

Report to Governance Working Group

To: Chair and Members
Governance Working Group
From: Michael Schulthess
Subject: Council Members' Expense Account Policy – Further Updates
Date: March 25, 2024

Recommendation

That, on the recommendation of the City Clerk, the Governance Working Group provide direction for updates to the Council Members' Expense Account Policy to be considered by the Strategic Priorities and Policy Committee.

Executive Summary

At its November 27, 2023 meeting, the Governance Working Group directed Civic Administration to report back on funding travel and related expenses for the annual general conferences of the Federation of Canadian Municipalities (FCM) and Association of Municipalities of Ontario (AMO) for Members, outside the annual expense account allotment; and community engagement expenses. Currently, the registration costs for these annual conferences fall outside the annual sum allocated to each Council Member.

This report provides insight into travel and related conference expenses as well as community engagement expenses to assist in consideration and seeks direction to bring forward a by-law to enact the policy changes.

1.0 Background Information

1.1 Previous Reports Related to this Matter

[Governance Working Group – July 27, 2023](#)

[Governance Working Group – November 6, 2023](#)

[Governance Working Group – November 27, 2023](#)

1.2 Summary of Changes and Considerations

At its meeting on November 27, 2023, the Governance Working Group referred the revised "Council Members' Expense Policy" to this meeting for the following additional considerations:

that the Civic Administration BE DIRECTED to report back on funding travel-related expenses for the annual general conference of Federation of Canadian Municipalities (FCM) and Association of Municipalities of Ontario (AMO) for Members outside the annual expense account allotment; and

that, the revised 'Council Members' Expense Policy' BE REFERRED to the next meeting of Governance Working Group for consideration of community engagement expenses.

This report includes options for consideration related to funding travel-related expenses and community engagement expenses outside of the annual allotment. Expense estimations are drawn from the tax-adjusted values on the internal ledger, excluding HST.

2.0 Additional Considerations

2.1 Current Use of Expense Accounts

In 2023, of the \$15,000 expense account limit, the average amount spent by a councillor was approximately \$8,500. Six members spent more than \$11,000, but no member exceeded \$13,500.

2.2 FCM and AMO Annual Conference Travel and Related Expenses

Accounting for variability in the data available and the increased cost of travel, the approximate average spent on travel and related expenses (per diems, travel, accommodation) is \$1,500 for the annual AMO conference, and \$2,500 for the annual FCM conference due to the need for air travel to other provinces. If these expenses are to be funded outside of the annual expense account, a capped allowance amount may provide consistency.

Proposed Options for Travel and Related Expenses

	Proposal	Additional Cost Per Councillor	Total Cost
Travel Option 1	Status Quo	\$0	\$0
Travel Option 2	Fund AMO travel expenses up to \$1,500 annually	\$1,500	\$21,000
Travel Option 3	Fund FCM travel Expenses up to \$2,500 annually	\$2,500	\$35,000
Travel Option 4	Fund both AMO and FCM travel expenses up to \$4,000 annually	\$4,000	\$56,000

Travel Option 1) Maintain the travel and related expenses to AMO and FCM's annual conferences within the expense account.

Travel Option 2) Direct Civic Administration to fund the travel and related expenses associated with the AMO annual conference, up to \$1,500 per member annually, for a budget of \$21,000.

Travel Option 3) Direct Civic Administration to fund the travel and related expenses associated with the FCM annual conference, up to \$2,500 per member annually, for a budget of \$35,000.

Travel Option 4) Direct Civic Administration to fund both the travel and related expenses associated with the AMO and FCM annual conferences, up to \$4,000 per member annually, for a budget of \$56,000.

2.3 Ward Engagement: Meetings and Events

Councillors often book spaces in the community to use for meetings and engagement events. Noting that options available include libraries, which are free; and community centres that average approximately \$200 in space rental charges per meeting. Many councillors have also made use of recreation centres for engagement events by renting a pool or ice rink. An engagement event carries an approximate rental cost of \$500.

Proposed Options for Ward Meeting and Engagement Event Expenses

	Proposal	Additional Cost Per Councillor	Total Cost
Ward Option 1	Status Quo	\$0	\$0
Ward Option 2	Fund one meeting space rental up to \$200 annually	\$200	\$2,800
Ward Option 3	Fund one event space rental up to \$500 annually	\$500	\$7,000
Ward Option 4	Fund both a meeting space and event space rental expense up to a combined \$700 annually	\$700	\$9,800

Noting that different wards have different amenities available, a capped dollar value has been considered.

Ward Option 1) Maintain the meeting and engagement expenses within the expense account.

Ward Option 2) Direct Civic Administration to cover the rental cost of space for one ward meeting per councillor per calendar year, up to \$200, for a budget of \$2,800.

Ward Option 3) Direct Civic Administration to cover the rental cost of space for one ward event per councillor per calendar year, up to \$500, for a budget of \$7,000.

Ward Option 4) Direct Civic Administration to fund one ward meeting and one engagement event per councillor per calendar year, up to \$700, for a budget of \$9,800.

3.0 Financial Impacts/ Considerations

3.1 Budget Implications

As part of the 2024 – 2027 Multi Year Budget that was recently approved by Municipal Council, no additional funding was allocated towards funding the additional costs identified in the above proposals.

Based on the above proposals, the following options could be accommodated within existing funding:

- Travel Option 1 and Ward Option 1 have no financial impact.

In order to identify funding to implement Options 2, 3, or 4, Civic Administration would need to be directed to bring forward a business case to the Multi-Year Budget update. If the case is approved through that update, then these changes would take effect in 2025.

3.2 Annual Reporting

These expenses would be posted publicly alongside the other additional expenses funded outside of the expense accounts such as the one annual ward-wide mailout. This reporting is as per the requirements in the *Municipal Act, 2001* and the *Public Sector Salary Disclosure Act, 1996*.

4.0 Conclusion

The Council Members' Expense Account policy was most recently updated at the December 19, 2023 meeting of Council. This report provides additional information about travel and related expenses for the two annual general conferences of the FCM and the AMO, as well as ward engagement meetings and events, as requested. This report seeks direction as to which of the foregoing options should be formally recommended to the SPPC as proposed changes to the Council Members' Expense Account Policy. Option 1 represents the status quo, while Options 2, 3, or 4 would require a business case in the next Budget Update, to be funded in 2025.

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Submitted by: Michael Schulthess, City Clerk