



# The Corporation of the Town of Milton

Report To:	Council
From:	Troy McHarg, Commissioner Corporate Services / Town Clerk
Date:	July 8, 2019
Report No:	CORS-042-19
Subject:	Council Expense Policy
Recommendation:	<b>THAT the Council Expense Policy attached as Appendix A to CORS-042-19, be approved.</b>

## REPORT

### Background

Through the 2019 budget process, Council approved the inclusion of an expense line item of \$1,200 annually per Town Councillor (\$4,800 annually total) and further approved that staff be directed to present to Council a proposed Councillor expense policy.

### Discussion

Currently there are two other corporate policies that speak to Council expenses. Policy No. 035 which sets out the parameters for conferences, conventions and seminars and policy No. 037 which addresses Council mileage. Both of these policies speak to Council as a whole, meaning both Regional and Town Councillors. Whereas the approved expense budget is only approved for Town Councillors.

It was staff's opinion that the above policies should be amalgamated with the Town Council expense policy, so that there would be one comprehensive policy to deal with Council expenses. As policy numbers 035 & 037 had not been reviewed in some time, it was also determined that this would be an ideal time to review these policies. Upon review, housekeeping changes were made in order to more closely harmonize staff and Council policies.

The attached proposed policy was drafted with input from the Town's Integrity Commissioner, the Finance Division and the Internet Technology Division. After adoption, the policy will be posted on the Town's mPortal site and will also be posted on Council's orientation ShareFile website.



# The Corporation of the Town of Milton

CORS-042-19

Report #:

## Financial Impact

Council expense policy guides the expenditures that support Council and governs the reimbursement of expenses incurred by members of Council during activities related to the Town business of the Corporation of the Town of Milton. Funding for these reimbursements is approved annually through the budget process as a part of operating budget for the Mayor and Council, and annual reporting is undertaken in accordance with section 284 of the Municipal Act, 2001.

Respectfully submitted,

Troy McHarg  
Commissioner, Corporate Services / Town Clerk

For questions, please contact: Shelly van Empel

Phone: Ext. 2131

## Attachments

Appendix A – Recommended Council Expense Policy

CAO Approval  
Andrew M. Siltala  
Acting Chief Administrative Officer

Appendix “A” to Staff Report CORS-042-19

Council Expense Policy

Approval Report/By-law Number: CORS-042-19

Appendix A

Approval Date: July 8, 2019

Effective Date: July 8, 2019

**Policy Statement:** The Council Expense Policy ensures that clarity and transparency is provided to Council, staff and the Public with respect to the expenses that may be incurred by members of Council in relation to the business of the Town of Milton for which reimbursement from the Town will be provided.

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1. Policy Purpose

The Council Expense Policy guides the expenditures that support Council and governs the reimbursement of expenses incurred by members of Council during activities related

to the Town business of the Corporation of the Town of Milton. The Council Expense Policy is necessary to:

- 1.1. Provide consistent rules and guidelines to members of Council with respect to eligible expenses and ineligible expenses;
- 1.2. Provide specific and clear direction regarding diverse expenses, and clarifies what are eligible expenses and ineligible expenses;
- 1.3. Establish the provision of public access to expense information of Members of Council.

## 2. Guiding Principles & Objectives

- 2.1. Maintain Integrity of Members of Council:
  - a. The integrity of members of Council as a whole and the offices of the members must be protected; and
  - b. The interest of members of Council as a whole takes precedence over the personal interest of individual members.
- 2.2. Maintain Accountability:
  - a. Members of Council are the stewards of resources and are ultimately accountable to the public for the type and level of expense they incur;
  - b. Since members of Council use public funds when they perform their duties, the public expects public funds to be used solely for fulfillment of their public duties;
  - c. Members of Council's expenses should be reasonable and reflect what the public expects of an elected official; and
  - d. Member of Council's personal expenses must be kept separate from expenses related to Town business.
- 2.3. Maintain Transparency:
  - a. The public has a right to know how public funds allocated to members of Council are spent; and
  - b. The public's right to members of Council's expense information must be balanced against the need to protect personal information, and the need to allow time for proper account and reconciliation of expenses.

## 3. Scope

This policy applies to all members of Council and establishes the basis upon which the members of Council will be reimbursed or have payment coverage for eligible expenses incurred while undertaking activities related to Town business, while acting in their role as an elected official.

## 4. Policy

### 4.1. Mayor's Vehicle Allowance

- a. The annual vehicle allowance for the Mayor will be established through periodic review and approval by Council.
- b. Between periodic reviews, the annual change in the vehicle allowance for the Mayor is based on the change in the published second tier Canada Revenue Agency (CRA) rates for the applicable year. The rates will be reviewed on annual basis and adjusted if applicable.
- c. Parking expenses incurred while on Town business, excluding parking tickets/fines, will be reimbursed.
- d. A 407 ETR transponder will be provided for work-related travel.
- e. The Mayor is ineligible to submit mileage expense claims for reimbursement, unless related to conferences.

### 4.2. Members of Council - Mileage Reimbursement

- a. Members of Council are eligible for mileage reimbursement for meetings outside of the Town of Milton municipal boundaries. Members of Council may submit a mileage expense claim for travel related to Committees of Council and other related business travel as directed by Council provided the meeting is convened outside the Town of Milton. Such reimbursement will be based on the distance travelled from the member of Council's home to the destination or from Milton Town Hall to the destination, whichever is the lesser distance.
- b. Members of Council will be reimbursed for mileage at the current rate provided to Town employees as noted on the expense claim form. Mileage allowance rates are based on the published second tier Canada Revenue Agency (CRA) rates for the applicable year. The rates will be reviewed on annual basis and adjusted if applicable.
- c. Parking expenses incurred while on Town business, excluding parking tickets/fines, will be reimbursed.
- d. Member of Council are ineligible to receive vehicle allowance reimbursements.
- e. Members of Council are responsible for keeping track of their own mileage and parking receipts. Council Expense Forms must be completed and submitted with receipts, on at least a quarterly basis, to the Office of the CAO for processing.
- f. Members of Council will be reimbursed for 407 ETR usage fees for occasion of work-related travel, where the 407 toll road provides either the shortest distance or travel time to the destination. The fees associated with obtaining, maintaining or replacing a 407 ETR transponder will not be reimbursed.

### 4.3. Conferences and Seminars

- a. The Town encourages elected officials to become involved with various associations in order to further develop themselves by increasing their skills and knowledge. The cost of attendance at conferences, conventions or seminars not approved by Council through the budget process will require approval from Council.

- b. Members of Council are limited to one FCM and two AMO Conference per term subject to the availability of sufficient approved budget. The budget will be set determining the number of members that will be able to attend conference.
- c. Regional Councillors and the Mayor should utilize the Regional allocation for conference attendance (including attendance at FCM and AMO as outlined in 4.3(b)) where appropriate.
- d. Expression of interest forms will be filled out by members of Council and a draw will be held. Any member of Council shall not be able to attend more than one conference per year if there is enough interest from others to fill the budgeted spots.
- e. Eligible Expenses in relation to conferences and seminars include:
  - transportation
  - accommodation
  - Registration
  - Per diem meal allowance

It is the responsibility of the traveler to endeavor to obtain accommodation that is consistent with reasonable comfort and economy.

- f. Ineligible Expenses in relation to conferences and seminars include:
  - personal entertainment or personal excursions while travelling
  - expenses of travel companions
  - flight insurance premiums & seat selection charges
  - charges for additional luggage beyond one (1) checked bag
  - personal long distance telephone charges
  - dry cleaning or laundry charges
  - alcohol
- g. Transportation
 

The transportation allowance will be based on the most practical method of travel considering time and total costs.

  - Air Fare will be reimbursed based on economy rates plus ground transportation cost to and from the airport
  - Actual bus or rail fare plus taxi charges to and from the terminal

Travel by personal vehicle shall be paid at the current mileage reimbursement rates to a maximum of 250 miles/400km radius of Milton. If a personal vehicle is used, out of personal preference, beyond the suggested distance when regularly scheduled air transportation is available, reimbursement will be limited to the lesser of actual expenses or economy airfare, plus ground transportation to/from the airport. When more than one member of Council from the Town attends a function, they shall attempt, where feasible, to attend together to reduce costs.

- h. Accommodation

Actual hotel rate charged for single/double room plus tax, as applicable, at the designated conference hotel or similar price hotel.

i. Registration

Actual amount of the registration fee paid for the member of Council (excluding registration for a spouse, unless the cost for the member and spouse combined is equal to the cost of just the member)

j. Per Diem and Meal Expense

Where the conference or seminar is more than one (1) day in length, the Town will reimburse the cost of meals and related gratuities on a fixed amount basis in line with the equivalent amount prescribed in the employee policy.

The above amounts will be reimbursed after the travel has occurred providing that the following conditions are met:

- meals are not included in the cost of registration;
- meals are not provided by the hotel or plane/train;
- meals are not paid for by another attendee or business client; and
- meals are not claimed for day(s) of travel time

As reimbursement will be based on fixed amounts, receipts are not required for the purposes of meals pertaining to conferences and seminars. Note: Any meals provided by the event or during transportation will not be eligible for per diem claim.

k. Cancellations

Where a member of Council is registered to attend a conference or convention, every reasonable effort shall be made by the registered participant to give appropriate notification of cancellation. Notification should be directed to either the Mayor or the Executive Services Department. Some hotels affiliated with conference have a non-refundable cancellation fee.

#### 4.4. Town Councillor Expenses

- a) Town Councillors' are eligible for reimbursement for a maximum cumulative amount of \$1,200 per annum (inclusive of net HST). This upset limit is deemed to exclude any reimbursements provided for separately in this policy, such as mileage and conferences.
- b) The following is a list of Eligible Expenses to which the annual upset limit can be applied:
  - Town logo memorabilia and souvenirs.
  - Phone/data plans including associated hardware included in the plan. Members of Council should consult with the Information Technology Division regarding compatible devices approved for Town use, prior to purchase.
  - Office supplies (e.g. personalized stationery, paper, pens, printers, printer cartridges, etc.)
  - Books/Subscriptions related to Town business or municipalities in general.
  - Design, printing, delivery and/or associated postage of newsletters, web services (hosting, design, etc.), and software.
- c) To be eligible for reimbursement, all other requirements of this policy, including section 4.5 below, must be satisfied.
- d) During an election year, Councillors must abide by Corporate Policy No. 171, Corporate Resources for Elections, as the Town is not permitted to contribute to election campaigns.

#### 4.5. General Criteria for Reimbursement

- a) Expenditures must not conflict with rules set out in the Municipal Elections Act and other legislation.
- b) Public funds may not be expended or committed for personal use, non-Town business use, campaign or election related purposes.
- c) If a member of Council is not returning for a subsequent term of Council, he/she may access funds until October 31st of an election year.
- d) Expenses must be charged to the year in which they occurred. Expenses cannot be carried forward to future years.
- e) Members of Council who charge for goods/services against the current year must have received the goods/services before December 31<sup>st</sup> of that year.
- f) No expense shall create a conflict of interest, or the appearance of such a conflict, that may arise through the purchase of goods/services from a member of Council's family member.
- g) Member of Council's budgets shall not be used to provide a personal benefit to specific individual citizens or businesses (i.e. payment of tax penalties, parking tickets, sponsorship of personal travel, etc.)
- h) Monetary exchange costs will be allowed at the prevailing rates in order to convert Canadian dollars to other currencies (primarily to U.S. Dollars). Payment will be made to a member of Council in Canadian dollars.
- i) Self-dealing is not permitted without specific approval by the Integrity Commissioner



#### 4.6. Miscellaneous Councillor Entitlements

The following will be paid for directly by the Town and not deemed to be a member of Council expense for the purposes of this policy:

- Name Tags (one per term of Council)
- Business Cards

#### 4.7. Supporting Documentation Requirements

- a) All requests for payment or reimbursement must be supported by a signed Council Expense Form (or Conference and Seminar Expense form, where applicable) as well as appropriate original hard copy documentation, original detailed receipts and proof of payment. If the detailed receipt is lost, an explanation on the detail and business purpose of the expense must be provided, and must be signed and dated and accompany the Council Expense Form.
- b) Supporting documentation should show:
  - Name of vendor/organization
  - Details of the expense
  - Business purpose, if applicable
  - Amount of the expense
  - Date of the expense
  - Any other details required to demonstrate adherence to this policy.
- c) As reimbursement will be based on fixed amounts, receipts are not required for the purposes of meals pertaining to conferences and seminars.
- d) Members of Council should submit claims for reimbursement on at least a quarterly basis.

#### 4.8. Review Process

- a) Members of Council will be required to submit the appropriate signed Council Expense Form to the C.A.O.'s office for reimbursement.
- b) The office of the C.A.O. will review all expenses submitted by members of Council and forward complete documentation to the Finance Division for reimbursement.

#### 4.9. Dispute Resolution

- a) Where there is uncertainty or disagreement as to whether an expense that is being claimed for reimbursement qualifies as eligible through this policy, the following actions will be taken:
  - Staff will discuss the reimbursement claim with the respective member of Council and make reasonable efforts to resolve the matter.
  - Where a matter cannot be resolved as outlined above, staff in its sole discretion can request that the Integrity Commissioner make a determination with respect to the reimbursement claim
  - Where a matter cannot be resolved as outlined in item a) above, and should staff have concern regarding the potential cost of the Integrity Commissioner review relative to the size of the claim in question, staff in its sole discretion may process the reimbursement and provide transparency on the item in question through the mandatory annual reporting to Council.

## 5. Roles and Responsibilities

Individual(s)	Responsibilities
Members of Council	<ul style="list-style-type: none"> <li>i. Members of Council are responsible for approving a Council Expense policy and acting ensuring compliance with requirements thereof</li> <li>ii. Members of Council are required to submit the appropriate signed Council Expense Form to the C.A.O.'s office for reimbursement.</li> </ul>
Integrity Commissioner	<ul style="list-style-type: none"> <li>i. Where a dispute or extraordinary circumstance that may arise regarding reimbursement of expensed cannot be resolved, the Integrity Commissioner shall resolve the matter with his/her determination on eligibility.</li> </ul>
Treasurer	<ul style="list-style-type: none"> <li>i. Section 284 of the Act requires that the Town Treasurer submit an annual report to Council detailing the remuneration and expenses paid to each member of Council in respect of his or her services as a member of Council. This report is a public document and will be posted on the Town's website.</li> <li>ii. In the event of a dispute or extraordinary circumstance that may arise regarding reimbursement of an expense, the Treasurer may be required to meet with the member of Council and make reasonable efforts to resolve the matter.</li> </ul>

<p>The office of the C.A.O.</p>	<ul style="list-style-type: none"> <li>iii. The office of the C.A.O. will review all expenses submitted by members of Council and forward the documentation to the Finance Division for reimbursement.</li> <li>iv. In the event of a dispute or extraordinary circumstance that may arise regarding reimbursement of an expense, the CAO may be required to meet with the member of Council and make reasonable efforts to resolve the matter.</li> </ul>
<p>Finance</p>	<p>The Finance Division will:</p> <ul style="list-style-type: none"> <li>i. Perform the final review to ensure accuracy and completeness and process the expense claim reimbursement as part of the bi-weekly pay;</li> <li>ii. Review and if applicable, adjustment to mileage per kilometer rates (conferences) and Mayor’s vehicle allowance.</li> </ul>

6. Policy Management

The Town Clerk, is delegated the authority to make administrative changes to this policy that may be required from time to time due to legislative changes, Council decisions, or if, in their opinion, the amendments do not change the intent of the policy. Any changes made under this delegated authority shall be reported to Council on an annual basis, through the annual report to Council detailing the remuneration and expense paid to each member of Council in respect of his or her services as a member of Council.

7. Reporting

7.1. Annual Statement of Remuneration and Expenses

- a) Section 284 of the Act requires that the Town Treasurer submit an annual report to Council detailing the remuneration and expenses paid to each member of Council in respect of his or her services as a member of Council. This report is a public document and will be posted on the Town’s website.
- b) Upon request, information disclosed through the annual statement of remuneration and expenses, shall be released through routine disclosure versus a formal municipal freedom of information request

8. Related Policies, By-laws, Regulations, Legislation and Accounting Standards

- i. The Municipal Act, 2001, S.O. 2001, c. 25, as amended from time to time.
- ii. Corporate Resources for Elections policy No. 171

9. Definitions

- i. **Act** means the Municipal Act, 2001, S.O. 2001, c. 25, as amended from time to time.
- ii. **Council** means the Council of the Town of Milton
- iii. **Eligible Expense** means one incurred by a member of Council while engaged in Town Business.
- iv. **Ineligible Expense** means an expense incurred by a member of Council while not reasonably understood to be engaged in Town Business or one incurred in contradiction with established policy.
- v. **Mayor** means the head of Council as defined in Section 226.1 of the Act.
- vi. **Member of Council** means Councillors and the Mayor as defined herein.

- vii. **Regional Councillor(s)** means all Regional Councillors of the Corporation of the Town of Milton, and excludes Town Councillors.
- viii. **Self-dealing** means directly or indirectly paying one's self for property, subscriptions and/or services.
- ix. **Town Councillor(s)** means all local Councillors of the Corporation of the Town of Milton, and excludes Regional Councillors and the Mayor.

#### 10. History of the Policy

Last amended: This policy was created on July 8, 2019

Previous Policies: This policy replaced the following former policies:

- Policy 35: Council - Conference/Conventions/Seminars
- Policy 37: Council - Mileage