



**AMALGAMATION IN THE CITY OF TORONTO
A CASE STUDY**

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1.0 INTRODUCTION

“We live in a moment of history where change is so speeded up that we begin to see the present only when it is already disappearing.”

In this quote from the *Politics of Experience*, R. D. Laing (1990) highlights the speed with which change is taken place in contemporary society. In the fast-paced modern world, we seldom have the luxury of time to review and reflect about a major event that has just changed the life of an individual, an organization and a society. However, a look in the rearview mirror of our experience is often most valuable, as it sheds light not only on our capacity to address a change event, but also on the new challenges and opportunities created by changes. The past needs to inform the future so that adequate growth and development can occur. We do not just want to change, but we want to change for the better.

This paper presents the highlights of a major change in municipal governance structures in Toronto that occurred in 1998 when the regional level of government and six local area municipalities were merged into the new City of Toronto. The presentation has been divided into four parts: the first part describes how amalgamation has changed the governance structures and the service responsibilities from a federated two-tier system of government to a unified metropolitan governance structure for the City of Toronto (Theme 1). The second part describes key features of the reform process (Theme 2). The third part of the paper focuses on the role that the new City of Toronto plays in the intergovernmental arena (Theme 3). It examines whether or not the City of Toronto’s role has changed vis-à-vis the provincial and federal levels of government as a result of amalgamation. The fourth part of the presentation explores in what ways the new governance structures have increased cooperation and coordination among political representatives, leaders of civil society and the community (Theme 4).

It should be pointed out that all four themes are broad in scope and that each one could be the focus of a detailed paper. This presentation is designed to provide a high-level overview of the amalgamation process with illustrative examples of key points. The interested reader is asked to consult the original source documents for a more detailed exploration of each theme. The source materials are identified in the reference list of this paper.

2.0 GOVERNANCE STRUCTURES IN TORONTO AND THE GREATER TORONTO AREA (THEME 1)

In order to examine governance structures in the Metropolitan Toronto Area, it is important to consider three geographic entities referred to as “Toronto” – the new City of Toronto, the Toronto Census Metropolitan Area (CMA) and the Greater Toronto Area. The new City of Toronto refers to the City which emerged from the amalgamation of six area municipalities (Toronto, North York, Scarborough, Etobicoke, York and East York) and one regional level of government (Municipality of Metropolitan Toronto).

The Toronto CMA is defined by Statistics Canada and includes the City of Toronto and other surrounding municipalities (including Ajax, Aurora, Beeton, Bradford, Brampton, Caledon, East

Gwillimbury, Georgina, Georgina Island, Halton Hills, King City, Markham, Milton, Mississauga, Newmarket, Oakville, Orangeville, Pickering, Richmond Hill, Tecumseth, Tottenham, Uxbridge and West Gwillimbury). The CMA is a commonly used designation, as it coincides with the labour market for the area and Statistics Canada maintains aggregated data for this region.

The Greater Toronto Area refers to the new City of Toronto and the surrounding regional municipalities of Halton, Peel, York and Durham.

2.1 Metro Toronto and the six area municipalities: division of roles and responsibilities

Prior to 1998, municipal government in Toronto was organized as a two-tier system of government which was composed of the Metro Toronto Regional Government and six local area municipalities, including the Cities of Toronto, North York, Scarborough, Etobicoke, York and the Borough of East York. The two-tier system of government dates back to April 2, 1953, when the Province of Ontario enacted the *Municipality of Metropolitan Toronto Act*. This Act created a federated system of government composed of the City of Toronto and the then twelve surrounding municipalities (townships of York, Etobicoke, Scarborough, North York and East York; the towns of Weston, Mimico, New Toronto, Leaside; and the villages of Forest Hill, Swansea and Long Branch).

Significant changes to the original governance structures were introduced by the Goldenberg Commission in 1965 and the Robarts Commission in 1988. In 1967, a consolidation of the 13 lower-tier municipalities into six area municipalities was introduced, including the Cities of Toronto, North York, Scarborough, Etobicoke, York and East York. The Robarts Commission led to the direct election of political representatives to the Metro level of government with 34 elected councillors¹.

In this federated system of government, some municipal services were provided by the Metro Toronto Government (borrowing, water supply, sewage treatment, etc.), others were provided by the local area governments (local parks, recreation programs, community centres, etc.). Some municipal services were delivered in a shared manner. For instance, the Metro Government provided a comprehensive system of community services, including welfare assistance, childcare centres, homes for the aged and hostel accommodations. The local area municipalities were not involved in these types of community services programs. Both jurisdictions had affordable housing programs. Expressways and arterial road were maintained by the Metro Government, whereas local roads were the responsibility of the local area governments. Both levels of government were involved in maintaining bridges and grade separations, snow removal, street cleaning and sidewalks.

Appendix 1 of this presentation provides an overview of the provision of municipal services in this two-tier system of government.

The new City of Toronto was created on January 1, 1998, as a result of provincial legislation which amalgamated seven municipalities – the regional Municipality of Metropolitan Toronto and six local municipalities – Toronto, North York, Scarborough, Etobicoke, East York and York into a unified City. The Provincial Government established the Toronto Transition Team to

develop a governance structure for Council and a structure for the city administration effective January 2, 1998. An amalgamation of this magnitude and scale was unprecedented in Canadian municipal history; there were no ready-made solutions which could easily be put into place to facilitate a smooth transition from seven different municipal governments and administration systems into a new unified whole. It represented a seismic shift in municipal governance from the federated two-tier system to a new metropolitan system of government focused on the urbanized core in the Greater Toronto Area.

2.2 The new City of Toronto: service responsibilities and structures

The City of Toronto is responsible for a broad range of municipal services, including welfare (income support), fire, ambulance, police, homes for the aged, child care, hostels, social housing, parks and recreation, arts and culture, economic development, tourism and heritage, roads, waste management, water and sewers and urban planning. The City of Toronto operates 36 ambulance stations, a transit system, 96 library branches, 6 sewage treatment plants, 870 recreation facilities, 80 fire stations, 14 welfare offices, 4 water supply plants, 27,000 housing units, 1,500 parks, 10 homes for the aged and 18 police divisions and a zoo.

2.3 Political governance structures

Appendix 2 provides an overview of the City of Toronto's political governance structures.

Toronto City Council is comprised of the Mayor and 44 Councillors. The Mayor is elected by the community at large, while each Councillor is elected in one of 44 wards. The current term of Council is December 1, 2003 to November 30, 2006. *The Municipal Act* defines the statutory responsibilities of Council as follows:

- to represent the public and to consider the well-being and interests of the municipality;
- to develop and evaluate the policies and programs of the municipality;
- to determine which services the municipality provides;
- to ensure that administrative practices and procedures are in place to implement the decisions of Council;
- to maintain the financial integrity of the municipality; and
- to carry out the duties of Council as prescribed by any Act.

According to the *Municipal Act*, the Mayor:

- acts as chief executive officer of the municipality;
- presides over council meetings;
- provides leadership to the Council;
- represents the municipality at official functions; and
- carries out the duties of the head of Council.

The political decision-making process occurs through the deliberations and debates at standing committees, ad hoc committees, community councils and task forces, including:

- six policy-based standing committees (Policy and Finance, Administration, Planning and Transportation, Works, Community Services, Economic Development and Parks Committee)

- four geographically-based community councils (Toronto East, Toronto North, Toronto South and Toronto West Community Councils)
- Striking Committee
- Nominating Committee
- Audit Committee
- Budget Advisory Committee
- Ethics Steering Committee
- Adhoc and Advisory Committees

The mandate for each of these committees is summarized in **Figure 1**:

Figure 1

Policy and Finance Committee	<ul style="list-style-type: none">• financial priority setting• capital and operating estimates• corporate strategic plan• corporate intergovernmental and international activities• annual budgets of the City's agencies, boards and commissions• tax policies• cross-corporate issues affecting departments and agencies, boards and commissions
Administration Committee	<ul style="list-style-type: none">• human resources, labour relations, occupational health and safety, access, equity and human rights• information technology and corporate communications• purchasing policies and fleet management• acquisition and disposal of City property• administrative matters of Treasurer, Solicitor and Clerk• administration of Provincial Offences courts
Planning and Transportation Committee	<ul style="list-style-type: none">• the Official Plan and city-wide planning policy and research• city-initiated planning applications of city-wide interest• transportation policies and plans• building permit policies• changes to key infrastructure, transportation, public transit and open space system and publicly-owned lands affecting the entire City of Toronto• municipal property standards and licensing
Economic Development and Parks Committee	<ul style="list-style-type: none">• economic growth and promotion• tourism• arts, culture and heritage• parks and recreation policies and operations
Works Committee	<ul style="list-style-type: none">• water supply, waste water, sanitary and stormwater systems• solid waste• control and use of road allowance• road and traffic operations
Community Services Committee	<ul style="list-style-type: none">• social development policies and community grants• housing and homelessness, child care, social assistance and employment programs• emergency shelter and assistance, seniors' services• fire and ambulance services, emergency planning and communications

Community Councils deal with business issues that pertain to the local community and neighbourhood (traffic plans, parking regulations, signs, fence, ravine and tree by-laws) and provide a forum for local input into Council's decision-making process. Community councils are composed of elected officials representing between 10 to 12 electoral wards. Each member of Council serves on the community council that incorporates his/her ward. The Mayor is a voting member of all community councils.

The **Striking Committee** makes recommendations to City Council on the appointment of the Deputy Mayor, the appointment of councillors to positions on committees, agencies, boards and commissions, as well as the schedule of council and committee meetings. The Striking Committee is composed of up to seven Council members recommended by the Mayor.

The **Nominating Committee** recommends to City Council the appointment of citizens to committees, agencies, boards and commissions. The Nominating Committee is composed of up to eight members of Council, including the Mayor or the Mayor's designate as chair.

The **Audit Committee** reviews the recommendations made in the annual external audit of the City's financial statements, considers the report of the Auditor General and recommends to Council the appointment of the Auditor General and the external auditor. The Audit Committee reports directly to City Council. Its membership is comprised of City Councillors; the chairs of standing committees, the chairs of community councils or Members of the Budget Advisory Committee are excluded from membership of the Audit Committee.

The **Budget Advisory Committee**, which reports to the Policy and Finance Committee, is responsible for coordinating the preparation of the capital and operating budget estimates. This Committee is composed of seven Council members, including two from the Policy and Finance Committee and one member each from the City's standing committees. The Chair of the Budget Advisory Committee must be a member of the Policy and Finance Committee.

The **Ethics Steering Committee** is responsible for ensuring that the code of conduct provides adequate guidelines for Council members' conduct and for establishing new policies. This Committee also ensures that City Council has a process to address alleged non-compliance with the code of conduct. The Ethics Steering Committee is composed of five Members of Council, including the Mayor or the Deputy Mayor or the Mayor's designate as chair, the chair of the Administration Committee and the Chair of the Personnel Sub-Committee. This Committee reports to the Administration Committee.

Membership on the standing committees is guided by the following set of principles:

- every Councillor shall sit on one of the standing committees
- membership on the standing committee is rotated every 18 months
- only Members of Council serve as members of standing committees
- the Mayor is a member of every committee and is entitled to one vote
- standing committees are composed of 8 members and the Mayor, with the exception of the Policy and Finance Committee (10 members and the Mayor)

- membership on standing committees is proposed by the Striking Committee, each standing committee elects a chair, except the Policy and Finance Committee, which is chaired by the Mayor.

In addition to the committee structure, there are seven advocate positions: Members of Council have become advocates for children and youth, disability, diversity, seniors, sustainability, trees and water.

2.4 Governance of the Greater Toronto Area

As noted earlier, the Province of Ontario created the government of Metropolitan Toronto in 1953 in response to the financial difficulties and jurisdictional fragmentation of the City of Toronto and the surrounding 12 suburban municipalities. In the 1970s the Province expanded regional government by creating the Regional Municipality of York to the north of Metropolitan Toronto in 1970, the Regional Municipality of Durham to the east of Toronto in 1974 and the Regional Municipality of Peel to the west in 1974. The Regional Municipality of Halton was created in 1974 to the west of Peel and east of Hamilton.

These regional governments were given responsibility for the same type of services as Metro Toronto – water supply and treatment, police, arterial roads. Through the 70's and 80s municipalities in these regions experienced high growth as the new suburbs of Toronto. The GO Transit commuter rail system, established by the Province of Ontario in 1967, defined a Toronto commutershed and contributed to the growth of Toronto as bedroom communities. Many of the same pressures and issues that preceded the creation of Metropolitan Toronto were now being experienced in the regions surrounding Metro with the difference that these suburban regions also included large areas of rural and agricultural lands.

During the 1990's, several studies were conducted to determine how to deal with the growth and development of the GTA. It was recognized that Toronto is the heart of a large, complex, inter-dependent, economic and social city-region. Many services and issues spill over existing municipal boundaries and should be addressed at a regional level within a long-range growth management context. The lack of a coordinating mechanism for decision making and long-range planning was becoming an obstacle to the economic prospects of the entire region.

In response to these challenges, the Province of Ontario established the Greater Toronto Services Board (GTSB) on January 1, 1999. The Board was comprised of representatives from every municipality and region in the GTA and had mandated responsibility for GO Transit. The Board was provided with limited powers to coordinate decision-making among the municipalities of the GTA and to provide strategic growth management. The new amalgamated City of Toronto supported the creation of the GTSB as a first step in the right direction but wanted the Province to provide the Board with a stronger mandate to implement growth management.

In 2001, a review of the GTSB concluded that its role and powers should be significantly strengthened through legislation to include responsibility to develop a growth management strategy for the GTA and to create a GTA Transportation Authority to address growing concerns about transportation, traffic congestion and transit expansion.

In August 2001, the Province announced that it was eliminating the GTSB as of December 31, 2001.

Since the dismantling of the GTSB, the City of Toronto and the surrounding regions continue to cooperate on many specific issues ranging from water supply, transit integration across boundaries and solid waste management but there is no long-range plan to guide these activities. There is a high risk that ad hoc responses to individual issues could result in fragmented, short-term solutions that could frustrate longer-term sustainable solutions.

Recently the pressures and challenges in the GTA have generated calls for GTA coordination. The new Provincial Government has committed to the creation of a Greater Toronto Transportation Authority and has recognized the need for a regional growth management strategy. The City of Toronto has renewed its relationships with neighbouring municipalities at a political level and continues to have productive and collaborative relations at the staff and operational level. However, there is an acute and growing need for a mechanism to coordinate growth management across the GTA. It is essential that the GTA governance structures catch-up to the expanding and rapidly growing city-region so that it will be possible to balance the needs of the entire region with the unique demands of its specific communities.

3.0 THE AMALGAMATION PROCESS (THEME 3)

The amalgamation process in Toronto can be characterized as a top-down imposed reform which involved a broad-based consultation with the community and City stakeholders. The process has also been shaped by the continuous debate about selected aspects of the reform and the refinement of governance and administrative structures over time.

Amalgamation in Toronto was the result of a top-down approach to change imposed on the municipal sector by the Conservative Provincial Government. The decision to reform and amalgamate the municipal structures in Toronto was made in December 1996 and finalized with the legislation of the *City of Toronto Act* in 1997. The Provincial Government created the Toronto Transition Team, a six member team led by the former Chairman of the Municipality of Metropolitan Toronto. The Transition Team was responsible for laying the groundwork for the new City Council that would take over the reigns of government on January 2, 1998. The *City of Toronto Act, 1997*, outlined the duties of the Transition Team, as follows:

- To establish the key elements of the new City's organizational structure;
- To hire key municipal executives who need to be in a position to manage the transition to a unified City;
- To make recommendations to the Provincial Government on any legislative changes that are needed for implementation;
- To prepare and submit to the new Council a proposed operating and capital budget for 1998 that provides for property tax stability and continuity of service delivery;
- To hold public consultation on specific issues related to the new City (e.g., role of community councils, neighbourhood committees, rationalization of services and potential cost-savings);
- To meet with the current municipal councils to seek input; and

- To make recommendations to the new City on community councils, neighbourhood committees and the integration of services, a procedural by-law for the new City government, compensation for the Mayor, community council chairs and other Members of Council (Toronto Transition Team, 1997, p. 4).

Amalgamation stirred the emotions of the community polarizing members of the community who supported the reform process and members who were opposed it. The group “*Citizens for Local Democracy*” united members in the opposition camp and became the community spokesperson against amalgamation. The Transition Team was aware of the challenge to include and involve as many citizens and community members, elected officials and City staff in a constructive dialogue designed to build a solid foundation for the effective operation of the new City of Toronto. Therefore, the Transition Team utilized an extensive and broad-based consultation process to listen to the advice and viewpoints of as many people as possible. The consultation process included a series of town hall meetings in the seven city halls. Members of the public had the opportunity to share their views on the role of community councils and neighbourhood committees, as well as comment on any issue of their choice related to the amalgamation process. These town hall sessions drew an attendance of over 1,000 people and generated approximately 350 submissions.

The Transition Team also commissioned a public opinion poll carried out by a research firm which conducted interviews with 14,000 Torontonians. Transition Team members visited all seven municipal councils to obtain input from elected officials. The Metro Council organized a series of resource panels which focused on the implication of amalgamation on a select number of service areas, including access and equity, anti-racism, community-based social services, arts and culture, environment, planning and development. An urban design and development roundtable was held with experts in urban design, architecture and planning. At the same time, City staff were asked to offer suggestions and advice on the most effective way of integrating municipal services. Comparative research of reform in other jurisdictions was another crucial input which guided the recommendations of the Transition Team.

In summary, there was broad input from multiple stakeholders on the shape of the new City.

Continuous fine-tuning of structures, reflection and political debate about key issues were another hallmark of the amalgamation process. The process did not come to an abrupt halt on January 2, 1998 when the new City of Toronto commenced operation. Amalgamation was rather a reiterative process: the work of the Transition Team report was instrumental in ensuring that the new City could effectively operate on day one. However, the work of the Transition Team formed the input into a more sustained debate around the most suitable governance and administrative structures for the City of Toronto. For example, the City of Toronto established the *Special Committee to review the Final Report of the Toronto Transition Team*. This Committee assessed the effectiveness of the interim Council and Committee structure which emerged from the Transition Team report and recommended improvements to achieve a better fit with the reality and complexity of the new City. Issues addressed by the Committee included decisions on the location of the seat of government, the role of community councils, the effectiveness and efficiency of the Council-Committee structure, avenues for citizens’ involvement in the City’s new governance structures, a review of Council’s Procedural By-law

and the City's administrative structure. City Council needed to take ownership of the new governance and administrative structures for the City; thus, it was vital to develop a "made in Toronto" solution – to develop governance structures and processes that were based on the input of the newly elected City Council. This point is illustrated in the following statement:

“The work of the Special Committee provided an important bridge between the provincially appointed Transition Team’s ideas for Toronto’s governance and the emergence of a vision and structures of government that are ‘made in Toronto’ and owned by the elected City Council (City of Toronto, 1999, p. 8).”

3.1 New challenges and opportunities

The challenges and opportunities which the City of Toronto faced during the amalgamation process are well-documented in a three-part report series entitled: *Building the new City of Toronto – CAO’s Status Report on Amalgamation*, the *CAO’s Mid-term Report to the Mayor and Members of Council*, and the *Final Three-Year Status Report on Amalgamation*. These reports highlight the multi-faceted political and organizational aspects of the amalgamation process. These aspects included, for example, the review of the Council and Committee structure, the role of the Community Councils, the involvement of citizens in the political-decision-making process of the new City, the exploration of a City Charter, the development of a new organizational structure, the retention of staff and the integration of human resource practices and policies, the consolidation and harmonization of services and operations across various City departments and the integration of information technology. A comprehensive review of these issues would clearly exceed the scope of this presentation; the interested reader is asked to consult the original source documents to gain a deeper understanding of the scope and complexity of the amalgamation process.

However, in order to illustrate the opportunities and challenges involved in the amalgamation process, it may be useful to focus on the integration of human resource policies and practices as a case in point. This example clearly showcases the magnitude of amalgamation and the resilience of the City and the public service to live through a period of high organizational uncertainty and instability while providing first-rate municipal services. It demonstrates how a committed and dedicated City workforce has been built emerging from the turmoil of the amalgamation process.

In 1997, the former municipalities employed a total of approximately 46,000 full time equivalent staff including people working in the City’s agencies, boards and commissions. Approximately, 24,000 FTE staff members were already employed in amalgamated programs delivered on a City-wide basis. Approximately 22,000 FTE staff were employed in programs that needed to be amalgamated and harmonized across the City. Human resource integration required initiatives focused on the development of a new organizational design and management recruitment, negotiations of the first new collective agreement, job and wage harmonization, harmonization of human resources policies and programs and the consolidation of human resources information systems.

One of the highest priorities in 1998, the first year of amalgamation, was the development of a new administrative structure for the City of Toronto. This task consisted of three interrelated phases, including the design of the new organizational structure, the recruitment of management

and non-union staff and the development of downsizing and staff exit packages. In February 1998, City Council approved the new administrative structure; by April 1998, six new commissioners had been hired. In the course of the next 12-month, 37 organizational divisions were created. The administrative structure was developed as a cooperative effort between internal and external consultants. The primary task for Human Resources at this stage was the management, coordination and facilitation of employee recruitment to the new structure. At the same time, Human Resources prepared downsizing and voluntary/involuntary exit programs designed to meet staff reduction targets in amalgamating programs.

The seven former municipalities had a total of 56 collective agreements with the majority of employees affiliated with the Canadian Union of Public Employees and the Toronto Fire Fighter Association. In the new City of Toronto, there are now six collective agreements.

As part of the amalgamation process, staff from the seven different municipalities were assigned to new departments. Staff were now working in similar jobs, yet with job descriptions and pay rates of their former municipality. These wage disparities were incongruent with the principles of fairness and equity. In 1998, Human Resources undertook a study of the compensation schemes of the former municipalities for management and non-union positions with the view of developing a new compensation plan. A new compensation plan for executive, management and exempt staff was introduced in 2000. This plan was based on a salary structure in keeping with market values, a job evaluation process and performance-based pay.

Amalgamation required the harmonization of a vast number of human resources policies dealing with absence from work, health and safety, human rights and employment equity, pay and benefits, staffing, training and development, and the working environment. By 2000, 31 different harmonized policy guidelines had been established.

The advent of the new City of Toronto brought with it the challenge of merging seven different organizational cultures into a new unified whole. It was necessary to formulate the mission and core values of the new organization and to define employees' competencies which would match the mission and core values. The following statement underlines the importance of meeting this challenge:

“Human resources priorities are increasingly focused on key programs designed to strengthen the development of a strong public service and a unified corporate culture. This is a complex and multi-faceted endeavour. ...A strong municipal service is critical to the success of Toronto’s city building efforts (Building the new City of Toronto, 2001, p. 42).”

A concerted effort to address this challenge was made in 2002, when Human Resources launched the *Toronto Public Service Initiative (TPS)* with the intention of creating a City workforce with a shared mission and values. This initiative focused on an active consultation process with people across the City organization to identify ways to develop a new shared organizational culture. These consultations culminated in *the Toronto Public Service Framework* which defines the mission of the public service, and lays out the values and principles that guide the Toronto Public Service. The mission is defined by the statement *“We serve a great City and its people”*. The

key pillars of the framework are service, stewardship and commitment. Appendix 3 of this presentation provides a detailed description of these three key elements of the TPS framework. Human Resources holds regular workshops with City employees in order to assist people to learn and reflect about the framework and to facilitate its application in their daily work realities. These workshops have been effective in inculcating in employees a renewed commitment to the workplace and a positive attitude in dealing with emerging challenges. In 2004, Human Resources is planning a two-day learning summit to showcase and examine projects and initiatives which demonstrate service, stewardship and commitment in action.

4.0 A NEW INFLUENTIAL ROLE FOR THE CITY OF TORONTO IN THE INTERGOVERNMENTAL ARENA (THEME 3)

A new relationship between the City of Toronto and the Provincial and Federal Government has developed not necessarily based on the amalgamation of seven governments into a new City. The evolving positive relationship between the City of Toronto, the Provincial Government and the Federal Government can be seen as the outcome of multiple forces which have created a more favorable political climate and a deeper understanding among the different levels of government. Contributing factors to this change were the election of David Miller as the new Mayor of Toronto, the election of the liberal Ontario Government under Premier Dalton McGuinty and the acknowledgement by Prime Minister Paul Martin that cities are the key focal points for the Canadian society and the economy.

During the first two Council terms post-amalgamation, the City was involved in city-building activities which centered on the development of sound governance and administrative structures, the retention of staff, the harmonization of services, the creation of major planning tools, such as the Strategic Plan and the Official Plan, and the establishment of a new seat of government. The relationship with the Provincial Government of the day was riddled with conflicts – based on the top-down approach of amalgamation, the downloading of service responsibilities from the Province to the City without matching finances, and a conservative Provincial Government which demonstrated little sympathy for the City of Toronto’s urban agenda.

After a successful city-building phase, the City of Toronto is now in a stronger position to build constructive relationships with the new liberal Provincial Government. The Liberal Government has demonstrated an openness to listen to the City and its request for a New Deal. For instance, the need to work in a closer partnership with municipalities across Ontario was recognized in the 2003 Speech from the Throne: *“This government congratulates the newly elected municipal leaders across Ontario and invites them to work with this government as partners (Government of Ontario, 2003).”*

The willingness to engage in an open and constructive dialogue with Canadian cities was a key feature in the Prime Minister’s reply to the 2004 Speech from the Throne :

“...We all want our municipalities to be great places to live, to be able to compete for talent and investment, and to play a role in strengthening our regional economies. We want our small towns to be able to share in our prosperity. We want our large cities to be international, and internationally competitive; to be

centres of commerce and culture. And we want them all to provide safe and healthy homes for our families. That is why we have made a new deal for Canada's municipalities one of our highest priorities. ...We want the voice of our municipalities to be heard nationally (Government of Canada, 2004)."

These examples demonstrate that the City of Toronto's new influential role in the political landscape is in part due to the new receptivity of senior levels of government to an open dialogue and exchange of ideas with the City of Toronto and other Canadian cities.

Another major element that paved the way for the City of Toronto's current influential role in the intergovernmental arena is the City of Toronto's sustained lobbying campaign "*Stronger Cities, Stronger Canada*". This campaign dating back to early 2000 laid the foundation for the City's advocacy platform by stressing the urgent need for Canadian cities to have adequate financing tools to meet their service responsibilities. In July 2000, City Council adopted the report "*Towards a New Relationship with Ontario and Canada*" which indicated that Toronto's global competitiveness as a city was fundamentally dependent upon a realignment between the City's service responsibilities and access to flexible and elastic revenue sources in keeping with these responsibilities. In May 2003, City Council adopted a report on an improved legislative framework for the City of Toronto. The proposed legislative framework envisions a number of tools to improve the City's financial capacity, including: access to new sources of revenue (destination marketing fee, share of the provincial gas tax, etc.), access to the full property tax base, greater flexibility to apply user fees to achieve public policy objectives, commitment by the Province to fully fund programs transferred to the City and a possible shift of service responsibilities from the City of Toronto to the Province of Ontario.

Toronto City staff have now entered into a dialogue with the Ministry of Municipal Affairs and Housing which explores how the *City of Toronto Act, 1997*, and other related pieces of legislation can be amended with the goal of providing the City with increased legislative authority to meet its responsibilities.

Together with the Federation of Canadian Municipalities and cities coast-to-coast the "New Deal" campaign created a movement which educated the public and senior levels of government about the challenges faced by Canadian cities and which identified solutions based on a new cooperative relationship between the different levels of government.

The "New Deal" movement culminated in the historic Mayors' Summit hosted by the City of Toronto on January 22 and 23, 2004. The Mayors of Vancouver, Edmonton, Regina, Winnipeg, Ottawa, Montreal, Quebec City and Halifax attended this event. The deliberations at the Mayors' Summit resulted in a communiqué which identified the crucial components of a new partnership between Canadian cities and other levels of governments, including the requests for:

- rebating 100% of the GST paid by municipalities and their agencies (to be included in the 2004 federal throne speech and budget);
- accelerating the \$ 2 billion investment in urban infrastructure through existing programs (to be included in the 2004 federal throne speech and budget);
- providing cities with a new net revenue source, based on the user-pay principle, of five cents per litre from existing federal fuel excise tax;

- allowing cities to address their priorities and investing in economic growth by retaining a share of locally-generated tax revenues that grow with the economy, such as income tax and/or federal and provincial sales tax revenue;
- matching or exceeding the average level of US and Western European governments' investment in municipal transit and transportation infrastructure;
- involving major hub cities as partners in federal and provincial policy, program and budget deliberations on issues that have a direct impact on major urban centres;
- introducing flexibility and improving the delivery and supply of existing affordable housing programs to focus on serving the needs of Canadians; and
- making regulatory changes to support cities – for instance, amending the income tax act to make employer-provided transit passes a tax-exempt benefit, or converting Commercial Heritage Properties Incentive Fund to a tax credit program.

The Mayors agreed to continue their joint work by participating in the new National Forum on Economic Growth which is scheduled for the spring 2004 and which will be attended by representatives from the Federal and Provincial Governments.

The movement for a New Deal for Toronto is also supported by the Toronto Board of Trade representing the City's influential business interests. Under the motto "*Enough of not Enough*", the Board has established an active letter writing campaign to Provincial and Federal Government representatives which is designed to highlight the need for a better realignment of the City's financing tools and service responsibilities.

In summary, it was not amalgamation which created a shift in the intergovernmental role of the City of Toronto. The new influential role emerged as an outcome of newly elected leaders at the City, the Provincial and Federal Government and the New Deal campaign.

5.0 COOPERATION BETWEEN AND AMONG ELECTED OFFICIALS, LEADERS OF CIVIL SOCIETY AND VARIOUS POLITICAL BODIES (THEME 4)

The effective governance of a metropolitan region is dependent upon cooperation and coordination of initiatives among multiple stakeholders, including community members, community organizations, leaders of civil society, businesses, elected officials, and the City administration. The need for a networked City organization which can tap into the knowledge resources of different stakeholders has and will continue to be an important driver in governing the City of Toronto. Since amalgamation, the City of Toronto has actively addressed the challenge of increased cooperation with a broad range of stakeholders through a number of initiatives, such as civic engagement, the development of the strategic plan and close cooperation between the City of Toronto and community organizations. It should be pointed out that these examples are used for illustration purposes highlighting cooperation between the City and civil society (civic engagement), cooperation among various departments (strategic plan) and cooperation between the City and the community focused on a specific policy issue - children and youth.

5.1 Civic Engagement Initiatives – An example of City and community cooperation

The civic engagement initiative demonstrates an example of renewed cooperation and coordination between the City of Toronto and the community at large.

Amalgamation was accompanied by the fear that the mega-city would be unable to listen to the opinions and views of Torontonians. After amalgamation, the *Special Committee to Review the Final Report of the Toronto Transition Team* was charged with a number of responsibilities in helping build the post-amalgamation Toronto. In its dialogue with the public, the Transition Team heard that Torontonians considered people's involvement a cornerstone of local government.

The City of Toronto recognizes that civic engagement plays a pivotal role in building a healthy, socially inclusive community that is rooted in an ongoing, open and transparent dialogue among residents, elected officials and City staff.

One of the fundamental principles guiding Toronto's Strategic Plan is participation, defined as the opportunity to participate fully in the life of the City and the decision-making that will determine the City's collective future. On March 2, 1999, City Council adopted four key principles of civic participation: collaborative decision-making, accessibility, continuous improvement in citizen participation and community capacity building. The City is committed to developing an overall framework for civic engagement. This framework will outline the roles and responsibilities of the City of Toronto in devising open, transparent, accessible and accountable political decision-making processes. The framework also intends to suggest a number of strategies which the City can use to assist community members in addressing and resolving community issues. The proposed framework will contain a description of the roles and responsibilities of Torontonians in shaping the social, economic, cultural, environmental and political life of their City.

As part of the process, the City organized a series of five seminars which explored key questions pertaining to civic engagement: what is a useful framework for civic participation?, what are major global trends which influence civic participation?, What constitutes meaningful civic engagement?, What lessons can be learnt from civic engagement practices in other cities?, What role should municipal government play in community capacity building?. City staff examined current participation and consultation practices in the City of Toronto with the view to identifying improvements.

The City of Toronto also used a consultative approach in the preparation of the 2004 budget. The Mayor, the City's budget chief and Members of Council held the discussion series "*Listening to Toronto*" between January 17 to 24, 2004. The seven sessions with an attendance of over 1,100 people focused on examining the City's strengths and challenges and sought input on the 2004 budget. The discussion centered on three key questions: (1) What things make Toronto great, and why is it important that we not lose them?, (2) What challenges do we face, and why is it urgent that we address them?, and (3) What advice do you have for City Council as it discusses the 2004 budget?.

In summary, the civic engagement initiatives show an important collaborative approach between decision-making at City Hall and the proactive involvement of citizens in the decision-making process.

5.2 The Strategic Plan – an example of coordination among different program areas

In its first term post-amalgamation, City Council adopted its first strategic plan which sets long-term goals and directions for the City in the areas of social development, economic vitality, environmental sustainability, good governance and city building. This Strategic Plan represents the fundamental policy platform which guides all major planning initiatives, services and programs in the City of Toronto. The Plan defines the collective vision for the City's future together with a mission statement that outlines the broad role and purpose of City government:

“The Government of the City of Toronto champions the economic, social and environmental vitality of the City. The City strives to provide high quality and affordable services that respond to the needs of our communities and invests in infrastructure to support city building. The City is a leader in identifying issues of importance and in finding creative ways of responding to them. (City of Toronto, 1998, p. 2).”

The Strategic Plan envisions what a healthy City and a City with a high quality of life should be like and identifies what choices need to be made to realize this vision. The Plan also sets out principles for fiscal sustainability which assist the City in responding to the City's financial pressures.

The Strategic Plan is complemented by sectoral or program-specific plans which define the overall directions set out in the Strategic Plan. These sectoral plans include the City's Social Development Strategy, the Economic Development Strategy, the Environmental Plan, the Tourism Development Action Plan, the Culture Plan, the Official Plan and the Fiscal Sustainability Plan. At the beginning of each new term, City Council reviews the directions, goals and objectives of the Strategic Plan and sets priorities in keeping with this framework. At that time, the Mayor and the incoming Council also decide how they will seek feedback from the community on specific aspects of the Plan.

In summary, the Strategic Plan represents an essential planning tool which provides cohesion to the various areas of service delivery and which ensures a coordinated approach to realizing the City's vision for the future. It is an example which demonstrates the internal cooperation among different program areas.

5.3 Children and Youth Action Committee – an example of City and community cooperation on child and youth issues

The establishment of the City's Children and Youth Action Committee (CYAC) illustrates how the City has provided a focal point for elected officials, City staff, community members and young people to address child and youth issues. It reflects the coordination of a dialogue on child and youth issues among the City and the community. The CYAC, together with the Children and Youth Advocate, was appointed in 1998 with a mandate to increase the City's efforts in the area

of health and well-being of children and youth. The Committee is composed of elected officials and community representatives. Its work is focused on three issues:

- eliminating social, economic and other barriers that keep children and youth from reaching their full potential;
- making Toronto a safer and more inclusive City; and
- encouraging the development of more effective and accessible services.

The Committee reports to the Community Services Committee. The Committee released the *Report Card on Children* and an accompanying action plan in the last term of Council (2000-2003). The Committee was also instrumental in organizing two Children's Summits. The Committee works in close cooperation with the Toronto Youth Cabinet which is composed of 120 members. The Youth Cabinet is involved with initiatives centred on advocacy, capacity building, outreach and partnership with youth organizations. The Committee's joint work with the Toronto Youth Cabinet led to the publication of "Toronto's Youth Profiles" which provide demographic and statistical information on youth and the services available to youth in the City.

6.0 CONCLUSION

This presentation has examined metropolitan governance in the City of Toronto by focusing on four themes: an exploration of how governance structures and service responsibilities have changed from the pre-to the post-amalgamation scenario in the City of Toronto, a review of the amalgamation process and its concurrent challenges and opportunities, an examination of the new relationship between the City of Toronto and senior levels of government and an illustration of how cooperation and coordination among various City stakeholders shape the City's policy and program agenda.

Reference Notes

- 1 *For a detailed description of changes to the federated two-tier system of government, please refer to the Metro Book 1994-1997.*
- 2 *The advocacy approach was indeed successful. The Federal Government announced in the February 2004 Speech from the Throne that municipalities will receive a 100% rebate of the GST.*

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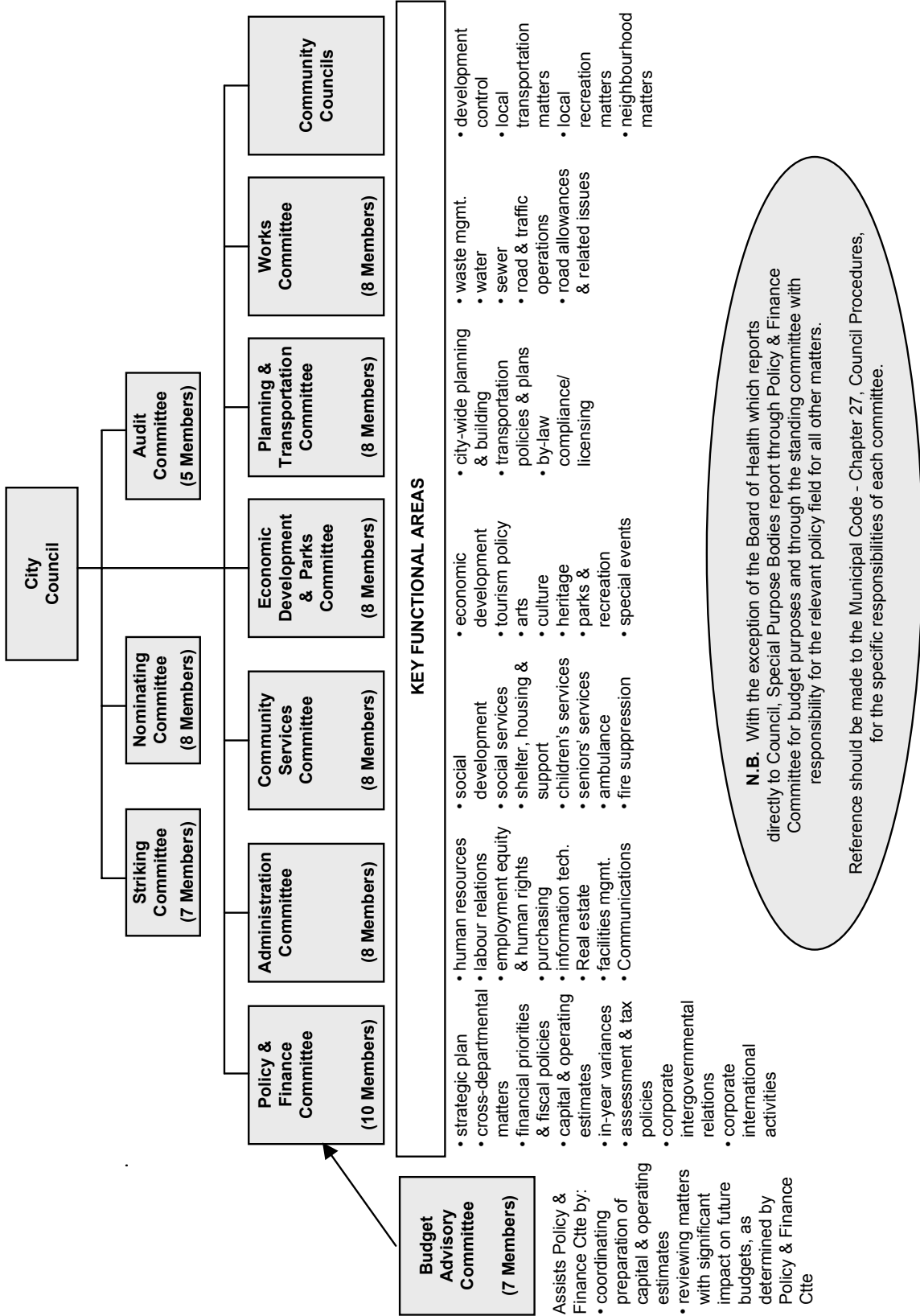
Appendix 1

Division of Municipal Services between Metro & The Area Municipalities

Metropolitan Toronto = M Area Municipal Level = A

COMMUNITY SERVICES		POLICE & FIRE PROTECTION		SOLID WASTE MANAGEMENT	
Welfare assistance	M	Police	M	Waste collection	A
Childcare centres	M	Fire	A	Recycling	M A
Fund children's aid societies	M	PUBLIC EDUCATION		Waste disposal	M
Homes for the aged	M	Educational levy & debentures	M	TRAFFIC CONTROL	
Hostel accommodations	M	Administration	A	Traffic regulations	M A
FINANCE & TAXATION		PUBLIC TRANSIT		Crosswalks	M A
Taxation of property	A	Toronto Transit Commission	M	Traffic lights	M
Debenture borrowing	M	Wheel-Trans service	M	Street lighting	M A
Local improvement charges	A	RECREATION & LEISURE		Pavement markings	M A
HEALTH		Regional parks	M	WATER SUPPLY	
Public health services	A	Local parks	A	Purification & pumping	M
Hospital grants	M A	Recreation programs	A	Trunk distribution system	M
Ambulance services	M	Community centres	A	Local distribution	A
HOUSING		Municipal golf courses	M	Water billing	A
Elderly persons housing	M	Municipal zoo	M	OTHER MUNICIPAL SERVICES	
Affordable housing	M A	Stadium & arenas	M A	Collect fines	M A
LIBRARIES		ROADS		Collect vital statistics	A
Regional/reference library	M	Expressways	M	Distribute electric power	A
Local libraries	A	Arterial roads	M	Economic development	M A
LICENSING & INSPECTION		Local roads	A	Grants to cultural &	
Business licensing	M	Bridges & grade separations	M A	social service organizations	M A
Dog licensing & pound	A	Snow removal	M A	Harbour	A
Marriage licenses	A	Street cleaning	M A	Island airport	A
Building bylaws	A	Sidewalks	M A	Municipal parking lots	A
PLANNING		SEWAGE DISPOSAL		Administer civic elections	A
Official plans	M A	Sanitary trunk system	M	Neighbourhood improvement	A
Subdivision approval	M A	Sewage treatment plants	M	Exhibition Place	M
Zoning	A	Connecting systems	A	Toronto Island ferry service	M
		Storm drainage	M A		

COUNCIL-COMMITTEE STRUCTURE AND MANDATES



Toronto Public Service - We serve a great city and its people

**Excellence –
By providing:**

**Our Path –
We focus on these key result areas:**

<p>SERVICE</p> <ul style="list-style-type: none"> • We serve individuals, communities and the city as a whole; and • Council in fulfilling its mandate <p>We do this by:</p> <ul style="list-style-type: none"> • Planning for improvement • Doing the right things at fair cost • Adapting and innovating to meet changing needs • Balancing and protecting the needs of individuals and communities 	<p>SERVICE</p> <ul style="list-style-type: none"> • Service Focus Public/client feedback, public centered process design, service quality standards, communication with the public, service plan and accessibility • Public Engagement Access to decision making, consultation on key issues, and opportunities to contribute
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STEWARDSHIP

- We use resources wisely to maintain and create a livable city for future generations
- We balance the economic, social and environmental needs of the city

We do this by:

- Balancing immediate and long-term needs
- Investing in the Toronto Public Service
- Taking care of our resources
- Managing public money and assets responsibly

STEWARDSHIP

- **Fiscal Accountability**
Policies, procedures, codes of conduct, stakeholders educated, and mechanisms for enforcing compliance
- **Program Planning**
State of good repair, demand forecasting, multiyear plans, plans link to Council strategic directions, performance measures and standards

COMMITMENT

- We serve the public with skill, knowledge and respect
 - We are responsible and accountable
 - We value each other
 - We value: diversity, creativity, participation, fairness
- We do this by:
- Maintaining a committed, skilled, and knowledgeable workforce
 - Providing professional, objective, advice to council and the public
 - Being impartial, unbiased and professional

COMMITMENT

- **People Focus**
 - Leadership
 - Strategic management of people
 - Learning organization
 - A skilled and productive workforce, strategic retention and recruitment;
 - A healthy and safe workplace
- **Organizational Focus**

