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To: Toronto Public Library Board – January 27, 2003  
From: City Librarian  
Subject: **Toronto Public Library Board – Remuneration and Expenses**

Purpose:

To provide an opportunity for the Toronto Public Library Board to make comments on the *Draft Remuneration and Expense Policy for City of Toronto Agencies, Boards, Commissions and Corporations*, for consideration by the ABC Ad Hoc Committee of Toronto Council.

Funding Implications and Impact Statement:

Reimbursement of the Board members' expenses is included in the Library's operating budget. For 2002, the cost of paying \$500 to each of eight citizen appointees was \$4,000. The proposal for future reimbursement would total \$4,750 for the same number of citizens.

Recommendation:

It is recommended that the Toronto Public Library Board propose to the ABC Ad Hoc Committee that citizen appointees of the Library Board be reimbursed according to a reasonable estimate of expenses incurred in the performance of their duties as follows: annual payments of \$1,000 for the Chair, \$750 for the Vice Chair and \$500 for all other members.

Background:

In April 1998, the amalgamated Library Board recommended to the City's Task Force on Agencies, Boards and Commissions that board members be compensated for expenses through a \$500 per annum payment. This was put into practice on an interim basis, and the City's Chief Administrative Officer was asked to review the practice as part of the review of remuneration policies for all Agencies, Boards and Commissions (ABCs).

The CAO's staff have presented a draft report (Attachment 1) to the ABC Ad Hoc Committee and are now in the process of obtaining feedback from the ABCs.

This report summarizes the policy drafted by the CAO's staff and suggests an approach by which the TPL Board could work within that policy. The proposed method of reimbursing citizen board members for expenses has been reviewed with staff in the City's Legal Division for compliance with the *Municipal Act, 2001*.

Comments:

Prior to amalgamation, the majority of library boards in what was then Metropolitan Toronto reimbursed the citizen members, primarily for expenses, in the form of an honorarium. The amounts ranged from as little as \$150 for board members in one municipality to the highest amount of \$2,500 for the chairman of one of the boards.

Since 1998, the interim measure of reimbursing all TPL Board members \$500 per annum has served as a convenient way to compensate citizen appointees for out-of-pocket expenses, but it does not recognize the more extensive commitments of the Chair and Vice Chair.

The report drafted by the CAO's staff distinguishes between those boards for which some form of compensation is recommended and those to which appointees are understood to make an entirely voluntary contribution of their time and expertise to the public good. The criteria establishing which board appointees are to be remunerated are summarized on page 10:

In summary, the draft general policy proposes 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.

The Draft Remuneration Policy (Appendix 1, page 13) articulates an overriding public service principle which applies, even where there is remuneration. The policy further elaborates the principles by which remuneration levels are determined and paid.

This principle of predominantly voluntary public service is consistent with the policies of the federal and provincial governments and with the principles adopted by Council in 1998.

Although citizens are expected to volunteer their time, the report does state (page 7) "...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."

Among Ontario's public library boards, current and past practice has been, in general, to regard citizen members' contributions as voluntary and to provide only reimbursement for expenses. Section 18 of the *Public Libraries Act* states "A board may reimburse its members for proper travelling and other expenses incurred in carrying out their duties as members."

The report of the CAO's staff provides a detailed method for reimbursement of expenses (Appendix 2, pages 14-15) which emphasizes due diligence in ensuring the proper expenditure of public funds. However, the process is a somewhat cumbersome one for the tracking of minor expenditures such as parking fees or TTC fares. In discussion with the CAO's staff, Library staff have expressed concern that the likely outcome of relying on this method of reimbursement would be that citizen appointees would not be fully reimbursed for out-of-pocket expenses.

The *Municipal Act, 2001*; Section 283 (Attachment 2) provides for either a local board or a municipality to pay expenses actually incurred by members of a local board in their capacity as board members or “... a reasonable estimate, in the opinion of the council or local board, of the actual expenses that would be incurred.”

The proposed solution is to provide an annual payment to cover the estimated out-of-pocket expenses incurred in the performance of board members’ usual functions. Given that refreshments are provided at regular meetings, this annual payment would be intended to cover transportation and parking costs incurred in attending at meetings and activities at the Board’s administrative offices, City Hall and branches of the Library. It would provide for Board members to attend three to four meetings or events per month and for more frequent attendance by the Chair and Vice-Chair.

Conclusion:

Under the terms of the City of Toronto’s Draft Remuneration Policy for City Agencies, Boards, Commissions and Corporations, citizen appointees to the Toronto Public Library Board are expected to make a voluntary contribution of their time. The policy does recognize that citizens should be reimbursed for expenses incurred in the performance of their duties. Given the restrictions imposed by the Draft Expense and Travel Policy for City ABCs, there is a concern that citizen appointees would not be adequately compensated for legitimate expenses. To address this concern, it is recommended that citizen appointees be paid an amount annually which is an estimate of their actual expenses. Larger payments are recommended for the Chair and Vice Chair in recognition of additional travel requirements inherent in those positions.

Contact:

David Reddin, Director, North Region; Tel: 416-393-7193; Fax: 416-393-7083;  
E-mail: [dreddin@tpl.toronto.on.ca](mailto:dreddin@tpl.toronto.on.ca)

Nancy Marshall, Administrative Coordinator, City Librarian’s Office; Tel: 416-393-7215;  
Fax: 416-393-7083; E-mail: [nmarshall@tpl.toronto.on.ca](mailto:nmarshall@tpl.toronto.on.ca)

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List of Attachments:

Attachment 1: Draft Remuneration and Expense Policy for City of Toronto Agencies, Boards, Commissions and Corporations

**Attachment 2 is unavailable electronically. Please contact 416-393-7215 if you require a copy.**