

Investigation into closed meetings held by the Township of Russell on August 10, 2015

Barbara Finlay Acting Ombudsman of Ontario January 2016

Complaint

- **1** In August 2015, our Office received two complaints about closed meetings held by council for the Township of Russell on August 10, 2015.
- 2 One complaint alleged council discussed the township's strategic plan in camera at a special council meeting on the afternoon of August 10, 2015. A second complaint alleged that council discussed four matters in closed session at the regular council meeting on the evening of August 10, 2015. Each complaint alleged that these meetings were illegally closed to the public, contrary to the open meeting provisions of the *Municipal Act*, 2001 (the Act).

Ombudsman jurisdiction

- **3** Under the Act, all meetings of council, local boards, and committees of council must be open to the public, unless they fall within prescribed exceptions.
- As of January 1, 2008, the Act gives citizens the right to request an investigation into whether a municipality has properly closed a meeting to the public. Municipalities may appoint their own investigator or use the services of the Ontario Ombudsman. The Act designates the Ombudsman as the default investigator for municipalities that have not appointed their own.
- **5** The Ombudsman is the closed meeting investigator for the Township of Russell.
- **6** When investigating closed meeting complaints, we consider whether the open meeting requirements of the Act and the municipality's procedure by-law have been observed.

Background

7 The current Mayor of Russell and councillors were elected on October 27, 2014. Council for the township consists of Mayor Pierre Leroux and four councillors: Amanda Simard, Jamie Laurin, Andre Brisson and Cindy Saucier. Three of the five were newly elected.

8 In October 2015, our Office released a report regarding a closed June 2015 meeting in the township. The report found that council for the Township of

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¹ Ombudsman of Ontario, *Investigation into whether Council for the Township of Russell held an illegal closed meeting on June 1, 2015* (October 2015), online:

Russell violated the *Municipal Act* when it relied on the closed meeting exception for education or training sessions to view a township rebranding presentation in camera. The report made several recommendation, including that the township:

- ensure that no subject is discussed in a closed session unless it clearly comes within one of the statutory exceptions to the open meeting requirements;
- ensure that the resolution to proceed in camera discloses the general nature of the discussion;
- amend its procedure by-law to appropriately reflect the closed meeting exceptions in the Act; and
- audio or video record its open and closed sessions.
- In an August 2014 letter, our Office found that council for the Township of Russell discussed three items in closed session under the "security of the property" exception that did not fit within that exception, or any exception to the open meeting requirements.²

Investigative process

- **10** On August 21, 2015, we advised council for the Township of Russell of our intent to investigate these complaints.
- 11 Members of the Open Meeting Law Enforcement Team (OMLET) reviewed relevant portions of the township's procedure by-law and the Act, as well as relevant meeting agendas, minutes, and materials. They interviewed the Clerk, Deputy Clerk, Mayor, and four members of council. They also spoke with a program manager from St. Lawrence College.
- **12** We received full co-operation in this matter.

Council procedure

13 The township's procedure by-law³ states that meetings are to be open to the public, subject to the exceptions outlined in section 4.11 of the by-law (reproduced in part below).

https://www.ombudsman.on.ca/Files/sitemedia/Documents/Resources/Reports/Municipal/Russell----Final-Report---October-2015.pdf.

² Letter from Ombudsman of Ontario to Township of Russell (8 August 2014), online:

https://www.ombudsman.on.ca/Files/sitemedia/Documents/Russell-Twp-Closing-Letter-FINAL-EN.pdf>.

³ Township of Russell, by-law No 2015-45, Being a by-law to govern the proceedings of the council of the corporation of the Township of Russell (13 April 2015), online: http://www.russell.ca/upload/2015-

4.11 Closed to Public – Closed Meeting

A meeting or part of a meeting of the Council or its Standing Committees may be closed to the public, by Resolution, if the subject matter being considered is...

- g) A matter in respect of which a Council, local board, committee or other body has authorized a meeting to be closed under another Act
 - a. A matter relating to the consideration of a request under the *Municipal Freedom of Information and Protection of Privacy Act*, if Council is designated as head of the institution for the purposes of the Act.
 - b. Educational or training session
 - c. A meeting of a Council or local board or of a committee of either of them may be closed to the public if the following conditions are both satisfied:
 - i. The meeting is held for the purpose of educating or training the Members; and
 - ii. At the meeting, no Member discusses or otherwise deals with any matter in a way that materially advances the business or decision-making of the Council, local board or committee.
- 14 These exceptions do not accurately reproduce those contained in the *Municipal Act*. In my October 2015 report to the township, I identified this concern and recommended that council amend its procedure by-law to accurately reflect the Act's closed meeting exceptions.⁴

August 10, 2015 afternoon council meeting

- On August 10, 2015 at 3:00 p.m., council for the Township of Russell held a special meeting in council chambers. Notice of the meeting was provided on the township's website in accordance with the procedure by-law.
- **16** While the meeting was held in regular council chambers, the room itself was

^{45%20}Procedural%20By-law.pdf>.

⁴ Ombudsman Report, *supra* note 2.

arranged differently. Councillors indicated that the room was arranged "like a classroom" with numerous desks and chairs. All of the chairs and desks faced a wall where a PowerPoint presentation was projected.

17 After calling the meeting to order and approving the agenda, council immediately resolved to move in camera to consider:

Matters pertaining to section 239 (3.1) of the *Municipal Act, 2001, S.O. 2001, chapter 25* for the purpose of educating or training the members (strategic planning training).

- Once in closed session, the councillors left their seats at the council table and moved to the portion of council chambers that was set up like a classroom. Two St. Lawrence College representatives a program coordinator and a facilitator led the councillors through a PowerPoint training presentation entitled "Strategy Fundamentals". OMLET staff obtained and reviewed a copy of the presentation.
- The first half of the presentation provided high-level, general information about the strategic planning process. The slides defined a number of terms (e.g. strategic planning, vision statement, mission statement, statement of values). The second half of the presentation was specific to the Township of Russell and reproduced aspects of the township's then-current strategic plan.
- 20 Each councillor had a similar recollection of the training session. They indicated that the presentation began with an explanation of the process for creating a strategic plan, and the second half of the presentation tied these generic concepts to the township's then-current strategic plan. The slides that contained a copy of the township's strategic plan were used to illustrate the vocabulary that the presenter was teaching. For instance, the presenter explained the meaning of a "vision statement" and then showed councillors the township's vision statement.
- During interviews, each councillor agreed that there was no discussion about changes to township's strategic plan; everyone understood that the discussion and debate about the strategic plan would be occurring at a separate meeting. Rather, the training was to help councillors understand the process of strategic planning. Numerous councillors noted that this training was necessary because three of the five councillors were newly elected and had never developed a strategic plan.
- 22 Councillors were provided with a printed copy of the presentation to take home. According to one councillor, the councillors were also assigned the "homework" of familiarizing themselves with the township's then-current strategic plan.
- When open session resumed, council reported back that a training session had been given to council and staff regarding strategic planning. The meeting adjourned at 4:46 p.m.

St. Lawrence College strategic plan training

- As part of our investigation, OMLET staff spoke with a program manager at the Centre for Corporate Learning and Performance Improvement at St. Lawrence College. The program manager was present at the township's strategic plan training session, although she was not the primary presenter.
- 25 The program manager indicated that St. Lawrence College offers a two-part program to municipalities wishing to develop a new strategic plan. The first part of the program consists of a training session where councillors are educated on the principles and process of strategic planning. This is the training session that the Township of Russell held on the afternoon of August 10, 2015.
- Later, at a second meeting, councillors meet to debate and develop a new strategic plan for the township; a representative from St. Lawrence College acts as a facilitator. In the Township of Russell, this second meeting occurred in open session at a special meeting of council on August 26, 2015. The minutes from this meeting indicate that the strategic planning discussion and debate lasted for approximately seven hours.
- The program manager indicated that her department has followed this "formula" (i.e. general training session followed by separate debate/discussion) to guide numerous municipalities through the process of developing or modifying their strategic plans.

Analysis

- **28** Council relied on the education and training exception in section 239(3.1) to receive training on strategic planning in closed session.
- Section 239(3.1) of the Act states that a council may close a meeting to the public if the meeting is held for the purpose of "educating or training" members, and if no member discusses or otherwise deals with a matter in a way that materially advances the business or decision-making of council.
- **30** In a 2015 report regarding closed meetings in the Village of Casselman, the Ombudsman found that:
 - [t]he scope of the education/training exception of the Act includes only meetings that are closed to allow council members to receive information that

may assist them in better understanding the business of the municipality and/or to acquire skills, rather than "exchange information" on an issue.⁵

- **31** Local Authority Services (LAS) has also stated that this exception may only be relied on where "the sole purpose is to provide education or training [and] where no transactional business or decision making occurs during the session".⁶
- **32** In September 2015, LAS considered whether a "Strategic Planning Session" in the Township of Brock fell within this exception. In that case, council met in camera to allow for a "free flow" of ideas by workshop participants. The consultant who facilitated the session indicated that it was a "brainstorming exercise...to collectively define the list of [council] priorities and move toward a ranking of the order of the priorities". LAS determined that this discussion did not fall within the education or training exception because members of council materially advanced the future business or decision-making of the council.
- **33** During the Township of Russell's strategic plan training session, councillors were taught basic principles and vocabulary related to the strategic planning process. While the training session did reference the township's then-current strategic plan, this information was used as a reference point for the abstract principles and vocabulary that the facilitator was teaching. The councillors confirmed that there was no decision-making or discussion of specific township priorities or planning. Unlike the strategic planning session in the Township of Brock, the training session in the Township of Russell was not a "workshop" with a "free flow" of ideas regarding the township's strategic priorities. Rather, councillors were taught skills to assist them in better understanding the process of strategic planning at the municipal level. Specific discussion of the Township of Russell's priorities and strategic plan was reserved for the open session on August 26.
- **34** The closed meeting training session on strategic planning was permitted within the exception for education or training sessions in section 239(3.1) of the Municipal Act.

August 10, 2015 evening council meeting

On August 10, 2015 at 5:30 p.m., council held a regular council meeting in council chambers. The meeting started approximately 45 minutes after the

⁷ Local Authority Services, Report to the Corporation of the Township of Brock (September 2015).

⁵ Ombudsman of Ontario, "Restaurant Roundtable": Investigation into whether Council for the Village of Casselman held an illegal closed meeting on January 8, 2015 (April 2015) at 10, online:

<a href="mailto:/www.ombudsman.on.ca/Files/sitemedia/files/Casselman-Restaurant-Apr2015-EN.pdf">.

⁶ Local Authority Services, Report to the Corporation of the County of Essex (September 2009) at 13, online: http://www.agavel.com/wp-content/uploads/2013/09/Essex County Report Sep 18 Final.doc>.

- previous training session adjourned. Notice of the meeting was provided on the township's website in accordance with the procedure by-law.
- At 8:10 p.m., council resolved to go into closed session to discuss eight matters. The resolution to enter closed session provided a brief description for each matter and identified a specific closed meeting exception. The complaint to our Office raised issues with four of the matters discussed in camera, each of which is examined below.
- Following the closed session discussion, council reported back regarding its discussion of each of the eight matters. The meeting adjourned at 11:13 p.m.

Report on potential designated heritage properties

- **38** Council discussed a proposed list of heritage designation properties in closed session, relying on the personal matters about an identifiable individual exception in section 239(2)(b).
- 39 The closed meeting minutes indicate that staff presented a preliminary report listing properties that council may wish to designate as heritage properties. At the time of the meeting, the list of properties being considered for heritage designation was not public. Our Office has reviewed this report, which contains:
 - the name the building is colloquially known by (i.e. the "Doctor's house");
 - the relevant street address;
 - the year built;
 - a description of the building's historical and/or architectural significance; and
 - a picture of the building.
- **40** For a subset of the properties, the report also contains details regarding the former owners of the property.
- **41** In interviews, councillors indicated that there was very little discussion about this matter. Once it became clear that owners had not been notified that their property was being considered for heritage designation, council directed staff to advise the owners. Councillors did not recollect identifying any property owners by name during the brief discussion.

Analysis

42 The *Municipal Act* does not define "personal matters" for the purposes of section

- 239. The Information and Privacy Commissioner (IPC) has found that the related term "personal information" is limited to information where it is reasonable to expect that the individual could be identified if the information was disclosed. The Ontario Superior Court of Justice confirmed this interpretation, noting that, "[i]f there is a reasonable expectation that the individual can be identified from the information, then such information qualifies...as personal information".
- 43 In a letter to the Township of the North Shore, our Office determined that general information about properties, including how many water valves were associated with the property, would not amount to "personal matters" about the property owner. Similarly, the IPC has determined that the municipal locations of certain properties and their estimated market values do not constitute "personal information" about the individual property owners. Rather, this information amounts to information about the property.
- 44 Council's discussion of the list of potential heritage properties was short, general and did not identify specific property owners by name. Accordingly, the discussion did not fit with the exception for personal matters about an identifiable individual or any of the other enumerated exceptions in the Act.

Tax reimbursement matter

- **45** Council also discussed a tax reimbursement matter under the personal matters about an identifiable individual exception in section 239(2)(b).
- The closed meeting minutes indicate that the township's Deputy Treasurer presented Report CS 17-2015 to council; OMLET staff reviewed this report. The report and discussion dealt with an area resident who had been overcharged on his property taxes for a number of years. In the report, the individual is identified by name, his property tax roll number is provided, and the amount of his property tax refund is listed. The report indicates that the resident and the Municipal Property Assessment Corporation were under the incorrect impression that he owned two abutting pieces of land, and he was charged property taxes accordingly. When he went to sell the land, he discovered an error had occurred when he purchased the land, and as a result of this error, he only owned one piece of property.
- **47** During the closed session, council discussed the information contained in the

⁸ Order PO-1880 (15 March 2001), online: IPC

https://www.ipc.on.ca/images/Findings/Attached_PDF/PO-1880.pdf; upheld on appeal in *Ontario v Pascoe*, 2002, OJ No 4300 at para 2.

⁹ Ontario (Ministry of Correctional Services) v Goodis [2008], OJ No 289 at para 69.

¹⁰ Letter from Ombudsman of Ontario to Township of the North Shore (4 June 2012).

¹¹ Order R-980015 (17 December 1998), online: IPC https://www.ipc.on.ca/images/Findings/up-r_980015.pdf.

report and attempted to determine who was to blame for the initial error. Following the closed session discussion, council resolved in open session to reimburse the area resident for certain property taxes that he had erroneously paid.

Analysis

- **48** As noted previously, the *Municipal Act* does not define "personal matters" for the purposes of section 239. However, the related term "personal information" is defined in the Municipal Freedom of Information and Protection of Privacy Act as including "recorded information about an identifiable individual, including...
 - (b) information...relating to financial transactions in which the individual has been involved
 - (g) the views or opinions of another individual about the individual, and (h) the individual's name if it appears with other personal information relating to the individual where the disclosure of the name would reveal
 - other personal information about the individual". 12
- **49** In this instance, council identified an individual by name and discussed his purchase and sale of land, the amount of property taxes he had overpaid, and whether or not the individual was to blame for the mistaken property taxes. Accordingly, this discussion fell within the exception for personal matters about an identifiable individual.

Business plan for water and sewage services in the 417 **Industrial Park**

- Council discussed a proposed business plan for installing water and sewage services in a local commercial and industrial area, the 417 Industrial Park. Council again relied on the exception in section 239(2)(b) for personal matters about an identifiable individual.
- **51** During the closed session, a senior staff member presented a report to council summarizing the business plan. Our Office reviewed this report and other related documentation. These materials detail the potential financial implications of installing water and sewage services in the industrial park. In addition, the report references every landowner in the industrial park and lists:
 - the company's trade name (or an individual's name, if there is no trade name);

¹² Municipal Freedom of Information and Protection of Privacy Act, RSO 1990, c M56, s 2.

- the company's legal identity (if different);
- the address of the property;
- the acreage of the lot;
- the cost of the water/sewer improvement for that property; and
- the "level" of the property, as assigned by the township. The "level" determines how quickly the company would need to repay the township for the cost of the improvement.
- 52 Council discussed the business plan generally and noted the costs that various property owners would be charged. In their interviews, a number of councillors noted that this discussion was closely tied to two other closed session matters at the meeting. They indicated that council was in the process of selling industrial park land to an identified company. In addition, they indicated that council was in negotiations with two landowners regarding the potential purchase of land to expand the industrial park. The councillors felt that the decision to bring water and sewage services to the industrial park would affect the value of land in the industrial park, and as a result, the pending transactions.
- When council returned to open session, it passed a resolution to proceed with the next steps for the installation of water and sewage services in the industrial park. This involved presenting the business plan to landowners in the industrial park and allowing them thirty days to submit comments.

Analysis

As noted previously, the *Municipal Act* does not define "personal matters" for the purposes of section 239, but the related term "personal information" is defined in *MFIPPA* as including "recorded information about an identifiable individual". The IPC has found that:

[t]he use of the term "individual" in the Act makes it clear that the protection provided with respect to the privacy of personal information relates only to natural persons. Had the legislature intended "identifiable individual" to include a sole proprietorship, partnership, unincorporated association or corporation, it could and would have used the appropriate language to make this clear. ¹⁴

The IPC has also found that information associated with an individual in a professional, official, or business capacity will not be considered to be personal

¹³ Ihid

¹⁴ Order P-16 (8 September 1988) at 19, online: IPC

https://www.ipc.on.ca/images/Findings/Attached_PDF/P-16.pdf; confirmed in Order M-340 (7 July 1994), online: IPC https://www.ipc.on.ca/images/Findings/up-M_340.pdf.

information "about" the individual. ¹⁵ In a 2008 decision, the IPC established a two-part test to distinguish personal information from business information for the purposes of the *Municipal Act*. The test asks:

- In what context do the names of individuals appear? Is it in a personal or business context? and
- Is there something about the particular information that, if disclosed, would reveal something of a personal nature about the individual?¹⁶
- During the closed session, council discussed the business plan for installation of water and sewer services generally and how much various businesses would pay if the plan were approved. The report presented to council identified very few individuals by name, and those that are identified by name nonetheless use the land for an industrial or business purpose. The information in the report (i.e. the address of the property, its acreage, the cost of the proposed development, and the length of time that the property owner will have to pay those charges) does not reveal something of a personal nature about the individual property owners. Accordingly, the discussion did not fall within the personal matters exception in section 239(2)(b).
- Our Office also considered whether this discussion properly fell under the exception for the acquisition or disposition of land in section 239(2)(c). This exception allows council to discuss the sale, lease, or purchase of land within a closed session, with the primary purpose of protecting the municipality's bargaining position in property negotiations.¹⁷
- At the time of the closed meeting, the township was in the process of both buying and selling land in the industrial park. Councillors told us they felt the decision to install water and sewage services would affect the township's bargaining position and the value of the land.
- However, council's focus during the discussion of the business plan was not the purchase or sale of land. Rather, the focus was on the business plan itself and whether council should proceed with it. Further, in the open session following the in camera discussion, council resolved to direct staff to "proceed with the next steps for the installation of water and sanitary sewage services in the 417 Industrial Park". Council's decision to publicly disclose that the project would be

¹⁵ Orders P-257 (29 November 1991), P-427 (2 March 1993), P-1412 (23 June 1997) and MO-1550-F (14 June 2002), online: IPC https://www.ipc.on.ca/english/Home-Page/>.

¹⁶ Test established in PO-2225 (12 January 2004), online: IPC

https://www.ipc.on.ca/images/Findings/Attached_PDF/PO-2225.pdf; applied to the *Municipal Act* in Order MO-2368 (26 November 2008), online: IPC https://www.ipc.on.ca/images/Findings/mo-2368.pdf.

17 Letter from Ombudsman of Ontario to Town of Ajax (28 March 2014), online:

http://www.ombudsman.on.ca/Files/sitemedia/Documents/Ajax-Closing-Letter---May-23-13--final.pdf.

proceeding indicates that council was not concerned about protecting its bargaining position with regards to the pending acquisitions and dispositions of land. Accordingly, the discussion did not fit within the exception for the acquisition or disposition of land.

Community Benefit Fund Agreement

- **60** Council discussed a proposed "Community Benefit Fund Agreement" in closed session under the proposed or pending acquisition or disposition of land exception.
- During this discussion, the CAO briefed council on the proposed agreement, which OMLET staff reviewed. The agreement is a contract between the township and a wind energy company that is seeking to install wind turbines in a neighbouring municipality. To facilitate this project, the wind energy company needed to run electrical transmission lines on township property. Under the contract, the wind energy company agreed not to install turbines in the municipality and to make an annual contribution to a "Community Benefit Fund", which the municipality can use in various ways set out in the contract. In exchange, the township agreed to:
 - process, review and render a decision on various permit applications and submissions for the company in an expeditious manner;
 - negotiate in good faith to reach a "Road & Right-of-Way Use Agreement" that does not contain any financial obligations other than the obligation to repair/restore damaged roads; and
 - adopt a "Municipal Council Support Resolution" in support of the wind energy project, as set out in a schedule to the agreement.
- The contract also contained a map outlining the intended route of the electrical lines. During interviews, councillors indicated that neither council nor staff had received legal advice regarding the agreement.
- In the closed session, councillors discussed whether the township should enter into the agreement and whether the monetary and non-monetary terms were sufficient. Ultimately, council directed the CAO to proceed with signing the agreement. Once council returned to open session, it passed a resolution supporting the wind energy company's project, as required by the agreement.

Analysis

As indicated previously, the acquisition or disposition of land exception allows council to discuss the sale, lease, or purchase of land within a closed session, with

- the primary purpose being to protect the municipality's bargaining position in property negotiations. ¹⁸
- In Order MO-1558-I, the IPC considered the meaning of the words "acquisition" or "disposition" in section 207(2)(c) of the *Education Act* and found that both of these words "relate to the purchase, sale, lease or other similar transfer of rights of use of the property, land and/or premises". ¹⁹
- While the community benefit fund agreement discussed by council did bind the township in various ways, it did not directly transfer any property rights from the township to the wind energy company. Rather, it was an "agreement to agree" that bound the township to negotiate in good faith regarding a future "Road & Right-of-Way Use Agreement". The other portions of the agreement, such as the provisions relating to permit applications and the support resolution, also did not directly relate to the acquisition or disposition of land.
- Councillors told OMLET staff that the agreement was a sensitive matter and that the township had an interest in protecting it bargaining position with the wind energy company. However, these reasons do not themselves qualify a matter for closed session consideration. Council's discussion of the proposed community benefit fund agreement did not fit within the closed meeting exception for the acquisition or disposition of land or any other exception under the Act.

Opinion

- 68 Council for the Township of Russell did not contravene the *Municipal Act*, 2001 on the afternoon of August 10, 2015 when it went in camera to receive training on strategic planning. It also did not contravene the Act on the evening of August 10, 2015 when it went in camera under the personal matters exception to discuss a tax reimbursement matter.
- However, council did contravene the *Municipal Act, 2001* when it went in camera on the evening of August 10, 2015 to discuss three matters that did not fall within any of the Act's exceptions to the open meeting requirements. Council's discussions of a list of potential heritage designation properties and a business plan for water and sewage development did not fall within the personal matters exception, or any other exception under the Act. In addition, council's discussion of the community benefit fund agreement did not fall within the exception for the acquisition or disposition of land exception, or any other exception under the Act.

¹⁸ *Ibid*.

¹⁹ MO-1558-I (25 July 2002) at 28, online: IPC

https://www.ipc.on.ca/images/Findings/Attached_PDF/MO-1558-I.pdf.

Recommendations

70 I make the following recommendations to assist the township in fulfilling its obligations under the Act and enhancing the transparency of its meetings.

Recommendation 1

All members of council for the Township of Russell should be vigilant in adhering to their individual and collective obligation to ensure that council complies with its responsibilities under the *Municipal Act*, 2001 and its own procedure by-law.

Recommendation 2

Council for the Township of Russell should ensure that no subject is discussed in a closed session unless it clearly comes within one of the statutory exceptions to the open meeting requirements.

Recommendation 3

Council for the Township of Russell should amend its procedure by-law to appropriately reflect the closed meeting exceptions in section 239 of the *Municipal Act*, 2001.

Report

- **71** The Clerk, Deputy Clerk, and all members of council were given the opportunity to review a preliminary version of this report and provide comments to our Office. Comments received were considered in the preparation of this final report.
- **72** My report should be shared with council for the Township of Russell and made available to the public as soon as possible, and no later than the next council meeting.

Barbara Finlay

Acting Ombudsman of Ontario