

May 18, 2016

JOINT REPORT - LEGISLATIVE SERVICES & FINANCIAL SERVICES 2016-11

TO: Mayor Van Bynen and Members of Council

SUBJECT: Housekeeping Amendments – Elected Officials Expense Policy

ORIGIN: Legislative Services

RECOMMENDATIONS

THAT Joint Report – Legislative Services & Financial Services 2016-11 dated May 18, 2016 regarding Housekeeping Amendments to the Elected Officials Expense Policy be received; and,

- 1. THAT Council adopt the proposed amended “Elected Officials Expense Policy” (attached as Appendix A);**

COMMENTS

Background

The Elected Officials Expense Policy was adopted in September of 2013 and came into effect January 1, 2014. During the recent review of the Code of Conduct for Members of Council there were several policy amendments that were recommended in order to provide a stronger ethical framework for Council. Following the adoption of the new Code of Conduct for Members of Council staff undertook a review of all related policies. As part of this review several minor housekeeping amendments for the Elected Officials Expense Policy were identified.

Proposed amendments:

Description	Page Reference	Explanation
Insertion of the word 'submitted' into the description of ineligible expenses during an election year.	page 3	This amendment clarifies that all expenses for ward/constituency events, publications, personalized stationary and business cards must be submitted before June 30 of an election year. Expenses submitted following June 30 are ineligible to be

		reimbursed by the Town. Further rules regarding the use of corporate resources during an election year will be included in the revised Use of Corporate Resources & Election Campaign Activities Policy (to be brought forward separately).
Amended schedule for publishing Elected Officials expenses on the Town's website from quarterly to monthly.	Page 5	Routine disclosure of Council expenses monthly is a recommended best practice to ensure transparency and accountability. This further aligns with the sixty day limitation period in Section 17.1 (c) of the new Code of Conduct for Members of Council.

Next Steps

Should Council adopt the draft Policy, staff in the Financial Services department will determine the best method for providing monthly reports on Council expenses. Council expenses will begin to be posted monthly at a future date to be determined by the Director of Financial Services. Council will be informed by email or memo prior to commencing publication on the website.

Additional related policies will be brought forward to subsequent Committee of the Whole meetings; including the 'Use of Corporate Resources and Election Campaign Activities Policy', and 'Council – Staff Request for Information and Use of Staff Resources Policy'.

BUSINESS PLAN AND STRATEGIC PLAN LINKAGES

The initiative relates to the Well-equipped and managed link of the Town's Community Vision-implementing policy and processes that reflect sound and accountable governance.

CONSULTATION

The Operational and Strategic Leadership Teams were consulted in the preparation of this policy.

HUMAN RESOURCES IMPACT

There may be future human resource impacts related to providing Council Expenses monthly.

BUDGET IMPACT (CURRENT AND FUTURE)

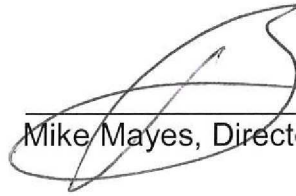
There are no anticipated budget impacts associated with approval of the draft Policy.

CONTACT

For more information on this report, please contact Andrew Brouwer, Director of Legislative Services/Town Clerk at abrouwer@newmarket.ca or at 905-953-5300, ext. 2211.



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Services/Town Clerk



Mike Mayes, Director, Financial Services,



Esther Armchuk, Commissioner,
Corporate Services

CORPORATE POLICY

Sub Topic: Elected Officials Expense Policy	Policy No. CORP.1-07
Topic: Finance and Accounting	Employees Covered: Elected Officials
Section: Corporate Services	Council Adoption Date: September 30, 2013
Effective Date: January 1, 2014	Revision No: Date:

Policy Statement & Strategic Plan Linkages

Elected Officials may incur expenses which, in their judgement, are relevant to their duties. This policy safeguards the appropriate use and accounting of municipal funds for Elected Officials, in line with the Town of Newmarket's Community Vision direction "well-equipped and managed through fiscal responsibility".

Purpose

This policy guides expenditures, including payment and reporting, of Elected Officials. Newmarket refunds Elected Officials for all reasonable costs incurred in fulfilling their duties. Elected Officials who incur business expenses shall exercise their best judgement when buying goods and paying for services. Expenses for goods or services of a personal nature will not be reimbursed or covered by the Town.

Definitions

Corporate expenses – an expense that is incurred by or on behalf of the governing body and includes, but is not limited to, costs related to presentations, awards, public engagement/ceremonies, attendance at events required by Council and standard Town office support (administrative assistance, supplies, office furniture and equipment, computers, internet and telephones).

Corporate expenses are set by Council in one of three ways:

- during the budget process
- by policy or protocol
- by Council decision on a specific project, program or issue

Any expense incurred at the discretion of Council as a whole is a corporate expense. In most cases, it would then be administered by staff in line with the established policies, procedures and practices.

Discretionary expenses – an expense that is incurred by choice of an individual Elected Official. It includes, but is not limited to, conferences, conventions, training courses, meals, hotels, travel, mileage, subscriptions, attendance at events (other than those Town events where an Elected Official's attendance is required by Council), and other business expenses. Council has directed that the Environmental Fund, also known as the "Green Fund", is a discretionary expense.

Guidelines for discretionary expenses are attached as Appendix 'B'. They represent Council's consensus of recommended use of their discretionary budget allocation. As such, they may be revised by the Director, Financial Services in consultation with members of Council, as appropriate without affecting the policy itself. These guidelines are not mandatory – Elected Officials need to be mindful of the public's expectations.

The responsibility for determining the appropriateness of discretionary expenses rests with the individual Elected Official and not with staff. The Elected Official is accountable to the public.

Elected Officials - all members of Town of Newmarket Council including the Mayor and Regional Councillor.

Eligible Expenses - reasonable expenses incurred in the course of Elected Officials fulfilling their duties.

Ineligible expenses - expenses that will not be paid or reimbursed by the Town.

These types of expenses are listed below:

- items for personal use
- expenses unrelated to Newmarket business
- individual donations that do not support community group efforts in the Town
- expenses incurred by a third party, for example expenses paid or requested by a group or individual other than an Elected Official
- events for a for-profit organization
- alcohol expenses
- any expense for office supplies, furniture, or equipment (including computer and technology related equipment) that does not make use of the Town of Newmarket's approved vendors
- transportation costs between home and work location (395 Mulock Drive)
- election-related expenses

- expenses for ward/constituency events, publications or personalized stationery and business cards submitted after June 30 of an election year
- accumulated expenses exceeding the Elected Official's annual budget allocation

Procedures

Council approved budgets allow Elected Officials to:

- administer their offices as an Elected Official;
- represent Newmarket at functions and events; and
- perform their duties as Elected Officials.

The following procedures shall be followed for corporate and discretionary expenses:

1) Corporate Expenses

All corporate expenses must comply with the policies and procedures established for staff expenses. Corporate expenses incurred by Elected Officials will require the approval of the Chief Administrative Officer (CAO) or Treasurer.

2) Discretionary Expenses

i) Processing:

- a. Discretionary expenses not paid using a Town Procurement Card shall be submitted to Accounts Payable as soon as possible after receipt of goods or services. Invoices or cheque requests must be accompanied by detailed information and receipts, identifying expenses and taxes as well as an HST registration number, if applicable. They shall be reviewed and signed off by the Executive Assistant of the area and either the CAO or Treasurer.
- b. Discretionary expenses paid using a Town Procurement Card shall be submitted to Accounts Payable as part of the monthly statement, due ten days after the statement period ends. The statement must be accompanied by detailed receipts, listing expenses, taxes, as well as an HST registration number, if applicable. The detailed receipts and the summary shall be signed by the holder of the card and reviewed and signed off by either the CAO or Treasurer for accuracy and completeness.

In both cases, the sign off by the CAO or Treasurer is only for completeness and appropriateness of backup (account coding, etc.) and is not an approval of the expense.

No expenses claims should be processed for payment unless approved by the Elected Official submitting such.

ii) Relationship to Budget:

- a. An annual budget is provided for each Elected Official. Any funds remaining unspent at the end of the year shall not be carried forward to the next year.
- b. An Elected Official shall not exceed their annual budget without the approval of Council.
- c. The Treasurer is authorized to withhold the reimbursement of expenses from an Elected Official until Council approval if, in the opinion of the Treasurer, the expense account has or will exceed its annual budget after taking into consideration amounts previously expensed and committed to be expensed during the year.

iii) Expense Accountability: The decision to approve a discretionary expense covered by this policy ultimately rests with each individual Elected Official.

3) Reporting:

- a. Published expenses will include both corporate and discretionary expenses of Elected Officials incurred by the Elected Official and reimbursed by the Town of Newmarket or any of its boards (e.g. Newmarket Public Library Board, Downtown Newmarket Business Improvement Area) and any appointments where expenses are funded by the Town, but would not include Newmarket Hydro Holdings Inc. or Region of York Council.
- b. Discretion will be used to present the information at a level of detail that discloses the nature and purpose of the expenses, and protects the privacy of identifiable individuals. The required personal and exempted information governed by the Municipal Freedom of Information and Protection of Privacy Act (MFIPPA) shall be edited and revised before being published and disclosed as part of the detailed Elected Official expenses on the Town's website.

Roles and Responsibilities

Elected Officials

- sign-off, authorize and submit expenses to the Director, Financial Services in accordance with this policy
- meet all financial, legal and income tax obligations

- ensure that all purchases are in keeping with this policy and that invoices are authorized after orders have been received or services rendered
- comply with procurement, accounting and financial policies approved for Elected Officials
- contact the Director, Financial Services to seek advice on all aspects on the administration of this policy

Treasurer

- prepare and issue the statutory report, Remuneration and Expenses for Elected & Appointed Officials by March 31 of the following year, as legislated by the Municipal Act, 2001. This report includes a summary of wages and expenses for Members of Council and board members appointed by Council.
- bring forward any disputes that are unable to be resolved over the payment of an Elected Official's expense item to a meeting of Council for a final decision regarding the payment or reimbursement of expenses

Director, Financial Services

- publish Elected Official's expenses, including year-to-date expenditure details, on the Town's website on at least a monthly quarterly basis and within a maximum of 30 days after the end of each month. ~~quarterly period, with the exception of the 4th quarter/year-end report which will be published within 60 days~~

Financial Services Staff

- process original/itemized receipts and any supporting documentation from Elected Officials relating to expenses
- ensure prompt payment of all properly approved and documented expense claims
- advise Elected Officials of the status of their budgets and expenditures
- ensure that supporting documents conform with this policy
- monitor changes in Town policies and procedures and review relevance of these changes for this policy and related procedures
- provide training and orientation for Elected Officials at the beginning of each term and when required or as requested during the term
- report Council expenses in compliance with this Policy
- ensure that the Guidelines for Discretionary Expenses reflect the current Council consensus
- update, create, amend and delete procedures to implement/administer this policy as appropriate

Review Period

This policy shall be reviewed every four years in line with the term of Council.

Cross References (as may be amended / updated from time to time)

CAO.1.01 – Council-Staff Request for Information & Use of Resources

CAO.1-02 -Professional Development Expense

Corp 1.01 – Use of Corporate Resources & Election Campaign Activities

HR. 8-05 - Mileage Allowance, License and Auto Insurance

IT.1-01 - Internet & E-mail Acceptable Use Policy & Guidelines

Municipal Act, 2001

Municipal Elections Act, 1996

Municipal Conflict of Interest Act

Municipal Freedom of Information and Protection of Privacy Act

Appendices

Appendix 'A' - Guiding Principles to Elected Officials Expense Policy

Appendix 'B' - Guidelines for Discretionary Expenses