

At the meeting of February 21, 2018, this report was deferred to the meeting of March 21, 2018.

Report from Legal and Clerks Services, Office of the City Clerk

Date of Report: February 12, 2018

Date of Meeting: February 21, 2018

Report Number: LCS-B008-2018

File: 10.12.1

Subject: Expense Policy for the Mayor and Members of Council

Recommendation

That the Budget Standing Committee receive the report for information.

Background

On September 18, 2017, the Budget Standing Committee approved the following report request:

That the Budget Standing Committee direct staff to prepare a report regarding information related to the Councillor expense policy.

The City does not have an expense policy for the Mayor and Members of Council, however expenses are reported to Council annually in accordance with Section 284(1) of the *Municipal Act, 2001*.

On May 29, 2017, Council approved a policy for Conventions, Conferences and Other Out-of-Town Expenses for the Mayor and Members of Council (Appendix 1); an expense policy would be in addition to this policy.

Report

Staff reviewed Council expense policies for various Ontario municipalities. The policy attached as Appendix 2 contains a combination of best practices, and includes an overview of corporate resources provided to Council and expenses that may be reimbursed, such as:

- advertising and promotions
- general office expenses
- books, publications and subscriptions
- information technology
- civic receptions, public functions, meals and hospitality
- legal fees
- parking and transportation
- training, conferences and conventions

Expenses must be reasonable and must be incurred in relation to the individual's duties as the Mayor or Member of Council. In addition to the above list, other items may be eligible expenses if approved in advance by the Mayor and / or Chief Administrative Officer.

Financial Implications

There are no financial implications in approving the report recommendation.

There are no financial implications of the Policy included in Appendix 1 as the Policy does not establish the amount of funds available to the Mayor or Members of Council for expenses; this is approved annually by Council as part of the Operating Budget

Relationship to Strategic Plan

An expense policy for the Mayor and Members of Council is related to economic action item 2.1, update financial controls and the debt management strategy to better manage escalating costs of City operations and services, with annual progress reporting.

Prepared by:


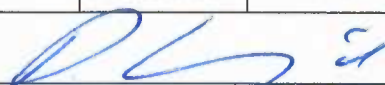
Kristen Sullivan
Council and Committee Coordinator

Submitted by:

Bonnie Nistico-Dunk
City Clerk

Approved by:

Heather Salter
Director / City Solicitor

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Policy:

To implement a streamlined process for the expenses incurred when members of Council attend conventions, conferences or any other out-of-town expenses and to ensure compliance for the reconciliation of expenses immediately following one's return.

Purpose:

To identify the policy and specific procedures and guidelines regarding eligible expenses incurred when members of Council:

- a. Attend conventions, conferences, summits or any other out-of-town expenses
- b. Expenditures related to meetings, travel, meals hospitality and miscellaneous expenses.

Funds are allocated in the current budget for such expenses and individual members may be authorized at budget time, or from time to time during the year when the proposed agenda has been received.

Scope:

The City has followed a policy of accepting all costs incurred for legitimate expenses which would include:

1. Travel expenses


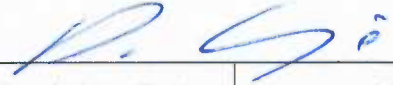
Depending on economy and time:

- Economy airfare, first class rail fare including taxi fares to and from terminals or parking where required, or
- Mileage rate for personal automobile usage; or
- Rented automobile and actual fuel cost.

Every effort should be made to share travel costs where more than one person is travelling to the same destination

Note: If a person chooses a more expensive means of transportation, only the most economical equivalent charges will be allowed. For example, if a person chooses to drive to a destination where it is more economical to use air transportation, only the equivalent air transportation and taxi charges will be permitted.

Pre-approval by the Chief Administrative Officer or the Commissioner of Corporate Services is required for travel outside of this policy due to extenuating circumstances. In

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the event of exceptional circumstances, for example last-minute travel, more expensive transportation will be allowed if approved by the Chief Administrative Officer or the Commissioner of Corporate Services.

Calculation of Mileage:

If the trip does not align with the beginning or end of the business day, actual kilometres will be used to calculate the mileage reimbursement from City Hall to the destination point and return. The amount of the reimbursement is calculated using the annual automobile allowance rates set by the Canada Revenue Agency.

2017 Rates:

- Less than 5,000 km per year: the mileage rate is \$0.54 per km
- Greater than 5,000 km per year: the mileage rate is \$0.48 per km

2. Registration fees

Single rate registration only.

3. Room accommodation

Where overnight accommodation is required, the single room rate will be paid and must be accompanied by appropriate receipts.

Upon making reservations for overnight accommodations, the government rate must be requested.

4. Incidentals



Incidental expenditures include taxi fares, bus service, self- parking, highway/bridge tolls and gratuities and must be accompanied by appropriate receipts.

5. Meals

Meals are defined as those not included with the registration. To be eligible for reimbursement itemized meal receipts are required as well as proof of payment (Visa, MasterCard, debit).

Per diems are intended to be used when travelling on City business and when overnight attendance is required. The daily rate allowance is to be calculated on a 24-hour basis and not a working day basis

A per diem will not be provided for same day meetings, events or workshops and the like. A single day per diem is available if ACCOMMODATION is satisfied.

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The per diem is intended to cover meals not provided while attending the event. Alcohol IS NOT considered part of the per diem and the City will not reimburse for consumption of alcohol either personally or when hosting a guest or guests.

Where all meals are included in registration fees, the per diem rate is not applicable and other "out-of-pocket" expenses are to be claimed in accordance with Employee Reimbursement Form.

Where some meals are included in registration fees, the allocation for included meals shall be deducted from the daily expense allowance. Guidelines should be as follows:

Per Diem Breakdown

	<u>MAYOR</u>	<u>COUNCIL</u>
Breakfast and Break	\$10.00	\$10.00
Lunch and Break	\$20.00	\$20.00
Dinner	\$40.00	\$40.00
Tips, miscellaneous items	\$15.00	\$15.00
Maximum Per Diem / Day	\$85.00	\$85.00


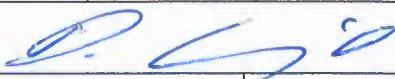
There shall be no reimbursement for any meals expenditures incurred during the time that a council member is entitled to a per diem allowance.

All expenses incurred while attending a conference, convention, seminar or training program are to be charged directly to the Conference, Convention account.

6. Monetary Exchange Costs

Compensation will be provided for the exchange differential generated by converting foreign currencies (primarily to U.S. dollars) to Canadian dollars. Reimbursement will be made in Canadian dollars at the rate available on the date the expense was incurred.



No member of Council shall incur costs in excess of \$500 in relation to any out-of-province conference, seminar, without prior approval of Council and that the Mayor's Office be exempt from this policy.

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7. Ineligible Expenses:

Expenses that are not eligible for reimbursement include:

- Alcohol
- Claims for loss of personal effects
- Companion registration fees and expenses
- Entertainment
- Gifts
- Personal memberships
- Personal messaging/download fees
- Personal services Example: shoe shine, valet service, spa treatments, hair styling, this list is not complete, judge yourself accordingly)
- Personal vehicle costs
- Movie or cable/satellite television fees charged by hotels or airlines
- Sporting events (unless otherwise approved)
- Side trips including stopover charges and additional accommodation costs for personal or other business reasons
- Sightseeing tours
- Traffic and parking fines

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Procedures

Introduction:



The City does not assume any costs for the spouse of any member. The Mayor is only entitled to the cost of spouse when attending a convention of Mayors. All members are required to complete a "Travel Expense Report" when submitting a claim for expenses. It is also the individual's responsibility to submit receipts for transportation, hotel and registration.

Any member wishing an advance of funds may obtain same by completing the form, "Request for Advance Payment, Travel Expenses." Copies of these forms may be obtained from the Office of the Chief Administrative Officer and are to be returned to him/her upon completion and signed approval by the Mayor.

Application:

1. All conventions, conferences and other out-of-town expenses not provided for within the Operational Budget must be pre-approved by the Mayor and/or Chief Administrative Officer.
2. All expenses paid prior to the event are to be treated as an advance and must be supported on the expense report with appropriate documentation attached and submitted immediately following the event as set out below.
3. All members of Council requesting reimbursement of expenditures as outlined in the policy must submit a completed expense report form immediately following the conference, convention or training program.
4. Individuals will include all costs incurred while on approved city travel; claims for reimbursements and purchasing card transactions shall be listed on the approved form(s). Expenses paid by corporate credit card must clearly be identified as such on the form. The City of St. Catharines will not provide compensation for expenses paid by corporate credit card nor for expenses where itemized receipts are not provided.


All forms and accompanying receipts should be directed to the Office of the Chief Administrative Officer clearly identifying the actual expense, the persons for whom the expenses were incurred and the circumstances under which the expenditure is incurred. Expense report forms are available through the Office of the Chief Administrative Officer and Financial Management Services.

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5. Expense accounts shall be subject to review and approval of the Mayor.
6. All requisitions, vouchers, receipts, etc. shall be subject to the review of the City Treasurer/Director of Financial Management Services.
7. The guidelines within this policy and procedure shall not alter any expenditure not covered within the current budget.
8. A "Post-Conference Summary" must be submitted to The City Clerk upon return from the event outlining the key learning points and potential benefits for the city which The City Clerk will circulate along with Correspondence for the next meeting of Council. The Summary may be obtained through the Office of the Chief Administrative Officer.
9. All questions and concerns regarding this policy and procedure should be directed to the Chief Administrative Officer for consideration and action as required.

Compliance:

Mayor and Members of City Council.

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Policy:

A policy for reimbursement of expenses incurred by the Mayor and Members of Council through the fulfillment of their duties as elected officials. The Mayor and Members of Council are accountable to the public for the type and level of expenses incurred and are expected to exercise good judgment while incurring such expenses.

Purpose:

This policy is intended to provide clarity to the Mayor, Members of Council and the public by identifying:

- The resources that are provided by the Corporation to the Mayor and Members of Council
- The type of expenses that are eligible for reimbursement
- The process for submitting and approving expense reimbursements

This policy does not establish the amount of funds available to the Mayor or Members of Council for expenses; this is approved annually by Council as part of the annual operating budget process.

Scope:

This policy applies to eligible expenses of the Mayor and Members of Council and does not apply to expenses otherwise funded by the City, agencies, boards, and other special purpose bodies.

This policy is in addition to the other applicable policies and legislation, including but not limited to:


- Convention, Conferences, and Other Out-of-Town Expenses
- Use of Corporate Resources for Election Purposes

Corporate Resources Provided to the Mayor and Members of Council

The following resources are provided to the Mayor and Members of Council. These resources are provided as available, and are not considered expenses.

Information Technology

- Hardware, software, and service plans consistent with the tools used by the Corporation
- Charges stemming from personal use are to be paid by the Mayor or Member of Council
- Use of Corporate devices shall be in accordance with the Mobile Phone Policy (HR 02-16), the Use of Corporate Resources for Election Purposes, and any other applicable policies which are or may be approved

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Parking

- A parking permit valid for City parking garages, meters and surface lots is issued for parking while on City business; the permit is not valid for special event parking.

Room Bookings

- Councillors are permitted to rent meeting rooms at City facilities for ward and constituent meetings to a maximum of one two-hour meeting per month. Rentals must be formally requested as a private rental and approval is subject to availability and consideration of other programming and revenue generation. Councillors are not charged for room rentals provided there are no additional costs to the City in providing the room. Any additional costs would be paid by the Councillor and eligible for reimbursement, subject to the conditions of this Policy.

Corporate Resources Provided to the Mayor

In addition to the corporate resources provided to the Mayor and Members of Council, the following resources are provided to the Mayor. These resources are provided as available, and are not considered expenses.

Office Space

- A furnished office at City Hall consistent with the standard furnishings used by the Corporation

Staffing

- Two administrative assistants that are permanent employees of the City
- One contract position, not to extend beyond the term of Council, to be hired through Human Resources and the Mayor

Eligible Expenses – Mayor and Members of Council


Advertising and Promotions

Eligible

- Design and production costs for advertising related to City business or that supplements City promotion of programs and events

Ineligible

- Advertising placed after May 1 during an election year
- Advertising or promotions for for-profit organizations, third parties, other levels of government, or candidates in any election

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Conditions

- Use of logo and crest must comply with any applicable City standards
- Printing shall be completed in-house, unless it is confirmed that the print request cannot be accommodated in-house

General Office Expenses

Eligible Expenses

- Canada Post and courier delivery charges
- Stationary including envelopes, letterheads and business cards
- Photocopying and reproduction costs
- General office supplies

Books, Publications, and Subscriptions

- Books, magazines and publications that are related to City business

Exceptions:

- Books, magazines and publications which are otherwise funded through the Operating Budget and available to the Mayor and Members of Council

Information Technology


- Hardware, software and peripheral beyond the Corporate resources provided, at the approval of the Mayor

Conditions:

- Hardware, software and peripherals must comply with corporate standards and be approved in order to be connected to Corporate-issued hardware

Civic Receptions, Public Functions, Meals and Hospitality

- Reasonable expenses associated with the hosting of individuals, not including City employees or Members of Council, such as business lunches or dinners, may be reimbursed when the expense is considered to be necessary for the advancement of City interests or is in conjunction with attending a function on City business; receipts must be detailed and include a description of the purpose of the expense and a list of attendees.
- Required tickets and meals for award banquets, speeches/addresses, business related events, etc. when such expense is considered to have a direct relationship to City business or interests.

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Ineligible expenses

- Alcohol and alcoholic beverages
- Fundraising events organized by City staff
- Raffle tickets, silent auctions, table prize tickets

Legal Fees

- Legal fees are only reimbursed at the approval of the Chief Administrative Officer in accordance with Corporate policy

Parking and Transportation

- Parking costs to attend an event or meeting for City business when a City garage, meter or parking lot is not in close proximity (e.g. paid parking at Brock University or the hospital)
- Mileage and parking for out-of-town travel in accordance with the Convention, Conferences and Other Out-of-Town Expenses policy

Excluded expenses:

- Mileage for in-town meetings
- Parking tickets

Training, Conferences and Conventions

Eligible Expenses


- Seminars and training related to the business of the City, including municipal governance and duties of a Councillor, upon confirmation of successful completion of the course or program
- Registration fees for in-town conferences and conventions
- Conventions, Conferences and other Out-of-Town expenses will be in accordance with that policy

Ineligible Expenses

- Training unrelated to the duty of a Councillor
- Classes such as physical fitness, sports, or arts programs
- Personal development programs such as degrees or diplomas

Exceptions:

- Attendance at the annual Association of Municipalities of Ontario and Federation of Canadian Municipalities conferences are budgeted and approved separate from the Mayor and Members of Council's expense accounts

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Eligible Expenses – Mayor

Furniture and Office Equipment

- Furniture and office equipment beyond the Corporate resources provided

Vehicle Allowance

- Vehicle allowance in accordance with the Remuneration By-law for the Mayor

Ineligible Expenses

Unless otherwise provided for within this Policy or another City policy, expenses not eligible for reimbursement include:

- Alcohol
- Claims for loss of personal effects
- Companion registration fees and expenses
- Entertainment
- Gifts
- Personal memberships
- Personal services (e.g. shoe shine, valet service, spa treatments, hair styling, etc.)
- Personal vehicle costs
- Sporting events (unless otherwise approved)
- Traffic and parking fines


General Requirements

Use of Funds

- Expenses must be incurred in relation to the individuals duties as the Mayor or Member of Council
- Expenses shall be of reasonable costs
- Expenses must be claimed in the year the cost was incurred
- No goods or services shall be purchase in excess of what the Council Members require to complete their term of office
- Goods purchased that have a useful life beyond the Term of Council shall become the property of the City and returned to the City at the end of the Term

Transfer of Funds

- Funds cannot be transferred between Councillors
- Cash advances will not be provided, except where as permitted by another Policy or at the approval of the Mayor

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- Expenses incurred by the Mayor or a Member of Council while attending a function on behalf of the Mayor or another Member of Council shall be charged to the account that would have been charged for the original attendee.

Unused Funds


- Unspent funds cannot be carried over into subsequent years, with the exception of training expenses where confirmation of completion is not expected to be available until the subsequent years.

Use of Funds during Election Years

- The Mayor and Members of Council are restricted to using 11/12ths of the approved annual budget between January 1 and Election Day.
- New Members of Council are restricted to using 1/12th of the approved annual budget during the month of December
- Re-elected Members of Council are permitted to use the balance of the approved annual budget following Election Day.
- Election and campaign related expenses will not be reimbursed

Procedures

1. Any expenses not provided for within this Policy or within the Operational Budget must be pre-approved in writing by the Mayor.
2. The Mayor and Members of Council requesting reimbursement of expenditures under this Policy must, within 45 days but no later than the end of the calendar year in which the expense was incurred, submit to the Office of the Chief Administrative Officer (Members of Council) or the Office of the Mayor (the Mayor) the proper documentation, including:
 - Detailed original itemized invoice and/or receipts that identifies the goods or services purchased, the cost, applicable taxes and HST Registration Number; credit card/interact slips and credit card statements are not acceptable as receipts however may be required to provide proof of payment;
 - Identification of the persons for whom the expenses were incurred;
 - Explanation of how the expense relates to City business, if not obvious based on the description of the good or service;
3. Expense accounts shall be subject to review and approval of the Mayor.

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4. All requisitions, vouchers, receipts, etc. shall be subject to the review of the City Treasurer/ Director of Financial Management Services for accounting purposes.
5. The guidelines within this policy and procedure shall not alter any expenditure not covered within the current budget.
6. All questions and concerns regarding this policy and procedure should be directed to the Chief Administrative Officer for consideration and action as required.

Disclosure of Information:

All expense information is public information and shall be made available, upon request, in accordance with the Municipal Freedom of Information and Protection of Privacy Act (MFIPPA) and all related legislation.

Under Section 284(1) of the Municipal Act, 2001, the City Treasurer must submit to Council an itemized statement of remuneration and expenses paid to each Member of Council in respect to his or her services as a Member of Council or as a member of a local board in the preceding year.