor's Designate

In order to provide more flexibility for the Mayor to determine which boards he will serve on, it is recommended that City policy be amended to permit the Mayor to name a Council Member as his designate on the Debenture Committee, Waterfront Toronto and Invest Toronto, and for Invest Toronto the Chair of the City Economic Development Committee be appointed Chair in the place of the Mayor if the Mayor names a designate.

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SIGNATURE

Joseph P. Pennachetti
City Manager

ATTACHMENTS

- Appendix 1 Recommended Appointment Process for Arena Boards
- Appendix 2 Chart of City of Toronto Agencies and Corporations

Appendix 1 – Recommended Appointment Process for Arena Boards

Arena Boards of Management

The board-specific requirements set out below have been updated to reflect changes made by Council:

- September 2007 (Item EX11.11) to the composition, qualifications and nominations process to appoint community members to serve on the Ted Reeve Arena Board of Management and directed that the City Manager apply the open advertised process used for Ted Reeve to other arena boards.
- February 2010 (Item CD30.5) to the ice allocation practices in City arenas operated by arena boards of management

Agency Profile There are eight indoor ice arenas operated by a board of management. These City boards were established by the former City of Toronto and Borough of East York as a means of engaging the local community in decision-making for managing these facilities. These eight facilities, listed below, were established between the early 1950s and early 1970s.

Board Responsibilities The mandate of arenas operated by a board of management includes:

- providing safe, full and equitable access to high quality indoor ice sport recreational facilities and where applicable other recreational facilities (e.g. community rooms, banquet halls)
- allocating the use of the facility in a fair and equitable manner among local neighbourhood residents and organizations and user groups in accordance with the City's Ice Allocation Policy, while bearing in mind the need to generate sufficient revenue to operate the facility at the lowest reasonable cost to the City of Toronto and its residents.

In February 2010 (Item CD30.5), City Council made a number of changes to ice allocation practices in City arenas operated by arena boards of management. Under these changes:

- a. the General Manager, Parks Forestry and Recreation will forward to the arena boards of management all applications for ice time at their locations together with the total hours each applicant is entitled to on a City-wide basis
- b. arena boards are to develop proposed ice allocation schedules based on the applications received and consistent with the targets and requirements set out in the City's Ice Allocation Policy and the objectives of the Relationship Framework
- c. as appropriate, the boards shall negotiate with other board-operated arenas and City staff, and subject to informing and consulting with the applicants, finalize their allocation schedules for approval by the General Manager, Parks, Forestry and Recreation.

Arena Boards of Management

Term of Office	Four years
Composition	<p>Board composition ranges from 7 to 12 members and each includes the ward Councillor and in some cases an additional City Councillor usually from a neighbouring ward. In addition, the 1 non-voting staff member from the Parks, Forestry and Recreation Division serves on each Board.</p> <p>George Bell Arena – 1 Councillor and 7 residents Larry Grossman Forest Hill Memorial Arena – 2 Councillors and 5 residents Leaside Memorial Community Gardens Arena – 1 Councillor and 9 residents McCormick Playground Arena – 2 Councillors and 9 residents Moss Park Arena – 1 Councillor and 9 residents, 1 of whom may be nominated by the Moss Park Skating Club North Toronto Memorial Arena – 2 Councillors and 7 residents, but 3 may be nominated for consideration as follows:</p> <ul style="list-style-type: none">- 1 person by the North Toronto Skating Club- 1 person by the North Toronto Hockey Association, and- 1 person by one on the adjacent ratepayers' association <p>Ted Reeve Community Arena – 1 Councillor and 8 residents, plus 1 non-voting staff members from the local Police Services Division and 1 non-voting representative of the Sports Centre Design and Management Ltd. William H. Bolton Arena – 1 Councillor and 10 residents</p>
Qualifications	<p>In addition to the general eligibility requirements set out in the Public Appointments Policy, board members should collectively have:</p> <ul style="list-style-type: none">• an interest and commitment to volunteering and community development including an understanding of diverse neighbourhoods• a range of skills or experience such as fundraising, financial management, sports facility operation, event planning, amateur and children's sports, law, or marketing• a majority of members residing in the local area• demonstrated knowledge of the programs and activities of the arena• a youthful perspective implemented by having at least one member be a young adult age 18 to 30

Arena Boards of Management

Meetings The Boards are required to meet a minimum of six times a year and at any time at the request of a majority of the members of the Board, or at the call of the Chair.

The Boards generally meet monthly, except during the summer months of June, July and August.

Remuneration No remuneration is paid to Board members

Nomination Process – Interest Group and Advertised Recruitment

On some boards, positions have been reserved for specific neighbourhood associations or arena user groups (Type 2 - Interest Group Nomination). These groups submit recommendations to the Board, the Board forwards their nominations to the Staff review team to present to the Community Council for appointment.

The at-large public member appointees (Type 1 - Advertised Recruitment) are recruited through local advertising, screened against Council approved qualifications by a City staff team including representatives of the Parks Forestry and Recreation Division and short-listed, interviewed and nominated by a nominating panel, consisting of at least 2 Community Council Members appointed by the Community Council and nominations are recommended to the Community Council for appointment to the Board.

If the Community Council wishes to make appointments that do not comply with the Policy, it must forward its recommendations to Council for approval.

Appendix 2 – City of Toronto Agencies and Corporations ¹

Agencies ²		Corporations ³	Other Bodies	
Service Agencies <ul style="list-style-type: none"> ➤ Board of Health ➤ Exhibition Place ➤ Heritage Toronto ➤ Police Services Board ➤ Public Library Board ➤ Sony Centre for the Performing Arts ➤ St. Lawrence Centre for the Arts ➤ Toronto Centre for the Arts ➤ Toronto Parking Authority ➤ Toronto Transit Commission ➤ Toronto Atmospheric Fund ➤ Toronto Zoo ➤ Yonge-Dundas Square 	Quasi-Judicial & Adjudicative Boards ⁴ <ul style="list-style-type: none"> ➤ Committee of Adjustment ➤ Committee of Revision ➤ Property Standards Committee / Fence Viewers ➤ Rooming House Licensing Commissioner ➤ Sign Variance Committee ➤ Toronto Licensing Tribunal 	City Corporations <ul style="list-style-type: none"> ➤ Build Toronto Corporation ➤ Invest Toronto Corporation ➤ Toronto Community Housing Corporation ➤ Toronto Hydro Corporation ➤ TEDCO operating as Toronto Port Lands Company (TPLC) 	Advisory Bodies <ul style="list-style-type: none"> ➤ Museum Boards⁶(to be replaced by reference group and Friends groups for each museum) ➤ Toronto Preservation Board ➤ Public advisory bodies appointed by Council from time-to-time ➤ Program advisory bodies established by agencies and divisions from time-to-time 	Pension Bodies ⁵ <ul style="list-style-type: none"> ➤ Metro Toronto Pension Plan Board of Trustees ➤ Metro Toronto Police Benefit Fund Board of Trustees ➤ Toronto Civic Employees' Pension & Benefit Fund Committee ➤ Toronto Fire Department Superannuation & Benefit Fund Committee ➤ York Employees' Pension & Benefit Fund Committee
	Administrative Boards <ul style="list-style-type: none"> ➤ Compliance Audit Committee ➤ Sinking Fund Committee⁶ 	Partnered Corporations <ul style="list-style-type: none"> ➤ Enwave Energy Corporation ➤ Waterfront Toronto 		
Community-Based Agencies <ul style="list-style-type: none"> ➤ Arena Boards (8) ➤ Association of Community Centre Boards (AOCCs) (10) ➤ Business Improvement Areas (BIAs) (70+) 				
Partnered Agency <ul style="list-style-type: none"> ➤ Toronto and Region Conservation Authority 				

Notes:

1. Chart includes agencies, corporations and other bodies. The City also makes nominations for board appointments to a number of external bodies (not on this chart).
2. Previously referred to as agencies, boards and commissions.
3. City Corporations are Ontario Business Corporations Act (OBCA) corporations.
4. Includes quasi-judicial positions.
5. Pension Bodies are Trust Fund Administrators.
6. To be removed if Council approves recommendations in report entitled Managing Through Agencies and Corporations

Updated: March 2011

