

Clause embodied in Report No. 9 of the Policy and Finance Committee, as adopted by the Council of the City of Toronto at its meeting held on September 22, 23, 24 and 25, 2003.

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**Policy on Remuneration and Expense Reimbursement
for City of Toronto Agencies, Boards,
Commissions and Corporations**

(City Council on September 22, 23, 24 and 25, 2003, adopted this Clause, without amendment.)

The Policy and Finance Committee recommends the adoption of the Recommendation of the ABC Ad Hoc Committee embodied in the following communication (July 18, 2003) from the City Clerk:

Recommendation:

The ABC Ad Hoc Committee recommended to the Policy and Finance Committee and Council, the adoption of the attached report dated June 10, 2003, from the Chief Administrative Officer.

Background:

The ABC Ad Hoc Committee, at its meeting held on July 15, 2003, had before it a report dated June 10, 2003, from the Chief Administrative Officer, forwarding Policy for Remuneration and Policy Expense Reimbursement for City Agencies, Boards, Commissions and Corporations, and submitting recommendations in regard thereto.

The Committee also had before it the following communications in connection with the foregoing matter:

- (1) (March 28, 2003) from the Chair, Toronto Police Services Board, responding to the Draft Remuneration and Draft Expense and Travel Policies for the City of Toronto Agencies, Boards, and Commissions;
- (2) (February 20, 2003) from the City Clerk, advising that the Toronto Pedestrian Committee, on February 19, 2003, forwarded to ABC Ad Hoc Committee a communication from Ms. Rhona Swarbrick dated February 3, 2003 for consideration; and
- (3) (July 14, 2003) from the Chair, Toronto Public Library Board, respecting reimbursement of reasonable expenses for citizen appointees.

(Report dated June 10, 2003, addressed to the
Ad Hoc Committee from the Chief Administrative Officer)

Purpose:

This report recommends policies for remuneration and expense reimbursement for City agencies, boards, commissions and corporations. The recommended dollar values will be the subject of a future report.

Financial Implications and Impact Statement:

There are no in-year financial implications for 2003 as a result of approving the policy, as it would become effective as of the date of appointment of new boards in 2004.

In the future, modest financial impacts may accrue from allowing reimbursement of approved expenses for Boards that have not previously reimbursed members for travel and business expenses. Boards will include estimates for expenses in their budget submissions.

The Chief Financial Officer and Treasurer has reviewed this report and concurs with the financial impact statement.

Recommendations:

It is recommended that:

- (1) the Remuneration Policy included as Appendix 1 to this report be approved, with an effective date coincident with the date of new board appointments in 2004;
- (2) the Expense Reimbursement Policy included as Appendix 2 to this report be approved, with an effective date coincident with the date of new board appointments in 2004;
- (3) this report be forwarded to the Policy and Finance Committee and to Council for consideration; and
- (4) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.

Background:

The Terms of Reference for the ABC Ad Hoc Committee approved by Council included the development of a policy for remuneration of citizen appointees. There were also specific individual requests to review remuneration that were referred to the ABC Ad Hoc Committee. These include:

- (a) Directive from Council to review ABC remuneration for citizen appointees;
- (b) Directive from Council to review per diems and honoraria for citizen members of ABC's;

- (c) Referral to staff to consider a general policy that citizen service on City agencies, exclusive of *Ontario Business Corporation Act* boards, be considered a public service and remuneration be eliminated or minimized;
- (c) Referral to consider that expense reimbursement for members of agencies and boards be limited to receipted out-of-pocket expenses;
- (d) Referral to consider adoption of the City's policy for business-travel for ABCs;
- (e) Request that all boards of City agencies be required to submit written semi-annual activity reports including financial performance to the Policy and Finance Committee, specifically reporting;
 - (i) travel activities and related costs;
 - (ii) entertainment /hospitality expenses;
 - (iii) consulting fees paid by the agency; and
 - (iv) the Chair of each Board provide an annual briefing for the Committee;
- (f) Request from the Police Service Board to increase remuneration for the Board Chair and citizen member;
- (g) Request to review expense reimbursement for the Toronto Public Library Board; and
- (h) Request to review expense reimbursement for the citizens appointed to advisory committees of the Works Committee.

On November 21, 2002 the ABC Ad Hoc Committee received a report from the Chief Administrative Officer providing an overview of current practices, remuneration principles established in 1998, a summary of legislative provisions governing remuneration, and draft policy proposals for remuneration and expense reimbursement for citizen appointees. Remuneration amounts were not proposed, however principles to establish remuneration were articulated.

The report noted that guidelines were also required for setting an appropriate level of expense reimbursement. These include the type of expenses to be covered, a limit on appropriate amounts of such expenses, as well as guidelines on payments for meal allowances or provision of refreshments. The draft policy provided that expense reimbursements for citizen and councillor boards members be limited to receipted out-of-pocket expenses.

The ABC Ad Hoc Committee provided feedback to staff on the draft Remuneration Policy and Draft Expense Policy for citizen appointees to City agencies, boards, commissions and corporations. The Committee directed staff to seek comments from the City's agencies, boards, commissions and corporations, staff and other stakeholders and report back to the ABC Ad Hoc Committee on the results of the consultation and with a recommended policy. Consultation took place during the period December 2002 to May 2003.

Comments:

(A) Current City Practice:

As the practices and policies for remunerating citizen appointees in the former municipalities comprising the new City of Toronto were diverse, remuneration within

each ABC was established on an interim basis. It was anticipated that when a new overall policy was developed, consideration would also be given to comparing remuneration levels and practices among different ABCs. The remuneration issue should also be considered as it applies to appointees to advisory committees, task forces, and expert panels and any allowances for expenses paid to citizen appointees.

Principles for Remuneration of Citizen Appointees:

As a first step in developing the policy, a set of principles was developed and approved by Council in 1998. They are:

- (1) an element of public service is implied in any citizen appointment by the City of Toronto and therefore any remuneration that may be paid is not expected to be competitive with the marketplace;
- (2) remuneration for citizen appointees is established and paid by Council rather than the organization to which they are appointed, recognizing that appointees represent Council's interest;
- (3) all Council appointed citizen members of a given board shall be reimbursed at the same level except that the Chair and Vice-Chair may receive additional payment for additional duties;
- (4) Where paid, remuneration for citizen appointees to agencies, boards, and commissions should reflect the level of responsibility, the necessary qualifications, the frequency of meetings, and amount of preparation required;
- (5) No supplementary top-up payments are permitted;
- (6) No remuneration will be paid to members of Advisory Committees, Task Forces, or boards of Business Improvement Areas;
- (7) Where advice is sought from professionals in a given field, consulting fees may be paid as part of program costs; and
- (8) Appointees may be reimbursed for expenses incurred in the execution of their duties. This may be paid as incurred and receipted or by an annual maximum payment without receipts. In the latter case, Council will approve the amount of the annual payment and the payment will be identified as an expense allowance.

Since 1998, a number of new developments in governance have taken place that should cause a rethinking of some of these principles. In particular, the City now owns a number of corporations which, by their nature, are more autonomous and the Boards have a legal fiduciary duty respecting the well-being of the company. The new City's relationship with agencies is still evolving. More autonomy, higher performance expectations, and more stringent accountability mechanisms could all impact the desired qualifications of board members and appropriate remuneration.

Municipal agencies, boards and commissions were established for a variety of purposes, during different time periods, and with varying levels of responsibility, authority and impact of decisions on the public. Their remuneration practices have generally been structured independently and have resulted in a wide range of fees and payments to appointees of different organizations. Diverse compensation rates among agencies, boards and commissions are not uncommon since municipalities did not follow a systematic approach as taken by the federal and provincial governments.

Remuneration Levels:

Council has clearly directed that Council Members serving on City ABC boards are not to be paid additional compensation over their Councillor salary. Some boards do pay for Councillor expenses while on board business. The detail of current remuneration is provided in Attachment 3 to this report.

Corporate Boards:

Boards established under the *Ontario Business Corporation Act* include Toronto Hydro and Toronto Community Housing Corporation. Hydro Board members receive \$12,500.00 annually and \$1,000.00 per meeting attended with annual maximums for committee meetings. The Chair receives \$75,000.00 annually. Housing Board members receive \$500.00 per meeting attended and the Chair receives \$500.00 per meeting attended plus \$10,000.00 annually.

Statutory corporations include TEDCO whose remuneration is tentatively set at \$200.00 per meeting until a remuneration policy is finalized, and Toronto Parking Authority for which remuneration is \$7,500.00 for citizen members and \$10,000.00 for the Chair.

The Corporate Boards are most similar to private sector corporate boards whose members often receive high levels of remuneration. Corporate Boards were intended to operate their “business” fairly autonomously, albeit guided by shareholder directions outlining Council parameters. The public service component expected from and offered by citizen members is also weighted into the remuneration levels, which are not competitive with private corporations.

Quasi-Judicial Bodies:

Citizen members of adjudicative bodies such as the Committees of Adjustment, Property Standards Committees, the Licensing Tribunal and others, receive remuneration. This is based on principles similar to those at senior governments based on time demands, both for attending meetings and the preparation time required and effective performance of duties. Independence is crucial in any adjudicative or quasi-judicial function and regular reasonable remuneration can help to create and maintain such independence by discouraging openness to any form of persuasion.

There is considerable variety in the payment for quasi-judicial bodies. For the Committee of Adjustment, the amount of \$300.00 per Member for each hearing attended

is paid and an additional amount of \$1000.00 is paid annually to the “Chair of Chairs” position. These funds are provided from the operating budget of the City Planning Division. Both members of the Rooming House Licensing Tribunal are paid \$230.00 per hearing to a maximum of \$6,000.00 per year. The Toronto Licensing Tribunal members are paid an annual amount of \$12,000.00 for members and \$18,000.00 per annum for the Chair. In contrast, Fence viewers are paid \$30.00 per hour and Property Standards Committee members are paid \$75.00 per meeting and the Chair receives an additional \$300.00 per meeting.

Fund Management Boards:

Fund Management bodies such as pension fund trustee boards, or the Sinking Fund Committee manage significant amounts of money (about \$300 million to \$800 million each). The fiduciary responsibilities require citizen appointees to have expertise in financial management. Four of the pension fund trustee boards (former Metro and City of Toronto) are similarly structured with representatives from the employee and management sectors with a citizen appointed as Chair. Only the Chair of each fund receives annual remuneration of \$7,500.00 per annum. No remuneration is paid for the York Pension Fund Committee because a City Councillor chairs it.

Like the pension fund boards, citizen members of the Sinking Fund Committee are drawn from the financial services industry and are appointed, in part, for their areas of specific expertise and receive remuneration of \$4,913 per annum. Unlike the pension funds, the Sinking Fund Committee is chaired by the City Treasurer who receives no additional compensation. The Toronto Atmospheric Fund Board does not receive remuneration, as it is not directly involved in investing funds. Such expertise is contracted.

The Policy and Finance Committee has forwarded a motion for consideration at the November Council meeting that a consultant be engaged in 2003 to review and consider how management of the pension funds could be consolidated. Appropriate remuneration for consolidated fund management can be considered as part of the study terms of reference, if Council authorizes proceeding with the study.

Service Boards:

Most Service Boards do not receive remuneration, however Board of Health members receive \$125.00 per meeting including sub-committee meetings. A daily rate is required by legislation, but the amount is discretionary. The legislation also stipulates, however, that the amount shall not exceed the amount paid to any member of a standing committee and Councillors are not paid.

The Police Services Board member appointed by Council receives \$8,791.00 and the Chair is paid \$90,963.00. Legislation sets a minimum of \$1,000.00 per annum to be paid by Council for Provincial appointees to the Police Services Board, but the amount for the Council-appointed citizen member is completely discretionary. Historically, however, all citizen members except the Chair have been paid the same.

The Police Services Board requested that the ABC Ad Hoc Committee consider increasing the remuneration for the Chair of the Toronto Police Services Board and citizen member appointed to the Toronto Police Services Board by Toronto City Council to better reflect the workload and expected commitment. The Police Services Board also recommended that the ABC Ad Hoc Committee consider establishing a base amount, plus a per diem payment, for each meeting attended. As requested by the ABC Ad Hoc Committee, the CAO wrote to the Board to inquire as to the Police Services Board's suggested amount of remuneration for the Chair and citizen members. The Police Services Board has submitted a report on remuneration for consideration by the ABC Ad Hoc Committee.

Program Operating Boards:

The group of Program Operating Boards includes a range of agencies, boards and commissions. These boards do not receive remuneration.

(B) Philosophy/Principles Guiding Federal and Provincial Remuneration Policy:

In establishing new policies for the City of Toronto, it is informative to review the practices of the provincial and federal governments.

Payments to citizen appointees on agencies, boards and commissions, or other bodies of government, are not intended to be equal to the value of services rendered, or to be competitive with the appointee's usual occupational compensation. Remuneration partially represents a public service contribution rather than compensation for any lost income, or opportunity to earn an income. Accordingly, remuneration does not constitute a salary for appointees. The personal qualifications of appointees are not usually a factor in the type or rate of remuneration that will be received unless such qualifications are specifically required of the position as a condition of appointment.

This principle of public service as the basis for citizen appointment remuneration underlies remuneration policies at both the federal and provincial government levels. The federal guideline on the remuneration of appointees to agencies, boards and commissions states that:

“Service to the public and not strict adherence to market rates ... influences remuneration for part-time services, which, for most appointees, is incidental and additional to their regular vocation.”

Similarly, the guidelines of the Management Board of the Province of Ontario, contain the following statement respecting government appointees:

“An element of public service is implied in any appointment by the Government of Ontario and, therefore, any remuneration that may be paid is not expected to be competitive with the marketplace.”

The remuneration principles approved by Council in 1998 also reflect this principle.

Another major principle for both Federal and Provincial remuneration policies is that remuneration, however modest, will encourage participation in government by a diverse range of persons. In addition, citizens should not personally bear additional costs for their activities as Board members. Out-of-pocket expenses for activities as Board members should be reimbursed.

In contrast, the City of Toronto's current practice is to remunerate citizen board members only when the board operates in a business environment (corporations), when duties are adjudicative in nature and time commitment is substantial (quasi-judicial), or for specific financial expertise (fund investments). Although there is a guiding principle for expense reimbursement, it is not applied consistently and more detailed guidelines are required.

In summary, the Federal and/or Provincial remuneration plans take a systematic approach to establishing a framework for payments. The underlying principles in the plans of both senior governments are largely applicable to the City. Other aspects of particular interest to the City include the following:

- (a) the nature of appointments is part-time, for a specified term, and a maximum number of terms;
- (b) per diem rates of remuneration are maximums: individual agencies, boards or commissions may decide to pay less than the maximums or to pay no per diem at all, unless specifically legislated to do so;
- (c) payments should be made to government appointees, other than elected officials, only for (defined) formal business of the agency, board or commission;
- (d) preparation time should be compensated only in instances where this is of major importance in effectively conducting the business (for example, tribunals or hearings);
- (e) no supplementary or top-up payments are permitted unless a duly approved form of 'consulting fee' payment is involved for additional, fully defined professional activities; and
- (f) declaration of any conflict of interest, both with their appointed duties and for any personal gain or benefit that may accrue, are mandatory.

City of Toronto guidelines are generally modelled after these principles as well, but further clarification is required in some cases.

The Basis of Federal and Provincial Remuneration to Citizen Appointees:

Notwithstanding a public service tenet and the expectation that this may not require recompense, most federal and provincial agencies recognize the contributions of citizen members by providing some form of remuneration. The principles that were articulated

earlier acknowledge that the level of remuneration, if any, will be determined by and be dependent upon the:

- (i) service nature and purpose of the agency, board, or commission;
- (ii) complexity of tasks to be performed by citizen appointees; and
- (iii) amount of time spent by citizen appointees in carrying out their duties.

Both the provincial and federal governments directly link remuneration to the amount of time spent by citizen appointees in conducting their tasks through the use of per diem payments. In this way the remuneration of part-time members is proportionate to the time spent carrying out their responsibilities. A member serving as Chair, or Vice-Chair, is often recognized by a higher per diem rate compared to other members to take into account the additional effort to review agendas and provide direction to staff outside of board meetings.

Both senior governments use a per diem base of 7.5 hours with the restriction that only one per diem can be claimed per calendar day. Time spent beyond the 7.5 hours in a given day is not compensated. It should be noted, however, that claiming for the full per diem varies between the provincial and federal governments. The province specifies minimum hours worked before a member is eligible for a full per diem payment whereas the federal government does not impose this condition.

Commonly applied forms of remuneration include, for example, honoraria, retainer fees, or annual compensation levels/stipends. Remuneration can be distinguished from the payment of expenses which are paid to reimburse the out-of-pocket costs citizen appointees have incurred in order to perform their duties. In many cases at the senior government levels, a per diem rate includes an honorarium and/or expenses as specified in the relevant policy.

The City of Toronto also uses a per diem approach for many boards where remuneration is paid, but it is not universally applied and may not be appropriate for the duties of certain positions such as fund investments.

C. New *Municipal Act* Provisions Regarding ABC Remuneration:

The *Municipal Act* provides some direction for Council regarding its authority to establish remuneration and expense payments. Some ABCs also have specific legislation that affects remuneration. The new *Municipal Act* came into force January 2003 and therefore has been used as the starting point for developing new draft policies. As required under section 5 of the new *Municipal Act* the policy will have to be adopted by by-law. As set out in Section 283, both municipalities and their local boards (as defined in subsection 1(1)) are given a general power to pay remuneration to members of local boards subject to the requirement that expenses must relate to carrying out their duties. The member may be paid the actual expense or a reasonable estimate as determined by the municipality or board, however, remuneration cannot include an amount for deemed expenses.

If a board is a local board as defined in section 216 and a (future) regulation is developed respecting prescribed changes, the City can by by-law change the remuneration despite what is in a special or general Act. The new *Municipal Act* continues the requirement that the Treasurer report on an annual basis the remuneration and expenses paid to Council members and members of local boards.

(D) Developing a Remuneration Policy:

Citizen participation is valued by the City and adds diverse perspectives to City decisions. The City experiences excellent responses to advertised appointments and it is clear that citizens are motivated by the opportunity to become involved and have some influence in civic engagement and city building. Monetary reward is not a primary factor in deciding to contribute to the City decision-making process.

A comparative assessment and analysis of current practices and costs to identify problematic inconsistencies and suggest acceptable degrees of variation in types/rates/levels of remuneration has been completed. The set of principles approved by Council has also been considered as well as the requests referred to the ABC Ad Hoc Committee.

Definitions:

Staff considered options of using per diems, an annual stipend, and honoraria as remuneration vehicles.

Per diem: rate paid per meeting or per day or per part day. For example, adjudicative bodies are often paid for each hearing.

Annual stipend: amount paid irrespective of meeting attendance.

Honorarium: small amount paid to symbolically recognize or acknowledge a Board member's contribution to the board. These need to be distinguished from reimbursement of expenses.

The basic principle that board remuneration is not a salary and the City is not an employer of board members was considered in the development of the policy.

In summary the draft general policy proposed that citizen service on City agencies be considered a public service (to a lesser degree for corporations) and remuneration be eliminated or minimized, except for specified ABCs. Remuneration should be paid only when the board operates in a business environment (corporations), when duties are adjudicative in nature and time commitment is substantial (quasi-judicial), for specific financial expertise (fund investments), or where a payment is required by legislation.

Council members serve on ABCs without remuneration, but may receive reimbursement for expenses. Policies regarding remuneration and expenses are included as appendices to this report.

The following boards were suggested for remuneration in the draft policy.

Table 1: Boards proposed to receive Remuneration

Boards	Proposed Remuneration Basis for Citizen Appointees
Corporations Toronto Hydro Toronto Community Housing Corporation TEDCO Toronto Parking Authority TradeLink	Annual amount plus per diem for board meetings. Amount should reflect the relative size of corporation and impact of decisions, degree of public service component or interests represented, qualifications required.
Service Boards (Legislated Payment only) Board of Health Police Service Board	Honorarium - Token amount to be determined
Quasi-Judicial Licensing Tribunal Property Standards Rooming House Licensing Committee of Adjustment Fenceviewers	Per diem (or hourly) Amount for each should reflect the amount of preparation required and impact of each decision (sets precedent versus impact on individuals only), and degree of latitude in judgements.
Fund Management Sinking Funds Pension Funds	Annual stipend

Expenses:

Guidelines are required for setting an appropriate level of expense reimbursement. These include the type of expenses to be covered, a limit on appropriate amounts of such expenses, as well as guidelines on payments for meal allowances or provision of refreshments. In all cases clarity is needed to avoid misunderstandings where claims are made for expenses that were not clearly authorized in advance. The draft policies provided that expense reimbursements for members of agency boards be limited to receipted out-of-pocket expenses.

Consultation Results:

There was widespread support for the 1998 Council approved principle that public service is implied in any citizen appointment by the City of Toronto and therefore any remuneration that may be paid is not expected to be competitive with the marketplace. None of the City's ABCs that do not currently receive remuneration requested remuneration. Of the City's ABCs that do receive remuneration, only the Police Services Board has requested an increase in the amount of remuneration.

The Principles approved by Council in 1998 state that remuneration for citizen appointees is established and paid by Council rather than the organization to which they are appointed, recognizing that appointees represent Council's interest. The practice has been however, that

most organizations include in their budgets the amount of remuneration to be paid and payments come from the funds set up in the budget.

It was noted that the Council approved principles provide that all Council appointed citizen members of a given board be reimbursed at the same level except that the Chair generally receives additional payment for additional duties. During the consultation it was noted that the Chair of the Rooming House Licensing Tribunal does not receive additional payment. The Vice Chair of the Property Standards Committee and the Chairs of the Committees of Adjustment panels do not receive additional payment although they have additional duties.

Boards of Business Improvement Areas were included in the consultation process and strongly indicated support for the Council approved principle that they not receive remuneration.

Many Boards were not aware of the existing expense reimbursement principle and welcomed the further elaboration contained in the draft expense policy.

Currently all citizen Library Board members receive \$500 annually to cover expenses they may incur. This amount was established as an interim measure until a review could be completed. The Toronto Public Library Board is proposing to the ABC Ad Hoc Committee that citizen appointees of the Library Board be reimbursed reasonable estimate of expenses incurred in performance of their duties. They recommend the following annual payments; \$1,000.00 for the Chair, \$750.00 for the Vice-Chair and \$500.00 for other citizen members.

The Library Board staff noted that *The Municipal Act (S283 (2))* provides that a municipality may only pay the expenses of a local board and the officers of the local board if the expenses are of those persons in their capacity as members and if the expenses are actually incurred. Or in lieu of the expenses actually incurred, a reasonable estimate, in the opinion of council or local board of the actual expenses that would be incurred.

The Police Services Board and Toronto Community Housing Corporation and some of the AOCCs have indicated that they would like to prepare an expense reimbursement policy that is tailored to their circumstances. While this was intended to be permitted, the policy has been revised to make this explicit.

Recommended Policies:

As a result of comments received and further consideration the draft policies have been revised and are included as Attachment 1 and 2 to this report. Only minor editing and wording clarification were suggested.

The Remuneration Policy provides that the following boards receive remuneration:

- (i) Toronto Hydro Corporation;
- (ii) Toronto Community Housing Corporation;
- (iii) Toronto Economic Development Corporation;
- (iv) Toronto Parking Authority;
- (v) Board of Health;

- (vi) Police Services Board;
- (vii) Licensing Tribunal/ Rooming House Licensing;
- (viii) Property Standards/Fenceviewers;
- (ix) Committee of Adjustment;
- (x) Sinking Funds; and
- (xi) Pension Funds.

Staff will be reporting back with recommended remuneration levels for Boards in the new term of Council.

The Expense and Travel Policy provides that reasonable expenses while tending to Board business may be reimbursed.

Conclusions:

The general public, citizen participants, Council and staff will be well served by establishing a clear remuneration policy for citizen appointees which is based on reasoned principles, a clearer rationale for the form of remuneration, and a level which reflects the workload or type of responsibility. The recommended policies and remuneration levels for citizen appointees to agencies, boards, and commissions, reflect the level of responsibility, the necessary qualifications, the frequency of meetings, and amount of preparation required.

Contact:

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List of Attachments:

Attachment 1: Remuneration Policy.
Attachment 2: Expense Policy
Attachment3: Council Approved Principles

The Policy and Finance Committee also submits the following report (August 8, 2003) from the Acting Chair, Toronto Police Services Board:

Purpose:

The purpose of this report is to provide the City of Toronto Ad Hoc Committee with the Toronto Police Services Board policy governing the authorization of expenses for the Chair and Members, Toronto Police Services Board, and the Chief of Police, Toronto Police Service.

Financial Implications and Impact Statement:

There are no financial implications in regard to the receipt of this report.

Recommendation:

It is recommended that the ABC Ad Hoc Committee receive this report.

Background:

At its meeting held on July 17, 2003, the Toronto Police Services Board was in receipt of a report, dated July 14, 2003, recommending the approval of a policy for authorizing expenses for the Chair and members of the Toronto Police Services Board.

Conclusions:

The Board approved the report dated July 14, 2003 and also approved the following Motion:

“THAT, with respect to expenses incurred by the Chief of Police, claim forms must be signed by the Chief and forwarded to the Chair, or Vice-Chair in his or absence, monthly for authorization before any such claim is submitted to Service staff for processing and that this process be effective immediately.”

The Board noted that the implementation of the policy for the Chair, Board Members and Chief of Police is effective immediately.

A copy of Board Minute No. P203/03, in the form attached as Appendix “A” to this report, regarding this matter is provided for information.

Contact:

Acting Chair Gloria Lindsay Luby, Toronto Police Services Board, Tel: (416) 808-8080, Fax. (416) 808-8082.

List of Attachments:

Appendix A - Board Minute No. P203/03

Appendix “A”

This is an Extract of the Minutes of the Meeting of the Toronto Police Services Board Held on July 17, 2003 - No. P203: Board Policy: Authorizing Expenses for Toronto Police Services Board Chair And Board Members.

The Board was in receipt of the following report dated July 14, 2003, entitled, “Board Policy: Authorizing Expenses for Toronto Police Services Board Chair and Board Members”, from Gloria Lindsay Luby, Acting Chair:

Recommendation:

It is recommended that:

- (1) the Board adopt a policy wherein expense claim forms must be signed, by both the Toronto Police Services Board member making the claim and the Chair of the Board authorizing the claim, before submitting it to staff for processing;
- (2) when the claim form submitted is for expenses incurred by the Chair, another Board member must sign the claim form for the Board Chair; and
- (3) the Board forward this report to the City of Toronto's ABC Ad Hoc Committee for information.

Background:

At its meeting held on February 13-15, 2002, Toronto City Council established the ABC Ad Hoc Committee to address outstanding governance issues respecting the City's Agencies, Board, Commissions and Corporations (ABC's). The purpose of the Committee was to develop a framework for governance of ABC's, to rationalize existing models and make improvements, to develop reporting requirements and accountability mechanisms, to review processes for selecting boards and to articulate expectations and relations to the City.

At its meeting on November 21, 2002, the ABC Ad Hoc Committee considered a draft remuneration and expense policy for the City's ABC's. The Committee forwarded the draft policies to the Toronto Police Services Board for comment.

At its meeting held on March 27, 2003, the Board was in receipt of a report from the Chairman, dated February 7, 2003, containing a number of recommendations with regard to the City of Toronto's Draft Remuneration and Draft Expense and Travel Policies for ABC's (Board Minute No. P73/03 refers). The Board approved the report which included among others, the following recommendations:

- (1) that the Board request the ABC Ad Hoc Committee to consider amending the Draft Expense and Travel Policy as it relates to requiring Board approval in advance of travelling on Board business; and
- (2) that the Board request the ABC Ad Hoc Committee to consider amending the Draft Expense and Travel Policy to include levels of authorization similar to the TPSB By-Law No. 100.

Currently, the Board abides by the Toronto Police Service "Expense Authorization and Allowance" Procedure 18-01 and By-Law 147 (formerly By-Law No. 100) as it relates to business travel costs and expense authorizations for members of the Board. The current practice is relatively consistent with the draft expense and travel policy being proposed by the ABC Ad Hoc Committee. However, upon further review, there was uncertainty with regards to who was authorized to sign expense claim forms on behalf of the Chair and Board members.

It has also come to attention of the Board that if and when a Draft Expense and Travel Policy is approved by the ABC Ad Hoc Committee and subsequently by City Council, City staff recommend that the effective date shall coincide with the date of new board appointments in 2004. As there appears to be no reason to delay implementation, it is my recommendation that the Board approve the Board policy effective immediately.

Therefore, I recommend that the Board adopt a policy wherein expense claim forms must be signed, by both the Toronto Police Services Board member making the claim and the Chair of the Board authorizing the claim, before submitting it to staff for processing, and further, when the claim form submitted is for expenses incurred by the Chair, another Board member must sign the claim form on behalf of the Board Chair.

The Board approved the foregoing and the following Motion:

“THAT, with respect to expenses incurred by the Chief of Police, claim forms must be signed by the Chief and forwarded to the Chair, or Vice Chair in his or her absence, monthly for authorization before any such claim is submitted to Service staff for processing and that this process be effective immediately.”

The Board also received a copy of a communication, dated July 16, 2003, from Mr. Jeff Griffiths, Auditor General, City of Toronto, to the Acting Chair recommending a procedure for authorizing expenses which is consistent with procedure approved by the Board for the Chair and Chief of Police as noted above. A copy of the communication is on file in the Board office.

The following communications and Appendices referred to in the communication dated July 18, 2003, from the City Clerk and in the report dated June 10, 2003, from the Chief Administrative Officer respectively, were forwarded to all Members of Council with the September 11, 2003, agenda of the Policy and Finance Committee and copies thereof are also on file in the office of the City Clerk, City Hall:

- (March 28, 2003) from the Chair, Toronto Police Services Board, responding to the Draft Remuneration and Draft Expense and Travel Policies for the City of Toronto Agencies, Boards, and Commissions;
- (February 20, 2003) from the City Clerk, advising that the Toronto Pedestrian Committee, on February 19, 2003, forwarded to ABC Ad Hoc Committee a communication from Ms. Rhona Swarbrick dated February 3, 2003 for consideration;
- (July 14, 2003) from the Chair, Toronto Public Library Board, respecting reimbursement of reasonable expenses for citizen appointees;
- Appendix 1, entitled “Recommended Remuneration Policy for City Agencies, Boards, Commissions and Corporations”;
- Appendix 2, entitled “Recommended Expense and Travel Policy for City ABC’s; and
- Appendix 3, entitled “Analysis of Remuneration for Citizen Board Members”.