



**SUBJECT: Accountability Framework for Agencies, Boards and Commissions (ABC) and Joint Venture (JV) organizations**

**TO: Committee of the Whole**

**FROM: Recreation, Community and Culture Department**

Report Number: RCC-11-24

Wards Affected: all

Date to Committee: May 13, 2024

Date to Council: May 21, 2024

---

**Recommendation:**

Direct the Director of Recreation, Community and Culture to implement the framework outlined in recreation, community and culture department report RCC-11-24 into revised agreements with the support of the City's Legal Counsel, in a priority sequence, starting in Q4 2024; and

Authorize the Executive Director of Legal Services and Corporation Counsel to prepare and present to Council for enactment a by-law amending By-law 71-2023, being By-law to delegate approvals to staff, that will:

1. delegate the authority to negotiate all agreements with the City's agencies, boards and commissions and joint ventures, including without limitation any such shared services agreements, operating agreements, relationship agreements, leases, licenses and other agreements as are necessary for the implementation and administration of the matters set out in recreation, community and culture department report RCC-11-24 to the Director of Recreation, Community and Culture with content satisfactory to the Executive Director of Environment, Infrastructure, and Community Services and in a form satisfactory to the Executive Director of Legal Services and Corporation Counsel; and

2. delegate authority to execute agreements contemplated above on behalf of the Corporation of the City of Burlington to the Mayor and City Clerk.

**PURPOSE:**

## **Vision to Focus Alignment:**

- Designing and delivering complete communities
  - Providing the best services and experiences
  - Driving organizational performance
- 

## **Executive Summary:**

The City partners with various entities (Agencies, Boards and Commissions and Joint Ventures) to offer services to the community. These entities receive support from the City in different ways, for example, facility usage, shared services (e.g. payroll) and grants. An Accountability Framework, as proposed in Appendix A, is intended to clarify expectations of both parties, and form the basis for renewed agreements. Partnerships will be reviewed regularly and evaluated to ensure maximum return on investment and risk mitigation, and steps taken to address concerns when necessary.

---

## **Background and Discussion:**

The City has a number of partnerships with community organizations that are generally grouped into two categories: Agencies, Boards and Commissions (ABCs) and Joint Venture organizations (JVs).

### **Agencies, Boards and Commissions (ABCs):**

ABCs are special-purpose bodies, created under provincial or municipal powers, serving a single function or a limited range of functions and receiving at least part of their revenue from municipal government, provincial government, and/or user charges. (based on the definition from Susan J. Dolbey, Local Special Purpose Bodies in the Province of Ontario, Toronto: Municipal Affairs, Municipal Research Branch, Regional Government Studies Section, 1970, p. 2.) How ABCs function, and the degree of control the City does or doesn't have over them, is in large part of the function of the legal authority under which they were created. This creation authority is a factor in determining what pieces of municipal legislation (e.g. Municipal Conflict of Interest Act, Municipal Freedom of Information and Protection of Privacy Act, Municipal Act, etc.) apply to the ABCs.

In Burlington, ABCs include Burlington Public Library, Art Gallery of Burlington, Burlington Performing Arts Centre, Museums of Burlington, Tourism Burlington, Burlington Economic Development, Burlington Downtown Business Improvement Area (BIA), and Aldershot BIA. The Burlington Public Library, established by municipal by-law 70-2003, is subject to provincial legislation through the Public Libraries Act, R.S.O. 1990, c. P.44. Burlington Downtown BIA, Aldershot BIA, and Museums of Burlington

were created through municipal by-laws 30-2015 and 13-2004 and 94-1997 respectively as defined through the Municipal Act, 2001 S.O. 2001, Chapter 25. These ABCs receive a combined total of over \$16 million in annual funding with the library receiving over \$11 million of this funding.

**Joint Venture Organizations (JVs):**

Joint Venture organizations “are business arrangements in which two or more parties agree to pool their resources for the purpose of accomplishing a specific task”. (<https://www.investopedia.com/terms/j/jointventure.asp>) The City of Burlington’s Joint Venture policy describes joint ventures as “Any combination of resources by two or more persons, corporations, partnerships, or some combination thereof, whereby each agrees to contribute money, knowledge, skills, land/property in order to conduct an initiative together”. The City’s contribution to these joint ventures may take the form of land use and/or facility use and operational functions (i.e., grounds maintenance, maintenance and winter control of parking lots, fire plans). JVs do not receive operating or capital funding from the City.

JVs include but are not limited to:

Model Railway Club	Burlington Gymnastics Club	North Burlington Tennis Club
Burlington Sailing and Boating	Burlington Trampoline and Tumbling Club	Burlington Minor Football
LaSalle Park Marina Association	Burlington Lawn Bowling Club	Appleby Tennis Club
Aldershot Tennis Club	Burlington Tennis Club	Bubble Tennis
Radio Controlled Modelers Club	Drury Lane Theatre	Nelson Youth Centre
Rifle and Revolver Club (Range Burlington)	Theatre Burlington – Little Theatre	Centaur's Rugby Club
Tyandaga Tennis Club	Burlington Curling Club	Burlington Youth Soccer Club Domes

The business case for establishing an accountability framework was laid out in the 2023 budget. The City recognizes the positive contributions of ABCs and JVs to the City aspirational goals. This review includes an assessment of the City's partnerships and recommendations on how accountability should be defined for different entities.

Following business case approval in the 2023 Budget process, Optimus SBR was selected as the successful vendor through the City’s procurement process. The core project team is comprised of the following City staff:

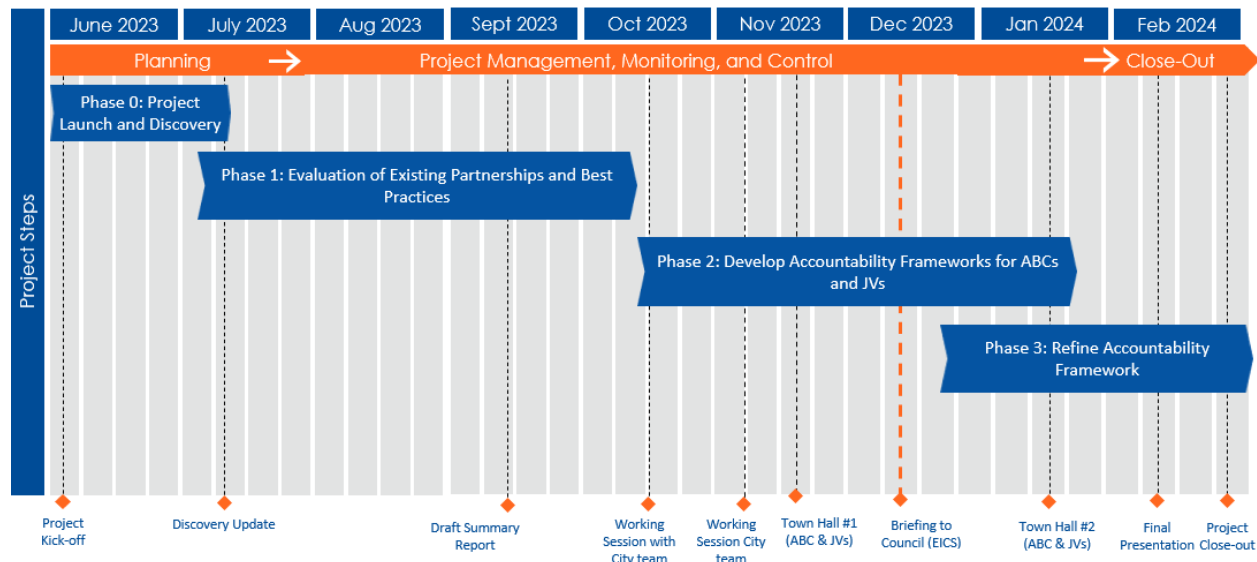
- Executive Director of Strategy, Risk and Accountability
- Director of Recreation, Community and Culture
- Deputy Corporation Counsel
- Manager of Budgets and Policy
- Manager of Arts and Culture
- Senior Manager of Community Development

In December 2023, staff brought forward report RCC-25-23 Accountability Framework for ABC and JV - Background and Project Update. This report included a comprehensive background report completed by Optimus SBR which became the basis on which the Accountability Framework was built.

### **Strategy/process/risk**

It has been a little less than one year since the City of Burlington retained Optimus SBR to lead the development of the Accountability Framework for ABCs and JVs. The project kicked off in June 2023 and was followed by a lengthy discovery phase which included interviewing ABCs and JVs along with compiling best practices and speaking with similar-sized municipalities. This phase was concluded with the background report which was presented to ABCs and JVs in 2 virtual town hall sessions held in November prior to bringing it forward for council's endorsement in December 2023.

Simultaneously and starting in December, Optimus SBR began the development of the Accountability Framework working closely with staff, the core team, various service areas who regularly work with these entities and the Strategy and Risk Team. In February, staff invited ABCs and JVs to attend a 2<sup>nd</sup> virtual town hall (2 sessions were offered) during which the guiding principles of the framework were shared with them. Appendix A of the report contains the Accountability Framework along with a proposed implementation plan.



The Accountability Framework, available in Appendix A, focuses on six (6) domains of accountability and serves as a structured methodology for analysis, including a range of questions within each domain that span from basic to more advanced:

1. Entity Structure
2. Accountability
3. Performance
4. Transparency
5. Asset Management
6. Documentation

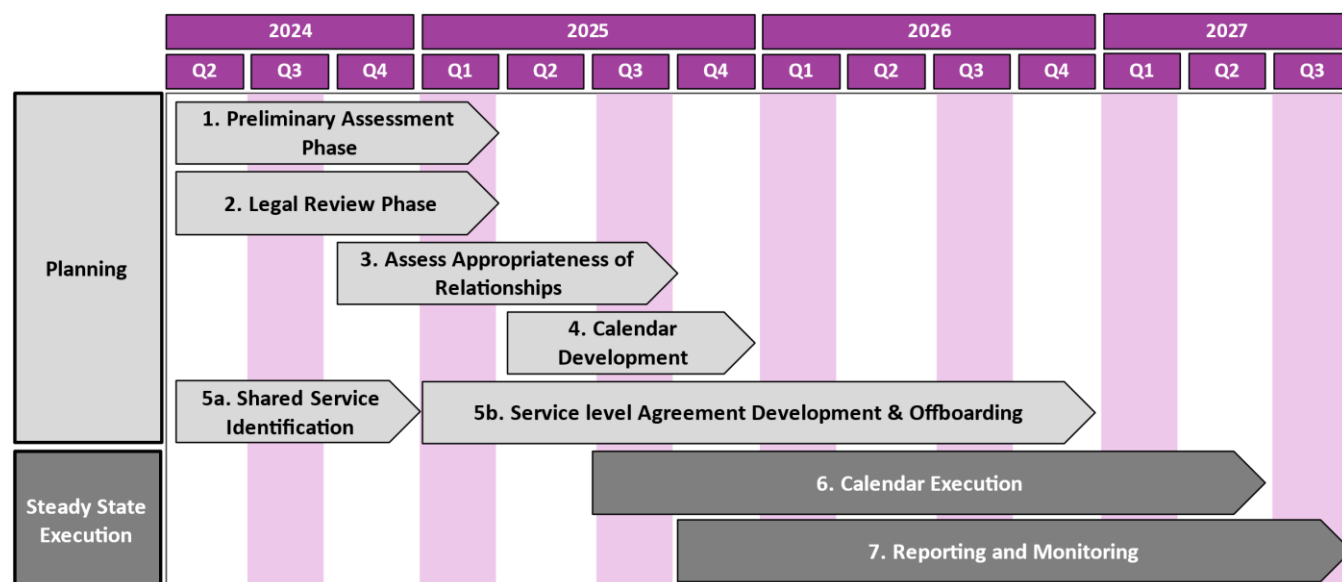
The Framework includes various guiding principles, overall details about entity structure and how this information feeds accountability. The Framework follows a risk-based approach to agreements. Generally, in any relationship between the City and an entity, inherent risk is involved. As a principle, the greater the risk posed by an entity, the more influence the City will seek in its relationship with that entity, necessitating additional or stricter accountability mechanisms. The following risk factors are key in determining requirements of entity agreements: City investment, use of city facilities, types of operations, community impact and use of or association with the city’s brand.

Overall, the accountability framework is a sliding scale based on risk, entity structure and overall agreement requirements. A detailed breakdown of how an agreement would be created with an ABC or JV entity is included in Appendix A. Part of the implementation plan will include a review of the individual agreements and relationships and could vary based on scope, timing and any concerns that are present.

Lastly, through this work, it has become evident that shared services can influence the accountability between the city and entity. As such, it is recommended that the city move to a shared services model; where staff would identify which shared services each entity may require, negotiations would occur between both parties regarding the level of service and the city would track resources and costs through a cost recovery model. There are benefits to entity to request services of its partner, the city, for example, economies of scale which could lead to better pricing, maturity of the city which could lead to better service, to name a few. Once again, details pertaining to the proposed shared services model can be found in Appendix A.

### Options Considered

Optimus SBR has produced a draft implementation plan for the city which follows a phased-implementation approach prioritizing the highest risk to the city.



Staff have reviewed the proposed plan and have had various internal discussions with respect to timelines and resources. The primary concern being resources; staff believe that to properly implement the Accountability Framework and ensure its long-term sustainability, additional resources will be required. These resources will be in the form of a Manager of Strategic Partnerships to oversee the implementation and adherence of the Framework, a financial analyst responsible for completing financial work and accounting for the various entities, a facilities project manager that would oversee the capital renewal of city assets and may include additional legal needs. These positions will be submitted as part of the 2025 budget process and be prioritized with other corporate needs.

### **Financial Matters:**

Approved through RCC-04-23 and DA-50-23 is the project cost for the hiring of the consultant (Optimus SBR) to complete the Accountability Framework at the cost of \$180,468.91 including 13% HST and charged to 501000-33353.

### **Other Resource Impacts**

This project required the involvement of various stakeholders, both internal and external. Various City departments provide a service to ABC and JV and as such, have required engagement throughout the process.

---

### **Climate Implications:**

N/A

---

### **Engagement Matters:**

As mentioned in RCC-25-23, stakeholders have been engaged during phase 1 of the project; meetings with Executive Directors and chairs of ABC/JV boards/groups to gather insights, meetings with various City representatives (including members of Council), as well as meetings with comparable municipalities and agencies. In addition to these interviews, staff have sent out various communication updates to ABCs/JVs along the way and hosted a Town Hall for groups in November 2023 and another in February 2024. As identified in Appendix A, various engagement efforts are planned with ABCs, JVs and city staff throughout the implementation phase.

---

### **Conclusion:**

In conclusion, this report is intended to bring forward the Accountability Framework for ABCs and JVs, as listed in Appendix A, for Council's endorsement.

---

Respectfully submitted,

Emilie Cote

Director of Recreation, Community and Culture

905-335-7600 ext. 7353

**Appendices:**

- A. City of Burlington- Accountability Framework- Executive Summary

**Report Approval:**

All reports are reviewed and/or approved by Department Director, the Chief Financial Officer and the Executive Director of Legal Services & Corporation Counsel.