

Consolidated Clause in Policy and Finance Committee Report 1, which was considered by City Council on January 31, February 1 and 2, 2006.

2**Remuneration for Citizen Appointees to Agencies,
Boards, Commissions and Corporations**

City Council on January 31, February 1 and 2, 2006, amended this Clause to provide that funding for the increased remunerations be provided from the existing budgets of the agencies, boards, commissions and corporations.

This Clause, as amended, was adopted by City Council.

The Policy and Finance Committee recommends that City Council adopt the staff recommendations contained in the Recommendations Section of the report (January 10, 2006) from the City Manager.

Action taken by the Committee:

The Policy and Finance Committee requested the City Manager to submit a report to the Administration Committee on the general practice to have:

- (a) one person serve as the Chair to the Board of Trustees of the Metro Toronto Pension Plan with remuneration of \$7,500.00, and the Board of Trustees of the Metro Police Benefit Fund at an additional remuneration of \$7,500.00; and
- (b) one person serve as the Chair of the Toronto Civic Employees Pension Committee at \$7,500.00 remuneration per year and the Toronto Fire Department and Superannuation and Benefit Fund at an additional remuneration of \$7,500.00 per year.

The Policy and Finance Committee submits the report (January 10, 2006) from the City Manager:

Purpose:

To revise the Remuneration Policy and Expense and Travel Reimbursement Policy to reflect minor changes resulting from a review of current rates of citizen remuneration and expense and travel reimbursement guidelines. To submit the final instalment of changes in the rates of citizen remuneration, in accordance with the revised Remuneration Policy, with specific changes for: (a) Toronto Police Services Board, (b) Toronto Licensing Tribunal, (c) Property Standards Committee and (d) any body (such as a compliance audit committee or similar body) that

Council may establish to exercise its powers and functions under the provisions of the *Municipal Elections Act*, 1996.

Financial Implications and Impact Statement:

For the Toronto Police Services Board, the proposed changes to citizen remuneration will result in an additional budget pressure for 2006 in the amount of \$27,627. Such additional budget pressure will need to be accommodated within the 2006 budget.

The balance of the proposed changes to citizen remuneration will take effect in 2007. It is expected that the change in the remuneration formula for the Toronto Licensing Tribunal will be cost neutral. An estimated increase of \$5,400 will be required to the 2007 budget of the Property Standards Committee. An estimated \$4,200 may need to be included in the 2007 elections budget should City Council decide at a future meeting to establish a body of citizen appointees (such as a compliance audit committee or similar body) to exercise its powers and functions relating to compliance audit applications.

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

Recommendations:

It is recommended that:

- (1) the revised citizen Remuneration Policy included as Appendix 1 to this report be approved;
- (2) the revised Expense and Travel Reimbursement Policy for appointees to the City's Agencies, Boards, Commissions and Corporations (ABCCs) included as Appendix 2 to this report be approved;
- (3) a copy of the revised Policies, as approved by Council, be forwarded to the relevant ABCCs with a request that they adhere to the principles and guidelines contained in such Policies;
- (4) with respect to the Toronto Police Services Board, the following annual remuneration be set for the provincial and City citizen appointees (non-Members of Council), and such remuneration become effective January 1, 2006, in recognition of the increasing demands placed on Board members:
 - (a) the remuneration for a citizen Chair be continued at \$90,963;
 - (b) the remuneration for a citizen Vice-Chair be changed from an annual honorarium of \$8,791 to a combination of an annual honorarium of \$13,750 plus a per diem payment of \$350 with a cap on total remuneration of \$22,500 (representing 25 per diem payments for attendance at board and committee meetings, and for required training days);

- (c) the remuneration for other citizen members be changed from an annual honorarium of \$8,791 to a combination of an annual honorarium of \$8,750 plus a per diem payment of \$350 with a cap on total remuneration of \$15,750 (representing 20 per diem payments for attendance at board and committee meetings, and for required training days); and
 - (d) a copy of the recommendations, as approved by Council, on the proposed increases in citizen remuneration for the Police Services Board for 2006 be referred to the Budget Advisory Committee, with a request that the additional budget pressure in the total amount of \$27,627 be accommodated within the 2006 Police Budget;
- (5) with respect to the Toronto Licensing Tribunal, a \$350 per diem and a \$50 fee for written decisions with reasons (excludes settlement decisions) be introduced when appointments are made at the beginning of the next term of the Tribunal (early 2007), as follows:
- (a) the rate for the Chair be changed from an annual honorarium to a combination of the same annual honorarium of \$18,000 plus a per diem payment of \$350 for attendance at Tribunal business meetings, and for required training days;
 - (b) the rate for the other members of the Tribunal be changed from an annual honorarium of \$12,300 to the payment of a \$350 per diem only for attendance at hearings and Tribunal business meetings, and for required training days (with no annual honorarium); and
 - (c) any member (other than the Chair) who prepares and submits written decisions with reasons (excludes settlement decisions) be entitled to receive a \$50 fee for each written decision;
- (6) with respect to the Property Standards Committee/Fence Viewers, the following remuneration be set effective when appointments are made at the beginning of the next term of the Committee (early 2007) as follows:
- (a) the additional annual payment to the City-wide Chair (who is selected from amongst the members) be increased from \$300 to \$500;
 - (b) the per diem rate for members be increased from \$75 to \$125 for each hearing day attended; and
 - (c) the rate for members who serve as fence viewers be continued at \$30 per hour (minimum of 3 hours x 3 members per viewing);
- (7) should City Council decide at a future meeting to establish a compliance audit committee or similar body of citizen appointees to exercise Council's powers under the *Municipal Elections Act*, 1996, a \$350 per diem be introduced for attendance at meetings;

- (8) the current rates of citizen remuneration for the bodies listed in Appendix 3 to this report be continued, except that the amounts be rounded up for two Chair positions (from \$7,499 to \$7,500) and for the Sinking Fund Committee (from \$4,913 to \$5,000) as noted in Appendix 3;
- (9) the City Solicitor be authorized to introduce any necessary bills in Council; and
- (10) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.

Background:

City Council in September 2003, approved a Remuneration Policy for citizen members of City Agencies, Boards, Commissions and Corporations (ABCCs). The dollar values for such remuneration were to be reported at a later date. City Council also referred the matter of remuneration for citizen members of the Compliance Audit Committee to the City Manager for consideration as part of the overall policy for remuneration and expense reimbursement for City ABCCs.

In July 2004, Council approved the rates of remuneration for the citizen appointees to the Committee of Adjustment and its four new Panels. In July 2005, Council approved the rates of remuneration for a number of Corporate and Commercial Boards. Council postponed its consideration of remuneration levels for the Toronto Waterfront Revitalization Corporation until the structure has been reviewed by all stakeholders. In December 2005, Council approved the rates of remuneration for the citizen Chair and members of Enwave Energy Corporation based on negotiations with the other shareholder, BPC Penco Corporation.

City Council approved an Expense and Travel Reimbursement Policy in September 2003, that allows for the reimbursement of reasonable expenses incurred while tending to authorized Board business.

Comments:

When Council approved the Citizen Remuneration Policy in 2003, it was on the understanding that rates of remuneration would be reviewed for the various bodies that were approved for remuneration. A number of reviews were previously completed, and specific rates of remuneration were approved by Council, as noted above.

The balance of the outstanding reviews are now complete. In evaluating remuneration levels for citizen appointees, staff reviewed the practices of provincial and federal governments, the private sector, and other municipalities. During the review, staff identified some minor changes that are needed to the Policy, as described in fuller detail below. This report is the final instalment of the recommended rates of citizen remuneration, in accordance with the revised Policy.

The Citizen Remuneration Policy is based on a number of key principles that largely reflect those used by the federal and provincial governments for citizen appointments. Under these principles, an element of public service is implied in any citizen appointment. Payments to

citizen appointees are not intended to be equal to the value of services rendered, nor are they intended to be competitive with the appointee's usual occupational compensation.

Members of Council do not receive additional remuneration beyond their salaries for serving on a City agency, board, commission or corporation. Some boards do pay for Councillor expenses while on board business. Any remuneration or expenses paid to Members of Council or citizen appointees to local boards and other special purpose bodies is made in accordance with Council policy and relevant statutory requirements. The total amounts paid are reported to Council on an annual basis by the Treasurer, as required under section 284 (1) of the *Municipal Act*, 2001.

The Remuneration Policy stipulates that remuneration is paid only when the board operates in a business environment (corporations), where a payment is required by legislation (some service boards), when duties are adjudicative in nature and time commitment is substantial (quasi-judicial), and for specific financial expertise (fund investments).

The Policy also stipulates that no remuneration will be paid to members of advisory committees, task forces, or boards of business improvement areas, arenas and community centres. There are approximately 400 citizens appointed by Council to serve on City advisory bodies and task forces. This number does not include citizens who are appointed to serve on program advisory bodies that are established by various City divisions.

The Expense and Travel Reimbursement Policy, also approved in 2003, is based on policies and guidelines that apply to City staff. During the review, staff identified some minor changes that are needed to this Policy, as described in fuller detail below.

Proposed Changes to Citizen Remuneration Policy:

The Remuneration Policy sets out reasoned principles for the payment of remuneration to citizens who serve on City boards. The Policy also identifies the bodies that are to receive remuneration. Changes are required to the "Principles" section of the Policy, and to the list of bodies identified for remuneration. The proposed changes, and the corresponding reasons for the change, are summarized in Table 1 below.

Table 1: Proposed Changes to Citizen Remuneration Policy

Existing	Proposed	Reasons for the Change
<p>Principle 4:</p> <p>All Council appointed citizen members of a given board shall be reimbursed at the same level except that the Chair may receive additional payment for additional duties</p>	<p>Also permit the payment of additional remuneration, as approved by Council, for the Vice Chair (where a Vice Chair exists) for additional duties</p>	<p>The Vice Chair of the Toronto Police Services Board is often required to take on additional duties, and should receive a higher remuneration than other citizen members of the board.</p>
<p>Principle 6:</p> <p>Board members must be in attendance at meetings to receive remuneration where a per diem is paid.</p>	<p>Add a new principle in the Policy (to follow Principle 6) as follows:</p> <p>(New) Principle 7:</p> <p>“In the event that service is for less than a full year, the payment of annual honorariums should be pro-rated on a monthly basis.”</p>	<p>This new principle clarifies that annual honorariums are to be pro-rated based on the length of service in any one year.</p>
<p>(Re-numbered) Principle 9:</p> <p>Per diems are paid for meetings with durations more than three hours. One-half will be paid for meetings less than three hours.</p>	<p>(a) Eliminate the requirement that a full per diem will only be paid for meetings that last more than three hours</p> <p>(c) Include reference to the payment of per diems for required training days</p>	<p>Ensures consistency in the payment of per diems. Recognizes that members must prepare for meetings in advance, regardless of the length of the meeting.</p> <p>Allows for the payment of per diems for required training days. Appointees to the Toronto Licensing Tribunal are required to successfully complete a training program on the adjudicative process. Appointees to the Toronto Police Services Board are expected to participate in board training and development events.</p>
<p>Specific Bodies Identified for Remuneration</p>	<p>Add to the list the Examining Boards (which currently pay remuneration) and any body (such a compliance audit</p>	<p>The Examining Boards (which currently pay remuneration) were missed from the list when the</p>

Existing	Proposed	Reasons for the Change
	committee or similar body) that Council may establish to exercise its powers and functions relating to compliance audit applications made under the provisions of the <i>Municipal Elections Act</i> , 1996	Policy was first presented in 2003. It is also appropriate to provide that remuneration be paid to a compliance audit committee or similar body, if such body exercises Council's powers and functions

The above proposed changes have been incorporated in the recommended revised Remuneration Policy included as Appendix 1 to this report.

Proposed Change to Expense and Travel Reimbursement Policy:

The Expense and Travel Reimbursement Policy for appointees to the City's Agencies, Boards, Commissions and Corporations (ABCCs) sets out conditions and guidelines to be used to determine an appropriate level of expense reimbursement. These include the types of expenses to be covered, limits for such expenses, as well as guidelines on payment for meal allowances and refreshments.

A change is needed to the "Conditions" section of the Policy. The proposed change, and the corresponding reason for the change, is summarized in Table 2 below.

Table 2: Proposed Change to Expense and Travel Reimbursement Policy:

Existing	Proposed	Reasons for the Change
<p>Condition 5: Board members who travel from their point of departure to destination and are required to stay overnight in their destination area in order to tend to Board business outside of Board meetings, shall be reimbursed for their accommodation costs. Receipts must be provided.</p> <p>Condition 6 (To be re-numbered as 7):</p>	<p>Add a new condition in the Policy (to follow Condition 5) as follows:</p> <p>(New) Condition 6: "Sundry expenses are applicable only for overnight stay out of town. Expenses include meals, telephone, entertainment and local transportation (excluding ground transportation between accommodation and the terminal, which may be reimbursed separately with receipts), including the day of departure and return. Reimbursement is equal to the allowance for City staff.</p>	<p>Including this new condition brings the Policy into conformity with current guidelines for City staff.</p>

Existing	Proposed	Reasons for the Change
Board members who are tending to Board business that span normal meal times may be reimbursed for all reasonable meal expenses if no meals are provided. Receipts must be provided.	(Currently the allowance for reimbursement is up to \$65 Canadian funds and up to \$65 U.S. funds per day outside Canada.). No receipts are required. Where some or all meals are included in the conference/seminar, the per diem should be reduced accordingly.”	

The above proposed changes have been incorporated in the recommended revised Expense and Travel Reimbursement Policy included as Appendix 2 to this report.

Toronto Police Services Board:

A comparison of current and proposed annual rates of remuneration for the citizen and provincial appointees to the Police Services Board is provided in Table 3 below.

Table 3: Comparison of Current and Proposed Remuneration for Police Services Board:

Board	Effective Date	Citizen Member Remuneration			Citizen Vice Chair Remuneration			Citizen Chair Remuneration
		Annual Amount	Meeting Fee	Maximum	Annual Amount	Meeting Fee	Maximum	Annual Amount
Police Services	Current Rates	\$8,791	Nil	\$8,791	\$8,791	Nil	\$8,791	\$90,963
	Proposed rates effective Jan 1/06	\$8,750	*\$350	\$15,750 (Includes up to 20 per diems)	\$13,750	*\$350	\$22,500 (Includes up to 25 per diems)	No change from existing rate (shown above)

*\$350 per diem for attendance at Board and committee meetings, and for required training days.

The potential financial impact of the proposed increase on the Police Services Board budget will vary, depending on the number of meetings attended. It is estimated that a total annual increase of \$27,627 will be required to the budget to give full effect to the proposed changes. This is based on an additional:

\$13,709 for a citizen Vice Chair; and
\$13,918 for 2 citizens (\$6,959 each).

This assumes that the one of the citizens is appointed as Chair, and is remunerated at the rate included in the budget for the Chair.

The general provisions of section 283 of the *Municipal Act*, 2001, permit City Council to set the remuneration for the citizen and provincial appointees on the Police Services Board. Section 27

of the *Police Services Act*, 1990, requires a municipal Council to pay the provincial appointees on its Board remuneration that is at least equal to the “prescribed” amount. Section 1 of Ontario Regulation 123/98 sets the prescribed amount at not less than \$1,000.00 for cities having a population exceeding 500,000. In January 1993, the former Metro Council enacted By-law 1-93, which set out the annual rates of remuneration to be paid to provincial appointees (persons who are members of the Board but not appointed by Council). This By-law will need to be repealed if City Council approves changes to the rates of remuneration.

The former Chair of the Toronto Police Services Board submitted a report dated May 19, 2000, to the City’s Nominating Committee requesting that the City review the honorarium paid to the citizen members and the salary paid to the Chair of the Board. In his report, the former Chair referred to the following demands placed upon Board members:

- “(a) Pressures: a 1998 consultant’s study found that Board members find work on other Boards do not adequately prepare them for their duties at the Police Board due to the intense media scrutiny, complexity of the organization and the legislative requirements governing their duties.
- (b) Workload: prospective appointees should be advised that the workload is approximately 10 hours per week.

The Board has a significant workload consisting of Board meetings, sub-committee meetings, policy initiatives, community meetings, employee recognition programs and media launches. The workload of the Board is also magnified by the fact that all of its members are part-time.

Board Members are expected to attend and participate in the following:

- (i) Regular meetings of the Toronto Polices Services Board. These day-long meetings are held monthly. Each meeting consists of a public session and in-camera session. There are also additional special issue Board meetings that are called throughout the year.
- (ii) Board sub-committees (Race Relations, Audit, Policy and Budget) meet every other month for approximately three hours.
- (iii) Community meetings are regularly scheduled throughout the year;
- (iv) Ceremonial Functions such as employee recognition programs; and
- (v) Police related media events and meetings.”

The former Chair of the Toronto Police Services Board also submitted a report dated January 22, 2003, to the City’s former ABC Ad Hoc Committee forwarding an extract of the minutes of the Police Services Board meeting held on December 11, 2002, in which the Board approved a recommendation that the Ad Hoc Committee give consideration to increasing the remuneration for the citizen member positions to better reflect the workload and expected commitment, with a

base amount of \$8,791 per year plus a per diem payment of \$300 per meeting attended. (The proposed per diem of \$300 per meeting matched the rate paid to members of the Committee of Adjustment at that time. This rate has since increased to \$350 per meeting.)

As part of its review of citizen remuneration, staff in the City Manager's Office contacted a number of municipalities in Ontario to find out what rates of remuneration are paid to other Police Services boards. Of the municipalities who responded, the rates range from as low as \$2,000 a year (for the City of Kingston) to \$10,659.74 (for the Regional Municipality of Peel). None of the municipalities that were surveyed compare with Toronto in terms of the size of the force and the complexity of the issues.

Staff also contacted the Ontario Civilian Commission on Police Services. Citizen board members are paid \$15,000 per annum. The commission meets monthly in addition to conducting hearings but, unlike the Toronto Police Services Board, it has no general management responsibilities over a police force of its own.

The demands placed on the Toronto Police Services Board members have increased substantially in recent years. In an attempt to determine appropriate rates of remuneration, staff in the City Manager's Office met with the Member of Council who served as the previous Chair of the Board from December 2003, until the recent appointment of a new citizen Chair. The previous Chair requested that consideration be given to implementing an increase in remuneration for the citizen members of the Board as soon as possible, in recognition of the increasing demands placed on Board members.

Taking into consideration the need for citizen members to attend a large number of board and committee meetings, in addition to required training days and community events and ceremonial functions, it is proposed that the remuneration for the Vice Chair and the other citizen members of the Board be changed to include a per diem rate for attendance at board and committee meetings. It is also proposed that the per diem apply for required training days.

No change is proposed to the rate currently paid to the Chair of the Board.

Specifically, it is proposed that the rates of remuneration for the Board Chair, Vice-Chair and the other members (who are non-Members of Council) be set as follows effective January 1, 2006:

- (a) the annual rate of \$90,963 for a citizen Chair be continued;
- (b) the remuneration for a citizen Vice-Chair be changed from an annual honorarium of \$8,791 to a combination of an annual honorarium of \$13,750 plus a per diem payment of \$350 with a cap on total remuneration of \$22,500 (representing 25 per diem payments for attendance at board and committee meetings, and for required training days); and
- (c) the remuneration for other citizen members be changed from an annual honorarium of \$8,791 to a combination of an annual honorarium of \$8,750 plus a per diem payment of \$350 with a cap on total remuneration of \$15,750 (representing 20 per diem payments for attendance at board and committee meetings, and for required training days).

Toronto Licensing Tribunal:

A comparison of current and proposed annual rates of remuneration for the citizen members and Chair of the Toronto Licensing Tribunal is provided in Table 4 below.

Table 4: Comparison of Current and Proposed Remuneration for Licensing Tribunal:

Board	Effective Date	Citizen Member Remuneration			Citizen Chair Remuneration	
		Annual Amount	Meeting Fee	Written Decisions Fee	Annual Amount	Meeting Fee
Toronto Licensing Tribunal	Current rates	\$12,300	Nil	Nil	\$18,000	Nil
	Proposed rates to take effect when appointments are made at the beginning of the next term of the Tribunal (2007)	Nil	*\$350 (for hearings, business meetings and required training days attended)	\$50 per written decision with reasons (excludes settlement decisions)	\$18,000	*\$350 (for business meetings, and required training days attended)

*Note: The Tribunal may meet weekly, but it generally meets three times a month. From January to December 31, 2005, the Tribunal held 39 hearings. The members currently organize themselves into two panels of three, and the Chair or another member may act as an alternate for any absent member.

Under the provisions of the Toronto Municipal Code, Chapter 545-3, Licensing, the Tribunal is required to hold two or more business meetings in a calendar year, and all new members of the Tribunal must, at a minimum, go for specific training (which takes place over five days) during the first 6 months of their appointment.

When the full change is implemented in early 2007, it is anticipated the potential impact on the remuneration earned by individual members may vary. Overall, it is expected that the changes will be cost neutral. Some members could earn more than others, depending on their rate of participation. It is possible that a majority of members may earn less than their current rate of remuneration because they will no longer be paid a fixed honorarium (except for the Chair), and they will be paid in the form of a \$350 per diem based on their attendance at hearings and business meetings. A \$350 per diem will also be paid for required training days, but these will generally be completed in the first year of a member's appointment.

The introduction of a \$50 fee for each written decision with reasons (excludes settlement decisions) is proposed for payment to the member who prepares and submits the decision. During its recent governance review of the Toronto Licensing Tribunal, City Council approved a requirement that the Tribunal shall document decisions in writing in a form that restates the salient evidence given at the hearing, provides a clear rationale for the decision, and references the By-law articles applied. Based on an analysis of statistics relating to the Tribunal hearings in 2004 and 2005, it is estimated that the cost will run between \$4,000 and \$5,000 a year (to be split amongst those members who prepare and submit the decisions).

The financial impact of paying the Chair a \$350 per diem for attendance at business meetings and for required training days is minimal. If the Chair fills in for an absent Member, the Chair will receive no additional remuneration and the per diem payment that would have gone to the member originally scheduled to attend the hearing would not be made. In addition, the cost of running the Tribunal is included in the licensing fees, so there is no net budgetary impact to the corporation.

City Council in May 1998, approved the restructuring of the old Metro Toronto Licensing Commission into the Toronto Licensing Tribunal. Prior to amalgamation, the old Commission was responsible for both administrative and adjudicative functions. It set the policies that guided the administration, and it oversaw the budget and management of licensing operations for the municipality. It also served as the quasi-judicial body that adjudicated on matters involving the application of its policies. The Chair was expected to regularly attend hearings.

The new Tribunal was established as a quasi-judicial body, without any management oversight. The composition of the Tribunal was set at no more than six citizens and one citizen Chair appointed by City Council. Even though their duties were lessened and there were no business meetings, the rates of remuneration paid to the Chair and citizen members remained the same as those paid to appointees on the old Commission.

Since the Tribunal was established in 1998, a number of changes have been made to the roles and responsibilities of the Chair and members. Most recently, City Council in June 2005, approved a Relationship Framework for the Toronto Licensing Tribunal to guide the Chair and members of the Tribunal.

Some of the duties that have been assigned to the Chair include (but are not limited to):

- (a) overseeing the effective and efficient operation of the Toronto Licensing Tribunal, and mentoring members of the Tribunal;
- (b) retaining and co-ordinating (within existing budgetary and City purchasing requirements) the work of outside consultants that have been retained to give the Tribunal legal or other professional advice;
- (c) reviewing the written decisions of the Tribunal for clarity only;
- (d) convening and chairing at least two business meetings of the Toronto Licensing Tribunal every year; and
- (e) preparing the annual report to the Planning and Transportation Committee or its successor on:
 - (i) the activities of the Tribunal, and any changes made to the hearing process during the past year;

- (ii) any recommended changes to the policies and procedures of the Toronto Licensing Tribunal, and any educational training proposed for the members of the Tribunal for the upcoming year; and
- (iii) emerging licensing issues and observations that, in the Toronto Licensing Tribunal's opinion, should be reviewed by the City of Toronto.

The Chair is also expected to participate in hearings where other members are unavailable, or in hearings of a complex, highly controversial or lengthy nature. Because the current honorarium was set at a time when the Chair's duties were substantial, it is reasonable that such remuneration continue.

The other members of the Tribunal are primarily expected to serve as members of hearing panels. Membership in a hearing panel is to be randomly assigned to maximize the rotation of members. If a member is unable to serve on the panel after having been appointed to do so but before the proceeding has commenced, the Chair or another member appointed by the Chair may serve on the panel in place of such member.

Members are accountable for ensuring their written decisions, including the reasons, are clear and easy to understand by the general public.

Additional duties that have recently been assigned to the members of the Tribunal include: (a) attending the business meetings to review the operation of the Tribunal; and (b) making decisions on the content of the Annual Report to the Planning and Transportation Committee or any successor body.

The primary duties of the citizen members of the Tribunal are focused on their adjudicative role, and it is appropriate that the remuneration for members be changed from an annual honorarium to per diem payments, similar to other quasi-judicial bodies. A per diem payment serves to link remuneration to the amount of time spent in preparing for and attending hearings, and is consistent with similar functions of the Committee of Adjustment.

It is proposed that per diem payments also apply to attendance at business meetings and for required training days. The Chair should also be entitled to per diem payments, albeit on a more limited basis. It is proposed that the Chair be entitled to a per diem for attendance at Tribunal business meetings, and for required training days.

During the recent governance review of the Tribunal, the members were given advance notice that staff would be reporting on the proposed change in remuneration to per diem payments. Staff in the City Manager's Office subsequently consulted with the Chair and interested members of the Tribunal, as well as staff in Municipal Licensing and Standards, to discuss any concerns with the proposed change in the rates of remuneration. Because the current members were appointed on the basis of an annual honorarium, it is proposed that the \$350 per diem be introduced with the next round of citizen appointments by the incoming Council. For consistency, the payment of a per diem to the Chair should also commence at the same time.

Property Standards Committee/Fence Viewers:

A comparison of current and proposed annual rates of remuneration for the citizen members and the City-wide Chair of the Property Standards Committee is provided in Table 5 below. The hourly rate for members of the Committee who serve as Fence Viewers is also addressed.

Table 5: Comparison of Current and Proposed Remuneration for Property Standards Committee/Fence Viewers:

Board	Effective Date	Citizen Member	City-Wide Chair	Fence Viewers
		Per Diem	Annual Amount	Hourly Rate
Property Standards Committee	Current rates	\$75	\$300	\$30 per hour (minimum of 3 hours x 3 members per viewing)
	Proposed rates to take effect when appointments are made at the beginning of the next term of the Committee (2007)	\$125 (For hearing days attended)	\$500	No change from existing rate (shown above)

There is no budgetary impact for 2006. The proposed change in remuneration will not take effect until 2007. It is estimated that a maximum annual budget of \$18,000 will be required for 2007 and onward to give full effect to the proposed changes. This represents an annual increase of \$5,400 over and above the \$12,600 included in the 2006 budget estimates.

This assumes that 35 hearings will be held annually with 4 panel members in full attendance at each hearing. The actual total per diems paid may vary from the amount included in the budget because there will be instances when some members will be absent from a hearing. In 2004, the overall participation rate at the 36 hearings held was 88 percent, and the total remuneration paid was \$9,450. Property Standards Committee panel hearings generally last from one to four hours. In 2005, 31 hearings were held.

The Property Standards Committee consists of 16 citizens. The Committee is organized into four panels of four members each. The Committee chooses a City-wide Chair from among its members, and a Chair is chosen for each of the Panels.

The proposed change includes an increase of \$200 to the additional annual amount paid to the City-wide Chair (from \$300 to \$500). One of the key roles of the City-wide Chair is to act as liaison between the members and the Secretary of the Committee on matters of policy and process.

In a recent written submission to the Planning and Transportation Committee dated November 2005, entitled "Proposal for the Reorganization of Certain Boards and Special Purpose Bodies within the City of Toronto," the current City-wide Chair of the Property Standards Committee referred to the disparity in the rates of remuneration paid to citizen appointees on various quasi-judicial bodies of the City. The City-wide Chair acknowledged that a disparity is reasonable when time demands are greater for some bodies than others, but suggested that other demands also need to be taken into account.

The City-wide Chair noted that serving on the Property Standards Committee is highly demanding in terms of the “understanding of legal, construction, engineering, urban planning, landscaping, property maintenance, social and sometimes psychological issues” that members are “confronted with regularly and to which they must apply their collective expertise, experience and wisdom.”

The following qualifications were identified for members of the Property Standards Committee in the policy for citizen nominations adopted by City Council in April 2004, in addition to the general qualifications that apply to most appointees:

- “(i) bring an understanding of the diverse neighbourhoods and communities across the city;
- (ii) display a concern for the health and safety of City residents;
- (iii) have an understanding of the *Building Code Act, 1992*, Chapter 629, Property Standards, of the Municipal Code, building practices and tribunal processes;
- (iv) have a clear understanding of the role of the Committee;
- (v) not act as an agent for any appellant before the Property Standards Committee; and
- (vi) it would be an asset to have members with previous experience as a member of a decision-making body and be able to read and understand building plans, surveys and reports.”

During the last round of citizen appointments in the spring 2004, only 22 applications were received for 16 positions on the Property Standards Committee. By comparison, 76 applications were received for 20 positions on the Committee of Adjustment, which currently has a per diem of \$350.00.

In an effort to attract a greater number of applicants and to better reflect the complexity of the issues faced and the potential time demands, it is proposed that the per diem paid to members of the Property Standards Committee be increased from \$75 to \$125, and the additional annual amount paid to the City-wide Chair be increased from \$300 to \$500. The proposed per diem of \$125 is the next highest per diem currently paid by the City for service on a City board. Because of the budgetary impact, it is proposed these increases be implemented when appointments are made at the beginning of the next term of the Committee in early 2007.

No change is proposed to the \$30 hourly rate paid to members of the Committee who serve as fence viewers. The number of fence viewings per year is minimal. From 2002 until mid-2005, a total of 14 fence viewings were held (average three a year).

Staff in the City Manager’s Office consulted with the current City-wide Chair of the Property Standards Committee on the proposed change to the per diem for hearing days attended.

Compliance Audit Committee:

In July 2003, City Council established a Compliance Audit Committee and delegated to this committee all of its powers and functions relating to compliance audit applications made under the provisions of the *Municipal Elections Act, 1996*. City Council appointed three citizens to the committee in September 2003, and referred the matter of remuneration for committee members to the City Manager for consideration as part of the overall policy being developed for

remuneration and expense reimbursement for City Agencies, Boards, Commissions and Corporations.

There is a defined period of time during which a compliance audit application may be made following a municipal election. The work of the Compliance Audit Committee established in 2003 has been finalized. The committee received one application, and held one meeting. Four applications were made in 2000, and one in 1997.

The City Clerk recently submitted a report to City Council in October 2005, indicating that she will report back to Council in early 2006 outlining options for dealing with compliance audit requests.

Should City Council decide at a future meeting to establish a body of citizen appointees (such as a compliance audit committee or similar body) to exercise its powers and functions relating to compliance audit applications made under the provisions of the *Municipal Elections Act*, 1996, it is appropriate that the members be paid a per diem for meeting days attended. This type of body is not the same as an advisory body, in that it would make decisions in place of Council.

Candidates for this type of body would need to have specialized knowledge of municipal campaign finance issues and accounting/auditing experience. It is proposed that the per diem be set at \$350. Should City Council establish such a body and appoint three citizen members, it is estimated the cost of per diems would total \$4,200 (assuming four meetings are held, and all three members are in attendance).

Other Boards:

The Remuneration Policy identifies a number of other boards and positions that qualify for remuneration. The City Manager's Office contacted staff supporting these various bodies to see if any changes are needed to the current rates of remuneration. Staff advised that no difficulties have been experienced in attracting qualified citizens for appointment to these boards.

Requirements have generally remained the same for the boards and positions listed in Appendix 3 to this report. However, the mandate of the Sinking Fund Committee was recently expanded by City Council in December 2005, to include an advisory role regarding City-managed investment portfolios as well as providing advice on performance measurement and investment strategies. Since it is not known what the impact of such expanded duties will be, the City Manager should review this impact following one year in operation to determine if the rates of remuneration for the Striking Committee are set at an appropriate level.

It is proposed that the current rates of remuneration for the boards and positions listed in Appendix 3 to this report be continued, except that the amounts be rounded up for two Chair positions (from \$7,499 to \$7,500) and for the Sinking Fund Committee (from \$4,913 to \$5,000. Appendix 3 also includes information on statutory requirements relating to specific boards and identifies the relevant limitations on Council's power to set the remuneration.

This report completes the review of the remaining bodies identified for remuneration in the Citizen Remuneration Policy.

Conclusions:

The Citizen Remuneration Policy for appointees to the City's Agencies, Boards, Commissions and Corporations is based on reasoned principles. Where paid, remuneration should reflect the level of responsibility, the necessary qualifications, the frequency of meetings, and amount of preparation required.

Remuneration is paid only when the board operates in a business environment (corporations), where a payment is required by legislation (some service boards), when duties are adjudicative in nature and time commitment is substantial (quasi-judicial), and for specific financial expertise (fund investments).

Minor revisions are proposed to both the Citizen Remuneration Policy and the Expense and Travel Reimbursement Policy for appointees to City Agencies Boards, Commissions and Corporations.

This report also recommends the dollar values of citizen remuneration for those boards where the remuneration has not been reviewed since the Policy was adopted in 2003. Specific changes are recommended to the remuneration for citizen appointees to: (a) Toronto Police Services Board, (b) Toronto Licensing Tribunal; and (c) Property Standards Committee. In addition, a per diem rate of remuneration is recommended for any body (such as a compliance audit committee or similar body) that Council may establish at a future meeting to exercise its powers and functions relating to compliance audit applications.

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List of Attachments:

- Appendix 1 Recommended Revised Remuneration Policy for City Agencies, Boards, Commissions and Corporations.
- Appendix 2 Recommended Revised Expense and Travel Reimbursement Policy for City Agencies, Boards, Commissions and Corporations.
- Appendix 3 Recommended Continuation of Current Rates of Citizen Remuneration.

Appendix 1

Recommended Revised Remuneration Policy For City Agencies, Boards, Commissions and Corporations

Policy Statement:

This policy applies to citizen members of City Agencies, Boards, Commissions and Corporations (ABCCs), as well as the specific bodies identified at the end of this policy. Council Members of City ABCCs do not receive remuneration beyond their regular salary as Councillors.

Principles:

- (1) 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 by Council rather than the organization to which they are appointed, recognizing that appointees represent Council's interest.
- (3) Expenses may be reimbursed as set out in the Expense and Travel Reimbursement Policy.
- (4) All Council appointed citizen members of a given board shall be reimbursed at the same level except that the Chair and Vice Chair (where a Vice Chair exists) may receive additional payment as approved by Council for additional duties.
- (5) Where paid, remuneration for citizen appointees to City Agencies, Boards, and Commissions should reflect the level of responsibility, the necessary qualifications, the frequency of meetings, and amount of preparation required.
- (6) Board members must be in attendance at meetings to receive remuneration where a per diem is paid.
- (7) In the event that service is for less than a full year, the payment of annual honorariums should be pro-rated on a monthly basis.
- (8) No remuneration will be paid to members of advisory committees, task forces, or boards of Business Improvement Areas, Arena Boards and Community Centres.
- (9) Per diems are paid for attendance at hearings or meetings, or for required training days.

Implementation The following Bodies are to receive remuneration:

Corporate and Commercial Boards:

Enwave Energy Corporation
Toronto Community Housing Corporation
Toronto Economic Development Corporation
Toronto Hydro Corporation
Toronto Parking Authority
Toronto Waterfront Redevelopment Corporation

Service Boards:

Board of Health
Police Services Board

Quasi-Judicial Bodies and Positions:

Licensing Tribunal
Rooming House Licensing
Property Standards/Fence Viewers
Committee of Adjustment

Fund Management:

Sinking Funds
Pension Funds

Other Bodies:

Any body (such a compliance audit committee or similar body)
that Council may establish to exercise its powers under the
Municipal Elections Act, 1996.

Examining Boards

Appendix 2

Recommended Revised Expense and Travel Reimbursement Policy
For City Agencies, Boards, Commissions and Corporations

Policy Statement:

The City of Toronto recognizes that Board members are volunteers and as such, make available their valuable personal time in order to tend to Board business. All reasonable expenses incurred while tending to authorized Board business will be reimbursed. The City expects that each Board will use discretion regarding the number of Board development events attended per budget year. The Board may compensate Board members who are requested to use personal vehicles for the purposes of Board work.

Application:

This policy applies to citizen members and Members of Council appointed to City Agencies, Boards and Commissions. Agencies, Boards and Commissions may establish policies consistent with this policy.

This policy does not apply to corporations established under the *Business Corporations Act*, 1990.

Conditions:

- (1) Board members will be reimbursed for reasonable expenses incurred in the execution of their duties. All expenses must be for business activities authorized by the Board. Receipts must be provided, except where the Board has a policy that determines a reasonable estimate of actual expenses that would be incurred.
- (2) Travel must be approved in advance by the Board in order for a Board member to claim reimbursement.
- (3) Whenever a board member is required and authorized to use his/her automobile on business of the board exclusive of travel to and from Board meetings, the Board shall pay the member a travel allowance equal to the allowance for City staff. (Currently the allowance is fifty cents (50¢) per kilometre.) Board members who use their own vehicle will be reimbursed at the rate of economy class airfare or the current approved mileage rate, whichever is less, unless specific rationale and authorization has been given for reimbursement at a higher rate. Reimbursement for TTC costs will be provided whenever a board member is required and authorized to travel on board business.
- (4) Board members on Board business who rent a vehicle, travel by train, bus or airplane, will be reimbursed for such travel expenses incurred. Receipts must be provided.
- (5) Board members who travel from their point of departure to destination and are required to stay overnight in their destination area in order to tend to Board business outside of Board meetings, shall be reimbursed for their accommodation costs. Receipts must be provided.
- (6) Sundry expenses are applicable only for overnight stay out of town. Expenses include meals, telephone, entertainment and local transportation (excluding ground transportation between accommodation and the terminal, which may be reimbursed separately with receipts) including the day of departure and return. Reimbursement is equal to the allowance for City staff. (Currently the allowance for reimbursement is up to \$65 Canadian funds and up to \$65 U.S. funds per day outside Canada.). No receipts are required. Where some or all meals are included in the conference/seminar, the per diem should be reduced accordingly.
- (7) Board members who are tending to Board business that span normal meal times may be reimbursed for all reasonable meal expenses if no meals are provided. Receipts must be provided.
- (8) Alcohol charges will not be reimbursed.

- (9) Incidental childcare expenses as a result of attending Board meetings or on authorized Board business may be reimbursed where the Board deems financial hardship would otherwise result. Receipts must be provided.
- (10) Upon request by a Board member, travel costs to and from Board meetings may be reimbursed by the Board. Travel mode should be the most economical conveniently available. Receipts must be provided (except for TTC fares).

Implementation:

Claim forms must be signed, both by the member making the claim and the Chair of the Board authorizing the claim, before submitting it to staff for processing. Another Board Member must sign the claim form for the Board Chair.

Appendix 3

Recommended Continuation of
Current Rates of Citizen Remuneration

The general provisions of section 283 of the *Municipal Act, 2001*, permit City Council to pay any part of the remuneration and expenses of the members of any local board.

Bodies and Positions	Current Remuneration	Legislative and Other Requirements
Board of Health	\$125 per diem (For attendance at Board meetings, Board subcommittee meetings or attendance at meetings as official representatives of the Board, which are authorized by the Board)	Under the provisions of section 49 of the <i>Health Protection and Promotion Act, 1990</i> , the rate is currently fixed by Minister By-law No. 1-1999 of the Board of Health sets out the requirements for remunerating citizen Board members at the rate fixed by the Minister
Rooming House Licensing and Deputy Rooming House Licensing Commissioners	\$230 per hearing attended to a maximum of \$8,050 per annum	Council may set the remuneration under the general provisions of section 283 of the <i>Municipal Act, 2001</i>

Bodies and Positions	Current Remuneration	Legislative and Other Requirements
<p>Chair of the Board of Trustees of the Metro Toronto Pension Plan, and</p> <p>Chair of the Board of Trustees of the Metro Toronto Police Benefit Fund</p>	<p>\$7,500 (rounded up from \$7,499) per annum for each of the two Chair positions</p> <p>(General practice is to have one person serve as the Chair to both Boards)</p>	<p>Metro By-law 15-92, as amended, governs the Metro Toronto Pension Plan</p> <p>Metro By-law 181-81, as amended, governs the Metro Toronto Police Benefit Fund</p> <p>The remuneration for the two Chair positions is paid by the City</p>
<p>Chair of the Toronto Civic Employees' Pension Committee, and</p> <p>Chair of the Toronto Fire Department and Superannuation and Benefit Fund</p>	<p>\$7,500 per annum for each of the two Chair positions</p> <p>(General practice is to have one person serve as the Chair for both Funds)</p>	<p>(Former) Toronto By-law 380-74, as amended, governs the Toronto Civic Employees' Pension Committee</p> <p>(Former) Toronto By-law 106-49, as amended, governs the Toronto Fire Department Superannuation and Benefit Fund</p> <p>The remuneration for the two Funds is paid by Funds themselves, and any change in remuneration would have to be approved by the respective Funds</p>
<p>Sinking Fund Committee</p>	<p>\$5,000 (rounded up from \$4,913) per annum</p> <p>City Council in December 2005 expanded the mandate of the Sinking Fund Committee. The City Manager will review the impact of the expanded duties in one year's time to determine if the rate of remuneration is set at an appropriate level</p>	<p>Under section 103(5) of the <i>City of Toronto Act, 1997</i> (No. 2), members of the Sinking Fund Committee, other than the City Treasurer, shall be paid the annual remuneration fixed by Council</p>

Bodies and Positions	Current Remuneration	Legislative and Other Requirements
Examining Boards	\$196.73/per meeting (Building Renovators Examining Board) \$162.30/per meeting (Electrical Contractors and Master Electricians Examining Board) \$198.33/per meeting (Plumbing Contractors, Plumbers, Master Plumbers, Drain Contractors and Drain Layers Examining Board)	The Toronto Municipal Code, Chapter 545, Licensing, governs the City's three Examining Boards

Note: Any remuneration paid to a citizen is not a salary, and the City is not an employer of board members. However, under federal regulations, the City is required to take Canada Pension Plan (CPP) and Income Tax deductions from the honorariums or fees paid to citizen appointees to boards, with certain exceptions. Under current regulations, CPP deductions are not made for persons aged 65 and older, and the requirement for Income Tax deductions at source may be waived upon application by individual appointees.