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**Subject:** Amendments to Regional Council Expense Policy

**Report to:** Corporate Services Committee

**Report date:** Wednesday, October 9, 2019

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## **Recommendations**

1. That the amendments to the Regional Council Expense Policy (C-RC-001) as outlined in Appendix 1 of Report CLK 14-2019 **BE APPROVED**; and
2. That Schedule “A” of By-law 2017-99, being a by-law to provide for the reimbursement of expenses of the members of council for The Regional Municipality of Niagara, **BE AMENDED** to include the changes outlined in Appendix 1 of Report CLK 14-2019.

## **Key Facts**

- The purpose of this report is to seek approval to amend Regional Council Expense Policy (C-RC-001).
- The Regional Council Expense Policy is meant to govern the reimbursement of expenses incurred by Members of Council during activities related to Regional business.
- The policy was approved in November 2017, revised in April 2018 and suggested revisions were approved by Council in May 2019 and sent to the Procedural By-law Review Committee for final review in June 2019.
- The Procedural By-law Review Committee recommended two further changes to the policy which are outlined in the analysis section.

## **Financial Considerations**

There are no direct financial implications to changing the Regional Council Expense Policy; however, by removing some eligible expenses there would be some cost savings realized. The 2019 annual budget for administrative expenses is \$80,300 for the Office of the Regional Chair and \$139,352 for Members for Council.

## **Analysis**

At its meeting held on May 16, 2019, Regional Council approved the following recommendation of its Corporate Services Committee:

That Report CSD 31-2019, dated May 8, 2019, respecting Councillor Information Request re: Councillor Expense Policy, **BE RECEIVED** and that the following recommendations **BE APPROVED**:

1. That the current Expense Policy **BE REVISED** to include items 1 through 15 outlined in the Alternatives Reviewed section of Report CSD 31-2019;
2. That the revised Expense Policy **BE SENT** to the next Procedural By-law Review Committee meeting for final review prior to Council approval; and
3. That staff **PROVIDE** Corporate Services Committee with a report comparing the first two quarters to the same two quarters of the previous terms of Council to determine if there has been an increase in mileage and other similar types of expenses, since making Councillors 'whole' again after the federal tax policy change.

At its meeting held on June 17, 2019, the Procedural By-law Review Committee (PBLRC) conducted a final review of the revised expense policy and recommended that clause 4.8(d) which provided that promotional material related to Regional Business, including newsletters was an eligible expense be removed from the policy.

In consideration of the above, the Committee further recommended that clause 4.11(d) be removed which noted that no newsletters or promotional materials shall be distributed or reimbursement of expenses would be allowed from May 1 to the end of the Council term.

The Procedural By-law Review Committee (PBLRC) also put forward a recommendation that reimbursements to Mayors for any conferences are an ineligible expense.

The draft Regional Council Expense Policy, attached as Appendix 1, incorporates the changes suggested by the PBLRC noted above as well as some of the staff recommendations put forward in Report CSD 31-2019.

Recommendation 3 in the Alternatives Reviewed section of Report CSD 31-2019 stated:

*That a clause be added to section 4 stating that allowable expenses shall be limited to an overall annual amount for each Councillor and Regional Chair, to be set as part of the annual budgeting process for the Region.*

Staff are not recommending the implementation of individual councillor budgets. Currently an overall budget is set for all councillor expenses. Due to the disparity between claims for reimbursement of expenses, individual budgets would increase the overall budget amount required for councillor expenses. In addition, procedures would need to be put in place regarding how budget overages would be handled.

Staff were also requested to provide a report comparing the first two quarters to the same two quarters of the previous terms of Council to determine if there has been an increase in mileage and other similar types of expenses, since making Councillors 'whole' again after the federal tax policy change. Upon examining the data, there is no evidence to support that Councillors are now claiming additional expenses as a result of the federal tax policy change. An excerpt of mileage claims is below to illustrate that there appears to be no effect.

Quarter/Year	2016	2017	2018	2019	Total Per Quarter
Q1	\$ 6,558.10	\$ 8,082.26	\$ 3,535.45	\$ 4,303.12	\$ 22,478.93
Q2	\$ 14,662.04	\$ 13,879.41	\$ 9,138.97	\$ 7,741.73	\$ 45,422.15
Q3	\$ 16,168.91	\$ 10,409.59	\$ 8,997.73	\$ 5,526.61	\$ 41,102.84
Q4	\$ 22,107.68	\$ 13,795.04	\$ 6,372.36		\$ 42,275.08
Total Per Year	\$ 59,496.73	\$ 46,166.30	\$ 28,044.51	\$ 17,571.46	\$ 151,279.00

### **Alternatives Reviewed**

No alternatives were reviewed as Council provided direction to proceed to amend the Regional Council Expense Policy.

### **Relationship to Council Strategic Priorities**

This report ties to Council's strategic priority of Sustainable and Engaging Government – Objective 4.3 Fiscally Sustainable as the amendments to the policy provide specific and clear direction regarding council expenses.

### **Other Pertinent Reports**

CSD 31-2019      Councillor Information Request re: Councillor Expense Policy  
PBLRC-C 6-2019      Regional Council Expense Policy

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**Prepared and Recommended by:**

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Administration

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**Submitted by:**

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*This report was prepared in consultation with Erin Amirault, Associate Director, Finance Operations & Systems, and Lyndsey Ferrell, Program Financial System.*

**Appendices**

Appendix 1	Amendments to the Regional Council Expense Policy
Appendix 2	Draft Regional Council Expense Policy