

ORDER MO-2174

Appeal MA-050291-1

Municipality of North Grenville

NATURE OF THE APPEAL:

The Municipality of the North Grenville (the Municipality) received the following request under the *Freedom of Information and Protection of Privacy Act* for information relating to four employees:

FOR [NAMED INDIVIDUAL 1] (Municipal Clerk), records containing information relating to:

- his pay and benefits for the 2 months prior to being appointed or designated Interim Chief Administrative Officer (CAO)
- his pay and benefits for the duration of his time as Interim Chief Administrative Officer (CAO)
- his pay and benefits for the period since he resumed duties as clerk of the municipality

FOR [NAMED INDIVIDUAL 2] (former Public Works Director, North Grenville), records containing information relating to:

- his pay and benefits until his departure from the municipality (since 1 Feb 2005 only)
- to the length of time he continued to receive these pay and benefits subsequent to his final day at work
- to any severance package or departure payment he has or will receive

FOR [NAMED INDIVIDUAL 3] (Former Director of Planning), records containing information relating to:

- her pay and benefits for the 2 months prior to her departure from the municipality
- the length of time she continued to receive these pay and benefits subsequent to her final day at work
- any severance package or departure payment she has or will receive

FOR [NAMED INDIVIDUAL 4] (former CAO, North Grenville) records containing information relating to:

- his pay and benefits for the 2 months prior to his departure from the municipality
- the length of time he continued to receive these pay and benefits subsequent to his final day at work
- any severance package or departure payment he has or will receive

In his request the requester states that his request is made "pursuant to the precedent established by [the Commissioner's office in] Order M-953".

The Municipality granted access to records showing the pay and benefits for these four employees for the two months prior to their departure. Access was denied, however, to records

responsive to the remainder of the request pursuant to section 14(1), in conjunction with the presumption at section 14(3)(f) of the Act.

The requester, now the appellant, appealed the Municipality's decision to deny access to portions of the records.

During mediation, the appellant advised that he is satisfied with the information provided to him in the decision letter with respect to the pay and benefits for each of three individuals for the 2 months prior to their departure, and for one individual for the 2 months prior to when he was hired for the position. Accordingly, this part of the request is not at issue in the appeal.

Also not a issue in this appeal is the request for information pertaining to named individual 3, the Former Director of Planning. The appellant has advised that he is satisfied with the disclosure provided to him.

The appellant further indicated that he is satisfied with the disclosure provided to him, respecting individual 1, the Municipal Clerk, as a result of the information about this individual that was disclosure at mediation.

This appeal was not completely resolved during mediation, and it was transferred to the Adjudication stage of the appeal process.

I began my inquiry by sending a Notice of Inquiry to the Municipality, initially. The Municipality responded with representations advising that it was prepared to disclose portions of the employment agreement for individual 4. The Municipality issued a revised access decision to the appellant regarding the partial disclosure of the employment agreement and provided a copy of that agreement, with severances, to the appellant.

I then sent a copy of the Notice of Inquiry to the appellant. The appellant provided representations in response.

RECORDS:

The records at issue in this appeal are as follows:

- RECORD 1: Termination of Employment Agreement for [named individual 2] (former Public Works Director) (2 pages) and attached release (4 pages). Entire record withheld.
- RECORD 2: Employment Agreement for [named individual 4] (former CAO) (7 pages) and attachment consisting of a Performance Management document detailing the job description (10 pages). Portions of the Employment Agreement relating to the actual income and termination allowance have been withheld. The remainder has been disclosed.

DISCUSSION:

PERSONAL INFORMATION

The personal privacy exemption at section 14(1) applies only to information which qualifies as personal information, as defined in section 2(1) of the Act. Therefore, in order to determine whether section 14(1) might apply, it is necessary to decide whether the record contains "personal information" and, if so, to whom it relates. The definition of section 2(1) reads, in part:

"personal information" means recorded information about an identifiable individual, including,

(b) information relating to the education or the medical, psychiatric, psychological, criminal or **employment history** of the individual or information relating to **financial transactions** in which the individual has been involved.

. . .

(h) the individual's name, if it appears with other personal information relating to the individual or where the disclosure of the name would reveal other personal information about the individual;

[emphasis added]

Analysis and findings

Previous orders of this office has considered the contents of various types of agreements, such as employment contracts or settlement and/or severance agreements [Orders M-173, P-1348, MO-184, MO-1332, MO-1405, MO-1622, MO-1749, MO-1970 and PO-2519]. These orders have consistently held that information about the individuals named in such agreements, including name, address, terms, date of termination and terms of settlement, concern these individuals in their personal capacity, and therefore qualifies as their personal information.

I am satisfied that the same considerations apply in the circumstances of this appeal. The records contain the names of the individuals to whom they relate, along with other personal information relating to them, as well as information concerning their former employment with the Municipality, and financial transactions involving their departures from their positions with the Municipality. As such, I find that all of the information contained in both Records 1 and 2 falls within the scope of the definition of personal information in section 2(1) of the *Act* as the personal information of the two individuals to whom the employment agreement and the termination of employment agreement relate.

The records do not contain the personal information of any other identifiable individuals, including the appellant.

INVASION OF PRIVACY

Where a requester seeks the personal information of another individual, section 14(1) of the *Act* prohibits an institution from releasing this information unless one of the exceptions in paragraphs (a) through (f) of section 14(1) applies.

In my view, the only exception which may apply in the present appeal is that set out in section 14(1)(f) which reads:

A head shall refuse to disclose personal information to any person other than the individual to whom the information relates except,

if the disclosure does not constitute an unjustified invasion of personal privacy.

Section 14(1)(f) is an exception to the mandatory exemption at section 14(1) regarding personal information. In order to establish that section 14(1)(f) applies, it must be shown that disclosure of the personal information would **not** constitute an unjustified invasion of personal privacy [for example, Order MO-1212].

In applying section 14(1)(f), sections 14(2), (3), and (4) of the *Act* provide guidance in determining whether disclosure of personal information would result in an unjustified invasion of the personal privacy of the individual to whom the information relates.

Section 14(2) provides some criteria for institutions to consider in making a determination as to whether disclosure of personal information would result in an unjustified invasion of the personal privacy of the individual to whom the information relates. Section 14(3) lists the types of information the disclosure of which is presumed to constitute an unjustified invasion of personal privacy. Section 14(4) refers to certain types of information whose disclosure does not constitute an unjustified invasion of personal privacy.

If none of the presumptions in section 14(3) applies, the institution must consider the application of the factors listed in section 14(2), as well as all other relevant circumstances.

The Divisional Court has ruled that once a presumption against disclosure has been established under section 14(3), it cannot be rebutted by one or more factors or circumstances under section 14(2). A section 14(3) presumption can be overcome, however, if the personal information at issue is caught by section 14(4) or if the "compelling public interest" override at section 16 applies (*John Doe v. Ontario (Information and Privacy Commissioner*) (1993), 13 O.R. (3d) 767).

For Record 1, the Municipality only raises the possible application of the presumption at section 14(3)(f) and states that information does not fall within the exceptions at sections 14(4)(a) or (b). Addressing Record 2, the Municipality states that because of the operation of section 14(4)(a) it was released in its entirety, with the exception of information relating to income. What remains at issue in Record 2 is the individual 4's actual annual income (found in clause 1.4, "Base Compensation") and the information related to his termination allowance (found in clause 4.2, "Termination Other Than for Cause").

As section 14(1) is a mandatory exemption, and, in my view, section 14(4)(a) might possibly apply to some of the information, I will first turn to consider whether any of the information in either of the records falls within the exception in section 14(4)(a). If any of the information falls under the section 14(4)(a), the exemption at section 14(1) does not apply.

Section 14(4)(a): disclosure not an unjustified invasion of privacy

Section 14(4)(a) provides:

Despite subsection (3), a disclosure does not constitute an unjustified invasion of personal privacy if it,

discloses the classification, salary range and benefits, or employment responsibilities of an individual who is or was an officer or employee of an institution or a member of the staff of a minister;

Having reviewed the records at issue, Record 1, the severance agreement and release for individual 2, clearly does not contain the classification, the salary range, or the employment responsibilities of individual 2. Accordingly, the exception at section 14(4)(a) cannot apply unless I determine that any information contained in that record qualifies as a "benefit" as contemplated by section 14(4)(a).

As for Record 2, the employment agreement and 10 page job description attachment of individual 4, the only information that remains at issue is individual 4's actual income (found in clause 1.4, "Base Compensation") and the information related to his termination allowance (found in clause 4.2, "Termination Other Than for Cause"). As individual 4's actual income clearly does not fall within the exception at section 14(4)(a), I must now determine whether the termination allowance information in Record 2 could properly be considered a "benefit" within the meaning of section 14(4)(a).

This office has interpreted "benefits" to include entitlements, in addition to base salary, that an officer or employee receives as a result of being employed by the institution [Order M-23]. Order M-23 lists the following as examples of "benefits":

- insurance-related benefits
- sick leave, vacation

- leaves of absence
- termination allowance
- death and pension benefits
- right to reimbursement for moving expenses

In subsequent orders, adjudicators have found that "benefits" can include:

- incentives and assistance given as inducements to enter into a contract of employment [Order PO-1885]
- all entitlements provided as part of employment or upon conclusion of employment [Order P-1212]

These principles and reasoning have been applied in previous orders issued by this office including MO-1405, MO-1749, and MO-1796.

It has also been held, however, that the exception in section 14(4)(a) does not apply to entitlements that have been *negotiated* as part of a retirement or termination package (see for example Orders M-173, M-204, M-797 and MO-1332) except where it can be found that the information reflects benefits to which the individual was entitled as a result of being employed (Orders MO-1749 and PO-2050). As I explained in Order MO-1970, the common thread in these orders appears to be that section 14(4)(a) applies to benefits negotiated as part of a retirement or termination agreement, so long as they are benefits the individual received while employed and are continuing post-employment.

I accept the interpretation of "benefits" established by these previous orders.

Applying these principles to the records before me, I find that none of the information in Record 1 qualifies as "benefits" within the meaning of that term in section 14(4)(a). Specifically, addressing the lump sum contribution to the individual's legal fees, I find that this amount is not a benefit provided upon conclusion of employment, but rather represents an amount that has been negotiated as part of the termination agreement. As for the lump sum payment, although the agreement states that it represents amounts owing for salary and benefits, as it is a lump sum amount, it does not actually disclose the individual's salary or benefits.

With respect to Record 2, I find that of the portions that remain at issue, the information detailing the termination allowance qualifies as a "benefit" for the purposes of section 14(4)(a). The information in the first paragraph of clause 4.2 of Record 2, which details individual 4's termination allowance, is an entitlement that individual 4 received, in addition to his base salary, as a result of being employed by the Municipality. As it appears in the employment agreement, it clearly is not an entitlement that has been negotiated as part of a retirement or termination package. Additionally, I note that Order M-23 former Commissioner Tom Wright found that termination allowance should be interpreted as a "benefit".

I have found that section 14(4)(a) applies to the information that describes individual 4's termination allowance information that is found at paragraph 1 of clause 4.2 of Record 2. When

section 14(4)(a) is found to apply, disclosure of that information is not considered to be an unjustified invasion of personal privacy. Therefore, I conclude that the termination allowance information in Record 2 is not exempt under section 14(1) and I will order that it be disclosed to the appellant.

I find that the exception in section 14(4)(a) does not apply to any of Record 1 or any of the remaining portions of Record 2, which consists of the annual salary of the individual to whom that record relates. I also find that none of the other provisions at section 14(4) are applicable. Accordingly, I will now consider whether the disclosure of this remaining information, which does not fall under section 14(4), is presumed to represent an unjustified invasion of privacy under the presumptions at section 14(3).

Section 14(3): disclosure presumed to be an unjustified invasion of privacy

In its representations, the Municipality submits that disclosure of the Record 1 and the portions of Record 2 that remain at issue are presumed to be unjustified invasions of privacy under section 14(3)(f) (describes an individual's finances, income, assets, liabilities, net worth, bank balances, financial history or activities, or creditworthiness).

Section 14(1) is a mandatory exemption and, in my view, the presumption at section 14(3)(d) (relates to employment or educational history) might also apply. Accordingly, I will also address its potential application.

Sections 14(3)(d) and (f) provide:

A disclosure of personal information is presumed to constitute an unjustified invasion of personal privacy where the personal information,

- (d) relates to employment or educational history; and
- (f) describes an individual's finances, income, assets, liabilities, net worth, bank balances, financial history or activities, or creditworthiness.

The Municipality submits that Record 1, the severance agreement and release, "outlines payments to be made to a former employee, and therefore relates to the individual's finances, income and assets" within the meaning of the presumption at section 14(3)(f). The Municipality also cites Orders MO-1332, MO-1749, MO-1842, MO-1994 to support its position.

The Municipality makes no specific submission on the application of the presumption at section 14(3)(f) to the information that remains at issue in Record 2, the individual's annual income.

The appellant does not make specific submissions on the application of the presumptions.

Previous orders have reviewed the approach this office has taken with respect to information taken in the context of severance agreements. In Order PO-2050, Adjudicator Laurel Cropley examined the application of the presumptions at section 21(3)(d) and (f) of the *Freedom of Information and Protection of Privacy Act* (the provincial equivalent to section 14(1) of the *Act*), to similar information, finding:

Generally, previous orders have found that although one-time or lump sum payments or entitlements do not fall under the presumption found at sections 21(3)(f) or (d) (Orders M-173, MO-1184 and MO-1469), information such as start and finish dates of a salary continuation agreement fall within the presumption in section 21(3)(d) and references to the specific salary to be paid to an individual over that period of time fall within the presumption in section 21(3)(f) (Order P-1348).

In addition, information which reveals the dates on which former employees are eligible for early retirement, the start and end dates of employment, the number of years of service, the last day worked, the dates upon which the period of notice commenced and terminated, the date of earliest retirement, entitlement to and the number of sick leave and annual leave days used and restrictive covenants in which individuals agree not to engage in certain work for a specified duration has been found to fall within the section 21(3)(d) presumption (Orders M-173, P-1348, MO-1332, and PO-1885). Contributions to a pension plan have been found to fall within the presumption in section 21(3)(f) (Orders M-173 and P-1348).

Previous orders have found, however, that the address of an affected party, releases, agreements about the potential availability of early retirement, payment of independent legal fees and continued use of equipment, for example, do not fall within any of the presumptions in section 21(3) (Orders MO-1184 and MO-1332). In Order M-173, former Assistant Commissioner Irwin Glasberg found that much of the information in these types of agreements did not pertain to the "employment history" of the individuals for the purposes of section 14(3)(d) (of the municipal Act), but could more accurately be described as relating to arrangements put in place to end the employment connection.

I agree with the reasoning in these orders and find that the termination date in clause 1(i), references to the benefits the affected person was entitled to as an employee and which were to be continued or not upon termination in clause 2(iii) and clause 3(iii) which makes references to the affected person's obligations arising from his previous employment fall within the presumption in section 21(3)(d). In addition, a portion of clause 2(iii) also makes reference to the affected person's actual salary and thus describing his income, falls within the presumption in section 21(3)(f).

[Adjudicator Cropley finds later in her order that despite the application of the presumption in section 21(3), the benefits in clause 2(iii) fall under the exception

in 21(4)(a) and accordingly, that disclosure of that information did not constitute an unjustified invasion of privacy.]

I find that none of the presumptions in section 21(3) apply to the remaining information in this record, including information describing lump sum or one time payments relating to the affected person's termination and in relation to legal fees (in clauses 2(i), (ii) and (viii).

This approach taken by Adjudicator Cropley was followed by Adjudicator Frank DeVries in Order MO-1749. I agree with the approach taken and principles set out in order PO-2050 and adopt them for the purpose of this appeal.

This office has also found the following information does *not* qualify under any of the section 14(3) presumptions:

- releases
- allowances for out-placement counseling.

[see orders MO-1160, MO-1184, MO-1332 and MO-1405]

Applying the principles outlined above, I find that none of the information contained in Record 1, the severance agreement and release, falls within any of the presumptions at section 14(3), specifically section 14(3)(d) or (f).

The severance agreement lists two separate amounts that are to be paid to individual 2. These amounts are best characterized as one-time or lump sum payments which not fall under the presumption found at sections 14(3)(f) or (d) [Orders M-173, MO-1184 and MO-1469]. The remainder of the information in the severance agreement essentially describes how the lump sum payments are to be paid to the individual or briefly refer to the attached release. None of the remaining information, which consists of other general provisions relating to the agreement between the individual and the Municipality, falls within any of the presumptions found at section 14(3).

As noted in Order PO-2050, releases have been found not to fall within any of the presumptions at section 14(3) [Orders M-173, MO-1184 and MO-1332] because the information in a release does not pertain to the "employment history" or the individual for the purposes of section 14(3)(d). Rather, it has been found that this information can be more accurately described as relating to arrangements put in place to end the employment connection. In the current appeal, I find that the release portion of Record 1 does not contain information about individual 2's "employment history" and, therefore, does not fall under the presumption at section 14(3)(d). I further find that the release does not contain any information that describes individual 2's finances, income, assets, liabilities, net worth, bank balances, financial history or activities, or creditworthiness as is required for it to fall under the presumption at section 14(3)(f).

Accordingly, I find that none of Record 1, the severance agreement and the release, fall within the presumptions in section 14(3).

As for Record 2, the only information that remains at issue is individual 4's specific annual salary to be paid under the terms of the agreement. As noted above, references to specific salary have been found to fall within the presumption at section 14(3)(f) [Order P-1348] and in my view, section 14(3)(f) is equally applicable here. Accordingly, I find that the presumption at section 14(3)(f) applies to the individual 4's specific annual salary listed in the second and third lines of the first paragraph of section 1.4. entitled "Base Compensation". Specifically, it applies to the exact dollar figure that is described both in words and in numbers in that paragraph. The disclosure of this information is presumed to constitute an unjustified invasion of privacy and I find that it qualifies for exemption under section 14(1).

Section 14(2): factors and considerations

I have found above that none of the information in Record 1 meets the exception listed in section 14(4)(a); nor does it meet the presumptions at section 14(3)(d) or (f) which would result in disclosure representing a presumed unjustified invasion of privacy. Therefore, I must now review Record 1 to determine whether any of the listed factors found in section 14(2), as well as all other considerations that are relevant in the circumstances of this appeal, apply to that information.

The Municipality submits that the factor listed at section 14(2)(f) applies, stating that, "[s]ince clause 10 of the agreement requires the individual's confidence in the terms of the agreement, it is assumed that the information is 'highly sensitive'".

The appellant submits that "the amount of public funds expended to sever the Municipality's employment of two of its top former staff has still not been disclosed". His submissions highlight concerns he has as a taxpayer and member of the public:

I contend that the removal of [named individuals] from the employ of the Municipality was part of a shift in public policy at the municipal level for which the public should know the cost. Some individuals have told me that [named individual 4] had let it be known, before he was elected, that if his ... bid was successful, [named individual 4] would be relieved, along with [named individual's] close associate, [named individual 2]. This indeed came to pass, and I think taxpayers have a right to know the cost of this sudden change of senior personnel at the Municipality. Some I have spoken to have suggested that, not only was there personnel at the Municipality. Some I have spoken to have suggested that, not only was there personal animosity between the Mayor and senior staff, there was also a fundamental divergence of approach to the construction of the North Grenville Complex — a big-ticket public venture whose cost will have to be borne for some time.

I think the costs associated with removing these individuals (i.e., severance costs) falls within the public purview and the Municipality should have to release this information for public scrutiny and, if necessary debate.

Sections 14(2)(a) and (f) provide:

A head, in determining whether a disclosure of personal information constitutes an unjustified invasion of personal privacy, shall consider all the relevant circumstances, including whether,

- (a) the disclosure is desirable for the purpose of subjecting the activities of the Government of Ontario and its agencies to public scrutiny;
- (f) the personal information is highly sensitive; and

I will review the application of each of these considerations below.

Section 14(2)(a): public scrutiny

In Order PO-1984, former Assistant Commissioner Tom Mitchinson noted that, "the public scrutiny consideration relates directly to issues of public accountability in the operation of the government's planning and development approval process, which falls squarely within the purposes outlined in section 1(a) of the *Act*".

Previous orders have also found that the contents of agreements entered into between institutions and senior employees represent the sort of records for which a high degree of public scrutiny is warranted as identified in section 14(2)(a) of the *Act* [Orders M-173, MO-1184]. This is because "all government institutions are obliged to ensure that tax dollars are being spent wisely" [Orders MO-1184, MO-1332 and MO-1405].

In Order MO-1469, Adjudicator Donald Hale followed those orders in his consideration of the section 14(2)(a) factor in relation to the disclosure of information contained in a severance agreement:

It has been well established in a number of previous decisions that the contents of agreements entered into between institutions and senior employees represent the sort of records for which a high degree of public scrutiny is warranted [Order M-173, M-953]. Based on this, and the appellant's desire to scrutinize how the Municipality compensated a senior management employee upon his termination, I find that section 14(2)(a) is a relevant consideration in the circumstances of the present appeal. I further find that this is a significant factor favouring the disclosure of the information contained in the record.

I adopt the approach outlined in Order MO-1469 for the purposes of the present appeal.

The appellant has provided information supporting the position that the issue of compensation for these particular senior employees of the Municipality appears to have been the subject of some public attention. Taking into consideration the appellant's representations and all of the circumstances of this appeal, I am satisfied that disclosure of the information in Record 1 is desirable for the purpose of shedding light on the details of this particular agreement and would address the "public scrutiny" concerns identified by the appellant.

Accordingly, I find that the consideration under section 14(2)(a) is a relevant factor that weighs significantly in favour of the disclosure of the remaining information in the records.

Section 14(2)(f): highly sensitive

The Municipality submits that the factor favouring non-disclosure listed at section 14(2)(f) applies. It points to a clause in the release portion of the agreement which requires the individual to keep the terms of the release as well as the terms of the severance agreement confidential and submits for that reason the information is to be considered "highly sensitive".

Prior orders have established that for information to be considered highly sensitive, it must be found that disclosure of the information could reasonably be expected to cause excessive personal distress to the subject individual [See Order M-1053, P-1681, and PO-1736]. I agree that disclosure might cause the individual to whom the record relates some personal distress, particularly given the existence of a confidentiality clause which indicates that this information should be kept in confidence. Accordingly, in my view, the factor at section 1(2)(f) is a relevant consideration and is to be afforded moderate weight in balancing the privacy interests of individual 2 against the appellant's right of access.

Balancing the considerations

I found that the factor favouring disclosure in section 14(2)(a) carries significant weight, and that the factor favouring non-disclosure in section 14(2)(f) carries moderate weight. Balancing the factors to determine whether the disclosure of Record 1 would result in an unjustified invasion of privacy, I find that the consideration favouring disclosure outweighs the factor weighing in favour of the non-disclosure of this information. Accordingly, I find that the public scrutiny factor in section 14(2)(a) outweighs the highly sensitive factor in section 14(2)(f) and most of the information should be disclosed.

However, I do note that paragraph 3 of the termination agreement that comprises Record 1, consists of certain financial information about the individual to whom the agreement relates. This information includes his bank account information and other similar details required to facilitate payment of the lump sum payment. Paragraph 4, is similar in nature in that it discusses details about the transfer of the lump sum payment to individual 2. I accept that, in this instance, for all of the information in paragraphs 3 and 4, the "highly sensitive information" consideration weighing in favour of non-disclosure outweighs the relevant factor favouring disclosure. Disclosure of the individual's banking information is not necessary nor is it desirable for the

purpose of subjecting the activities of the Municipality to public scrutiny within the meaning of section 14(2)(a). Accordingly, Record 1 (with the exception of paragraphs 3 and 4) is not exempt under section 14(1) and should be disclosed to the appellant.

In summary, I find that only the information that is subject to the presumption in section 14(3)(f), the specific annual salary listed in Record 2, is exempt under section 14(1). The appellant has not raised the possible application of the public interest override at section 16. Accordingly, I will uphold the Municipality's decision not to disclose this information.

I will however, order the Municipality to disclose the remaining information, the severance allowance in Record 2 and Record 1, with the exception of paragraphs 3 and 4, to the appellant.

ORDER:

- 1. I order the Municipality to disclose Record 1 (with the exception of paragraphs 3 and 4) and the termination allowance information found in paragraph 1 of clause 4.2 of Record 2 to the appellant by **April 25, 2007** but not before **April 19, 2007**.
- 2. I uphold the Municipality's decision to withhold the specific dollar figure detailing individual 4's annual salary information in paragraph 1, of clause 1.4, of Record 2 and the individual 2's bank account information found in paragraphs 3 and 4 of Record 1.
- 3. In order to verify compliance with provision 1 of this order, I reserve the right to required the Municipality to provide me with a copy of records disclosed to the appellant.

Original Signed By:	March 19, 2007
Catherine Corban	
Adjudicator	