



SUBJECT: Council remuneration and expense recommendations implementation plan

TO: Corporate Services, Strategy, Risk & Accountability Cttee.

FROM: Finance Department

Report Number: F-17-22

Wards Affected: all

File Numbers: 100-02

Date to Committee: May 4, 2022

Date to Council: May 17, 2022

Recommendation:

Approve the implementation plan for the recommendations arising from the report by the Council Remuneration Review Working Group (CRRWG); and

Approve the Discretionary Budget Policy attached as appendix A to finance department report F-17-22; and

Approve By-law XX-2022, a by-law to establish the Council Members Special Initiatives Reserve Fund attached as appendix B to finance department report F-17-22; and

Approve the Council Member Expense Manual attached as appendix C to finance department report F-17-22.

PURPOSE:

To present an implementation plan for the recommendations arising from the report of the CRRWG that was approved at the CSSRA meeting of November 10, 2021

Vision to Focus Alignment:

- Building more citizen engagement, community health and culture

Background and Discussion:

Every four years prior to an election year a citizen committee is created to provide an independent third-party review of Council compensation and expenses. In April 2021, through report CL-08-21 Council approved the terms of reference for the CRRWG on

Council remuneration, benefits, expense limits and resources. The mandate of the CRRWG is to complete the necessary research, review existing policies and practices, make comparisons with similar sized peer and neighbouring municipalities, and produce an independent report with recommendations for the total level of compensation, benefits, and expenses for the term of office commencing November 14, 2022. The CRRWG presented a report providing recommendations on Council Remuneration and Expenses at the CSSRA meeting of November 10, 2021.

At the CSSRA meeting of November 10, 2021, committee approved the report and issued a staff direction to report back to the Corporate Services, Strategy, Risk and Accountability Committee with a timeline for each of the Council Remuneration Review Working Group recommendations, including an implementation plan. Report F-17-22 addresses the staff direction.

Strategy/process

Staff have carefully reviewed the recommendations of the report and considered timelines and an implementation plan as presented in this report.

Recommendation:

The salary structure currently used, including annual increases based on CPIs be maintained.

Implementation

The salary structure aligns to the Region of Halton's structure as Councillors receive compensation from the Region as well as the city. This structure will remain in place.

Recommendation:

The appropriate city staff should conduct a review of its benefit packages as they apply to City Councillors considering the bases of equity during their review of all human resource policies.

Implementation

The Executive Director of Human Resources will consider this item as part of a regular review of the City's benefits program.

Recommendation:

The Council Expense Manual be amended to provide the following:

- Establish a reserve account accessible by all members of Council, made up of surpluses that exist at the end of the year. This would require establishing a policy for when and how such funds might be accessed.
- Increase each expense account by the increase in the relevant CPIs each year.

Implementation:

A by-law to establish the Council Members Special Initiatives Reserve Fund is attached as appendix B of report F-17-22. A revised Council Member Expense Manual which includes instructions on accessing the reserve fund is attached as appendix C. The Special Initiatives Reserve Fund may be accessed by any member of Council for an initiative that is outside the discretionary budget of the Council member. Such initiatives may be, for example, communication with constituents using a mail out. The process for applying for use of the reserve fund will be through a request submitted to the Chief Financial Officer. Deadlines for submitting the request will be November 1. The Chief Financial Officer or delegate will determine that:

1. The request is reasonable, and the initiative involves City or ward business.
2. The request is not being made in an election year.
3. That the discretionary budget available for the Council member will not accommodate the cost of the initiative.
4. Enough funds are available in the reserve fund to accommodate the request.

On an annual basis a report will be submitted to Council detailing any requests from the reserve fund including the total amount requested. The annual reporting on Councillor Remuneration and Expenses will include any such items. They will be reported as "Initiatives funded from a reserve fund."

Staff have carefully considered the recommendation to increase each expense account by CPIs. Historically the CRRWG has considered the Councillors' discretionary budget and made recommendations of an increase by a specific amount. Staff feel it is better to leave this matter in the hands of the CRRWG every four years rather than increase annually by CPI.

Recommendation:

The Office of the Mayor hire a full-time permanent assistant who would be able to serve consecutive Mayors.

Implementation:

The need for this position should be assessed and approved by the new Council after the election.

Recommendation:

- In the short term, Council and the Mayor should choose a rotation cycle length that leads to the most seamless transition for the “Deputy Mayor” should that role be required.
- In the longer term, Council and the Mayor should develop a clear definition of the role of “deputy” or “interim” mayor and incorporate this within a policy or by-law concerning its use.

Implementation:

As noted in the CRRWG report, implementation of the recommendation should rest with Council and the Mayor and be addressed by the new Council after the election.

Financial Matters:

Although there was no recommendation tied to the discussion, the CRRWG report did address the need for a constituent relationship management solution. It was suggested that the system should be funded at a cost of \$2,000 out of Council members’ discretionary budget. Through the 2022 budget discussions it was determined that the new solution would be funded through the ITS operating budget and not through the Councillors’ budgets.

Engagement Matters:

During the work of the CRRWG, each Councillor and the Mayor were interviewed to determine their level of satisfaction with their remuneration and discretionary budget. Interviews were also held in connection with the development of the Council Member Expense Manual.

Conclusion:

Report F-17-22 presents an implementation plan for the recommendations from the CRRWG report of November 2021 and addresses the staff direction.

Respectfully submitted,

Sandy O'Reilly

Finance Lead ERP

905-335-7600 x 7648

Appendices:

- A. Discretionary Budget Policy
- B. By-law to establish a reserve fund
- C. Council Member Expense Manual

Report Approval:

All reports are reviewed and/or approved by Department Director, the Chief Financial Officer, and the Executive Director of Legal Services & Corporation Counsel.



Corporate Policy

Council, Boards, Committees

Council Discretionary Budget

Approved by Council on: 05/17/2022

Report Number: F-17-22

Effective: 05/17/2022

Reviewed on: MMMM d, yyyy

Amended: MMMM d, yyyy

Next Review: 11/01/2025

Note:

The City of Burlington funds the expenditure activities and supply requirements of the Mayor and Councillors that:

- Fall within the general categories of expenditure as outlined in the Council Member Expense Guide.
- Are non-partisan or personal in nature.
- Are within the limits City Council has set for its members.

Policy Statement:

On an annual basis the City will provide to the Mayor and Council an office expense budget and a discretionary budget.

The office expense budgets are intended to fund the general support provided for all council members including staff support. The office expense budgets are approved as part of the City's overall operating expense budget. It is subject to the budget guidelines as approved annually by Council.

A discretionary expense budget is provided to the Mayor and each Councillor to pay for expenses that are allowable as outlined in the Council Member Expense Manual.

Corporate Policy

- Council members are expected to not exceed their annual discretionary expense budget. Any over-expenditure is the personal responsibility of the Council member and is to be paid by the Council member.

Council members cannot transfer budgets between years. However, unspent funds remaining at the end of each fiscal year except for in an election year will be transferred to a reserve fund to be used for special initiatives.

The discretionary budget will be reviewed by a citizen committee convened every four years prior to an election year to provide an independent review of Council remuneration and expenses and make recommendations on any adjustments that may be needed.

Use of the discretionary budgets allocated to Mayor and Councillors will be guided by the Council Member Expense Manual.

Scope:

This policy addresses the Mayor and Councillors' discretionary budgets and does not apply to expenses funded by city programs, agencies, boards committees and other special purpose bodies.

Objectives:

Supports the Mayor and Councillors to:

- Administer their offices in City Hall.
- Represent the City at functions and events.

Supports Councillors to:

- Communicate with their constituents about the meetings and activities of city council and its committees
- Communicate with their constituents about the businesses and services of the City and its agencies.
- Enhance and promote an engaged community in their wards.

Supports the Mayor to:

- Communicate with constituents about city-wide initiatives and activities of City Council related to city-wide initiatives.
- Communicate with constituents about the meetings and activities of committees that the Mayor is appointed to as council's representative.
- Enhance and promote an engaged Burlington community.

Corporate Policy

Councillors and the Mayor are personally responsible for expenditures that do not fall within these criteria.

Principles:

When using the guide that accompanies this policy the following principles should be observed:

Integrity of Council

- The integrity of Council as a whole and the office of Mayor and offices of Council must be protected.
- The interests of City Council as a whole take precedence over the personal interest of individual members of Council.

Accountability

- Councillors and the Mayor are the stewards of City resources and ultimately are accountable to the public and their constituents for the type and level of expense they incur.
- Councillors' and Mayor's expenses must be reasonable and reflect what the public expects of an elected official.
- Councillors' and Mayor's business expenses and personal expenses must be kept separate.

Access to Resources

- There should be a level playing field among all Councillors regardless of personal financial circumstances.
- Councillors should have access to the same level of funding to run their offices.

Flexibility and Limits

- Councillors engage their communities in different ways.
- Councillors require flexibility to perform their roles and operate their offices.
- Expenditures must not conflict with rules set out in elections and other legislation.
- All accounting, audit and income tax act principles and rules must be followed.

References:

Council Member Expense Manual

Corporate Policy

Roles:

Accountable:

Mayor and Council

Responsible:

Chief Financial Officer for the timely review of the policy and manual

The Corporation of the City of Burlington

City of Burlington By-law xx-2022

A by-law to establish a reserve fund and guidelines for the accumulation of monies derived from annual unspent funds of the discretionary budgets of Council members excluding those of an election year.
File:100-02 F-17-22

Whereas pursuant to the *Municipal Act*, 2001, S.O. 2001, a municipal council may provide for reserves as the municipality considers necessary; and

WHEREAS the Council for the Corporation of the City of Burlington has provided for the establishment of reserve funds; and

Now therefore the Council of the Corporation of the City of Burlington hereby enacts as follows:

1. That the Council Special Initiatives Reserve Fund be established; and
2. That the Council Special Initiatives Reserve Fund be credited with interest at the same rate earned by other City of Burlington Reserve Funds; and
3. That the fund be funded from unspent discretionary budgets of Council Members annually except for in an election year; and
4. That the fund be utilized for Council member special initiatives as approved by the Chief Financial Officer or delegate.

Enacted and passed this 17th day, of May 2022

Mayor Marianne Meed Ward _____

City Clerk Kevin Arjoon _____



Council Member Expense Guide

Sandy O'Reilly

02-25-2022

Purpose

The purpose of this guide is to provide information on the appropriate use of the discretionary budget allocated yearly to Councillors and the Mayor during their term in office as determined by the citizen committee on council remuneration and expenses prior to each municipal election.

The City of Burlington funds the expenditure activities and supply requirements of the Mayor and Councillors that:

- Fall within the general categories of expenditure that this guide outlines.
- Are non-partisan or not personal in nature.
- Are within the limits City Council has set for its members.

Scope

This manual addresses the Mayor and Councillors' discretionary budgets and does not apply to expenses funded by city programs, agencies, boards committees and other special purpose bodies.

Principles

When using this guide the following principles should be observed:

Integrity of Council

- The integrity of Council as a whole and the office of Mayor and offices of Council must be protected.
- The interests of City Council as a whole take precedence over the personal interest of individual members of Council.

Accountability

- Councillors and the Mayor are the stewards of City resources and ultimately are accountable to the public and their constituents for the type and level of expense they incur.
- Councillors' and Mayor's expenses must be reasonable and reflect what the public expects of an elected official.
- Councillors' and Mayor's business expenses and personal expenses must be kept separate.

Access to Resources

- There should be a level playing field among all Councillors regardless of personal financial circumstances.
- Councillors should have access to the same level of funding to run their offices.

Flexibility and Limits

- Councillors engage their communities in different ways.
- Councillors require flexibility to perform their roles and operate their offices.
- Expenditures must not conflict with rules set out in elections and other legislation.
- All accounting, audit and income tax act principles and rules must be followed.

Annual Current Budget

Supports the Mayor and Councillors to:

- Administer their offices in City Hall.
- Represent the City at functions and events.

Supports Councillors to:

- Communicate with their constituents about the meetings and activities of city council and its committees
- Communicate with their constituents about the businesses and services of the City and its agencies.
- Enhance and promote an engaged community in their wards.

Supports the Mayor to:

- Communicate with constituents about city-wide initiatives and activities of City Council related to city-wide initiatives.
- Communicate with constituents about the meetings and activities of committees that the Mayor is appointed to as council's representative.
- Enhance and promote an engaged Burlington community.

Councillors and the Mayor are personally responsible for expenditures that do not fall within these criteria. The Controller and Manager of Financial Services is available to help Councillors, their staff and the Mayor's office staff to understand these criteria and to help them plan their budgets and expenditures.

Councillor and Mayor's Office General Expense Budgets

The office expense budgets are intended to fund the general support provided for all council members including staff support. The office expense budgets are approved as part of the City's overall operating expense budget. It is subject to the budget guidelines as approved annually by Council. This document addresses the discretionary budgets.

Councillors and Mayor's Discretionary Expense Budgets

A discretionary expense budget is provided to the Mayor and each Councillor to pay for expenses that are allowable as outlined in this manual.

- Council members are expected to not exceed their annual discretionary expense budget. Any over-expenditure is the personal responsibility of the Council member and is to be paid by the Council member.
- Council members cannot transfer budgets between years. However, unspent funds remaining at the end of each fiscal year with the exception of in an election year will be transferred to a reserve fund to be used for special initiatives.

Purchasing Procedures

Mayor and Councillors are expected to abide by the procurement by-law. The Manager of Procurement is available to provide advice on purchasing policies and procedures.

Goods and services under \$50,000 do not require a formal procurement process.

However, it is still expected that three quotes will be obtained as outlined in the procurement by-law and that all purchases will be within budget and in accordance with guidelines provided in this manual. Purchases related to information technology should be guided by the Information Technology Service and can be requested through the helpdesk.

Purchases and Expense Claims

- Expenses must relate to the business of the City of Burlington
- Expenses should be submitted on a timely basis to allow for proper budget monitoring throughout the year.

Documentation

- Purchase card statements with all receipts attached must be submitted to the City Manager or Chief Financial Officer for review and sign off as per DA by-law 07-22.
- In the case of missing receipts, if under \$10 it should be noted on the statement. If the value of the purchase is more than \$10 a duplicate receipt should be obtained from the vendor.
- Council and their staff must provide proper documentation, including detailed original itemized invoices and receipts, for all expense claims. Credit card statements are not enough.
- In the case of online purchases, a copy of the confirmation must be attached to the claim.

- Council or their authorized staff must sign off all receipts and invoices in accordance with the signing authority policy. Digital signatures will be accepted.
- The use of the City's corporate purchase card must follow the purchase card policy.

Timing

- Expenses must be charged in the year in which they occurred. Expenses cannot be carried forward into future years.

Allowable Expenses

In determining whether an expense should be charged against the discretionary budget, thought should be given to the principles cited above. In general, expenses are allowable if they support the work of the Councillor/Mayor and are directly related to City business. They are ineligible if they promote or support for profit organizations, third parties, other levels of government or candidates in election campaigns or are personal in nature.

Mileage

Mayor

As the Mayor is provided with a City vehicle, the Mayor is not eligible to submit mileage expense claims for reimbursement unless related to conferences. The Mayor is obligated to maintain a log of personal and business kilometers and provide this information to Payroll on request, usually at the end of each year. Parking expenses incurred while on City business excluding parking tickets and fines will be reimbursed.

The Mayor will be provided a 407 ETR transponder for work-related travel.

Members of Council

Mileage will be reimbursed at the city's standard rate for business related travel from City Hall to other city facilities or other locations within the city for meetings with constituents or other city business. Mileage will not be reimbursed for travel from home to City Hall. Only one trip from/to home to/from City Hall each day will be considered personal driving.

Parking expenses incurred while on City business excluding parking tickets and fines will be reimbursed.

Members of Council will be reimbursed for 407 ETR usage fees for 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.

Digital Resources

It is well understood that one method of engaging with constituents is to use social media and other digital content such as websites and software such as contact list management. While City resources should be used where possible, expenses for digital content and software will be reimbursed if corporate communication standards, the City's privacy policy and ITS security policy are followed. Where possible, City social media accounts and software should be used except during an election year.

Events

If a Councillor or the Mayor attends a social or charitable event in their capacity as a representative of the City, they may charge the cost of the ticket and that of their guest to their discretionary budget. Only a total of two tickets for any one event can be charged to the discretionary budget. Other expenses that may be incurred at the event such as silent auctions or raffle tickets are the sole responsibility of the Councillor/Mayor.

Entitlements Outside of Discretionary Budget

Councillors are entitled to:

- one laptop, one tablet and a Smartphone.
- docking stations and monitors for both office and home.
- expense home Internet or a separate business home phone line.
Reimbursement for these expenses is charged to the ITS operating budget.
- a printer, however, the cartridges and paper are to be covered from the office supply budget.

Special Initiatives Reserve Fund

The Council Special Initiatives Reserve Fund has been established by By-law and deposits will be made at year end reflecting any unspent funds in the respective Mayor and councillor budgets. Funding may be accessed by any member of Council for an initiative that is outside the discretionary budget of the Council member. Such initiatives may be for example, communication with constituents using a mail out. The process for applying for use of the reserve fund will be through a request submitted to the Chief Financial Officer. Deadlines for submitting the request will be November 1. The Chief Financial Officer or delegate will determine that:

1. The request is reasonable, and the initiative involves City or ward business.

2. The request is not being made in an election year.
3. That the discretionary budget available for the Council member will not accommodate the cost of the initiative.
4. Enough funds are available in the reserve fund to accommodate the request.

On an annual basis a report will be submitted to Council detailing any requests from the reserve fund including the total amount requested. The annual reporting on Councillor Remuneration and Expenses will include any such items. They will be reported as “Initiatives funded from the reserve fund.”

Ward Specific Funding

Each Councillor has been provided an annual allocation of \$5,000 to be spent on ward specific events. Use of the funds should be as follows:

- Funds will be used for events that are open to all members of the ward.
- The organization of such events will be led by an independent committee within the ward.
- The allocation may be made at the discretion of the Councillor to several smaller events within the ward that are deemed to be designed to support members of the community in a manner that enhances social interaction of the community such as a community dinner. If councilors purchase gift cards, the end use of the gift card should be supported by receipts or a recipient log should be provided.
- The funds should not be used for donations to any cause or community group. Total use of the allocation cannot exceed the allocation for the year. In an election year, the allocation will be administered by the Recreation, Community and Culture service.

Bench Program

Each council member can select one bench each year to be installed at a qualifying location of their choice based on constituent requests. It will be each member of Council's responsibly to provide Engineering Services with their preferred location for a bench by March 30th of each year to allow enough time to site verify that the proposed locations meet the design criteria and to allow for public engagement on the preferred site selection. Once the site selection has been complete, Engineering staff will look for the best opportunity for implementation.

The bench model chosen is to match the standard or approved bench style for that area of the City. Currently there are standard styles set for the Downtown area, Aldershot area, and most parks. Council members may request that a Pride (rainbow) themed bench be adopted in lieu of the standard or approved style. It should be noted that any new Council bench will not have a recognition plaque attached to it.

City staff will work with each Councillor to select their preferred site by June 30th of each year. The council members may wish to communicate with their constituents on this program. This consultation is to be done through the Mayor's and Councillor's office. Once this step is complete, staff will incorporate the installation of the benches into their work plan for installation in fall of the current year.

As part of the annual capital budget process, \$40,000 is allocated each year to support this program. This funding is an all-inclusive cost for the supply and installation of 7 benches. It does not include replacement or maintenance costs. The total installation cost of a standard black metal bench is approximately \$4,700 as it includes a large concrete pad for accessibility, locates, shipping, labour and taxes. The total cost for a Pride (rainbow) bench is \$5,700 because they are considered custom as result of the various colours.

Council Bench Program – Process and Implementation

The following outlines the process for the site selection, supply and installation for benches requested through the Mayor and Councillors' office.

1. Each member of Council (Mayor and Ward Councillor) is to submit a location(s) for a new bench to the Manager of Parks Design and Construction between January 1st and March 30th of the current year the bench is to be installed.
2. Requests can include a very specific location or general area. Multiple locations can be submitted with a priority ranking.
3. Staff will site verify each proposed location using the Guidelines for Bench Placement Criteria. Any location request that cannot be accommodated will be communicated back to the Mayor/Councillor's office and in such cases, staff will work in partnership with Council members to find an alternative location.
4. Once the preferred location is site verified for suitability, Council members may wish to consult with their constituents on the preferred bench location before design and construction is initiated. This will typically be in April and May of each year.
5. Locations are to be finalized by June 30th so that Engineering Services staff can incorporate the installation of the benches and all related site works in the work plan for installation in the current year.

Ineligible Expenses

All expenses of a personal nature or unrelated to the business of the City or ward are not eligible to be charged against the discretionary budget.

Reporting Charges and Ownership

- A summary of expenses paid and budget remaining in the Councillors' and Mayor's budgets is available on request by Council members to their staff. The budget should be monitored, on a regular basis and any questions directed to the Controller and Manager of Financial Services.
- Equipment purchased with city funds is considered city property and must be returned to the city at the end of the term or such earlier time as the Councillor leaves office.

Use of Corporate Resources During an Election Year

Please refer to the Corporate Policy presented in report CL-05-22 and approved by Council March 22, 2022 for guidance on using corporate resources during an election year.

Financial Roles and Responsibilities

Councillors/Mayor

- Authorize expenditures from their budget.
- Keep safe and maintain all equipment and furniture provided by the City or purchased with city funds.
- Ensure that all purchases are appropriate and that invoices are authorized after orders have been received or services rendered.
- Comply with all corporate policies.

City Manager and Chief Financial Officer or Delegate

- Advise Councillors of the status of their discretionary budget and expenditures.
- Approve expense statements, charges and credit card reconciliations.
- Provide training and orientation for Council members and their staff at the beginning of each term and as requested from time to time on:
 - Annual budget for discretionary expenses
 - Appropriate budget monitoring procedures
 - Annual budget for office support and administration
 - Annual posting of expenses to the City's website

Council Members Staff

- Process ordering and payment for Council members budgets.
- Provide reconciliation of expense statements and credit cards to the City Manager or Chief Financial Officer or delegate.

- Review annual reporting on actual spending prior to it being posted to the City website.

ITS Department

- Provide information technology support to council.

Disclosure

- The routine disclosure for council members' expenses is made pursuant to Section 15 of the *Municipal Freedom of Information and Protection of Privacy Act* (MFFIPA). An annual report of remuneration and expenses paid to Mayor and Councillors is posted to the City's website on or before March 31 in accordance with *Section 284(1) Municipal Act 2001*
- The annual expenditures and budget for the Mayor and Council will be published to the City website. The submission for the website will be managed by the Finance department.

Councillor/Mayor expenses must also comply with city policies and the following statutes:

- Municipal Conflict of Interest Act
- Municipal Elections Act
- The *Income Tax Act*
- *The Employment Standards Act*
- Code of Conduct for Members of Council
- Procurement by-law