



**Subject: 2024 Council Expense Policy Review**

**Report Number:** FIN 24-037

Department: Finance Department

Submitted by: Renato Pullia, Interim Director of Finance

Meeting Type: Council Meeting

Meeting Date: Monday, June 24, 2024

**RECOMMENDATION**

- A. THAT report titled “2024 Council Expense Policy Review” be received as information; and
- B. THAT the following items be considered for amendments to the Council Expense Policy, to be brought back at a future meeting for adoption:
  - a. each Council members’ individualized budgets be adjusted so that cell phone, clothing, Internet and supplies be all part of Internet/Supplies budget line for each member, separate from each member’s Conference/Training expense line; and
  - b. Council members’ individualized budget limits be determined through the annual budget deliberations; and
- C. THAT as the current Council Expense Policy limits for each individual Internet/Supplies line allow for greater expenditure than the 2024 budgeted amount, that members of Council be allowed to spend to the Policy limit; and
- D. THAT members of Council be allowed to utilize other members’ unused training budget for 2024, with a review of such budget limits for the 2025 budget.

**BACKGROUND**

At its September 15, 2023 meeting, Council passed the following resolution:

**Resolution # 2023-411**

Moved By: Councillor Parsons

Seconded By: Councillor Rosehart

- A. THAT report FIN 23-23 Council Expense Policy Amendments be received as information; and
- B. THAT the red lined amendments to the Council Expense Policy 2-008 be approved, effective September 15, 2023; and
- C. THAT the change to itemize individual Council Member budgets for supplies, training & workshops be integrated commencing with the 2024 Operating Budget

containing an allocation of 20% to the Mayor and Deputy Mayor, respectively, and 12% to each of the five Councillors.

At its January 23, 2024 meeting, Council received a follow-up report FIN-24-006 - 2024 Council Expense Policy and Budget, as part of a review of the changes from the 2023 Council Expense Policy amendments and the relative impacts to the 2024 budget. Some of the impacts were not realized until after budget submission. Council was provided with the report as an opportunity to review the amounts in the budget and provide direction for any possible changes. At that meeting, the following resolution was passed:

**Resolution # 2024-053**

**Moved By:** Councillor Rosehart  
**Seconded By:** Councillor Spencer

THAT report titled “2024 Budget and Council Expenses” be received as information.

Then, at its meeting of March 25, 2024, Council received report FIN-24-009 – 2023 Council Remuneration and Expense Report, being the legislative annual reporting of the remuneration and expenses paid to members of Council and Local Board members appointed by Council. At that meeting, Council passed the following resolution:

**Resolution # 2024-143**

**Moved By:** Dave Beres  
**Seconded by:** Chris Parker

- A. THAT report FIN 24-009 titled “2023 Council Remuneration & Expenses Report” be received as information; and
- B. THAT staff review Policy 2-008, Council Expense Policy, with respect to eligible expenses and allocation amounts, and bring back a report within Q3 2024 meeting with recommended revisions.

**DISCUSSION**

Understanding the variations that exist in municipalities in what may be included in base remuneration vs other allowances and the total support for members of Council, it is important to evaluate remuneration as well as expenses covered, to capture as much information for a comparison as possible.

Appendix A provides a summary of the coverage of 15 municipalities for remuneration and expenses, with Appendix B being a comparison of other municipalities’ per diems and meals that the Town of Petawawa shared.

Tillsonburg seems to be on par with the findings from Appendix B. Observations for Tillsonburg per Appendix A are as follows:

1. base remuneration seems in range of those with similar sized Operating budgets;
2. annual training amounts seem in line with those that also have individualized amounts, but most have an aggregate total for all of Council;
3. no one indicated the ability to transfer unused training allowance to another member, rather drawing from the collective pool for those that have an aggregate total budget;
4. No carry-forward of funds not spent;
5. expense amounts vary, but are higher than Tillsonburg's, with reimbursements based on actuals;
6. some indicate one conference per member per year.
7. South Stormont in particular, with a population of 13,570, have a \$4,000 annual training allowance for each member of Council, allowing each member to a maximum of 2 conferences per year.

With the amendments adopted through Resolution 2023-411, Tillsonburg's Council Expense Policy itemized individual Council member budgets. The table below shows the relative policy sections with the specific individual amounts allowed. If each member of Council spends the full amounts of the policy benefit, the total will exceed the amounts in the current 2024 budget:

## FIN 24-037 2024 Council Expense Policy Review

A summary of the amendments is as follows:	Possible Expenditure	Current Budget
1. The definition for "Local Board" has been updated to include the Police Services Board.		
2. In Sec. 5.2, the amendment that Members may attend conferences, conventions, meetings and other events using <i>individually</i> allocated funds in the current budget for registration fees and eligible expenses. - (\$3,400/yr/Mayor & Deputy, plus \$2,040/yr/Councillor, x 5 councillors)	\$ 17,000	
3. In Sec. 5.8, the addition of reimbursement of cell phone data for Council Members for one cellular device using individually annually allocated funds in the current budget. - (\$100/month/member x 7)	\$ 8,400	\$ 21,040
4. In Sec. 5.8, the addition of <i>one</i> Town of Tillsonburg branded clothing purchase once per Council Member per Council term, as ordered through the Town's Communications team, using individually annually allocated funds in the current budget. - (per term, minimal)		
5. In Sec. 5.8, clarity is provided on the list of eligible expenses to include specificity on internet service reimbursement for one home for the members to perform the responsibilities and duties of their office. - (\$100/month/member for Internet, plus \$50/yr/member for supplies, x 7)	\$ 8,750	\$ 1,500
	\$ 34,150	\$ 22,540
6. Insertion of Sec. 5.11 that <b>cumulative</b> unused discretionary Council expenses at December 31 annually will be transferred to the Council Reserve to be used in a future period in accordance with the Town's Reserve Policy.		

Council may thus wish to consider making adjustments to the 2025 budget, based on the amounts spent in 2024. As noted as item 6 in the Summary of Amendments table above, Section 5.11 of the Policy notes that unused Council budgets related to PD & Cell reimbursement DO NOT carry forward on an individual basis, but the cumulative amount is to be transferred to the Council Reserve. The Reserve policy says that the Council Reserve is spent on special projects as determined by Council from time to time.

The revised Expense policy grouped the individualized budgets for each member of Council per the chart to the right – Internet and supplies costs in one line, and training, cell phone and clothing expense in another.

Council may wish to consider moving cell phone and clothing costs as part of individualized General Expenses, and have training/professional development on its own.

**Other Considerations**

Variations may exist between municipalities in the amount spent on training/professional development as possibly due to whether a municipality views such expenditures as merely training, or is it an investment in engaging in intergovernmental affairs. Taking an online course say for Asset Management for Councillors would no doubt be considered training, but conferences such as AMO (Association of Municipalities of Ontario), ROMA (Rural Ontario Municipal Association), and OGRA (Ontario Good Roads Association), provide opportunities to not only attend educational workshops on current topics impacting the sector, but also engaging with Provincial Ministers and staff on issues impacting the municipality directly, and develop relationships that foster intergovernmental cooperation, often benefitting through related government funding received.

It could be that some Lower Tier governments leave most of the intergovernmental affairs activities to their respective Upper Tier, who could speak on behalf of all of its Lower Tiers. Some could see the mutual partnering on various issues and doing joint delegations to Ministers to be beneficial. Single Tiers might take on a more forward approach devoting more resources to these activities. Thus, variations abound in the

	2024
	Budget
<b>7761 Mayor Expenses</b>	
5345 Internet/Supplies Exp	479
5415 Conf, Training, Cell, Clothing	5,040
<b>Total 7761 Mayor Expenses</b>	<b>5,519</b>
<b>7762 Deputy Mayor Expenses</b>	
5345 Internet/Supplies Exp	331
5415 Conf, Training, Cell, Clothing	3,500
<b>Total 7762 Deputy Mayor Expenses</b>	<b>3,831</b>
<b>7763 Councillor # 1 - Parker</b>	
5345 Internet/Supplies Exp	238
5415 Conf, Training, Cell, Clothing	2,500
<b>Total 7763 Councillor # 1 Expenses</b>	<b>2,738</b>
<b>7764 Councillor # 2 - Parsons</b>	
5345 Internet/Supplies Exp	238
5415 Conf, Training, Cell, Clothing	2,500
<b>Total 7764 Councillor # 2 Expenses</b>	<b>2,738</b>
<b>7765 Councillor # 3 - Spencer</b>	
5345 Internet/Supplies Exp	238
5415 Conf, Training, Cell, Clothing	2,500
<b>Total 7765 Councillor # 3 Expenses</b>	<b>2,738</b>
<b>7766 Councillor # 4 - Rosehart</b>	
5345 Internet/Supplies Exp	238
5415 Conf, Training, Cell, Clothing	2,500
<b>Total 7766 Councillor # 4 Expenses</b>	<b>2,738</b>
<b>7767 Councillor # 5 - Luciani</b>	
5345 Internet/Supplies Exp	238
5415 Conf, Training, Cell, Clothing	2,500
<b>Total 7767 Councillor # 5 Expenses</b>	<b>2,738</b>

sector, and Tillsonburg may need to determine its own position on this, and fund the activities accordingly.

Another factor is the cost of training and conferences in the current economy. When factoring in conference registration, hotel, transportation/mileage, meals, and per diems, the cost of one conference could be over \$2,000.

As well, today's role of Council and the Councillor is intricate and involved. Councillors are responsible for making local decisions that are in compliance with the law such as applicable statutes and regulations. Accountability and transparency, governance and law-making in the municipal setting, the fiscal context, land use planning and housing, could all be items dealing with complex and sometimes contentious issues. Training on these matters, particularly for new members of Council, help each member meet their responsibilities and the municipality's goals and objectives.

Council may wish to consider allowing newer members of Council to utilize unused portions of other members' training allowance for 2024, and review the budget limits for the 2025 budget.

### **CONSULTATION**

A survey was distributed to 241 municipal Treasurers, representing 54% of Ontario municipalities. Fifteen respondents provided their municipal info, for a 6% response rate. Certainly not a representative sample, but provides some data for insight.

### **FINANCIAL IMPACT/FUNDING SOURCE**

Having individualized budgets for members of Council will create variances in each respective line item. Under the previous process with aggregate budget lines, variations in the amount each member spent was not visible. 2024 budget was not created for such variation, as say each of the 5 Councillors were given the same allocation, but not all will have historically spent equal amounts. Thus, the net Council budget may end up the same at year end, but the individualized budgets will be either over or under budget.

### **CORPORATE GOALS**

How does this report support the corporate goals identified in the Community Strategic Plan?

- Lifestyle and amenities
- Customer service, communication and engagement
- Business attraction, retention and expansion
- Community growth
- Connectivity and transportation

Not Applicable

Does this report relate to a specific strategic direction or project identified in the Community Strategic Plan? Please indicate section number and/or any priority projects identified in the plan.

**Goal** – N/A

**Strategic Direction** – N/A

**Priority Project** – N/A

**ATTACHMENTS**

Appendix A – Council Remuneration & Expenses Support Review

Appendix B – Council Per Diems & Meals, Town of Petawawa Review