

CITY POLICY



POLICY NUMBER: C618

REFERENCE:

ADOPTED BY:

City Council May 14, 2019

SUPERSEDES:

New

PREPARED BY: Office of the City Manager

DATE: October 1, 2018

TITLE: **Councillors' Budget and Expenses Policy**

Policy Statement:

This policy guides the expenditures that support Councillors in performing their diverse roles and in representing their constituents.

Principles

The following principles underpin the Councillors' budget and expenses provisions:

Autonomy of Council

- City Council, as the decision-making body of the City, is separate and distinct from City Administration.

Integrity of Council

- The integrity of City Council as a whole and the Office of the Councillors must be protected.
- The interests of City Council as a whole take precedence over the personal interests of individual Councillors.

Accountability

- Councillors are stewards of City resources and are ultimately accountable to the public and their constituents for the type and level of expenses they incur.
- Councillors' expenses must be reasonable and reflect what the public expects of an elected official.
- Councillors' role-based business expenses and personal expenses must be kept separate. These business expenses should not add value to personal assets.

Transparency

- The public has a right to know how public funds allocated to Councillors are spent.
- The public's right to Councillors' expense information must be balanced against the need to protect privacy and personal information, and allow time for proper accounting and reconciliation of expenses.

Equitable Access to Resources

- Councillors should have access to the same level of funding to run their offices, regardless of personal financial circumstances.

Flexibility and Limits

- Councillors require flexibility to perform their roles, operate their offices and pursue interests related to their roles.
- Councillors engage their communities differently.
- Expenditures must not conflict with requirements set out in the *Municipal Government Act*, the *Local Authorities Election Act*, Council Code of Conduct Bylaw, and Councillors' Budget and Expenses Policy.
- All accounting, audit and *Income Tax Act* principles and rules must be followed.

The purpose of this policy is to:

- Provide Councillors with the flexibility to allocate resources in the most efficient, effective and economical way to meet their own particular requirements
- Achieve economies of scale where practical by pooling resources for the common use of all Councillors
- Recognize Councillors' accountability for managing City resources allocated to them

The City of Edmonton funds Councillor expenses that:

- Fall within the general categories of expenditures that this policy outlines
- Are within the limits that City Council has set for its Members
- Are non-personal in nature
- Are not third-party expenses
- Do not support or feature any candidate in any municipal, school board, provincial, federal election or by-election, or promote consent or rejection of a question that has been submitted to electors

Budget Categories

Councillors' work is supported by the Councillors' Common budget and Councillors' Ward budgets. The Manager, Council and Administrative Services (Office of the City Clerk), coordinates with Financial and Corporate Services to monitor Councillors' budgets and expenditures, and to provide related advice and support.

The budgets provide funding for Councillors to:

- Administer their offices in City Hall
- Represent the City at meetings, functions or events
- Communicate with their constituents about the business and services of the City and its agencies

COMMON BUDGET

The Common budget funds centralized support and resources for the Office of the Councillors. Common budget expense categories are intended to optimize economies of scale and labour costs. Expense categories are:

Personnel

- Salaries for Councillors and Administrative Assistants
- Transition, retirement and vehicle allowances for Councillors
- Employment benefits for all Councillors and all office staff
- Severance pay at the end of the employment term for Councillors' Executive Assistants and Council Assistants

Material and Equipment

- Standard office supplies and City-branded stationery (Appendix I)
- Leasing and usage charges for copiers and printers
- Office Furnishings (Appendix II)

Ineligible Expenses:

- Special orders, not on standard item list
- Stationery in excess of annual provisions
- Colour printing from ward office printers

Services

- Leased parking stalls (City Hall) for Councillors and Executive Assistants
- City Hall parking fees or transit tickets for authorized office visitors
- Postage and courier services
- Common office decor

Ineligible Expenses:

- Parking charges or transit tickets for
 - Councillors' staff or office volunteers
 - Guests who are not conducting City business
 - Members of civic agencies, boards and commissions that have authority under a City budget or have their own operating budget
- Postage for constituency (ward) mail outs

Other Expenses

- Telecommunications charges for all office phones and Councillors' cell phone usage
- Councillors' travel expenses for officially-appointed representation at conferences and meetings (See Common Travel and Conferences section)
- Food services for Council meetings and special common office functions
- Common office hospitality supplies

Ineligible Expenses:

- Cell phone expenses for Councillors' staff
- Travel expenses not authorized through the annual Common Travel and Conferences budget

This policy is subject to any specific provisions of the Municipal Government Act or other relevant legislation or Union Agreement.

Common Travel and Conferences

As part of the Councillors' Common budget, the Common Travel and Conference category funds expenses for:

- Annual conferences or board meetings of any organization on which a Councillor sits as an official representative of the City of Edmonton, or conferences where the City of Edmonton is entitled to voting delegates through its membership
- Annual conferences of the Alberta Urban Municipalities Association (AUMA) and the Federation of Canadian Municipalities (FCM) for all Councillors, including registration fees and banquet tickets for one guest per Councillor.
- AUMA and FCM board meetings, executive committee meetings, standing committee meetings, task force meetings, meetings with federal and provincial ministers, workshops and seminars, if the Councillor is a director, table officer, committee member or task force member.
- If funds are not available for all Councillors wishing to attend FCM and AUMA conferences, then the budget will be prorated to provide equal funding.
- Expenditures exceeding the approved Travel and Conference budget allocations will be charged to the Councillors' Ward budgets.
- Councillors are required to submit Common Travel and Conference attendance plans to the Manager, Council and Administrative Services, by November 31 of each year for the following year's budget. A recommendation for allocation of the Common Travel and Conference budget will be presented at the first Council Services Committee meeting each year.

WARD BUDGETS

Councillors are allocated equal annual budgets for personnel and discretionary expenses allowable in this policy. Categories include:

Personnel

- Salaries of executive assistant, senior assistant and/or council assistant
- Vacation/staff replacement costs

Ineligible Expenses

- Payment for work performed by non-City employees to deliver specific services for Councillors, e.g., website or social media management. Businesses providing services will be paid by submitted invoice under a separate Ward budget category.

Business Meetings and Hospitality

- Food and beverages related to business meals or receptions with constituents, business contacts, representatives of other orders of government, international delegations or visitors. Reasonable alcohol expenses may be included for meals or receptions.
- One meal, if claimed, for each Councillor on a Council or Committee meeting day
- Food and beverages related to meetings with City employees, Councillors' staff, other Members of Council or employees of a City agency or corporation
- Food and beverages for Councillors and staff attending an in-town conference/seminar at which meals are not provided and where no per diem is claimed

Ineligible Expenses:

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- Alcohol, except as otherwise noted above

Community Expenses

- Expenses for community public meetings, commemorative events or City-related events, in which the Councillor is involved
- Tickets (maximum 4) for charitable events or functions within the City and Edmonton Metropolitan Region.
- Participation fee for charitable or fundraising events such as community golf tournaments, walkathons, etc., organized by non-profit organizations
- Donations to community organizations for their fundraising events
- Memberships for the Councillor or staff that are related to the Councillor's work in the community or for the City

Ineligible Expenses:

- Event tickets for more than one member of the Councillor's family
- Gifts for Council staff or other employees of the City, agencies, boards, commissions and special purpose bodies
- Raffle tickets, silent auctions, table prize tickets unless ticket winnings are donated back to the community organization
- Retail memberships or award programs
- Events organized or sponsored by the Councillor after May 31 of a general election year (*Council Code of Conduct, June 26, 2018*)

Communications

- Advertising costs related to business of the City and Councillor's office in all types of media
- Newsletters, subscriptions, books related to the business of the City
- Constituency website and social media support (not campaign related)
- Items to support Ward communications, e.g., City-certified software
- Cell phone charges for Councillor's staff

Ineligible Expenses:

- Advertising that promotes for-profit organizations, other levels of government, political parties or candidates in any election campaigns
- Advertising, newsletters, mass electronic mail distributions after May 31 of a general election year (*Council Code of Conduct, June 26, 2018*)

Office Items

- Furnishings and appliances not eligible as Common budget expenses
- Specialized stationery or office supplies that are not provided through the City's authorized service providers and/or Common budget
- Office decor

Ineligible Expenses

- Items which do not comply with City safety or property management standards
- Items which could not reasonably remain with the City at the end of the Councillor's term

Travel and Transportation

- Transit passes and tickets for Councillor's staff
- Vehicle for hire fares for City-related business purposes
- Parking fees

Ineligible Expenses:

- Traffic and parking fines
- Vehicle licensing and insurance fees
- Personal vehicle maintenance and repair costs

Training and Conferences

- Training opportunities for Councillors as they relate to their official roles, or for staff as they relate to their employment roles
- Expenses for conferences or other meetings not eligible as a Common budget expense

Ineligible Expenses:

- Training and conferences attended solely out of personal interest (unrelated to official or employment roles)
- Physical fitness, sports, arts programs
- Councillors' mileage expenses for meetings within the Edmonton Metropolitan Region (covered by monthly vehicle allowance)

TRAVEL EXPENSE PROCEDURES

- Airfare and hotel bookings are paid for by the Councillor for subsequent reimbursement.
- Accommodations should be selected on the basis of reasonable and practical location and cost. Government rates should be requested when making reservations.
- Registrations and block bookings of hotel rooms for FCM and AUMA conferences are made by the Administrative Assistants.
- The City's preferred airline carrier should be used whenever possible.
- Phone data and texting plans are required for out-of-country travel.
- Councillors will receive the same per diem for travel as City employees receive. The per diem for travel outside of Canada will be adjusted using the currency exchange rate for the destination country. The per diem is intended to cover daily expenses:
 - Meals, snacks and gratuities
 - Newspapers
 - Dry cleaning or laundry expenses
 - Parking meter and public transit expenses
- The City provides out-of-country emergency medical travel insurance coverage for Councillors under 70 years of age. Premiums for any additional coverage are not reimbursed, except for Councillors 70 years of age or older.
- Councillors may choose their own means of travel, keeping in mind the most direct economical route. Flight cancellation insurance may be considered for international travel.
- Rental vehicles may be used where it is more cost effective than the use of vehicles for hire.
- Councillors will be reimbursed for actual and reasonable costs incurred for transportation on necessary official business in locations outside of the Edmonton Metropolitan Region. Kilometrage rates will be based on the City's rate chart where applicable.
- Travel expense statements should be submitted within 14 days of return. Original, itemized

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receipts must accompany the statements. Personal expenses will not be reimbursed. Monies owing to the City must be reimbursed within 30 days.

TRAVEL ON BEHALF OF THE MAYOR

- Expenses related to travel on behalf of the Mayor will be expensed to the Mayor's budget. The Councillor will be responsible for any personal expenses.
- Expense statements will be completed and submitted to Council and Administrative Services for processing.

ACCOUNTING PROCEDURES

Councillors' claims for expenses must follow generally acceptable accounting and audit principles:

- Expenses must relate to the business of the City of Edmonton
- Councillors or their staff may incur expenses. Expenses incurred by third parties cannot be claimed. Expense claims from Councillors' staff must be signed by the Councillor.
- Expenses of up to \$100 may be reimbursed through petty cash.
- The City's accounting system will be utilized and all expenditures will be charged to the related cost centre.
- Councillors and their staff cannot claim expenses of a personal nature. Where an invoice or receipt contains expenses of a personal nature, those expenses will be excluded from the reimbursement. Otherwise, Councillors or their staff must reimburse the City for those personal expenses within 30 days.
- Councillors and their staff must provide proper documentation, including original itemized receipts, for all expense claims. Credit card receipts or statements alone are not sufficient. In the case of any online purchases, a copy of the confirmation must be attached to the claim. The Lost Receipt Declaration form must be completed for any missing receipts.
- Hospitality expense claims must include original itemized receipts showing items consumed and date and purpose of the meeting. Receipts must identify who was hosted; for example: Constituent, City Staff, Councillor's staff, representative of an organization or government office. Names are not required.
- Invoices must include a description of the goods purchased or services rendered, the cost, applicable taxes and GST registration number.
- Councillors or their authorized staff must sign off all receipts or invoices with original signatures.
- Expenses must be charged to the fiscal year in which they were incurred. Expenses cannot be carried forward to future years.
- As the City of Edmonton uses accrual accounting, it is imperative that costs incurred in a specific fiscal year are expensed in that year. Therefore, at the end of the fiscal year, Councillors must advise the Manager, Council and Administrative Services, of any goods and services that have been received in that year where the vendor has not yet submitted invoices so that Financial Services can process the appropriate accruals.

REVIEW PROCESS

- Councillors are responsible for authorizing all expenditures
- The Manager, Council and Administrative Services, will review all expenses submitted by Councillors to determine that proper documentation is in place and that the expenditure is in compliance with the Councillors' Budget and Expenses Policy.
- Each Councillor is personally responsible for reimbursing the City for any non-compliant or over-

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expenditure of the Ward budget.

- The Chair or Vice Chair of Council Services Committee may be asked to provide a final interpretation of this policy with respect to appropriateness of expenses and their allocation.

REPORTS AND DISCLOSURE

Financial and Corporate Services will prepare:

- Monthly year-to-date Ward expense reports, including budget projections to the end of the current year
- Quarterly reports detailing common budget meeting and travel expenses
- Reports will be provided to each office for review and clarification as necessary.
- Office of the City Clerk will publish expense reports on the City's website on a quarterly basis. (*November 18, 2013, Council Services Committee*)

ELECTION YEAR

In the year of a general municipal election:

- The Ward budget is prorated in an election year. Therefore, the incumbent Councillor is only authorized to expend Ward budget funds for that portion of the year that the Councillor is in office.
- Councillors are not authorized to use Common or Ward budget funds to purchase any furnishings, office equipment or new stationery after Nomination Day.
- Councillors must not use Ward budget funds for public events, advertising, media, newsletters, or mass electronic mail distributions after May 31 of an election year and must not schedule use of these funds until following the inaugural organizational meeting of Council (*Council Code of Conduct*).

APPLICATION TO THE MAYOR

The following sections of the Councillors' Budget and Expenses Policy are also applicable to the Mayor: Policy Statement, Principles, Purpose, Accounting Procedures, Reports and Disclosure, Election Year, Review Process

APPENDIX I

Standard Stationery and Office Supplies Expensed to Common Budget

City-branded stationery:

- Letterhead/envelopes 500 per year
- Business cards
 - Councillor 1,000 per year
 - Staff 250 per year
- Crest cards/envelopes 250 per year
- Gift enclosure cards 100 per year

Office Supplies:

Standard items, such as:

- Photocopier paper
- Pens and pencils
- Staplers and staples
- File folders
- Labels
- Notepads
- Paper clips

A more complete list is posted in the stationery/supplies room.

Special order items of more than \$100 must be approved by the Manager, Council and Administrative Services, if requested through the Common budget. Otherwise, they may be charged to the Ward budget.

Office Beverages:

- A standard list of juice and soft drink items is posted in the stationery/supplies room (*July 14, 2014, Council Services Committee meeting*)
- Fairtrade coffee and tea is provided for office use (*October 20, 2014, Council Services Committee meeting*)

APPENDIX II

Office Furnishings

1. Office of the Councillors furniture requests from the annual Common budget will be considered at the first Council Services Committee meeting of each year. Additional expenditures of up to \$1,000 per item may be authorized by the Chair of Council Services Committee, based on demonstrated need and urgency, and within budget limitations. Requests submitted to the Manager, Council and Administrative Services, will be forwarded to the Chair, along with the furniture budget balance.
2. Requests for new task chairs, must be reviewed by the City's ergonomist to ensure compliance with health and safety requirements.
3. In a municipal election year, Councillors are restricted from using the annual Common furniture budget so that funds are available for any new Councillors to access. Requests that cannot be accommodated in the budget year, for either Councillors or their staff, may be held over for future years' consideration.
4. Available City surplus inventory may be reviewed as an option prior to purchase of new furniture. Contractor costs for moving and installation of surplus items will be incurred. City staff are discouraged from moving furniture and equipment themselves because of injury risk and potential furniture/equipment warranty issues.
5. Sourcing of new furniture through the City's vendor system is preferred but not required.
6. Councillors have the option of funding some or all of their furniture requests from their Ward budgets.
7. Art and plants as office decor are based on personal preferences and as such are ineligible for purchase using City funds. Art and plants may be leased through the Ward budget.
8. Councillors may bring in personal furniture for use at their offices. They are responsible for insuring their personal property. In the event of any loss or damage to their property, any amounts that are not covered by their primary insurance could be covered by the City's personal property coverage up to \$5,000 per person subject to policy terms and conditions. Councillors are responsible for moving costs to and from their offices.
9. Councillors' offices are assigned according to Ward. On mutual consent and in writing to the Manager, Council and Administrative Services, two Councillors may swap offices. Moving expenses will be split between the two Councillors' Ward budgets.
10. General office maintenance and upgrades are subject to building architectural standards and structural integrity, life cycle requirements and corporate budget limitations.