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REPORT TITLE: **Amendments to Business Expense Accounts – Members of Council Policy**

FROM: Gary Kent, CPA, CGA, ICD.D, Chief Financial Officer and Commissioner of Corporate Services

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## RECOMMENDATION

**That the amendments to Corporate Policy F30-02 “Business Expense Accounts - Members of Council” as outlined in Appendix I to the report of the Chief Financial Officer and Commissioner of Corporate Services, listed on the April 28, 2022 Regional Council agenda titled “Amendments to Business Expense Accounts – Members of Council Policy”, be approved.**

### REPORT HIGHLIGHTS

- Business Expense Accounts – Members of Council Policy – originally passed March 8, 2018 and updated January 1, 2020.
- Regional Council Policies and Procedures Committee meeting of April 21, 2022 – discussion on the ineligible expenses in an election period and a request to staff for revisions to next Council meeting.
- Staff propose some language changes and clarity for Section 7 related to “Ineligible Election Related Expenses” to specify election related expenses versus all constituent expenses.
- Changes align to the intent of the policy while allowing Councillors to continue to work in their roles during the election period.

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## DISCUSSION

### 1. Background

The last review of the “Business Expense Accounts – Members of Council” Policy was completed with a sub-group of Councillors along with Regional staff and was passed at the Council meeting dated March 8, 2018. Some additional revisions came into effect on January 1, 2020.

At the April 21, 2022 meeting of the Regional Council Policies and Procedures Committee, the above mentioned policy was brought forward for some discussion and staff were asked to make amendments in particular to Section 7 of the policy which relates to “Ineligible Election Related Expenses”. Staff were asked to come back to the next Council meeting with proposed amendments for Council’s consideration. The discussion around the area was the terminology as the expenses referred to “constituent expenses” versus a focus on election related expenses. In general, the policy language needed to be clear and allow for Councillors to continue to do their jobs as Councillors while following the *Municipal Act*,

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2001 and Councillor Code of Conduct as it relates to expenses incurred during an election campaign period.

### **2. Policy Changes**

As noted above, special conditions for expenses apply to members of Council during an election year. For the Region's policy, the election year begins at the start of the nomination period (May 1 of an election year) and ends with the end of the Council term.

Section 7 of the policy is titled "Ineligible Election Related Expenses. Section 7c) indicated that members of Council will not be allowed to use their Business Expense Accounts for constituent related expenses from May 1 to the end of the Council term. Constituent expenses were then defined in the section to include: brochures, newsletters, posters, tv and radio commercials, newspaper ads, mail outs, postage, letterhead, envelopes, printing, photocopying, photos and slides.

In Appendix I, the original policy is included with the proposed, red-lined changes. The first of which is the constituent expense definition is moved from section 7c to section 5 definitions. Secondly and the more relevant change is that the language in 7c is changed to say the exclusion to expenditures is specific to "election related expenses which include the production or distribution of campaign literature or materials including newsletters or other promotional materials from May 1 to the end of the Council term".

Section 7d) states "Use of Regional resources, facilities, property, vehicles or public spaces (including Regional mobile signs) are prohibited from use for election related purposes and cannot be expensed from Members of Council Business Expenses Accounts from May 1 to the end of the Council term." In section 7d, the only additions were to add the word resources and to specify that only those expenses related to the election would be excluded from claims.

In summary, the changes allow for Councillors to continue in their roles and continue work within their existing term of Council while specifically excluding election related expense claims during the period of May 1 to the end of the term which aligns with the initial intent of section 7 of the policy. Councillors must still follow *Municipal Act, 2001* and *Municipal Elections Act, 1996* election campaign policies and rules; as well as the prescribed election campaign section within the Councillor Code of Conduct policies.

### **FINANCIAL IMPLICATIONS**

There are no financial implications to the changes in the policy. The changes represent wording changes to provide clarity in section 7 on the ineligible election related expenses.

Councillor term allowances and newsletter expense accounts continue in their original amounts and with existing unused balances for use in the eligible expense categories.

### **CONCLUSION**

Staff provided language for amendments to the Corporate Policy F30-02 – Business Expense Accounts- Members of Council which are in alignment with discussion that occurred at the Regional Council Policies and Procedures Committee meeting of April 21, 2022.

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### **APPENDICES**

Appendix I - F30-02 Business Expense Accounts - Members of Council with proposed amendments tracked

Appendix II - F30-02 Business Expense Accounts - Members of Council with proposed amendments

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*Authored By: Stephanie Nagel, Director of Corporate Finance and Treasurer*