

Ombudsman Report

Investigation into a closed meeting held by the Township of Lanark Highlands

Paul Dubé Ombudsman of Ontario January 2018

Complaint

- 1 My Office received a complaint about a July 17, 2017 closed meeting held by council for the Township of Lanark Highlands.
- 2 The complaint alleged that council discussed a number of items improperly during the closed session, and that the discussion did not fit within any of the exceptions set out in the *Municipal Act, 2001*.

Ombudsman jurisdiction

- 3 Under the *Municipal Act, 2001,* all meetings of council, local boards, and committees of council must be open to the public, unless they fall within prescribed exceptions.
- 4 As of January 1, 2008, the Act gives citizens the right to request an investigation into whether a municipality has complied with the Act in closing a meeting to the public. Municipalities may appoint their own investigator. 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 Lanark Highlands.
- 6 When investigating closed meeting complaints, we consider whether the open meeting requirements of the Act and the municipality's governing procedures have been observed.

Investigative process

- 7 On July 31, 2017, we advised the municipality of our intent to investigate this complaint.
- 8 Members of my Office reviewed the township's procedure by-law and relevant portions of the Act. We reviewed the meeting records from the open and closed portions of the July 17, 2017 meeting. In addition to the closed meeting minutes, we reviewed a written legal opinion from the city's solicitor and a report prepared by the deputy mayor.
- **9** We interviewed the clerk administrator, deputy clerk, and members of council.
- **10** My Office received full co-operation in this matter.



Council procedures

- 11 The township's procedure by-law (by-law no. 2012-1205) states that all meetings shall be open to the public except as provided in section 239 of the *Municipal Act*. Prior to proceeding in camera, council and any committees must state by resolution the fact of holding a closed meeting and the general nature of the subject matter to be considered.
- 12 The procedure by-law permits the Mayor to call a special meeting. Section 5.5.5 of the procedure by-law states that the only business to be dealt with at a special meeting is the business stated on the agenda for the meeting.

Meeting on July 17, 2017

- 13 The Mayor called for a special meeting of council after the treasurer announced her resignation by email to all of council on July 10, 2017. Following her announcement, a series of emails was sent between members of council and the treasurer about the financial administration of the township and other related issues, including the role of an individual member of council in the financial administration of the township. On July 12, 2017, the Mayor sent an email instructing council to cease emailing on the advice of the town's human resources consultant (HR consultant). Subsequently, the Mayor called for a special meeting to be held on July 17, 2017. Discussions among municipal council members that materially advance the business of council have been held to constitute illegal closed meetings.¹
- 14 On July 17, 2017 council held a special meeting. According to the minutes, council proceeded into closed session at 6:45 p.m., citing the "personal matters" and "advice subject to solicitor-client privilege" exceptions. The resolution to proceed in closed session included the following general description of the topics to be discussed: "Council and Staff Communication and Structure."
- **15** The closed meeting agenda lists the same item as the only matter for discussion: "Council and Staff Communication and Structure."

¹ Ombudsman of Ontario, *Investigation into a complaint about a meeting held by Council for the Township of Leeds and the Thousand Islands over email in February 2016* (September, 2016), online: https://www.ombudsman.on.ca/Resources/Reports/Township-of-Leeds-and-the-Thousand-Islands-(4).aspx



- 16 The closed meeting lasted approximately four hours. All of council except for Councillor Bill King were present. The clerk administrator, deputy clerk and the township's HR consultant were also present.
- 17 The closed meeting minutes list five topics of discussion but do not provide any substantive information about the discussion:
 - "- The resignation of the treasurer
 - Correspondence from the township's solicitor
 - The deputy mayor's report
 - The Code of Conduct for the Mayor and councillors
 - Rules governing the order and proceedings of council and committees."

Council also received a written legal opinion from the township's solicitor and a written report from the deputy mayor.

- 18 The closed meeting discussion began by focusing on the written legal opinion provided by the township's solicitor. Council reviewed and discussed its contents. Council members told my Office that the Mayor led the discussion and the HR consultant provided advice and assisted council with interpreting the legal opinion as it pertained to HR policies and employment matters.
- 19 The first topic of discussion was the series of emails sent by council following the treasurer's resignation. Council reviewed and discussed legal advice about the appropriateness of those emails under the open meeting rules, as well as council's electronic communication practices generally. During this discussion, council voted to bring the following motion regarding electronic communications into the open session:

"THAT Council directs, that members of Council shall not conduct discussions by email, phone, teleconference, or electronically between a quorum of members that materially advances the decision making of Council as such discussions would constitute an illegal closed meeting of Council."

20 Council then discussed the interaction and communication structure between council and township staff. We were told by members of council and staff that council considered the written legal advice from the township solicitor, but the majority of its discussion focused on advice from the HR consultant relating to the appropriate manner for council members to request information from staff. Specific examples were discussed, including cases of individual council members attending municipal offices



and making inquiries directly with staff about township business. The discussion included reminders to councillors that they should not discuss council business directly with township staff and that questions and requests for information should be made to the clerk administrator.

21 Council voted to bring the following motion into the open session:

"THAT Council confirms that work-related concerns from employees are to be directed through supervisors to the Clerk Administrator in accordance with the Township's Non-BU HR Management Policies and the Collective Agreement, as applicable;

AND FURTHERMORE THAT Council directs that all members of Council shall refer employees with concerns to those processes."

- 22 Council then discussed the tone and content of emails from an identified member of council. Part of the discussion focused on the written legal advice from the township solicitor, which provided options for council to address the council member's behaviour. Council also discussed this individual council member's behaviour generally and examined examples of the council member's past conduct. According to council members in attendance, a significant portion of the closed meeting was spent on this part of the discussion.
- 23 The next topic of discussion was the administration of the township's financial affairs in the context of the treasurer's resignation. Council reviewed legal advice pertaining to the treasurer's resignation and the role and function of a municipal treasurer generally. At this point in the meeting, a member of council presented a report to council, which addressed the township's financial administration practices and the council member's role in the township's financial administration.
- 24 Council then voted to bring the following motion establishing a financial advisory working group into the open session:

"THAT Council directs the Clerk Administrator to establish a Financial Advisory Working Group, consisting of the Mayor, the Chair of the Committee of the Whole, the Clerk Administrator and the Treasurer."

25 Council then discussed specific financial software for tracking municipal spending and accounts. We were told by members of council and staff that the discussion focused on whether the township should adopt the software on a municipal-wide basis, as well as on concerns that the deputy mayor and the mayor would have access to the financial



information gathered by the software, which detailed spending by individual staff members, while other members of council would not be able to access that information.

26 Council voted to bring a motion directing staff to use the financial software into the open session:

"THAT the financial software, developed by the Deputy-Mayor in conjunction with other existing financial software, be used by Staff to compliment the budgeting and reporting process."

27 After reconvening in open session, council approved the four motions coming out of the closed session.

Analysis

28 Council had moved into closed session under the "advice subject to solicitor-client privilege" and the "personal matters" exceptions.

Application of the "advice subject to solicitor-client privilege" exception

- 29 The open meeting exception for discussion of advice subject to solicitorclient privilege is limited to instances where advice from a legal advisor or related communication actually exists and is considered as part of the in camera discussion.² Although it is not necessary for a lawyer providing the advice to be present during the meeting, the exception does not apply to circumstances where no legal advice has been received on the subject matter of the in camera discussion.³
- **30** During the July 17, 2017 closed session, council considered legal advice from the township's solicitor on several matters. The township's solicitor

³ Ombudsman of Ontario, *Investigation into a complaint about closed meetings held by the City of Timmins on August 8 and August 29, 2016* (January 2017), online: https://www.ombudsman.on.ca/resources/reports-and-case-summaries/municipal-meetings/2017/city-of-timmins and Ombudsman of Ontario, *Investigation into whether Council for City of Port Colborne held illegal closed meetings on March 8, 2010, January 27, 2014 and December 8, 2014* (November 2015), online: https://www.ombudsman.on.ca/resources/reports-and-case-summaries/municipal-meetings/2015/city-of-port-colborne



² Ombudsman of Ontario, "Municipal Government by Stealth" Investigation into Council of the Township of Emo Closed Meeting of April 8, 2008 (January 2009), online: https://www.ombudsman.on.ca/Resources/Reports/Township-of-Emo-(1).aspx

was not present during the meeting, but provided a written opinion. According to members of council, the in camera discussion generally focused on the legal opinion; however, we were told by council members and staff that on a number of occasions, council's discussion went beyond legal advice and into other matters.

Discussion about council members' emails following the treasurer's resignation

- 31 Council began the closed session with a discussion about emails sent between council members after the treasurer announced her resignation. Council considered the legal advice provided in the written opinion about the series of emails, the open meeting rules, and electronic communications generally. There was no indication that council's discussion went beyond consideration of the legal advice contained in the written opinion.
- **32** Accordingly, this portion of the meeting fit within the "advice subject to solicitor-client privilege" exception.

Discussion about council members' interaction and communication structure with staff

- 33 Council's discussion about council and staff interaction and communication structure partly focused on the legal advice contained in the written opinion related to the good governance of the municipality and the resignation of the treasurer. This portion of the discussion fit within the "advice subject to solicitor-client privilege" exception.
- 34 My Office was told that after considering the legal advice, council moved to a lengthy discussion about the general relationship between council and township staff, including how information and concerns should be communicated from staff to council and how council members should communicate with staff to obtain information. Specific instances of individual council members approaching staff at township offices were mentioned. The HR consultant also provided advice to council.
- 35 My Office has reviewed similar situations in the past. In a report to the Township of Adelaide Metcalfe, my Office examined a closed session that was held to discuss improving the communication between council and



- staff.⁴ My Office found that while the discussion may have contained sensitive information, which council may not have wanted to discuss publicly, the subject matter did not fall within any exception to the open meeting requirements.
- 36 During his interview, the Mayor of Lanark Highlands suggested to members of my Office that council's discussion about the general relationship between council and staff could not be parsed from its discussion and review of the legal advice on that topic.
- 37 In *St. Catharines (City) v. IPCO, 2011*, the Divisional Court found that it is unrealistic to expect municipal councils to split up discussions to ensure nothing that can be discussed in open session is ever discussed in a closed meeting.⁵ This applies to discussion on a single topic, where splitting the information would require interrupting the conversation.
- 38 The St. Catharines case can be distinguished from the case at hand. While the legal opinion may have prompted the discussion about the proper interaction between council and staff, the two topics were distinct. Council could have discussed the legal advice on good governance as it related to the specific circumstances of the treasurer's resignation in closed session, and then proceeded into open session to receive advice from its HR consultant on the general roles of individual council members and staff.
- **39** Accordingly, the portion of council's discussion about staff and council interaction did not fit within the "advice subject to solicitor-client privilege" exception.

Discussion about the financial software

40 The legal opinion did not provide any advice on if the municipality should adopt the financial software across its administrative departments. Council's discussion about using or installing financial software on municipal computers did not fit within any of the exceptions to the open meeting rules.

⁴ Ombudsman of Ontario, *Investigation into closed meetings by Council for the Township of Adelaide Metcalfe in July and August, 2012* (March 2013), online: https://www.ombudsman.on.ca/Resources/Reports/Township-of-Adelaide-Metcalfe.aspx ⁵ *St. Catharines (City) v. IPCO*, 2011 ONSC 2346 (CanLII) at para. 42.



- 41 The Mayor and deputy mayor told members of my Office that council's discussion about the financial software was merely incidental to its consideration of the legal advice contained in the solicitor's opinion related to the ability of council to make recommendations on the administration of the municipality's finances.
- 42 My Office has found that brief references to matters that are truly incidental to a larger topic of discussion are permitted in a properly closed in camera session. For example, in a letter to the Township of Leeds and the Thousand Islands, my Office found that during a closed session, council briefly referenced the hiring process for a CAO while discussing identifiable employees who were candidates for the role of interim CAO. Although general consideration of the CAO hiring process would not fit within the open meeting exceptions, in that case, my Office found that any such discussions were truly brief and incidental to the main discussion.
- 43 In the present case, council's discussion about the financial software was neither brief nor incidental to its discussion about the legal advice from its solicitor. We were told by members of council and staff that council held a full discussion about the software that included debate about the pros and cons of adopting it for administrative purposes within the municipality. The discussion culminated in a direction to staff to use the software.
- **44** Accordingly, the portion of the meeting in which council discussed the financial software did not fit within the open meeting exceptions.

Application of the "personal matters" exception

- 45 The Act does not define "personal matters". When reviewing the parameters of the open meeting exceptions, our Office has often considered the case law of the Office of the Information and Privacy Commissioner (the IPC). Although not binding on our Office, these cases can be informative.
- **46** The IPC has determined that, in order to qualify as "personal information", the information must be about individuals in their personal capacity, rather



⁶ Letter from the Ombudsman of Ontario to the Township of Leeds and the Thousand Islands (September 8, 2016), online: https://www.ombudsman.on.ca/Resources/Reports/Township-of-Leeds-and-the-Thousand-Islands-(5).aspx

than their professional, official or business capacity. However, information in a professional capacity may qualify as personal information if it reveals something of a personal nature about the individual.

Discussion about the treasurer's resignation

- 47 A portion of the closed meeting discussion focused on the treasurer's resignation. My Office previously found that discussion about upcoming retirement of municipal staff was personal information that fit within the "personal matters" exception. Both resignations and retirement result in an employee leaving their employment, which is inherently personal in nature.
- **48** Accordingly, the portion of council's discussion related to the treasurer's resignation fits within the "personal matters" exception.

Discussion about matters contained in the treasurer's email resignation

- 49 Council discussed matters raised in the treasurer's emails related to the involvement of a member of council in the financial administration of the township. This discussion was held under the personal matters exception. During the discussion, council reviewed a report prepared by the member of council which contained information pertaining to their role in the township's financial administration.
- 50 Generally, discussions of a council member's actions in the course of their duties are considered to be of a professional nature and do not fall within the "personal matters" exception. ¹⁰ Information in a professional capacity may qualify as personal information if it reveals something of a personal nature about the individual or if it relates to scrutiny of that individual's conduct. ¹¹



⁷ Order MO-2204 (22 June 2007), online: IPC.

⁸ Order MO-2519 (29 April 2010), online: IPC.

⁹ Ombudsman of Ontario, *Investigation into a complaint about a closed meeting held by Council for the City of Timmins on June 27, 2016* (January 2017), online: https://www.ombudsman.on.ca/Resources/Reports/City-of-Timmins-(2).aspx

¹⁰ Letter from Ombudsman of Ontario to Municipality of Temagami (February 9, 2017) online: https://www.ombudsman.on.ca/Resources/Reports/Municipality-of-Temagami.aspx

¹¹ Order MO-2519 (29 April 2010), online: IPC.

- 51 In a letter to the Municipality of Temagami, my Office found that council was entitled to discuss a complaint against a member of council in closed session because staff were unsure if the council member was acting in a professional or personal capacity during the incident that gave rise to the complaint. Similarly, in a letter regarding a closed meeting held by the City of Elliot Lake, my Office found that an in camera discussion about unproven allegations that a council member had breached confidentiality fit within the "personal matters" exception. In that case, the allegations had not been investigated or made public and constituted personal information about the council member. 13
- 52 In the present case, council's discussion about the member of council's involvement in the financial administration of the township related to the councillor's professional capacity as a member of council. The discussion touched upon information that was speculative, and also involved scrutiny of the councillor's conduct that went beyond their official capacity as a member of council. Therefore, the information discussed by council constituted personal information about the member of council.
- **53** Accordingly, council's discussion fit within the "personal matters" exception.

Discussion about the behaviour of a second council member

- 54 Council received and discussed legal advice related to the tone and content of emails sent by a second council member following the treasurer's resignation. This portion of council's discussion fit within the exception for "advice subject to solicitor client privilege."
- 55 A large portion of council's discussion on this topic strayed from legal advice and into examining the council member's past behaviour, character, and personal conduct generally.
- 56 As outlined previously, discussion about a person in their professional capacity can take on a more personal nature if it relates to scrutiny of that individual's conduct.



¹² Letter from Ombudsman of Ontario to Municipality of Temagami (February 9, 2017) online: https://www.ombudsman.on.ca/Resources/Reports/Municipality-of-Temagami.aspx

¹³ Letter from Ombudsman of Ontario to City of Elliot Lake (September 8, 2014), online: https://www.ombudsman.on.ca/Resources/Reports/City-of-Elliot-Lake-(6).aspx

- 57 In a report to the City of Elliot Lake, my Office found that an in camera discussion about the behaviour and character of individual committee members was permitted in closed session.¹⁴ Although the discussion initially related to behaviour of the committee members in an official capacity, it ultimately led to a discussion involving scrutiny of their personal conduct.
- 58 In the present case, council's discussion focused on scrutinizing the personal conduct and behaviour of an individual council member. Accordingly, this portion of the discussion took on a more personal nature, and therefore fits within the "personal matters" exception.

Procedural matters

Voting in closed session

- **59** The *Municipal Act* only permits voting during a properly closed meeting in limited circumstances for procedural matters or for giving directions to municipal employees or officers.
- 60 I have found that council was not permitted to discuss its interaction and communication structure with staff during the closed session. Therefore, council was not permitted to vote during closed session to bring the following resolution into the open session:

"THAT Council confirms that work-related concerns from employees are to be directed through supervisors to the Clerk Administrator in accordance with the Township's Non-BU HR Management Policies and the Collective Agreement, as applicable;

AND FURTHERMORE THAT Council directs that all members of Council shall refer employees with concerns to those processes."

61 Council was also not permitted to discuss adopting specific financial software during the closed session, and was therefore not permitted to vote during the closed session to bring the following motion into the open session:

¹⁴ Ombudsman of Ontario, *Investigation into whether Council for the City of Elliot Lake held illegal closed meetings in April 2015* (October 2015), online: https://www.ombudsman.on.ca/Resources/Reports/City-of-Elliot-Lake-(9).aspx



"THAT the financial software, developed by the Deputy-Mayor in conjunction with other existing financial software, be used by Staff to compliment the budgeting and reporting process."

Resolution to proceed in camera

- 62 Subsection 239(4) of the Act requires that the resolution to proceed in camera include the general nature of the subject matter to be considered. The city's procedure by-law has equivalent requirements.
- **63** The Court of Appeal in Farber v. Kingston (City)¹⁵ stated that:
 - "...the resolution to go into closed session should provide a general description of the issue to be discussed in a way that maximizes the information available to the public while not undermining the reason for excluding the public."
- 64 My Office has also recommended that councils provide more substantive detail in resolutions authorizing closed sessions. For instance, in our Office's 2015 review of closed meetings in the Municipality of South Huron, we noted that council's resolution "should provide a brief description of the subject matter to be considered in closed session". 16
- 65 In this case, council's resolution to proceed in camera on July 17, 2017 included the following general description: "Council and Staff Communication and Structure"
- 66 Given the length of the meeting and the variety of topics discussed by council, the description failed to provide meaningful information to the public about the issues to be discussed in camera.

Meeting agenda

67 The closed session agenda had one item listed as a topic of discussion: "Council and Staff Communication and Structure"



¹⁵ Farber v. Kingston (City), 2007 ONCA 173 at para 21.

¹⁶ Ombudsman of Ontario, *Investigation into closed meetings held by council for the Municipality of South Huron* (February 2015) at para 58, online: https://www.ombudsman.on.ca/Resources/Reports/Municipality-of-South-Huron.aspx

- **68** The actual in camera discussion that took place touched on a variety of matters that were not included on the agenda.
- **69** Although it is not a requirement of the *Municipal Act* to provide the public with details of a closed meeting in advance, it is a best practice, in the interest of transparency, to list all items of discussion on the agenda in advance of the meeting.¹⁷

Procedure by-law section 5.5.5

70 Section 5.5.5 of the township's procedure by-law states that the only business to be addressed during a special meeting shall be the business stated on the agenda for the meeting. By discussing items that were not included on the closed meeting agenda, council violated the township's procedure by-law.

Closed meeting record

- 71 Section 239(7) of the Act requires that a municipality record, without note or comment, all resolutions, decisions and other proceedings at its meetings.
- 72 The township's minutes for the in camera discussion were sparse, with only the topics of the discussion listed. There is no information about the substance of the closed session discussion captured in the minutes.
- 73 While the *Municipal Act* prohibits "notes or comments" from being included in the official record, the requirement to keep a meeting record should be interpreted in a manner that is consistent with the intent of the municipal meeting provisions, which are directed at enhancing the openness, transparency and accountability of municipal government.
- 74 The July 17, 2017 meeting lasted more than four hours; however, the minutes only listed five topics of discussion without any details or description of the substantive and procedural matters discussed, including any reference to any specific documents considered. While the minutes



¹⁷ Ombudsman of Ontario, *Investigation into whether Council or the Township of Woolwich held illegal closed meetings in August 2014 and January and February 2015* (June 2015), online: https://www.ombudsman.on.ca/Resources/Reports/Township-of-Woolwich-%281%29.aspx

recorded motions and directions to staff, the minutes failed to indicate when the motions were introduced.

- **75** As discussed in my Office's report regarding council meetings in the Town of South Bruce Peninsula¹⁸, a record of a closed meeting should include reference to:
 - where the meeting took place;
 - when the meeting started and adjourned;
 - who chaired the meeting;
 - who was in attendance, with specific reference to the clerk or other designated official responsible for recording the meeting;
 - whether any participants left or arrived while the meeting was in progress and if so, at what time this occurred;
 - a detailed description of the substantive and procedural matters discussed, including reference to any documents considered;
 - any motions, including who introduced the motion and seconders; and
 - all votes taken, and all directions given.

Audio recording

76 The township does not audio record or video record its open or closed meetings. Given the lack of a detailed record of the closed meeting discussion and the length of the closed meeting we reviewed, I strongly encourage the township to make audio or video recordings of council proceedings. This provides the most clear, accessible record for closed meeting investigators to review, and assists in ensuring that officials do not stray from the legal requirements during closed meetings.

Opinion

- 77 My investigation found that council for the Township of Lanark Highlands contravened the *Municipal Act, 2001* and the township's procedure by-law when it discussed financial software and council's interaction and communication structure with staff in closed session on July 17, 2017.
- **78** Further, because those portions of council's discussion were not permitted in closed session, council was not entitled to vote in closed session on the

¹⁸ Ombudsman of Ontario, *Open Conflict* (July 7, 2010), online: https://www.ombudsman.on.ca/Resources/Reports/Town-of-South-Bruce-Peninsula-Council-br---Open-Co.aspx



resolutions to bring a motion related to the financial software and a motion about communication of work-related concerns by staff into open session.

79 Council contravened section 5.5.5 of the township's procedure by-law when it discussed business that was not included on the agenda for the closed meeting.

Recommendations

80 I make the following recommendations to assist the Township of Lanark Highlands in fulfilling its obligations under the Act and enhancing the transparency of its meetings.

Recommendation 1

All members of council for the Township of Lanark Highlands should be vigilant in adhering to their individual and collective obligation to ensure that council and its committees comply with their responsibilities under the *Municipal Act, 2001* and the procedure bylaw.

Recommendation 2

The Township of Lanark Highlands should ensure that no subject is discussed in closed session unless it clearly comes within one of the statutory exceptions to the open meeting requirements.

Recommendation 3

The Township of Lanark Highlands should ensure that its in camera votes comply with section 239(6) of the *Municipal Act, 2001.*

Recommendation 4

The Township of Lanark Highlands should ensure that its resolutions to proceed in camera provide a general description of the issue to be discussed in a way that maximizes the information available to the public while not undermining the reason for excluding the public.

Recommendation 5

The Township of Lanark Highlands should ensure that all items of discussion are listed on the agenda in advance of the meeting.

Recommendation 6

The Township of Lanark Highlands should ensure that meeting records are complete and accurately reflect all of the substantive and procedural items that were discussed.



Recommendation 7

The Township of Lanark Highlands should implement a practice of audio recording or video recording its closed sessions.

Report

- 81 The Township of Lanark Highlands was given the opportunity to review a preliminary version of this report and provide comments. Any comments received were considered in the preparation of this final report.
- 82 My report should be shared with council for the Township of Lanark Highlands and should be made available to the public as soon as possible, and no later than the next council meeting.

Paul Dubé

Ontario Ombudsman

