

**A Grand Experiment
In Municipal Governance
Toronto's Board of Management, 1996-97**

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Abstract

During the penultimate term of the old City of Toronto municipal government (1994-1997) before it was replaced by the Megacity, an amalgamation of seven municipalities, the City of Toronto council replaced a hierarchical system of governance with a new governance model called the Board of Management. The Toronto Board of Management was born out of the hard-headed political reality of council having to take charge of the budget process by taking it out of the hands of the then established bureaucracy during the rapidly deteriorating fiscal crisis of the 1990. This led to the realisation that the departmental model of governance just did not work anymore and could not respond corporately to the fiscal crisis. The inspiration for the Toronto Board of Management model came out of the City's own heritage and Western Canada's governance model, the Board of Commissioners.

Toronto has a heritage of evolving governance models that increase the participation of democratically elected representatives in local government while balancing the power and influence of the mayor, council and civil servants. It is the civil servants' responsibility to give their best advice to council and even though their advice may be ignored, to follow council's direction. It is council's job to receive advice and give direction. Theoretically there is no crossover. However, in reality staff and councils wrestle with this notion of direction every time a decision is made.

In developing its own board of management model, Toronto sought to create a model that had as its origin an indigenous concern over the balance of power between the executive and legislative power and the bureaucrats' influence on this power.

As the elected City Councillor for Ward One and the last Budget Chief of the old City, I played a role in these changes. This is an essay based on my own personal recollections and the recollections and thoughts of people who were significant players in the changes to the governance of the City of Toronto. While in a perfect world it would be possible to assess the success of the Toronto Board of Management using quantitative data, the shortness of life of the Board of Management, the lack of a similar model and the distance of time render these tests inefficient. The focus of my essay will be on qualitative rather than quantitative outcomes.

This Toronto model was unique in North American municipal governance. In the author's view, the Toronto Board of Management proved to be successful. The author believes that other municipalities in Canada should consider this unique model if they are seeking a governance model for a municipality with a population of between 100,000 and one million. An innovative municipality with a sophisticated council that understands the value of having a team approach to management. A municipality that has a culture that is committed to individual accountability and collective accountability.

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And finally but by no means least, the voters of Ward One, City of Toronto who in 1994 elected the author to be their City Councillor and in so doing gave him the opportunity to be one of the architects of the Toronto Board of Management. The opinions expressed within are my own as are all and any errors.

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Introduction

Recent textbooks on Canadian municipal governance teach us that there are four basic bureaucratic models to operate a municipality in Canada. But there are in fact five models.

This essay describes how and why the fifth model, the Toronto Board of Management came to be and why it is unique. It reviews how the City of Toronto's municipal governance has worked over time. It explains how the five models work, their strengths and weakness and Toronto's experience.

This essay has been written for both the general reader and governance practitioner. It is not intended to be the last word on the Toronto Board of Management or municipal governance in general. Indeed, I hope it will inspire further discussion and others to write more. I have also written this essay in the hope that other municipalities can learn from Toronto's experience and adapt the Toronto Board of Management for their own municipalities.

From 1988, I was in a unique position to witness and participate in the governments of Metropolitan Toronto, City of Etobicoke and the City of Toronto. I served as Executive Assistant to the Mayor of Etobicoke at Metro Council from 1988 to 1994. From 1994 to 1997, I served the residents of Ward One as their Councillor on the last City of Toronto Council. As City Councillor, I was a member of the Budget Review Committee and the

Streamlining Committee and was the old City's last Budget Chief. I was an active participant in the creation of the Toronto Board of Management model.

Regretfully, the Toronto Board of Management had a short life because of the Province's decision to amalgamate the seven sister municipalities of Toronto, East York, Etobicoke, North York, Scarborough, York, and the Municipality of Metropolitan Toronto into one Megacity on January 1, 1998.

Had the Toronto Board of Management enjoyed a longer life it would have been possible to evaluate quantitative outcomes. The short life, the lack of a similar model and the distance of time make such evaluation unreliable. My focus is on qualitative outcomes and their relatability to alternative models of governance.

This essay is based on my personal recollections as a participant. I have used the recollections and thoughts of others that were significant players in the changes to the governance of the City of Toronto. I have undertaken an historical review of the governance of Toronto and a review of the alternative models of governance.

Canadian Municipal Administrative Structures

Municipal government is an ongoing working partnership between the non-elected - citizens, the elected - politicians and the un-elected - civil servants (who are also referred to as staff and the administration). Through ongoing contact with politicians (especially

at election time) citizens share their views and give direction. Politicians represent them, provide leadership and are held accountable by the citizens they serve. Council in turn provides policy decisions to the civil servants that are required to provide council with information and decision options. The administration is accountable to council for carrying out the policies set by council. The administration in return delivers municipal services to the citizens and collects taxes and fees from those citizens who are accountable to pay for these services.

To carry this out municipalities have a political committee structure and an administrative bureaucratic model that reports to council and in theory takes direction from council.

This system has been characterised as “politicians on top, experts on tap.”¹ The importance of the governance structure used by a municipality is that it determines the flow of information to the decision makers, how that information is delivered and who is the messenger between the elected politicians and the non-elected municipal staff. It also determines who the real leaders are within the municipal corporation.²

¹ Siegel, David, “Politics, Politicians, and Public Servants in Non-partisan Local Governments” *Canadian Public Administration*, Vol. 37, No. 1, spring 1994, p. 8.

² For American and British readers, it is important to note that in Ontario, traditionally, municipal politicians do not run as part of a national political party such as the Democrats and Republicans in the United States and the Conservative and Labour party candidates in Britain. Ontario electors have tended to reject candidates running under Progressive Conservative and Liberal party banners. In an attempt to buck this tradition, Stephen Clarkson a University of Toronto academic ran as the Liberal party candidate for Mayor of Toronto in 1969. His candidacy was a spectacular flameout but his experience resulted in a book: *City Lib, Parties and Reform*, Toronto, A. M. Hakkert Ltd., 1972.

Toronto As It Was

The City of Toronto was incorporated in 1834 and existed until December 31, 1997. It was replaced on January 1, 1998 with a Megacity of over two million people that was also given the name of Toronto. The amalgamated city was formed by the incorporation of seven sister municipalities, the five cities of Etobicoke, North York, Scarborough, Toronto, York; the borough of East York and the regional government, the Municipality of Metropolitan Toronto.³ Henceforth, all references to Toronto refer to the old city and the new city is referred to as Megacity.

At the time of its dissolution, the City of Toronto had a population of 635,395. In 1994 City Council had seventeen elected representatives – the Mayor, elected at large and 16 Ward Councillors. The city was divided into 16 related geographic neighbourhood areas each called a Ward. The Ward residents in turn elected their own representative, the Ward councillor.

The Mayor and Ward Councillors then organised themselves into smaller committees that reported to Council. The most powerful committee was the Executive Committee that was chaired by the Mayor and was comprised of the chairpersons of the other committees. The Executive Committee was responsible for all administrative issues concerning money, personnel, legal matters and real estate and oversaw the City's capital

³ A good discussion on the Megacity can be found in Andrew Sancton, *Merger Mania: The Assault on Local Government*, Montreal, McGill-Queen's University Press, 2000, pp. 113-136 and pp. 154-159.

and operating budgets. All council committee reports were transmitted through the Executive Committee to Council with its own recommendations.

Toronto's succeeding mayors used this committee and its predecessor the Board of Control, as a sounding board to determine the strength of votes for various issues before a matter went to council.

Standing committees were organised along departmental and cluster responsibilities. Department heads and staff reported to these committees. The committees were empowered to ask for more research, hear from the public and provide councillors with an opportunity to debate the issues, and shape recommendations for Council. Standing committees did not have the authority to make binding decisions on Council. The Standing Committees of Council included the City Services Committee, the Land Use Committee, the Neighbourhoods Committee, the Economic Development Committee, the Board of Health, the Budget Review Group and the Personnel Committee. The City Services Committee was responsible for City owned property, fire prevention and works services. The Land Use Committee was responsible for official planning and zoning matters. The Neighbourhoods Committee was responsible for parks and community and recreation centres and business improvement areas, as well as public housing. The Economic Development Committee focused on the city's economic growth. The Board of Health was established under provincial legislation to carry out the regulations of the Public Health Act and recommend local health policies. The Budget Review Group reported to the Executive Committee and prepared the Capital and Operating budgets of

the Corporation. The Personnel Committee reported to the Executive Committee and focused on internal organisation, personal matters, reorganisation and personnel policies. Only the 17 elected members of Council could vote on resolutions. Members of staff reported through the council committees and made presentations to the members of the Standing Committees. The Commissioners (heads of the departments) sat at the head of the table beside the Committee Chair during the meeting.

As Canada's largest city, the provincial capital of the province of Ontario, Toronto is Canada's business and cultural capital. The November 1995 edition of *Fortune Magazine* proclaimed Toronto "Canada's hottest city" with membership among the world's most dynamic and prosperous cities, ranking it the eighth best city in the world to live in.⁴ A year later, *Fortune Magazine* ranked Toronto number one and quoted Peter Ustinov's observation that "Toronto is like New York run by the Swiss."⁵

Creating the Toronto Board of Management and changing the way the city operated was a courageous and forward thinking decision taken by a Council looking to the future, before Megacity consumed the public agenda.

Administrative Governance Models

⁴ Justin Martin, "Best Cities for Business," *Fortune*, Volume 132, Number 10, November 11, 1996.

⁵ Sue Zesiger, "Toronto: How can you fault the safest city in North America?" included in "The Best Cities for Work and Family," Geoffrey Precourt and Anne Faircloth, *Fortune*, Volume 134, Number 9, November 11, 1996.

Over the years there have been many municipal governance models tried with varying degrees of success. Ontario civil servant Paul Hickey, writing in the early seventies, found nine systems of local decision making models in local government.⁶ In the late 90's it was possible to talk of four models: departmental, city manager, chief administrative officer, and the board of commissioners.⁷ These four models are intrinsically hierarchical in nature. To these four models the former City of Toronto added a fifth - the Toronto Board of Management which is organic in nature.

Before the amalgamation of Toronto, the seven sister municipalities of Metropolitan Toronto provided working examples of all of these models. In more recent years Canada's major cities have coalesced around one, the city manager model.

1) Departmental Model

The departmental model was once the most popular model. It fell out of favour with Canadian municipal leaders in the mid-1970s.⁸ The City of Toronto was the last major City in Canada to use it. A command and control model, it is designed to ensure that each department reports vertically to Council, through the department head, usually called a commissioner. Decision-making is therefore decentralised through the bureaucracy and there is little or no co-ordination for taking a corporate approach on

⁶ Paul Hickey, *Decision-Making Processes in Ontario's Local Governments with a summary of 9 Systems of Local Decision-Making in other Canadian Provinces, the United States and England*. Toronto: Ministry of Treasury, Economics and Intergovernmental Affairs, Government of Ontario, 1973.

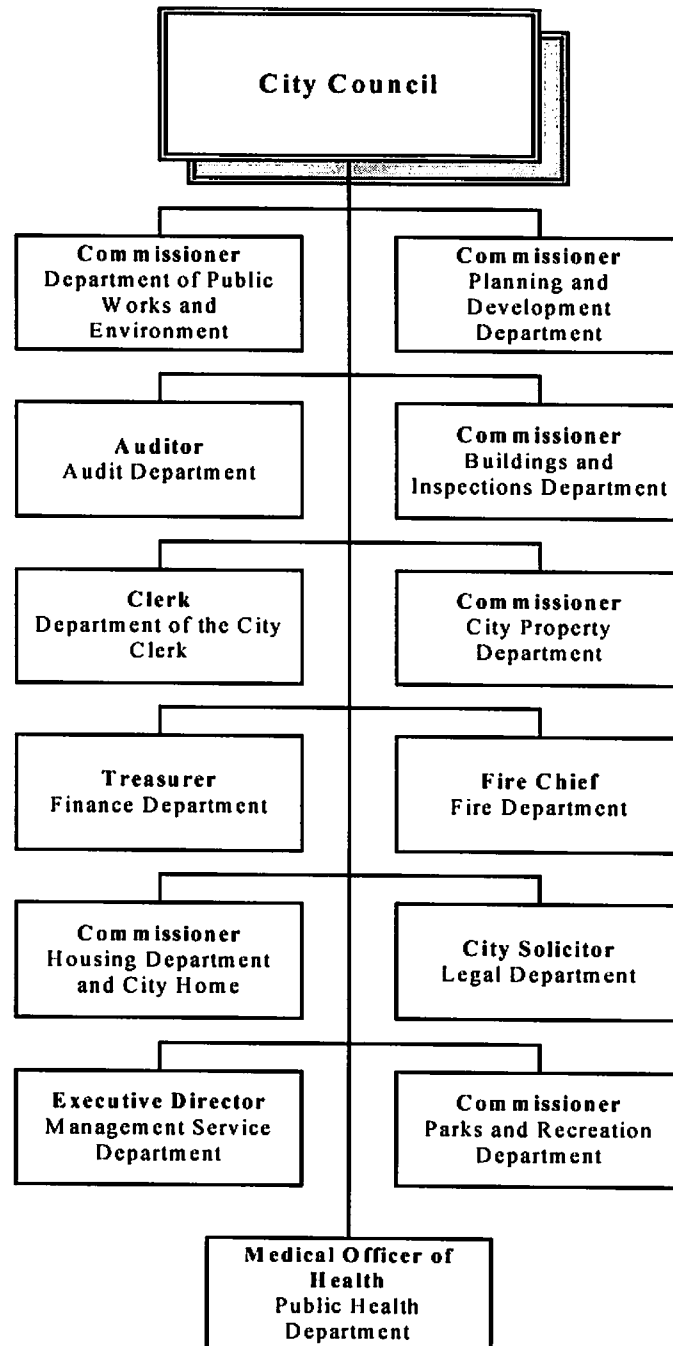
⁷ Katharine A. Graham, Susan D. Phillips, and Allan M. Maslove, *Urban Governance in Canada*, Toronto, Harcourt Brace & Company, 1998, p. 152.

issues. The weakness of this model is that it gives rise to “formidable bureaucratic empires with the head of each department vying with the others for budget and new initiatives.”⁹ The City of Toronto tried and failed to modify this approach in the early seventies with the creation of a civic service committee called the “committee of heads” by which senior staff appointed their own internal committee chairman. The chairman never had the authority to enforce a corporate perspective on the other department heads. This system became increasingly untenable and was replaced by Council in 1996 with the Toronto Board of Management.

⁸ Graham, 1998, p. 153.

⁹ Ibid.

City of Toronto Departmental Model



2) City Manager Model

The city manager model is the antithesis of the departmental model. All of the department heads report to a single official, the city manager who in turn communicates an integrated corporate position to Council. This model has its origins in the American experiences of battling corruption and inept management at the turn- of the 19th and 20th century. Dennis A. Young described the American version:

A small council elected at large on a non-partisan ballot determines all municipal policies which are not set forth in the city charter by governing legislation, adopts by-laws, votes appropriations, and is required to appoint a chief executive officer called a city manager. The council is the governing body of the city and the city manager is its agent in carrying out the policies which it determines...It is definitely understood that the council deals with administration only in a formal manner through the city manager, and the administrative functions are at no time delegated to committees or individual members of council.¹⁰

For ease of understanding many municipal observers such as T. J. Plunkett, who wrote the authoritative study, *City Management in Canada: The Role of the Chief Administrative Officer*, lump the positions of City Manager and CAO together.

Many Canadian cities have now established the position of chief administrative officer (CAO) with continuing responsibility for the general management of their respective administrative organisations. This position is often established under a variety of titles: city administrator, city commissioner, city manager, director-general, etc., depending upon the provincial/municipal legislative framework and local choice.¹¹

¹⁰ Dennis A. Young, "Canadian Local Government Development: Some Aspects of the Commissioner and City Manager Forms of Administration," in Lionel D. Feldman and Michael D. Goldrick (editors), *Politics and Government of Urban Canada*, Toronto, Methuen, 1976, p. 274.

In 1972 the province adopted measures to enhance professionalism in the administration of municipalities based on a CAO/City Manager model proposed in the Hickey report. Hickey advocated that “the council of every municipality in Ontario should be required to appoint a CAO.”¹² Although an important and influential document, George Vance points out that Hickey was less than scientific in his analysis.

One can see Hickey’s stated reasons for promoting the idea of a CAO for every municipality are little more than assertions of strongly held opinions. The notion ... that the mayor should be free of “administrative matters” as distinguished from “policy matters” is perhaps the foremost traditional tenet of local government thought. This tenet...will be challenged as unsound and organisationally dysfunctional.¹³

The city manager/CAO model was the most popular model in use among the seven municipalities at the time of Toronto’s amalgamation and the one adopted by the amalgamated City of Toronto in 1998. Etobicoke, Scarborough and York had city managers while Metropolitan Toronto, East York and North York had CAOs. The weakness of this system is that when there is a weak council, it concentrates too much power into the hands of an un-elected official to the detriment of Council’s power.

3) Chief Administrative Officer Model

The chief administrative officer model is really a compromise between the departmental model and a city-manager “lite” version of municipal structures. It is a weak compromise between the city manager model and the departmental model because most

¹¹ T. J. Plunkett, *City Management in Canada: The Role of the Chief Administrative Officer*, Toronto, The Institute of Public Administration of Canada, 1994, p. xvi.

¹² Hickey, p. 77.

of the departments report directly to Council while the administrative departments tend to report to the chief administrator who is recognized organisationally as the head bureaucrat.

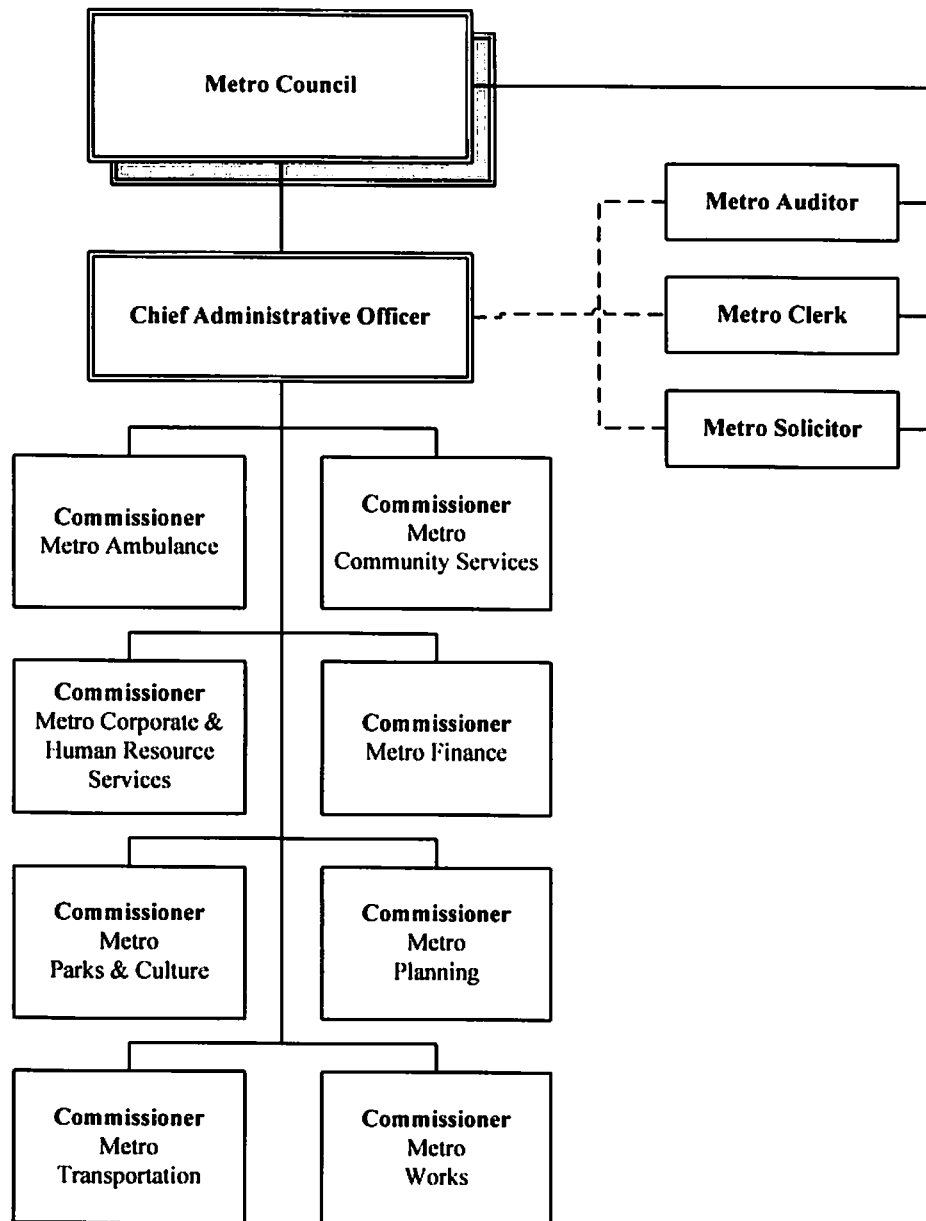
The old Municipality of Metropolitan Toronto rejected the stronger form of city-manger model recommended by Hickey and adopted this model under Chairman Paul Godfrey (1973 to 1984), by having the administrative matters and inter-governmental issues report to Council through the chief administrative officer, while the line departments such as roads and traffic and works reported directly to Council and were accountable to Council not the CAO. But over time, primarily due to the budget crisis of the 1990s, the interests of department heads clashed with the corporate interest.

Under Chairman Alan Tonks (1989 to 1997) the Municipality of Metropolitan Toronto joined those municipalities which had adopted the city manager model. In May 1995, the chief administrative officer was given more power to oversee the department heads to curb these tendencies and ensure conformity of corporate standards and practices.

Department heads were made accountable to the chief administrative officer, while Council retained the right to hire and fire the chief administrative officer and department heads. Only the Auditor, Clerk and Solicitor continued to report directly to Council.

¹³ W. George R. Vance, *The Managerial Approaches of Chief Administrative Officers*, Ph.D. thesis, London, Department of Political Science, University of Western Ontario, August 1985, p.5.

Chief Administrative Officer/City Manager Model Metro's Administrative Structure after May 1995

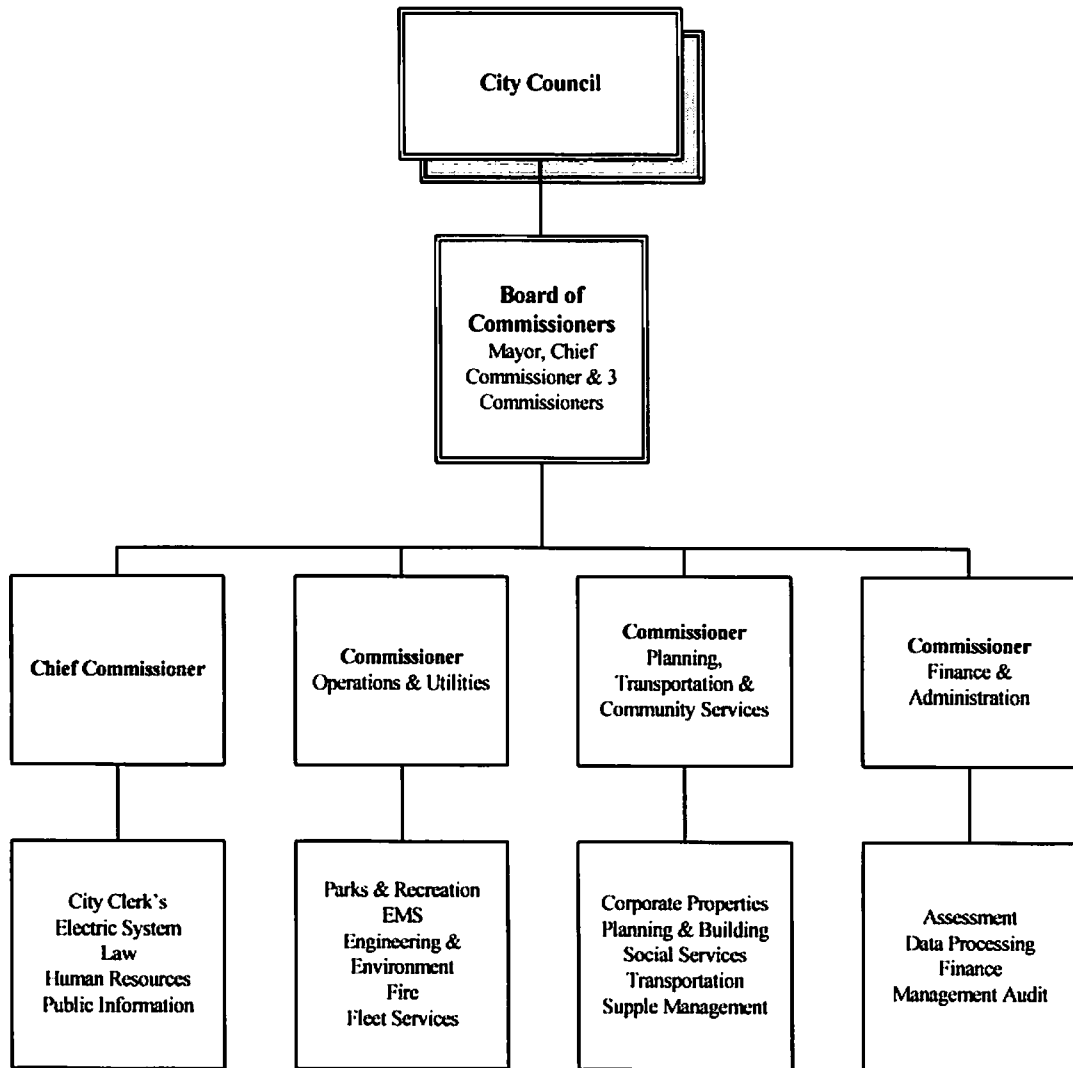


As the experience of Metropolitan Toronto demonstrates, in Ontario municipalities the titles of city manager and chief administrative officer have in general become interchangeable, adding to the complexity of understanding which system is in use at any given time.

4) Board of Commissioners Model

The board of commissioners model was developed in Western Canada. It formerly operated in Winnipeg, Saskatchewan and Edmonton, Alberta. Today it is still in use in Calgary, Alberta, where it is called the board of management. Responsibility for managing the city's affairs is assigned to a small board of four commissioners. A chief commissioner acts as "first among equals" and can decide tied votes. The mayor also sits on the board. In Calgary the mayor chaired the commission until 1968 but now sits as an ex-officio member. The weakness of the board of commissioners model is that, given the membership of the commission, it tends to mix the political and administrative roles while potentially excluding Council input in the corporate decision-making process. This is particularly true in the case of a dominant mayor and a weak council.

Board of Commissioner Model Calgary's Administrative Structure



Edmonton was the first Canadian City to adopt the board of commissioners model in 1904. Its experience demonstrates the weakness of this model. In the last century, Edmonton became the second fastest growing city in North America. Edmonton's population grew from 100,000 people in 1950 to 600,000 in 1980 and its territory doubled in size. Under the aegis of the board of commissioners' model it became the largest municipal corporation in Canada with 19,900 employees. Then the oil industry, Edmonton's economic base, took a nosedive as 39 energy megaprojects were cancelled in March of 1982. The city recognised that its falling revenues could not match its expenditures. A bureaucracy that was accustomed to dealing only with growth could not respond to the recession.

It was found in Edmonton that having the mayor on the board created a high level of conflict between Council and the administration. As politicians saw the commissioners usurping their role. It blurred the lines between making political decisions and making administrative decisions.

Vowing "there would be no managers managing managers at city hall" Edmonton's Mayor and Council eliminated the board of commissioners model, and replaced it with an executive committee of council and a CAO system. In addition, they consolidated 24 city departments into 14 departments and reduced the number of employees from 19,900 to

15,000.¹⁴ (It is interesting to note that it was also as a result of falling revenues that the old City of Toronto replaced the departmental model.)

In Winnipeg, the board of commissioners was established in 1972 as part of the Unicity reforms. Winnipeg replaced the commissioner system in 1998 with the CAO model. The province of Manitoba legislated a smaller council of 15 full-time councillors in place of the 50 part-time councillors, an increase in the Mayor's powers, the appointment of chairpersons to standing committees and the introduction of standing council committees and restructured departments. This change was inspired by the George Cuff report that recommended the end of the Board of Commissioners.¹⁵

Toronto Board of Management

The fifth model is the Toronto Board of Management. Unique among all of these models, it was inspired by the western provinces' boards of commissioners and the need for responsive government which balanced the power of the bureaucracy and individual politicians while providing the best advice from staff for Council to base its decisions on.

The Board of Management was unique among the five models because the powers of the city manager/CAO were legally shared between four individuals. Council mandated that by City By-laws 1996-0233 and 1996-0409, the duties and the responsibilities of the

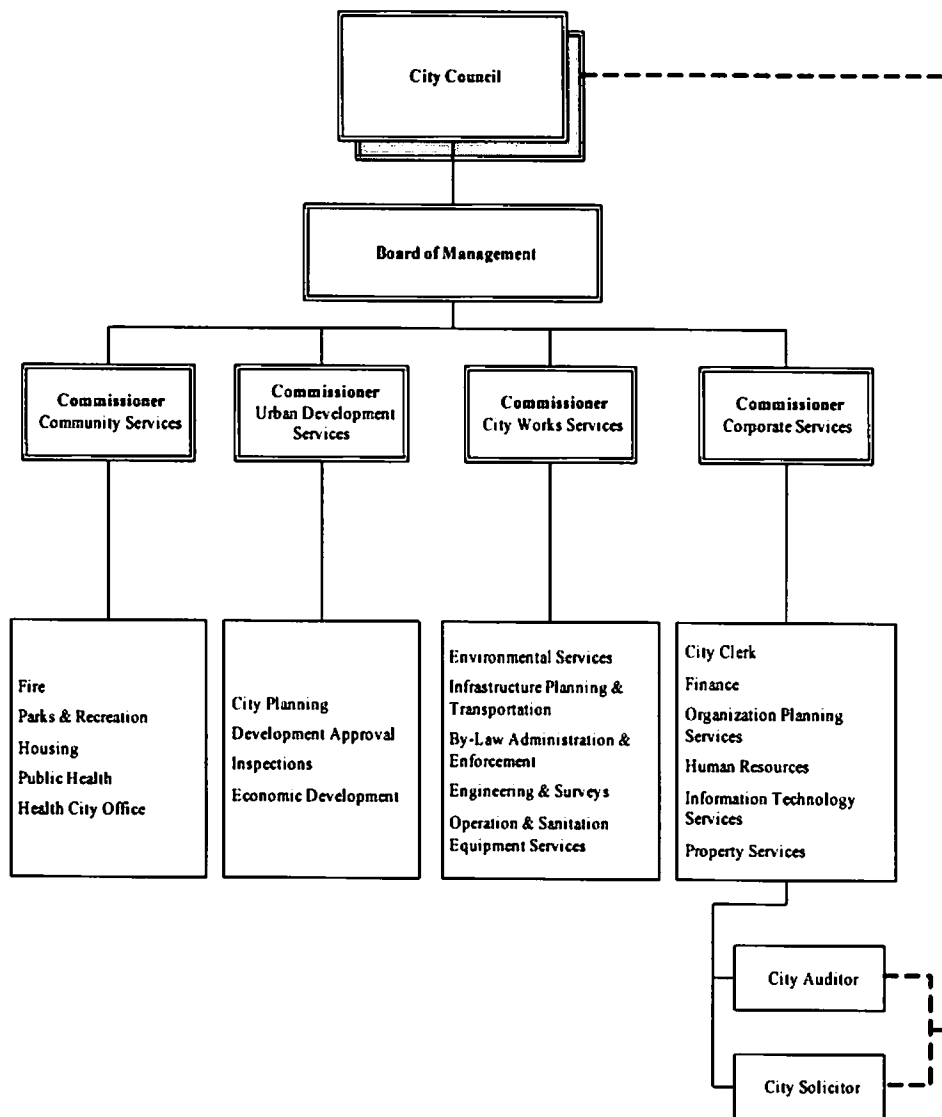
¹⁴ J. L. Armstrong, "Retrenchment at City Hall," Canadian Public Administration, Volume 29, Number 14, 1986, pp. 542-549.

Board of Management would be that of a collective (see "The Grand Experiment" beginning at page 40, and Appendices I and II).

The Board of Management was designed to ensure that there was not a single head but a board of four members who were required to act together with one voice in making their recommendations to council. Each board member acted as if each member were one-quarter of a city manager in addition to being a department head of one of four service areas. The four service areas were city works, community, corporate and urban development. This was introduced in part as a reaction to the departmental model's inability to act corporately, and in part to end the departmental competition for the ear of councillors and council.

¹⁵ George Cuff, "City of Winnipeg Organizational Review and Performance Assessment, A Corporate Review Final Report," George B. Cuff & Associates Ltd., October 1997, pp. 21-22.

Toronto Board of Management Model The City of Toronto's Administrative Structure



A common weakness of the four older models is the integral hierarchical structure that prohibits staff from taking a holistic approach to a problem, reducing “thinking outside of the box.” As we shall see from Toronto’s experience (see “The Changing of the Guard” beginning on page 35), a highly structured organization without a unified corporate vision can not adequately respond to a corporate fiscal crisis.

Government today must be versatile if it is to respond effectively to its citizens' needs and the changing paradigm of running a modern organization that is flexible in dealing with world economic and social trends. It is the holistic characteristic of Toronto’s Board of Management and horizontal governance that truly set it apart from the other older models.

Comparison of the Five Models - Strengths and Weaknesses

Model	Strengths	Weaknesses
1. Departmental	Each department reports vertically. Strong individual commissioners.	Decision-making decentralised. Hierarchical system. Permits little or no cross-departmental co-operation. No co-ordination for corporate approach on issues.
2. City Manager	Decision-making centralised. Co-ordinated corporate approach on issues.	Tyranny of one-man rule controlling information to and from Council can create a bottleneck of information. Hierarchical.
3. Chief Administrative Officer	Combines strong centralised administrator of corporate services with strong individual commissioners.	Confused leadership structure, CAO competing with line departments. Hierarchical.
4. Board of Commissioners	Shares leadership with first among equals able to break a tied vote. Provides co-ordination without over reliance on one person. Decision-making centralised. Co-ordinated corporate approach on issues. Prevents a bottleneck of information. Allows for blurring of political and administration decision making because Mayor a member	Mixes political and administrative roles excluding Council in the corporate decision-making process that in turn causes politicisation. Hierarchical.
5. Toronto Board of Management	Collective decision-making centralised. No ambiguity over political or staff roles. Board not politicised. Co-ordinated corporate approach on issues. Four heads acting as one better than one head. No likelihood of one-man rule. Increases cross-departmental co-operation. Horizontal and vertical reporting. Holistic system.	Dependent on cohesive Board. Potential to become dysfunctional if team chemistry is wrong.

The Evolution of Toronto's Governance

In Ontario, the province created a weak mayoral system where the mayor is the top ceremonial official and chairs council but has only one vote at council and does not have a veto power. By comparison the strong mayoral system is popular in many American cities such as Chicago and New York. In these cities the mayor is the executive chief officer and has the power to hire and fire all of the top city administrative officials.

The power of a Canadian mayor evolves over time; for the office holder to be successful in a weak mayoral system, a mayor must have the support of the majority of council to win approval of his program. Ontario mayors do not have the unilateral power to hire and fire municipal staff. As Sancton pointed out: "The mayor...is not really 'in charge' of very much.... If a mayor has any real power, it derives from political alliances and connections rather than from the official job descriptions."¹⁶

For some Mayors it is also a question of whether or not councillors are full-time or part-time. Full-time Mayors who work with part-time councillors tend to wield more power with both members of staff and councillors.¹⁷ Part time councillors tend to be trusting of the mayor, while staff tend to rely on the mayor's ability to deliver the vote. Ontario mayors become powerful through the force of their personality, personal mystique and their ability to keep winning elections.

¹⁶ Sancton, p. 175.

¹⁷ Andrew Sancton and Paul Woolner, "Full-time municipal councillors: a strategic challenge for Canadian Urban Government," *Canadian Public Administration*, winter 1990 volume 33 number 4, p. 482.

Today, our mayors are elected at large¹⁸ but that was not always the case. When the City of Toronto was incorporated in 1834 by an Act of the Legislative Assembly of Upper Canada (the province of Ontario's predecessor), council appointed the mayor from one of the elected aldermen. In this way the province gave Toronto the "weak" mayor system of governance because the mayor has only one vote and cannot veto council's actions, as a mayor operating in the American "strong" mayor system can.

Then in 1858 the province gave property taxpayers the right to vote for the mayor. This was a significant and evolutionary change in municipal governance as it meant the mayor had a public mandate to be the leader but his ability to be a successful leader was dependent on the balance of council members subscribing to his policy proposals.

In 1896 the province mandated Canada's first executive Board of Control for the city comprising only of elected politicians, the mayor and four aldermen. Chaired by the Mayor, the Board made recommendations to Council on all executive matters and on certain items such as budgetary matters, contracts and employment contracts; a two-thirds vote of Council was required to overturn its recommendations. The province later

¹⁸ Plunkett points out that in "virtually all Canadian cities and towns the mayor is elected on an at-large basis by all of the eligible voters within the municipality. The last major attempt to have a mayor elected by the council membership occurred in Winnipeg with the consolidation of the city and suburbs into a single city in 1971. This failed," Plunkett, p.5. Two-tier governments however, such as Metropolitan-Toronto Council continued to have their chair appointed. Although never called a "mayor" the chairman served as a de-facto mayor. From the beginning, the province appointed the chairman, later giving that right to Metro Council. Chairman Alan Tonks was the first chairman to be first elected as a metro-councillor and then elected to be the chairman by the members of Metro-council.

mandated this statutory executive committee of council for Ontario municipalities with a population of over 100,000.

At first Council appointed the four most powerful aldermen to this board but from 1904 members were popularly elected at-large. By chairing this committee the Mayor was politically able to become the most significant elected official.

William Bennett Munro, Professor of History and Government at Harvard in a lecture delivered to the University of Toronto in 1929 claimed that Toronto's Board of Control and the popular election of the mayor originated with the American "good government" reform movement that were allegedly imported from the United States.¹⁹

However, Patricia Petersen has demonstrated that Bennett was wrong.²⁰ The changes were made in response to local political concerns and should be viewed as part of Toronto's unique mix of politics. Peterson argued that Toronto's Board of Control was "the product of an indigenous concern over the balance between executive and legislative power" and the change to the mayor's election was to "solve a procedural problem arising out of the mayor's appointment to council."²¹ When an Alderman was appointed Mayor, it was felt that the Alderman could not properly represent his Ward and act as the

¹⁹ William Bennett Munro was a municipal reformer and a professor of History and Government. His three lectures to the University of Toronto were published in *American Influences on Canadian Government*, Toronto, Macmillan Co., 1929. See pp. 109-110. (Also quoted by Patricia Peterson (see footnote 21 below) on p. 7.)

²⁰ Patricia Peterson, *The Evolution of the Executive in City Government in Toronto, 1834-1984*, Ph.D. dissertation, Political Science, University of Toronto, 1985.

²¹ *Ibid.* p. 3.

Mayor for the whole city. The theme of "indigenous concern" from Peterson's thesis is reflected in the continued development of Toronto's governance model.

The Board of Control was eventually abolished in 1969, and replaced by an Executive Committee with a similar purpose but with less power. In subsequent years the Executive would grow to constitute half the members of Council. The title Alderman was replaced by Councillor in part to acknowledge that women now sat on municipal council.

The Old Boys Club

In Post-World War II Toronto, local government had been run as a closed shop like an "old boys club." The mayor and city-wide-elected politicians who sat on the Board of Control and "the dozen or so department heads or commissioners - all of whom had usually had decades of tenure – were the real power at city hall...there were few challenges to that power."²²

The Board of Control for many municipalities was the forerunner to the Executive Committee. However, the Board was a far more influential and powerful committee than the Executive Committee. For Council to over-rule recommendations from the Board of

²² Victor L. Russell, "David Crombie: Remaking Toronto," chapter appears in *Your Worship: The Lives of Eight of Canada's Most Unforgettable Mayors*, Edited by Allan Gerald Levine, Toronto: James Lorimer & Company, 1989, p. 100.

Control it often required a two-thirds vote. Like the Mayor, Controllers were elected-at-large and sat as members of the Board of Control.

In Toronto, the Mayor and four members of the Board of Control were elected city-wide to the Board of Control, which was a full-time executive branch. Aldermen were elected as part-time legislators. The Mayor chaired the Board of Control. The remainder of council, the aldermen were elected in smaller electoral districts frequently called Wards. Councillors who were not on the Board often found its policies odious and called for its end because they saw it as undemocratic and dictatorial. The Province's decision to make aldermen full-time hastened the end of the Boards of Control.

Toronto's Untameable Bureaucracy

In the seventies an attempt was made to reform the Toronto bureaucracy by the then newly elected Mayor David Crombie (1972 to 1978). Sadly it failed to fulfil its promise but it did plant the seed of change that would later transform Toronto's governance.

It is useful to pause and review this change, because it is a significant part of the experience, which transformed Toronto's bureaucracy. Its timing also marked the beginning of the end of the amateur politician who had been content to let the bureaucracy run the city and the ascendancy of the professional politician taking charge. It also marked a renaissance in local government when the citizens demanded to be involved in the operation of their city and were far more demanding in their expectations

of what kind of a city they wanted to live in. Citizens wanted a modern “world class city” that worked. To make this a reality the City’s way of doing business and its old boys club style of management had to change.

According to many observers, David Crombie’s election as mayor in 1972, “along with what appeared to be a reform-dominated council, heralded the beginning of a new era in municipal politics.”²³ As David Crombie told me “we were on the cutting edge of change. Reform of the civil service was not a large part of any public platform but it was clearly a consequence of the issues of the day.”²⁴ It was also a time when people’s respect for authority was changing. “We presided over the end of the old civic service culture, the one coming from the war.” Crombie recalled that “to go against the command system then, you had to have a really good reason.”

In the late 1960s and early 1970s city council’s agenda was dominated by development. Action was being taken to construct concrete super highways to ring the city. To the south, the Gardiner Expressway was created (Toronto’s extension of the Queen Elizabeth Highway – built to efficiently connect the United States with Southern Ontario). The now infamous Spadina Expressway was planned to dissect the heart of Toronto. Long since abandoned, an off ramp, the Allen Expressway, is all that remains as a reminder of what was planned. Whole neighbourhoods were being sacrificed to make way for new development, including Quebec/Gothic in the west-end of the city, the St. Jamestown

²³ Russell, p. 101.

²⁴ The author interviewed David Crombie September 6, 2000.

area in the downtown and the Trefann Court area in the east-end of the city.²⁵ Massive downtown commercial building projects such as the Eaton Centre, Metro Centre and Harbour Square were being embarked upon. The impact these developments had on neighbourhoods and the citizens of Toronto was cataclysmic. Citizens groups and ratepayers associations rose up in rage to protest this unprecedented change in their community.

Crombie's election also coincided with the advent of the full time professional alderman (now called councillor). Many of these were civic reformers like Alderman John Sewell (later Mayor of Toronto 1978 to 1980) and Executive Alderman Karl Jaffrey, who got their political start as community activists working with such neighbourhood groups as the Trefan Court neighbourhood.²⁶ Another reformer, the late Alderman Colin Vaughan founded the Spadina Review Corporation to fight the Spadina Expressway.²⁷

The fortuitous change in Provincial legislation in 1969 radically changed how the city's legislative branch operated, changing it overnight from a board of control to a more open and more inclusive executive committee. The provincial legislation abolished the Board of Control and replaced it with an Executive Committee made up of councillors appointed by their peers and chaired by the mayor. The benefits of this change remained

²⁵ For an excellent description in this dramatic urban change written with sympathy for the citizen's point of view, see James Lorimer, *The Real World of City Politics*, Toronto, James Lewis and Samuel, 1970.

²⁶ See James Lorimer, *The Real World of City Politics*, Toronto: James Lewis and Samuel, 1970 and John, Sewell, *Up Against City Hall*, Toronto, John Lorimer & Company, 1972.

²⁷ Stephen Clarkson, *City Lib, Parties and Reform*, Toronto, A. M. Hakkert Ltd., 1972, pp. 172-173.

in effect until the newly amalgamated City of Toronto Council was inaugurated on January 1, 1998.

In 1973, Toronto built the first private offices for members of council, creating "Alderman's Alley," and provided each member with his own secretary, thus making members of council more available to their constituents and better able to serve them on a full-time basis. These changes meant the mayor and councillors were better equipped than their predecessors had been to take charge and change the government. These changes would again serve the City well in 1994.

Traditionally the mayor's office had fulfilled an administrative and clerical role and its staff was appointed from within the bureaucracy. On becoming mayor, Crombie transformed the mayor's office into a policy creation vehicle and a political action centre for the mayor's agenda, a civic model that is common place today. This meant that the Mayor was no longer an extension of the bureaucracy but functioned independently of the bureaucracy, thus further severing the controlling influence of the old boys network.

Crombie was the first mayor to hire his own staff loyal to him and not part of the civil service. They were hired on contract from outside the bureaucracy, and were able to develop policy independently of the line departments. Their impact on the city was huge. One of his staffers, Michael Dennis, a development lawyer, ghost authored a report in 1973 called the "Living Room" which advocated the city's re-entry into public housing. This in turn led to the appointment of Dennis as commissioner of the newly created

Department of Housing. Another Crombie staffer, architect Stephen McLaughlin, subsequently became commissioner of the then newly amalgamated departments of Planning and Development, which Crombie engineered. McLaughlin was responsible for implementing the City's Central Area Plan that was later incorporated into the City's Official Plan. This rationalised the development process for developers and affected neighbourhoods and strengthened citizen participation within the development process.

In January 1973, Crombie appointed the Executive Committee member and Alderman Karl Jaffary to review the entire civil service. Crombie thought Jaffary "had the best mind of Council, by far." Jaffary was shocked by the city's lack of co-ordination between budgeting, personnel policies and the delivery of management support services.²⁸ He reported back in September 1974, that the city should centralize these services under the aegis of one department. Mindful of the fear politicians had of placing this amount of power in the hands of one commissioner, he recommended that the Department of Management Services report directly to the Executive Committee.

"What we wanted was a systems person who was also interested in personnel but we didn't think we could make him a chief administrative officer," Jaffary told me in an interview. Members of Council "thought that a chief administrative officer system meant that councillors could only deal with the staff through the chief administrative officer

²⁸The author interviewed Karl Jaffary August 11, 2000.

[and] was in some ways undemocratic and cut into the powers of councillors to an inordinate degree.”

Art Stevenson was brought in from the business community to set up and run the Department of Management Services. As Crombie told me, “he came with the mystique of the computer and a new approach.” In 1996 when Toronto Council again sought to tame its bureaucracy, it was staff from Management Services department who provided Council with the intellectual rationale and budgetary information needed to create the Toronto Board of Management model.

Another, less heralded change within the bureaucracy was the introduction of an improved civic pension plan and the imposition of sixty-five as the mandatory age for retirement of bureaucrats.

To increase job opportunities and fairness within the city for women and the new and growing number of citizens of multi-ethnic communities Crombie implemented a “job audit” program, a forerunner of what today is referred to as pay equity and affirmative action. These actions further eroded the powers of the old boys' network.

Subsequent suggestions to move Toronto to a CAO model were always thwarted by the culture that existed in the city. Department heads jealously guarded their empires and the politicians feared creating another more powerful bureaucrat to battle with to get things done. Although the department heads selected City Solicitor Bill Callow to chair the

Committee of Heads, Jaffary told me, "each commissioner was a law unto himself," and Callow "just tried to make sure the departments talked to each other."

As for the politicians, David Crombie told me, "we had always opposed a city manager, because the responsible head of city government was the mayor and the Executive Committee - period." To put all the bureaucratic power into one hand was not considered to be appropriate. "Callow chaired the Committee of Heads, but he wasn't the city manager, but that process was the city manager. It was seen more as a co-operative, integrative approach, we didn't see fit to change that but we wanted to emphasize the accountability of the executive and the mayor."

I asked Crombie as an experienced administrator, which of the five models was best. He told me he was "less impressed with structure and more impressed with personality."

Crombie's definition of an effective organization is: "responsible people in communication with one another and how you do that depends on the strength and weakness and the habits of mind of the people you're working with."

I raised this point with Margaret Rodrigues,²⁹ a retired municipal commissioner who now assists municipalities with governance problems. "This is true in a smaller municipality," Rodrigues said, "but the larger a municipality gets the clearer the accountabilities need to

²⁹ Margaret Rodrigues served as a deputy minister with the province before becoming the City of Mississauga's Corporate Services Commissioner. In 1995 she became a member of the Toronto Board of Management. She served as the megacity Commissioner of Corporate Services, before becoming a consultant. The author interviewed Rodrigues on this matter on July 6, 2003.

be. The "country club" school of management breaks down under stress very easily." Indeed, Crombie himself is no stranger to this kind of stress.³⁰ Politicians and staff are passionate about their work.

While I agree with Crombie about the importance of having the right people, they need to operate within a model that brings out the best in them and the best in serving the citizens for whom they work. The structure of the fifth model creates the right kind of vehicle to get the best out of a collective group of people operating as the city manager without all of the obvious negatives associated with the city manager model as discussed above.

Throughout the years, Toronto's bureaucrats preferred to meet as a Committee of Heads and elect their own chair, a person they ignored when it suited them. Traditionally the person chosen was not chosen because of the size of his department, but because of his personal strength of character and ability within a small and highly competitive management environment. Each year the commissioners competed like Olympian gladiators to get a bigger piece of the budget pie, and until the financial squeezes of the 1990s, this system had political support.

The Changing of the Guard

On my arrival as City Councillor for Ward One and prior to our creation of the Board of Management, the city bureaucracy was being run as 13 vertical departments, which are

³⁰ Karl Jaffary told the author that the former City of Toronto Works Commissioner, Ray Bremner and Crombie had an altercation at a council-staff retreat held to discuss some of the changes that Crombie wanted to implement. Crombie confirmed this to the author.

termed silos. A closed shop mentality had again descended on the bureaucracy. Each department was effectively its own principality and each commissioner was its own resident potentate. All staff communications with councillors had to be done with the commissioner's approval. Only the commissioner signed official letters and reports. Matters requiring more than one department's approval had to get the approval of each individual commissioner. Junior city staff vied to work for the commissioner who had the most clout. Once in a silo, they became fiercely loyal to it and rarely were able to change departments. Staff became silo-careerists who expected to be the silo's next real-life Canadian Horatio Alger³¹ story hero and succeed their boss.³² Commissioners judged councillors as either being on side or offside. Those who were offside got little or no help with their constituency matters,³³ while those who were on side got a lot of help.³⁴ Deference was given to longer serving councillors over newcomers.

This cosy relationship all changed in the early 1990s as the recession caused the federal and provincial governments to cut back on subsidies and grants and the growth in assessments stalled. Cost cutting, streamlining, staff reductions and no tax increase

³¹ American author Horatio Alger wrote over a hundred children's books in which the heroes rise from rags to win against seemingly insurmountable odds through virtue and hard work.

³² Toronto's former Commissioner of Parks and Recreation, Herb Pirk was a fine example of this success. Pirk began his career as a lifeguard.

³³ One commissioner stated quite bluntly to me that he did not help the "left" wing members of council. Two members of the left wing of Council in turn were also quite blunt to me in how they intended to have that Commissioner removed because of his bias.

³⁴ Curious things sometimes happen for people who get elected. In September 1993 I applied for a water service upgrade that the City of Toronto was providing citizens free of charge. In exchange for a water meter citizens got their pipes unplugged which increased the water pressure. Shortly after I was elected in November 1994, I came home to find a city contracted construction crew in my basement and digging up my front lawn. A most efficient service, one would have thought. Except they hit my gas line and the next day I came home to find the gas company in my basement and digging up my front lawn. My neighbours dined out on my embarrassment.

became the order of the day. Council requested cuts; the silos resisted. Some ignored the directive entirely. Some recommended other silos take a larger share of the cut, some offered up a list of politically unacceptable items, such as closing wading pools in summer and outdoor hockey rinks in winter. Trust broke down between councillors and the department heads. Council found that the only way it could get what it wanted was to review the budget line-by-line, a humiliating process for most bureaucrats. Mayor June Rowlands took over as budget chief and lost the 1994 election. It was time for a change. Common cause was required to fix what the Toronto media described as “a bureaucratic system so mired in political intrigue it would have made the Ottomans envious.”³⁵

The new Council under Mayor Barbara Hall introduced the new model, the Toronto Board of Management. Given the divisive rivalry among the politicians involved, an agreement on such a profound change of municipal governance was in of itself a condemnation of the department model. Councillor Kyle Rae chaired the Human Resources Committee and Councillor Tom Jakobek chaired the Budget Review Committee and together they co-chaired the Streamlining Committee that brought forth the change. “An odd spectacle” noted *Toronto Life* magazine “considering that these two politicians are not obvious allies...Rae is a Barbara Hall supporter Jakobek her principal rival. But for the past few years they have made common cause.”³⁶

The genesis for the Toronto Board of Management model came from the frustrations experienced by Rowlands' Council in its attempt to streamline the city's antiquated

³⁵ John Lorinc, “The Four Tops (City of Toronto’s new Board of Management)”, *Toronto Life*, (July 1996).

bureaucracy. On December 13, 1993, Council adopted Executive Committee's recommendation:

That the Executive Director Management Services Department, in consultation with the Committee of Heads, examine and report on the strengths and weaknesses of the present organizational structure of the City of Toronto and identify alternative models used in other large Canadian and American cities."³⁷

The City's Corporate Review, "Towards Effective Partnerships" was released in May 1995.

The Toronto Board of Management model was designed to ensure that Council set the overall direction and developed strategic policy while staff ran the administration, developed policy options and implemented policy directions. The management and the co-ordination of the civic service were not vested formally into any one person, such as a CAO or city manager. Powers and duties were to be clearly defined in the Board of Management By-law (see appendices I and II) and to be consistent with the *Municipal Act of Ontario*.

An international competition was held to replace 13 department heads with four new commissioners who would legally and collectively share the power of a chief administrative officer. Heather Connelly of Caldwell Partners, an international executive search firm, was contracted to do this search and assist Council in making its selection.

³⁶ Ibid.

³⁷ Toronto City Council Minutes, Executive Committee Report Number 2, Clause 1, December 13, 1993.

Connelly's task was to find talented people with experience who shared the values of teamwork, collaboration, and flexibility.

In March 1996, the Mayor and thirteen Councillors³⁸ met in-camera at the Delta-Chelsea Hotel and interviewed a shortlist of 25 applicants over a four-day period. This was essential to the success of changing the model. (By being off-site and away from City Hall, the phones and the constant interruptions, members were able to concentrate their attention on the reorganisation.)

In assessing our own City staff members who at the director level were applying for the positions, I was shocked at how limited their managerial experience was. They generally lacked an understanding of how other departments worked, had little grasp of how City-wide budgets worked, or of the budget process and lacked a true sense of the corporate mission. Council chose two commissioners from the outside (Margaret Rodrigues, the City of Mississauga's Corporate Services Commissioner, and John Morand, Kingston CAO) and promoted two employees from within (Tom Greer, then acting head of Management Services and Barry Gutteridge, then acting head of Property Department). None of the permanent commissioners was rehired, in part because as successful silo managers, Council felt that they would not be able to make the transition to being successful team players in the new model. (It should be noted that not all of the

³⁸ Those who participated were Mayor Barbara Hall, Councillors John Adams, Steven Ellis, Kay Gardner, Howard Joy, David Hutcheon, Tom Jakobek, Chris Korwin-Kuczynski, Pamela McConnell, Rob Maxwell, Kyle Rae, Mario Silva, Martin Silva and Peter Tabuns. The three Councillors who chose not to participate were Dan Leckie, Michael Walker and Betty Disero.

individual members of council including the author agreed on this point. However, the 14 members determined in caucus that they would speak with one voice on the matter.)

For municipalities contemplating such a change it is important for a council to establish early on a united and cohesive working alignment. Given that municipal politicians are for the most part independent politicians, who do not follow a party structure or discipline, this approach is critical to the success of the outcome. When the recommendation went to Council the members who did not participate in the caucus meeting opposed the recommendations.

Before Council officially appointed the Board, they met informally. They decided, and the City agreed, that they should each have a similar contract. Recognising that they all had to be treated equally the Board members selected the same lawyer to negotiate their contracts which were all virtually the same save and except for the reference to the cluster head they were appointed to first. In the City's long history this was a unique approach to hiring employees.

The Grand Experiment Begins

The Board's legal structure as prescribed by By-law No. 1996-0233 (see Appendix I) and revised in By-law No. 1996-0409 (see Appendix II) and the Board's contractual arrangement was designed to ensure that the board made decisions collectively as a

group. These arrangements were put in place to ensure there would be no internal power struggles, which had been witnessed to varying degrees with the other models.

By-law 1996-0233 came into force on May 6, 1996. Six pages long, it amended chapter 16 of *the City of Toronto Municipal Code*. Section 16-3 (a) stated "A board is established which is to act as the Chief Administrative Officer for the City." Section 16-3 (b) gave the Board "general control and management of the administration of the government and affairs of the City" and other duties as prescribed by Council.

The Board was required to work with "Council, the civic service and citizens of Toronto, as a corporate team" (section 16-4 (a)). While this language was dropped from the subsequent By-law No. 1996-0409, the policy was established.

The By-law provided a first take on all of the collective responsibilities of each of the four commissioners and their individual service area responsibilities, City Works Services, Community Services, Corporate Services and Urban Development Services (section 16-5).

The Board of Management By-law was re-enacted on August 13, 1996 with By-law No. 1996-0409. This 16-page By-law reflected the review and input of the newly appointed Board of Management. It put the meat on the bones of the first Board of Management By-law. It began by adding "Service Area" to the definitions in section 16-2 and redefined each Commissioner's service area in a new section 16-8.

The full Board continued to make decisions that affected or involved more than one service area. However, the revised By-law provided that a Commissioner acting in his appointed service area could bind the "other Commissioners as if they all acted in concert in the service area that is specifically assigned to the Commissioner" (section 16-4 (d)). This was done to ensure the smoother daily operation of the service areas.

Section 16-4 of the By-law provided for the replacement and temporary assignment of a Commissioner to another Commissioner's service area but ensured that each Board member only ever had one vote.

The Board of Management was required to hold formal meetings with a quorum and a formal reporting structure (section 16-4). It also confirmed that the Commissioners' jobs were interchangeable (section 16-9-A (1)).

Limitations were placed on the Board of Management in section 16-6. The board was prohibited from interfering with a civic official carrying out a statutory duty. It ensured the independence of the City Solicitor, City Auditor and the Manager of Fair Wage and Labour Trades Office and their communication with Council.

The Board of Management was given the power to hire the civic service employees. However, section 16-7-E specified that Council would continue to appoint the City Clerk, City Engineer, City Solicitor, City Surveyor, City Treasurer, the Manager of Fair Wage and Labour Trades Office, Fire Chief and Chief Building Official.

The Board of Management's responsibilities also included management of city property, finances, civic administration, all other personnel appointments, managing human resources, settlement of actions and claims, collection of revenue and monies payable to the City, finalising expropriation matters, emergency planning, tendering and proposal calls.

The Board had the authority to reallocate money in the capital budget and an operating budget of up to \$250,000 (section 16-7-C(4)). It was given the right to settle claims of less than \$250,000 (section 16-7-G(2)). It was given authority to purchase property for up to \$250,000, (section 16-7-H(8)). Anything above \$250,000 required Council's approval.

The Board of Management was appointed in May of 1996. The four commissioners were each given a service area called a cluster to manage. Greer was given Community Services, which included fire, health, recreation and housing. Gutteridge was given City Works Services which included engineering, transportation, fleet equipment maintenance and repair and sanitation. Morand was given Urban Development Services which included building inspection services, planning and economic development. Rodrigues was given Corporate Services, which included clerks, finance, information technology, and human resources. The commissioners were given five-year contracts and told that during the life of their contract they would each lead all of the four clusters over the life of their contract with the city. This unique arrangement was designed to ensure that they

would not become "super departmental" heads and favour one cluster over another in their deliberations over the life of their contract.

Greer as acting head of Management Services had researched and written the early reports to Council advocating changing its culture from rowing to steering,³⁹ and moving to an organizational structure that encouraged team management, empowerment of staff and customer service. "We were way out there," Greer said. "Everyone in business, academia and organizational theory in North America thought we were crazy and it wouldn't work. It was a grand experiment and it did work."⁴⁰

The Mayor set the tone early on by insisting the commissioners all work out of the same office and shared the same staff. Unlike the members of boards of commissioners/management in Western Canada, Toronto's members were all appointed as equals to ensure they would not become "Super Commissioners" or bigger departmental heads operating out of bigger cluster departments. On all decisions the Board used a consensus style of decision making. They met formally as a Board on a weekly basis and made collective decisions, which were minuted under the authority of the Board's By-law. The Board was supported by a Co-ordinator who acted for the Board as the Clerk acted for Council. Formal decision-documents were then distributed to the

³⁹ The word government is derived from a Greek word, which means, "to steer." "The job of government is to steer, not to row the boat. Delivering services is rowing, and government is not very good at rowing." David Osborne and Ted Gaebler, *Reinventing Government: How the Entrepreneurial Spirit is Transforming the Public Sector*, (Reading, MA: Addison-Wesley, 1992), p. 25.

⁴⁰ The author interviewed Tom Greer May 13, 2000.

directors on the city Intranet. Once a decision was made they all supported it. When a commissioner was not available to do cluster duties another assumed their colleague's cluster responsibilities.

The Board met regularly with the Mayor but the meetings took the form of briefings and an exchange of ideas. The Mayor was not an ex-officio member of the Board and did not take part in their formal meetings. Thus it was ensured that Council was never excluded from the corporate decision making process.

The first order of business for the Board was to make the clusters work. The silos were to be flattened and replaced with a flexible system that encouraged teamwork and collaboration, service integration, holistic thinking and effective strategic management of the corporation. Managers were empowered to lead.

The Toronto Board of Management's thinking on its reorganisation was greatly influenced by the management theories of Dr. Elliott Jaques and Colonel Stephen D. Clement based on strata and time spans for decision making.⁴¹ These were given as parameters to the cluster design teams. The Board of Management organised four cluster design teams using the former directors. The teams deliberately included people from both the potential cluster group and people from outside the cluster, the cluster's internal clients. This also resulted in some realignments of people and departments within the

⁴¹ See Elliot Jaques and Stephen D. Clement, *Executive Leadership, A Practical Guide to Managing Complexity*, Arlington, Virginia, Cason Hall & Co., 1991.

cluster teams provided for by Council in the City of Toronto By-law No. 1996-0233 that are reflected in City of Toronto By-law No. 1996-0409.

They began by reducing the stratified management levels of decision making from the department-head down to the front line employee, from as many as 9 levels down to 4 levels for most departments. It was found that the Works department needed additional shift supervisors for those service departments that work around the clock seven days a week, 24 hours a day, so it was designed with 5 levels.

The Board then had the task of hiring all of the directors (salaries ranging from \$85,000 to \$100,000-plus) except those positions which required an explicit appointment from council such as the City Solicitor.

While the directors reported to a cluster-head, they were encouraged to mirror the Board in making cross-cluster corporate decisions collaboratively. The decision making process became an up, down and “in between” process. The directors in each cluster group were directly involved in deciding how to reshape their organisations from within using the same process that was used above to determine the cluster groups and in reducing staff within their organisations. As Council empowered the Board of Management so the Board in turn empowered its directors.

The Board established flexible design principles for the directors to use in redesigning their departments. Some departments were found to run more efficiently based on the

older vertical rather than horizontal or cluster organization approaches and were permitted to do so. The systems staff came up with ranged from a very flexible team based approach such as the Health Department, to a more traditional hierarchical approach such as the Legal Department.

The Health Department reporting change was revolutionary in its approach because this immediately pitted the City of Toronto against the tradition of the Ontario health system and the Ontario Medical Officer. Previously, the Toronto Medical Officer of Health (as in other Ontario municipalities) had acted as the commissioner and run the Department. Now he was one of four equals reporting to the Commissioner of Community Services. Two of the directors were not even doctors, a further break with the Health Department's tradition. Together they were all responsible for both policy and operations.

Directors were given the authority to sign their own reports, to issue their own correspondence, and consult with council. However the Board strongly discouraged directors from lobbying Councillors. It was the Board's policy not to lobby Council. This approach came as a shock to members of council who were used to being lobbied by staff. The curtailing of this practice was a clear indication to Council that the Board was master in its own domain.

Staff were required to be accountable for their own decisions. As Rodrigues explained:

Our job as the cluster heads was to position the issue and present the context to Council. The senior director in charge of the area would then present the details of the issue. And we felt we gave a

much better value for money because the person that really understood the issue in detail was the person presenting it to council and then they were there answering the questions.⁴²

For staff, one of the added benefits of this approach was that the four Commissioners always supported the director on the floor of Council when questions were asked, so that they acted as a team when briefing council. An integral part of this process was that both the commissioner and director were held accountable for their comments, which ensured openness and honesty. It was acceptable for staff to admit they did not always know the answers and when Council considered it appropriate, time was given to them to find the answers before Council made its decision.

It also had the added benefit of boosting staff morale because it gave the senior directors the profile and recognition from Council for doing good work.

An indication of the measure of trust Council gave the Board of Management was that it had authority to spend up to \$250,000 before requiring it to return to Council for further spending authority.

Proof of the Pudding

Six years have passed since the Grand Experiment came to an end. Ordinarily it would be possible to compare the beginning, middle and end of a change this significant but the shortness of life of the governance model makes rigorous quantitative evaluation

⁴² The author interviewed Margaret Rodrigues July 16, 2003.

impossible. The time that has elapsed renders a scientific survey meaningless because there is now no way to compare the beginning with the middle or the end. A comparison of other municipalities using the model is not possible at this juncture because no other municipality has yet applied the model, although one, the City of Welland, a city with a population of some 51,000, did consider it.⁴³ However, Welland's Council decided to hire a new city manager to replace its retired city manager. Welland's organizational and structural report reviewed the positive and negative aspects of this "unique governance model."

The **positive aspects** of a Board of Management model in Welland would be:

- Strong shared accountability to Council and the public
- Fostering and modeling [sic] teamwork
- Breaking down of "silos"
- Building on current Directors' experience
- Demonstrating Council's commitment to change and innovation

The **negative aspects** [as they relate to Welland] would be:

- Simultaneously recruiting to four new positions
- Slowest, most complex to implement
- Most costly alternative
- Requires new, unfamiliar behaviours
- Internal support and coaching essential⁴⁴

After doing a media search, I found that it was not meaningful to use quantitative content analysis on the media reports generated by the creation of the Board of Management.

There was not enough content or media space, or a random enough selection to provide a

⁴³ Public Perspectives Inc., "City of Welland The Future Together An Organizational & Structural Review" Report, Toronto, Public Perspectives Inc., December 2001.

⁴⁴ Ibid. p. 19.

meaningful sample for analysing the success or failure of the Grand Experiment.⁴⁵ There are no media reports that assess the Board of Management after it was established. It is mentioned in nine newspaper articles and one magazine article. Two articles report on an anticipated change and cover the period between August 29, 1995 and December 3, 1995. Seven of the newspaper articles were written between April 1 and April 12, 1996 which covers the period of the announcement of Council's decision on who they were appointing to the Board of Management and the subsequent announcements of senior staff who were leaving. The magazine article published in July 1995 also detailed the introduction of the Board of Management.⁴⁶

In addition to the City of Toronto's own reports, the Board of management model was reviewed in two reports written for the Megacity discussion and commissioned by Metro. The reports are: "Designing the New Toronto Government: An Overview of Decision Making Structures in Major Cities Across Canada," prepared by Metro's Corporate Policy and Planning Division, in the Metro Chief Administrator's Office and; "Political

⁴⁵ See Daniel Riffe, Stephen Lacy Frederick G. Fico, *Analyzing Media Messages, Using Quantitative Content Analysis in Research*, Mahwah, New Jersey, Lawrence Erlbaum Associates In., 1998.

⁴⁶ The magazine article is by John Lorinc, "The Four Tops (City of Toronto's new Board of Management)," *Toronto Life*, July 1996. The newspaper articles are written by: Paul Moloney, "Parks boss will get \$300,000 to quit," *The Toronto Star* April 12, 1996; Paul Moloney, "Parks commissioner say he's quitting in wake of shakeup," *The Toronto Star* April 4, 1996; Jack Lackey, "3 Officials quitting as top jobs go to others," *The Toronto Star*, April 3, 1996, Don Wanagas, "City Cleaning house: senior staff out in bureaucracy shakeup," *The Toronto Sun*, April 3, 1996; John Barber, "Shakeup heightens intrigue at city hall," *The Globe and Mail*, April 2, 1996; Paul Moloney, "Toronto Goes Outside for Top Bosses," *The Toronto Star*, April 2, 1996; Collin Vaughan, "Insiders, outsiders get new jobs at City Hall," *The Globe and Mail*, April 1, 1996; Peter Small, "Top Posts at City Hall Face the Axe," *The Toronto Star*, August 29, 1995; and; Don Wanagas, "City Seeking 4 Super-Bosses," *The Toronto Sun*, December 3, 1995.

and Administrative Decision-Making Structures for the New Toronto," written by Katherine A Graham and Susan D. Phillips.⁴⁷

The predetermined overview by Metro's own staff argued in favour of a Metro style City Manager/CAO.

Because a Board of Management performs the same functions as a CAO (e.g., serving as a buffer between Council and administration, promoting interdepartmental collaboration, providing central leadership and strategic planning) both models offer similar benefits.

However, while the disadvantages of the CAO model result from the many demands placed on a single person, the board of Management's disadvantages stem from its potential to become dysfunctional. The report ["Corporate Review Report: Toward Effective Partnerships", City of Toronto, 1996] recognises that at its worst, a Board of Management can act as a dysfunctional team, perpetuate the silo orientation of the corporation, and ignore the "big picture." These dangers may be particular [sic] acute in a Board which does not feature a chief commissioner.⁴⁸

Graham and Phillips recommended the establishment of a board of commissioners led by a chief commissioner, which was ignored.⁴⁹

⁴⁷ Two reports were written for the Megacity review. They are, "Designing the New Toronto Government: Political and Administrative Decision-Making Structures for the New Toronto," a report by Katherine A Graham and Susan D. Phillips written for the Municipality of Metropolitan Toronto, and published July 1997. The second report was done by the Municipality of Metropolitan Toronto, Corporate Policy and Planning Division, Metro Chief Administrator's Office, "An Overview of Decision Making Structures in Major Cities Across Canada," Report, June 5, 1997.

⁴⁸ "An Overview of Decision Making Structures in Major Cities Across Canada," Report, Municipality of Metropolitan Toronto, Corporate Policy and Planning Division, Metro Chief Administrator's Office, June 5, 1997, p. 58.

⁴⁹ See Katherine A. Graham, Susan D. Phillips, "Designing the New Toronto Government: Political and Administrative Decision-Making Structures for the New Toronto," Report, Municipality of Metropolitan Toronto, July 1997.

No academic material appears yet to have been written on the Toronto Board of Management model.

Thus we are left with the time honoured eyewitness reports detailed on page 67 and personal experiences which is all that is currently available to us to measure the success and failure of the Grand Experiment. I have combined these with a review of the previously established models' strengths and weaknesses.

Council's Review - Early Objectives Achieved

There was an evaluative exercise undertaken by the City of Toronto staff on the Board of Management model. Nine months after its introduction the Toronto Board of Management model was reviewed by the City of Toronto staff in a report called "*Avoiding Chaos*." The report reviewed the progress of the Grand Experiment under the following headings: Management and Political Roles, Strategic Direction, Leadership, Service Quality and Structural Change. The report concluded:

The Board of Management model was expected to promote teamwork and service integration, holistic thinking, and effective strategic management of the Corporation. After nine months of operation there is every reason to be optimistic that its promise will be fulfilled.⁵⁰

A future report for Council was anticipated on the Toronto Board of Management's priorities and results. Sadly, this report was not completed, in part, due to Council's all-out fight to stop the amalgamation of the seven municipalities that dominated the last year of the old City's existence, and ultimately the creation of Megacity.

⁵⁰ City of Toronto, "Avoiding Chaos" Report, Toronto, 1996.

However, from the literature review and the recorded experience and observations of participants it is possible to say that the Toronto Board of Management met Council's objectives in creating a model that:

- Vested the overall management and co-ordination of the civic service in a Board rather than a single person
- Created a Board of four equal members who were collectively and equally accountable for the effective discharge of their responsibilities, each in effect being one-quarter of a City Manager
- Clearly delineated the distinction of powers, duties and responsibilities of staff and Council
- Reinforced the approach that Council was to set direction and policy while staff were to manage the operation and provide policy options ⁵¹
- Ensured the preservation of a balance of power between Council and the Mayor, and reinforced the dominance and continuation of Ontario's "weak Mayor system."

On Reflection

In 18 months the Board, working with Council put the governance of Toronto in better shape than it had ever been. Council set the policy. The Board delivered. As a member of the Budget Review Group throughout this period and the last budget chief of Toronto,

⁵¹ This provided a clear expression of both Council and staff's desire to see the end of micromanaging which the Budget Review Group found itself having to do to get a Budget prepared for Council's approval.

I can attest that a city budget was successfully completed without the usual "blood on the floor." When fighting the amalgamation began to take up more and more of Council's time, the city continued to operate smoothly. Two examples illustrate this success. Firstly, Council directed the Board to contract construction of the Western Beaches Tunnel, a \$60 million infrastructure program to make the Beaches useable and swimmable. The Board let the contracts and the work began. A second project Council approved was the transformation of the downtown intersection of Yonge Street and Dundas Street East into Toronto's own Times Square. Again the Board made it possible. Staff and Council enjoyed working together, again because they trusted each other.

The Board put the City first, before their own personal agenda. As the Toronto amalgamation fight with the Province dragged on and the amalgamation legislation was passed effective January 1, 1998, the Province appointed a watchdog, the Financial Advisory Board chaired by a former Metro Commissioner of Finance and Treasurer Jack Pickard. The Financial Advisory Board's task was to oversee the finances of the seven municipalities. Meanwhile Council voted to give the city's fire fighters a long overdue raise. The provincially appointed Financial Advisory Board would not agree to the payment of funds and referred it to the Megacity. The matter went to the Courts and former City of Toronto Council decision was upheld. The fire fighters ultimately got their raise.

One of the added strengths of the Board was the collegial experience and support it provided the four commissioners. The Commissioners cited that one of the strengths of

the Board was having a peer they could share their experience with. "I'd been a city manager and the problem with being a city manager is you have no one to talk to," John Morand told me.⁵² "The real strength of the Board of Management was you had three other people to talk to. The four of you were the CAO." The Commissioners believe that it made a real difference to the quality of decisions being made and managing the city.

Council set the policy and the Board of Management got the job done. Budgets were no longer required to be micro managed by councillors to the relief of those involved. Staff made decisions and took responsibility for them. This innovative change would not have happened had Council not sought to solve its financial crisis by thinking outside of the box, and it would not have been possible without staff at all levels enthusiastically embracing the Board of Management concept and making it happen.

A criticism of the Toronto Board of Management replacing the departmental model heads focused on the fear of losing "specialist" expertise. However, the reality was quite different. Staff from the directors down were given the opportunity to rise and become the experts heard by council. The Board often had the specialist speak directly to Council and thereby provide Council with the best advice from the proverbial horse's mouth rather than siphoned through a commissioner with his or her own agenda. This had the added benefit of encouraging staff to think more creatively, take ownership of a problem and become more self-reliant and self-assured about their area of employment. This in

⁵² The author interviewed John Morand May 13, 2000.

turn enhanced morale and a culture where the contribution and talent of staff was acknowledged.

As a Councillor in the older departmental model, my staff and I frequently dealt one-on-one with the few "in-house" experts who were permitted to deal with the Councillors' offices, but never on the floor of council. Members of council knew from experience when a silo commissioner knew his topic and when he was not well briefed.

For example, traffic calming in Ward One was of uppermost concern to the local Councillor, but for the Commissioner, Ward One was but one of sixteen Wards. A traffic engineer working on the Ward One problems at Windermere Avenue, Morningside Avenue or Riverside Drive gained an intimate knowledge of the issues which no commissioner could hope to acquire or be expected to know intimately as the engineer. However, under the departmental model it was the commissioner who spoke at council on the issue.

A very real weakness of the departmental model was revealed by the lack of successor candidates that Council identified when it sought replacements for the departing heads. Opportunities for wider professional development had been severely curtailed within the silos.

The Silos Are Back

Sadly, the command and control silos returned on January 1, 1998 with the amalgamation of Toronto as a Megacity and the Grand Experiment ceased. During times of great change the familiar however flawed, is often more comforting than innovation, and so it was that both models were rejected in favour of the more familiar CAO model. In a hostile amalgamation of seven cultures and seven models of governance, staff and politicians were thrown into a period of turbulent change. As a consequence the level of trust that they enjoyed under the Toronto Board of Management has been lost and with it the willingness to be creative and experimental in changing the way we do government for the benefit of our citizens.

“The silos are back! It’s horrible. The Mayor [Mel Lastman] has undermined the civil service. There is no civil service anymore. They don’t work for Council. They work for the mayor!” an angry Councillor Rae told me.⁵³ The trust that Council and staff had found was lost in the amalgamation.

On taking the reins of government, Mayor Mel Lastman and the new Council were handed an owner's manual: “New City, New Opportunities” prepared for it by the Toronto Transition Team which recommended “a CAO with a strong senior management

⁵³ The author interviewed Kyle Rae May 14, 2000.

team.”⁵⁴ Chaired by the former Metro Chairman, Alan Tonks, the Transition Team had been lobbied by the old city to adopt the Board of Management model.

After considering all of the models, the Transition Team selected the city manager model because:

A major advantage of having a CAO is direct accountability for the entire corporation. For any corporation, and certainly the size of the new City of Toronto, the leadership exercised by the Chief Administrative Officer will be crucial. Municipal employees will be looking to the new CAO to guide the transformation of the organization, support development of a new corporate culture, and set the tone for the relationship with Council and with the public.

For the sake of cohesiveness, the CAO should have a small senior management team whose members have a broad perspective of the whole corporation. We suggest that the core senior management team include the CAO, the Executive Commissioners and the Chief Financial Officer. We recommend four Executive Commissioners with responsibilities for clusters of functions involved in urban development services, community and neighbourhood services, emergency and protective services and finance and corporate services. With the Chief Financial Officer, they make a team of six.⁵⁵

After amalgamation, Gutteridge and Rodrigues were hired to be part of the new City management team. Gutteridge became Commissioner of Works and Emergency Services and Rodrigues became Commissioner of Corporate Services. Greer retired and Morand subsequently joined the Toronto Harbour Commission a federal-municipal agency, which became a solely federal agency and was renamed the Toronto Port Authority.

I asked both Gutteridge and Rodrigues, if the Toronto Board of Management model could have worked for the new city. Both agreed it could not because the new Megacity of 2.5

⁵⁴ Toronto Transition Team, *New City, New Opportunities*, Toronto, December, 1997, p. 119.

million people and a budget of \$6 billion had become too large for just four service clusters. They both agreed that having 6 or more commissioners would have led to a less cohesive and factious senior management group with people taking sides on issues rather than arriving at a mutually agreed position. The decision making process would probably have mirrored that of council rather than that of a board of directors.

In discussing, what was the more appropriate sized municipality for a Board of Management, the consensus among those who were part of the creation is that size alone would not determine the appropriateness of a municipality changing to the Board, but a series of conditions. A growing municipality with a population of between 100,000 and one million people would benefit from the Toronto model. Such a municipality would also need a council that understood the value of having a team approach to management. It requires a cultural acceptance by politicians and staff of a commitment to individual accountability and collective accountability. Making the change requires a sophisticated group of management advisers and change-agents who understand how municipal government works, acting as Sherpas to help council make the necessary changes. In Toronto's case the Management Services Department with a Management Consulting Division formerly under the directorship of Greer had provided this expertise.

⁵⁵ Ibid., p.119.

Conclusion

The amalgamation of Toronto and its sister municipalities brought an untimely end to the Toronto Board of Management and its shortness of life has left scholars and practitioners of municipal governance with limited opportunity to assess it in action. It is unlikely Toronto would have created the fifth model had the existing models not failed so spectacularly in the face of a worsening financial crisis, as all levels of government abandoned programs and cut budgets.

For now the "Grand Experiment" has little hope of finding a fertile reception in its hometown. But I believe that if a municipality has encountered shortcomings with the other traditional models of governance that it should consider the fifth option outlined in this essay.

The Board of Management's rapid success in such a short time has shown that when politicians and bureaucrats trust each other, have defined areas of responsibility, and a governance system designed to foster creative and thoughtful solutions, the citizens they serve are the greatest beneficiaries. My hope is that this essay will stimulate further discussion and interest in the political and academic arena and ultimately that other municipalities will apply the fifth model of governance: the Toronto Board of Management.

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Appendix I

City of Toronto By-law No. 1996-0233, "To define the duties, mandate and responsibilities of the Board of Management of the City of Toronto in Municipal Code Chapter 16, Board of Management," Toronto, April 30, 1996.

No. 1996-0233. A BY-LAW

To define the duties, mandate and responsibilities of the Board of Management of the City of Toronto in Municipal Code Ch. 16, Board of Management.

(Passed April 30, 1996.)

WHEREAS under section 72 of the *Municipal Act* Council may by by-law appoint a chief administrative officer who:

- "(a) shall have such general control and management of the administration of the government and affairs of the municipal corporation and perform such duties as the council by by-law prescribes; and
- (b) shall be responsible for the efficient administration of all its departments to the extent that he or she is given authority and control over them by by-law."

AND WHEREAS under clause 28(j) of the *Interpretation Act* words in an Act importing the singular number only include more persons of the same kind than one;

AND WHEREAS Council wishes to appoint more than one person to carry out the powers, duties and functions of the City's Chief Administrative Officer;

AND WHEREAS the persons appointed to the position of Chief Administrative Officer are to be known as the Board of Management of The Corporation of the City of Toronto;

AND WHEREAS Council, at its meeting of April 1 and 2, 1996, adopted Clause I of Executive Committee Report No. 12, and authorized a by-law to provide for the Board of Management;

THEREFORE, the Council of The Corporation of the City of Toronto enacts as follows:

1. *The Corporation of the City of Toronto Municipal Code is amended by adding the following as Chapter 16, Board of Management:*

§ 16-1.

This chapter may be cited as the "Board of Management By-law".

§ 16-2.

In this chapter, the following terms have the meanings indicated:

- A. BOARD -- The Board of Management for the City established under § 16-3.
- B. COMMISSIONER -- A member of the Board.

§ 16-3.

- A. A Board is established which is to act as the Chief Administrative Officer for the City.
- B. The Board shall have general control and management of the administration of the government and affairs of the City, and shall perform the other duties prescribed in this chapter or as vested in, conferred upon or delegated to the Board by by-law or resolution of Council.

- C. The Board shall consist of the four persons appointed from time to time by by-law as the following Commissioners:
- (1) The Commissioner of City Works Services.
 - (2) The Commissioner of Community Services.
 - (3) The Commissioner of Corporate Services.
 - (4) The Commissioner of Urban Development Services.
- D. The Commissioners shall carry out their duties and powers as a Board and any one Commissioner acting alone binds the other Commissioners as if they all acted in concert in those areas which have been specifically assigned to the Commissioner by this chapter, a by-law or a resolution of Council, or by the Board.
- E. The Board shall report through the Executive Committee to Council.
- F. The Board's short title shall be "Board of Management".

§ 16-4.

The Board shall work with Council, the civic service and citizens of Toronto, as a corporate team, to ensure the best possible delivery of high quality programs and services reflecting excellence in responsiveness, effectiveness and efficiency by:

- A. Providing corporate leadership in ensuring that all City programs are appropriately co-ordinated and reflect the overall strategic priorities and policies of the City as defined by Council; and
- B. Providing leadership of the four service areas, City Works Services, Community Services, Corporate Services and Urban Development Services, and ensuring that organizational units and programs within each of the service areas are effectively managed and co-ordinated.

§ 16-5.

Under the corporate leadership of the Board, specific responsibility for the service areas, is assigned to each of the Commissioners as follows:

- A. Commissioner of City Works Services:
- (1) By-law enforcement and administration.
 - (2) Energy, efficiency and conservation services.
 - (3) Engineer, design and construct capital works projects (roads, water, sewer).
 - (4) Maintain works facilities (roads, sewer, water).
 - (5) Noise control services.
 - (6) Parks sanitation services.
 - (7) Planning and programming for capital works expenditure (roads, water, sewer).
 - (8) Refuse collection, recycling and materials management.
 - (9) Street repair, cleaning and winter services.
 - (10) Survey and mapping functions.

- (11) Traffic planning and calming.
- (12) Vehicle and equipment repair, including the equipment division from the former Property Department.

B. Commissioner of Community Services:

- (1) Animal control programming.
- (2) City property functions and property operations functions, excluding real estate and land development services.
- (3) Environmental Protection Office.
- (4) Fire prevention and suppression.
- (5) Healthy City Office.
- (6) Housing policy and programming, including housing policy and programming for the City of Toronto Non-Profit Housing Corporation ("CityHome").
- (7) Parks and forestry policy and program development.
- (8) Public health inspection policy and programming.
- (9) Public health policy and programming.
- (10) Recreation policy and programming.
- (11) Repair and maintenance of City parks.
- (12) Repair and maintenance of all City property except roads and works facilities.
- (13) Social policy co-ordination.

C. Commissioner of Corporate Services:

- (1) Accounting services.
- (2) Budgeting services.
- (3) City Clerk services.
- (4) Claims adjusting services.
- (5) Consulting services.
- (6) Corporate management systems' policies and programs.
- (7) Corporate records and freedom of information services.
- (8) Council governance processes, policies and programs.
- (9) Council members' services.
- (10) Financial services.
- (11) Human resources and labour relations services.

- (12) Information and communication services.
- (13) Information technology services.
- (14) Legal Services.
- (15) Payroll services.
- (16) Printing, mailing and transportation services.
- (17) Protocol and civic events services.
- (18) Purchasing and material supply services.
- (19) Real estate and land development services.
- (20) Risk management services.

D. Commissioner of Urban Development Services:

- (1) Architecture and urban design services.
- (2) Building inspection services.
- (3) Committee of adjustment services.
- (4) Community planning.
- (5) Development Law Practice Group for functional purposes, with the Group reporting for administrative and legal service purposes to the Commissioner of Corporate Services.
- (6) Economic development services.
- (7) Land use planning policy and research.
- (8) Official plan services.
- (9) Parks planning.
- (10) Permits and licenses services.
- (11) Plan examination services.
- (12) Public Health development review functions.
- (13) Site plan services.
- (14) Zoning by-law services.

2. *The Committee of Heads and all of its sub-committees are disbanded.*

3. *Municipal Code Chapter 1, General Provisions, is amended by adding the following definition in alphabetical order to § 1-10A:*

BOARD OF MANAGEMENT -- The Board of Management established by § 16-3 of Chapter 16, Board of Management.

4. *Municipal Code Chapter 28, Council Procedures, is amended by deleting § 28-24E(20) and substituting the following:*

(20) The purchase of office furniture and equipment, if authority is requested to spend more than that approved in the Budgets for that purpose.

5. *Municipal Code Chapter 43, Emergency Planning, is amended as follows:*

- A. *By amending the definition of "MUNICIPAL CONTROL GROUP" in § 43-6 by deleting "Committee of Heads" and substituting "Board of Management".*
- B. *By amending § 43-12C "Committee of Heads" where it appears in the title and in the first line of the text of Subsection C.*
- C. *By amending § 43-13A(4) by deleting "Committee of Heads" and substituting "Board of Management".*
- D. *By amending § 43-15 by deleting "Committee of Heads" and substituting "Board of Management".*
- E. *By amending § 43-20A and B by deleting "Committee of Heads" and substituting "Board of Management".*
- F. *By amending § 43-21 by deleting "Committee of Heads" from the first and second sentences and substituting "Board of Management".*
- G. *By amending § 43-22 by deleting "Committee of Heads" from the first and second sentences and substituting "Board of Management".*
- H. *By amending § 43-23 by deleting "Committee of Heads" and substituting "Board of Management".*

6. *This by-law comes into force on the 6th day of May, 1996.*

BARBARA HALL,
Mayor.

BARBARA G. CAPLAN
City Clerk.

Council Chamber,
Toronto, April 30, 1996.
(L.S.)

Appendix II

City of Toronto By-law No. 1996-0409, "To re-enact Municipal Code Chapter 16, Board of Management to define the duties, mandate and responsibilities of the Board," Toronto, August 13, 1996.

No. 1996-0409. A BY-LAW

*To re-enact Municipal Code Ch. 16, Board of Management,
to define the duties, mandate and responsibilities of the Board.*

(Passed August 13, 1996.)

WHEREAS Council passed By-law No. 1996-0233, being "A By-law To define the duties, mandate and responsibilities of the Board of Management of the City of Toronto in Municipal Code Chapter 16, Board of Management.";

AND WHEREAS under section 72 of the *Municipal Act*, Council may by by-law appoint a chief administrative officer and the Board of Management established by § 16-3 of Municipal Code Chapter 16, Board of Management is to act as the Chief Administrative Officer for the City;

AND WHEREAS Council passed By-law No. 1996-0234, being "A By-law To appoint Thomas R. Greer, Barry H. Gutteridge, John D. M. Morand and Margaret Rodrigues as Commissioners and jointly as the City's Chief Administrative Officer (called the 'Board of Management').";

AND WHEREAS Council, at its meeting of August 12 and 13, 1996, adopted Clause 34 of Executive Committee Report No. 23, as amended, and authorized the amendment of Municipal Code Chapter 16, Board of Management to define in more detail the duties, mandate and responsibilities of the Board of Management and the Commissioners:

THEREFORE the Council of The Corporation of the City of Toronto enacts as follows:

1. *The Corporation of the City of Toronto Municipal Code is amended by deleting Chapter 16, Board of Management, and substituting the following as Chapter 16, Board of Management:*

§ 16-1. Title.

This chapter may be cited as the "Board of Management By-law".

§ 16-2. Definitions.

In this chapter, the following terms shall have the meanings indicated:

BOARD -- The Board of Management for the City established under § 16-3.

COMMISSIONER -- A member of the Board.

SERVICE AREA -- A Commissioner's service area as described in § 16-8.

§ 16-3. Purpose of Board; composition; general functions.

- A. A Board is established which is to act as the Chief Administrative Officer for the City.
- B. The Board shall have general control and management of the administration of the government and affairs of the City and shall perform the other duties prescribed in this chapter or as vested in, conferred upon or assigned to the Board by by-law or resolution of Council.
- C. The Board shall consist of the four (4) persons appointed from time to time by by-law as the following Commissioners:
 - (1) The Commissioner of City Works Services.

- (2) The Commissioner of Community Services.
 - (3) The Commissioner of Corporate Services.
 - (4) The Commissioner of Urban Development Services.
- D. The Board shall report through the Executive Committee to Council.
- E. The Board's short title shall be "Board of Management".

§ 16-4. Decisions.

- A. The Commissioners shall carry out their duties and powers as a Board.
- B. Despite Subsection A, a Commissioner may make a decision, recommendation or report that affects or involves only the service area assigned to the Commissioner or a matter or thing assigned to the Commissioner by Council or the Board.
- C. The Board shall make a decision, recommendation or report that affects or involves more than one service area.
- D. Any one Commissioner acting alone binds the other Commissioners as if they all acted in concert in the service area that is specifically assigned to the Commissioner or in the matter or thing assigned to the Commissioner by Council or the Board.
- E. The Board may hold formal meetings.
- F. The Board shall establish procedures for the calling and proceedings of formal meetings of the Board, including quorum and decision making procedures, and the procedures shall be published as a separate document or as part of the civic administration manual.

§ 16-5. Commissioner's absence.

- A. When a Commissioner is absent or refuses to act or a Commissioner's position is vacant, the Board shall appoint another Commissioner as the temporary replacement Commissioner to act in the place of the Commissioner.
- B. The replacement Commissioner appointed under Subsection A shall have all the duties, powers and responsibilities of the Commissioner he or she is replacing until the absent Commissioner returns, again agrees to act or the position is filled, except that the replacement Commissioner shall not have more than one (1) vote in the making of a Board decision.
- C. The Board may recommend to Council for approval an Acting Commissioner appointment when a Commissioner position is vacant and is expected to be vacant for a significant period of time pending replacement or when a Commissioner will be absent for a significant period of time through illness or for any other reason.

§ 16-6. Corporate role of Board: limitations.

- A. Under the corporate leadership of the Board, specific responsibility for a service area is assigned to each of the Commissioners as set out in § 16-8.
- B. In carrying out its duties, responsibilities and powers, the Board shall comply with any applicable statutory, Municipal Code or by-law provision, any applicable law, and any specific Council direction, resolution, policy, approval or funding limitation.

- C. The Board shall not expend or direct the expenditure of any sum not provided for in the interim estimates, the operating budget or the capital budget.
- D. The Board shall not prohibit or interfere with:
 - (1) A statutory official of the City carrying out his or her statutory duties as set out in applicable provincial legislation.
 - (2) The City Auditor carrying out his or her statutory duties under The City of Toronto Act, 1909, or any other provincial legislation; for example, the Municipal Act.
 - (3) The City Solicitor providing independent and professional legal advice to Council, a Council committee or sub-committee, a City Councillor, the Board and a City agency, board or commission on a solicitor client basis.
 - (4) The Manager, Fair Wage and Labour Trades Office, carrying out his or her duties under By-law No. 51-71.

§ 16-7. Powers, duties and responsibilities.

A. General.

- (1) The Board is responsible overall for the supervision, care, control and maintenance of all programs and services of the City, except the programs and services of boards of management for art centres, business improvement areas or museums, boards or committees of management for community recreation centres, City of Toronto Economic Development Corporation (TEDCO), City of Toronto Non-Profit Housing Corporation (Cityhome), The Parking Authority of Toronto, Toronto Electric Commissioners (Toronto Hydro), Toronto Historical Board and The Toronto Public Library Board.
- (2) The Board shall report and make recommendations to Council on matters concerning the general control and management of the administration of the government and affairs of the City that the Board believes require the input or direction of Council, provide information for decision-making by Council, advise on feasibility, cost and other pertinent factors, and propose policies, by-laws and resolutions arising from Board recommendations.
- (3) The Board shall direct, coordinate and generally supervise the civic administration in the implementation of all policies, plans, programs and services approved by Council.
- (4) The Board shall request and obtain from the civic administration reports and information on the policies, plans, programs or services of the City as the Board considers advisable.
- (5) Subject to § 16-6D, the Board shall review items proposed for a Council or a Council committee or subcommittee agenda in order to determine that the items are appropriate for the agenda, that there is sufficient information, that the content of a recommendation or report to Council, the committee or sub-committee is satisfactory, that relevant material is available, and, where appropriate, that suitable alternatives to the recommended course of action are identified.
- (6) The Board shall investigate and report to Council upon all matters referred by Council to the Board for report.
- (7) The Board shall attend general and special meetings of Council and shall advise Council during the debate on matters relevant to the actions being considered by Council.

- (8) When required, the Board shall attend, by way of at least one (1) Commissioner, meetings of a Council committee or subcommittee, or a City agency, board or commission appointed by Council, and may participate in the discussions before the committee, sub-committee, agency, board or commission.

B. Management of City property.

- (1) The Board is responsible overall for the care, control, repair and maintenance of the following:
 - (a) All property, improvements and works owned or controlled by the City.
 - (b) All public thoroughfares and public places owned or controlled by the City.
- (2) The Board may consent on behalf of the City to the use of the name "Toronto" by any other person or body if the requested use complies with City policies on that use.

C. Management of City finances.

- (1) The Board shall provide financial control for the City and all of the service areas, and shall carry out investigations, tests and other processes as the Board considers necessary to maintain the financial integrity of the City.
- (2) The Board shall prepare and present to Council for approval the interim estimates, the operating budget and the capital budget and shall submit a five-year forecast of the City's capital requirements with the capital budget.
- (3) The Board shall submit the following to Council, quarterly, after the passage of the applicable budget:
 - (a) A progress report on the projects included in the capital budget with relevant explanation.
 - (b) A statement of the City's revenues and expenditures in relation to the operating budget and a progress report on the projects included in the operating budget with relevant explanation.
- (4) The Board may reallocate money within the capital budget and within the operating budget of not more than two hundred fifty thousand dollars (\$250,000.) per reallocation in each budget, and not more than one million dollars (\$1,000,000.) in total per year in each budget, to facilitate the programs, projects, services and objectives of the City and Council for the fiscal year of the budgets.
- (5) The Board shall report a reallocation under Subsection C(4) to Council for Council's information in the quarterly reports required under Subsection C(3).
- (6) The Board may authorize expenditures from the corporate contingency fund only in an emergency situation and shall report the expenditures to the next meeting of Council.

D. Management of civic administration.

- (1) The Board is responsible overall for the organization, supervision, care, control and maintenance of the civic administration.
- (2) The Board shall develop, implement and amend a civic administrative manual of corporate administrative policies and practices, including, for example, administration, budgeting, financial, personnel, property and purchasing procedures.
- (3) The Board shall determine the senior management structure within a service area.

- (4) The Board shall determine the functions, tasks, duties, powers and responsibilities of City officials and employees.
- (5) The Board may delegate duties, powers and responsibilities of the Board to one (1) or more Commissioners, other City officials or City employees, as the Board considers appropriate.
- (6) The Board may delete and add positions to the civic administration.
- (7) The Board may approve staff redeployments, severance payments, early retirement options, attrition incentives, filling vacancies, and job amalgamations.

E. Personnel appointments.

- (1) The Board shall appoint all officials and employees of the City except the officials in Subsection E(2), (3) and (4).
- (2) The Commissioners, the City Solicitor and the statutory officials of the City that Council by law must appoint shall be appointed by Council in accordance with any recruitment and selection process determined by Council.
- (3) The Board shall recommend to Council for approval the appointment of the Manager, Fair Wage and Labour Trades Office.
- (4) Where the office of one of the following City officials is vacant or the official is unable to carry on his or her duties through illness or for any other reason, the Board may submit its recommendation for the appointment of an acting official in the form of a bill prepared by the City Solicitor on the instructions of the Board naming the person recommended by the Board for appointment as the "Acting [insert official title]":
 - (a) City Clerk.
 - (b) City Engineer.
 - (c) City Solicitor.
 - (d) City Surveyor.
 - (e) City Treasurer.
 - (f) Manager, Fair Wage and Labour Trades Office.
 - (g) Medical Officer of Health.
 - (h) Fire Chief.
 - (i) Chief Building Official.
- (5) The Board may introduce bills in Council to repeal by-laws appointing acting officials.
- (6) The Board or, if an appointment applies to the Commissioner's service area, a Commissioner may submit the Board or Commissioner's recommendation for the appointment or revocation of appointment of a City employee as an inspector, provincial offences officer or municipal law enforcement officer in the form of a bill prepared by the City Solicitor on the instructions of the Board or Commissioner naming the person recommended for appointment or revocation of appointment.

F. Management of human resources.

- (1) The Board is responsible overall for the management of the City's employees and the City's employee group agreements.
- (2) The Board shall determine salaries, working conditions, work locations, benefits, hours of employment and all circumstances of employment for all City personnel for whom an employee group agreement does not exist and, when the Board considers advisable, may have employment contracts entered into with one (1) or more employees in this category.
- (3) The Board is responsible for negotiating employee group agreements with the negotiating committee of each union or employee association representing or acting on behalf of City employees.
- (4) The Board shall seek the direction of Council in respect of the parameters to be followed on the issues being negotiated in employee group agreements.
- (5) The Board shall submit to Council for approval a memorandum of agreement that has been signed by the representatives of the City and the union's or employee association's negotiators and, after Council approval, authorize execution of the agreement when it has been approved by the membership of the affected union group or employee association.
- (6) The Board shall take the necessary steps to implement a labour arbitration under any employment agreement or statute, including the appointment of the City's representative on a board of arbitration.
- (7) The Board may suspend any employee of the City, except a Commissioner, a statutory official, the City Solicitor and the Manager, Fair Wage and Labour Trades Office, as the Board considers necessary.
- (8) The Board may dismiss any employee of the City except a Commissioner, the City Solicitor, the Manager, Fair Wage and Labour Trades Office, or a statutory official of the City that only Council by law can dismiss.

G. Actions, claims and revenues.

- (1) The Board is responsible for the adjustment of claims against the City.
- (2) The Board is responsible for the initiation, commencement, prosecution, maintenance, defence or settlement of an action at law or in equity that may be undertaken by or brought against the City if the action has a value equal to or less than two hundred fifty thousand dollars (\$250,000.).
- (3) The Board is responsible for the collection of rates, charges, levies, taxes and other revenues and money due and payable to the City, including the determination of write-offs and the making of appropriate payment schedules and settlements.
- (4) The Board is responsible for finalizing an expropriation settlement within its approved budget allocation.

H. Emergency planning.

The Board shall oversee emergency planning for the City and manage an emergency situation in accordance with Chapter 43, Emergency Planning.

I. Tenders, agreements and City property.

- (1) The Board may call for or direct an employee to call for bids, quotations, tenders, proposals or work by day labour as the Board considers appropriate for any project, work, service, program, goods, materials or other personal property.

- (2) The Board may award or direct an employee to award bids, quotations, tenders, proposals or work by day labour for any project to be undertaken, work to be done, service to be rendered, program to be implemented, goods, materials or other personal property to be acquired.
- (3) The Board may enter into or direct the entering into of an agreement or purchase order to implement the award of a bid, quotation, tender, proposal call or work by day labour authorized under Subsection I(2).
- (4) Where the Board has made or authorized an agreement or purchase order under Subsection I(3), the Board may authorize an extension to the amount of consideration payable under the agreement or purchase order or of the project to be undertaken, the work to be done, the service to be rendered, the program to be implemented, or the goods, materials or other personal property to be acquired.
- (5) Where the City is presently a party to an agreement under which the City provides or receives a continuing service, the Board may authorize the extension of the agreement with any variations as the Board considers necessary, including any change or increase of amounts received or paid by the City.
- (6) Where the City is presently a party to an agreement or has undertaken a project for which funds are approved, the Board may make or authorize the making of one (1) or more agreements to enable the proper performance of the agreement or the proper completion of the project.
- (7) Where personal property belonging to the City is no longer needed by the City, is obsolete or is unsuitable for use, the Board may sell the property.
- (8) Where a project, work, program or service requires the ownership of land or buildings by the City, the Board may negotiate or direct negotiations with the owner and any occupier or other person interested in the land or building for the ownership and:
 - (a) If the consideration to be paid by the City is not more than two hundred fifty thousand dollars (\$250,000.), the Board may enter into or direct the entering into of any agreement necessary to acquire the ownership; and
 - (b) If the consideration to be paid by the City is more than two hundred fifty thousand dollars (\$250,000.), any proposed agreement to acquire the ownership shall be subject to Council approval.
- (9) Where real property owned by the City is no longer needed by the City, the Board may recommend to Council that the real property be declared surplus.
- (10) Where Council declares real property surplus, the Board shall arrange for its sale by tender, proposal call or "for sale" announcement as the Board considers appropriate, and the sale shall be to the proposed purchaser submitting the highest price equalling or exceeding the reserve bid.
- (11) Where the acquisition of any of the following at or below fair market value is necessary in connection with the implementation of a project, work, program or service, the Board may enter into or direct the entering into of:
 - (a) Leases of land or buildings.
 - (b) Licenses of occupation for land or buildings, including railway crossing agreements.
 - (c) Easements.

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- (d) Encroachments.
- (12) Where a person has requested any of the following at or above fair market value and it will not have a negative impact on the City's interest, the Board may enter into or direct the entering into of:
- (a) Leases of City land or buildings.
 - (b) Licenses of occupation for City land or buildings.
 - (c) Easements over City lands.
 - (d) Encroachment on City lands.

§ 16-8. Service areas.

A. The service area of the Commissioner of City Works Services is as follows:

- (1) By-law enforcement and administration.
- (2) Energy, efficiency and conservation services.
- (3) Engineering, design and construction of capital works projects (roads, water, sewer).
- (4) Maintenance of works facilities (roads, sewer and water).
- (5) Noise control services.
- (6) Park sanitation services.
- (7) Planning and programming for capital works expenditures (roads, water and sewer).
- (8) Refuse collection, recycling and materials management.
- (9) Street repair, cleaning and winter services.
- (10) Survey and mapping functions.
- (11) Traffic planning and calming.
- (12) Vehicle and equipment maintenance and repair, including the qualifications of equipment operators.

B. The service area of the Commissioner of Community Services is as follows:

- (1) Animal control programming.
- (2) City property functions and property operations functions, excluding real estate and land development services.
- (3) Environmental Protection Office.
- (4) Fire prevention and suppression.
- (5) Healthy City Office.

- (6) Housing policy and programming, including housing policy and programming for the City of Toronto Non-Profit Housing Corporation (Cityhome).
- (7) Parks and forestry policy and program development.
- (8) Public health inspection policy and programming.
- (9) Public health policy and programming.
- (10) Recreation policy and programming.
- (11) Repair and maintenance of City parks.
- (12) Repair and maintenance of all City property except roads, water and sewer facilities.
- (13) Social policy co-ordination.

C. The service area of the Commissioner of Corporate Services is as follows:

- (1) Accounting services.
- (2) Budgeting services.
- (3) City Clerk services.
- (4) Claims adjusting services.
- (5) Consulting services.
- (6) Corporate management systems' policies and programs.
- (7) Corporate records and freedom of information services.
- (8) Council governance processes, policies and programs.
- (9) Council members' services.
- (10) Fair Wage and Labour Trades Office.
- (11) Financial services.
- (12) Human resources and labour relations services.
- (13) Information and communication services.
- (14) Information technology services.
- (15) Legal services.
- (16) Payroll services.
- (17) Printing, mailing and transportation services.
- (18) Protocol and civic events services.
- (19) Purchasing and material supply services.
- (20) Real estate and land development services.

(21) Risk management services.

D. The service area of the Commissioner of Urban Development Services is as follows:

- (1) Architecture and urban design services.
- (2) Building inspection services.
- (3) Committee of Adjustment services.
- (4) Community planning.
- (5) Development Law Practice Group for functional purposes, with the Group reporting for administrative and legal service purposes to the Commissioner of Corporate Services.
- (6) Economic development services.
- (7) Land use planning policy and research.
- (8) Official plan services.
- (9) Parks planning.
- (10) Permits and licenses services.
- (11) Plan examination services.
- (12) Public health development review functions.
- (13) Site plan services.
- (14) Zoning by-law services.

§ 16-9. Status and terms of employment of Commissioners.

A. Changes.

- (1) It is intended that the persons appointed to the position of Commissioner shall be interchangeable, and no reassignment, assignment or substitution of any area of responsibility or service area shall be considered to affect the status or general nature of the Commissioner position or of any person appointed to that position.
- (2) No change in the number of Commissioners on the Board or any other change to the composition or general nature of the responsibilities of the Board shall be considered to change the status or general nature of any Commissioner position or person appointed to that position.

B. Employment terms.

- (1) A person shall not be appointed as a Commissioner or continue as a Commissioner unless the person is an employee of the City under a written employment agreement and continues to act in accordance with the provisions of the employment agreement as the agreement is renewed or amended from time to time.
- (2) The salary, benefits and conditions for service of each Commissioner shall be as established by Council and reviewed as required, in accordance with the employment agreement applicable to each Commissioner.

- (3) Subject to the employment agreement and any statutory requirements, Council may suspend or dismiss a Commissioner.

C. Performance review.

- (1) The Mayor and Council operating as a Committee of the Whole shall make an annual in camera assessment of the performance of the Board and each Commissioner.
- (2) The performance review of a Commissioner shall be consistent with the requirements of the Commissioner's employment agreement and the Commissioner's performance review and the Board's performance review shall be made available to the Commissioner.

§ 16-10. Transition; corporate administrative policies, practices and procedures.

- A. Where before August 13, 1996 Council has adopted an administrative policy, practice or procedure as a provision in the Municipal Code or otherwise that is delegated to the Board under § 16-7, the administrative policy, practice or procedure is deemed to be amended as necessary to reflect the duties, responsibilities and powers delegated to the Board under § 16-7.
- B. Where before August 13, 1996 an office or department of the civic administration, by virtue of the duties, responsibilities and powers invested in the office or department, has adopted an administrative policy, practice or procedure that is delegated to the Board under § 16-7, the administrative policy, practice or procedure is amended as necessary to reflect the duties, responsibilities and powers delegated to the Board under § 16-7.
- C. The Board may amend an administrative provision in a policy, practice or procedure described in Subsections A or B whenever necessary.
- D. The Board may process bills for introduction in Council to amend the Municipal Code or other by-laws to reflect the delegation of an administrative policy, practice or procedure to the Board under § 16-7.
- E.
 - (1) Subject to applicable law, including the professional requirements that apply to certain City officials, where before August 13, 1996 one of the following documents contains a reference to a Commissioner or other City official, or to a City department, the reference shall as regards to any subsequent action, matter or thing be deemed and construed to be a reference to the Board or to the Commissioner whose service area includes the reference's subject matter or to the service area of the Commissioner that includes the reference's subject matter, as the case may be:
 - (a) Agreements.
 - (b) By-laws.
 - (c) Approvals, permits or licences.
 - (d) Bids, quotations, tenders, service proposals or purchase orders.
 - (e) Leases, encroachments, easements, transfers, charges or any other instruments with respect to interests in real property.
 - (2) Where as a result of a process commenced before August 13, 1996, any document listed in Subsection E(1)(a),(b),(c),(d) or (e) refers to a Commissioner or other City official, or to a City department as they existed before August 13, 1996, Subsection E(1) applies with necessary modification.

Interpretation.

2. *In accordance with § 1-10 of the Municipal Code, the headings and titles in the body of section 1 of this by-law form no part of the by-law and shall be deemed to be inserted for convenience of reference only and may be revised by the City's editor in the supplement to the Municipal Code.*

BARBARA HALL,
Mayor.

BARBARA G. CAPLAN
City Clerk.

Council Chamber,
Toronto, August 13, 1996.
(L.S.)