



AUDIT, FINANCE AND ADMINISTRATION COMMITTEE REPORT 21-013

9:30 a.m.

September 9, 2021

Council Chambers

Hamilton City Hall

Present: Councillors L. Ferguson (Chair), B. Clark, B. Johnson, M. Pearson, A. VanderBeek, and M. Wilson

Absent: Councillor C. Collins - Personal

THE AUDIT, FINANCE AND ADMINISTRATION COMMITTEE PRESENTS REPORT 21-013 AND RESPECTFULLY RECOMMENDS:

1. City Auditor Reporting of Serious Matters to Council (Case #39691) (AUD21007) (City Wide) (Item 7.1)

That Report AUD21007, City Auditor Report of Serious Matters to Council (Case #39691), be received.

2. Citizen Committee Report - Lesbian, Gay, Bisexual, Transgender and Queer (LGBTQ) Advisory Committee - Changing the Standing Committee to which the LGBTQ Advisory Committee Reports (Item 10.1)

That the Standing Committee to which the LGBTQ Advisory Committee Reports be changed from the Audit, Finance and Administration Committee to the Emergency and Community Services Committee, including updating any Standing Committee mandates or terms of reference that might be impacted by this change.

3. Offsetting Parking Revenue Losses for the City's Business Improvement Areas (PED21161) (Wards 1, 2, 3, 4, 7, 8, 12, and 13) (Item 10.2)

- (a) That each of the City's eleven Business Improvement Areas (BIAs) that participate annually in the Parking Revenue Sharing Program (PRSP) be provided a one-time grant in 2021 that is equal to the amount they received in 2020 through the PRSP, with the exception of the Locke Street BIA which would receive an amount equivalent to their 2019 Parking Revenue Sharing grant;
- (b) That the total grant amount of \$124,563.09 be funded from the Economic Development Investment Reserve (Account No. 112221).

4. Governance Review Sub-Committee Report 21-006 – August 24, 2021 (Item 10.3)

(a) Councillor Ward Office Budgets and Policy Guidelines for Eligible Expenses for Elected Officials (FCS18083(c)) (City Wide) (Item 10.1)

That Appendix “A” to Audit, Finance and Administration Committee Report 21-013, Policy and Guidelines for Eligible Expenses for Elected Officials: Budget for the Office of the Mayor, Legislative Budget and Councillor Ward Office Budget, be approved.

5. Fraud and Waste Report #32153 - Update (AUD21009) (City Wide) (Added Item 14.1)

- (a) That the direction provided to staff in Closed Session, respecting Report AUD21009, Fraud and Waste Report #32153 – Update, be approved: and,
- (b) That Report AUD21009, Fraud and Waste Report #32153 – Update, remain confidential.

FOR INFORMATION:

(a) CHANGES TO THE AGENDA (Item 2)

The Committee Clerk advised of the following change to the agenda:

14. PRIVATE AND CONFIDENTIAL

14.1 Fraud and Waste Report #32153 - Update (AUD21009) (City Wide)

The agenda for the September 9, 2021 Audit, Finance and Administration Committee meeting was approved, as amended.

(b) DECLARATIONS OF INTEREST (Item 3)

There were no declarations of interest.

(c) APPROVAL OF MINUTES OF PREVIOUS MEETING (Item 4)

(i) August 12, 2021 (Item 4.1)

The Minutes of the August 12, 2021 meeting of the Audit, Finance and Administration Committee were approved, as presented.

(d) **DISCUSSION ITEMS (Item 10)**

(i) **Governance Review Sub-Committee Report 21-006 – August 24, 2021 (Item 10.3)**

(a) **Councillor Ward Office Budgets and Policy Guidelines for Eligible Expenses for Elected Officials (FCS18083(c)) (City Wide) (Item 10.1)**

That Appendix “A” to Governance Review Sub-Committee Report 21-006, Policy and Guidelines for Eligible Expenses for Elected Officials: Budget for the Office of the Mayor, Legislative Budget and Councillor Ward Office Budget, be approved.

Councillor Ferguson relinquished the Chair to introduce the following motions:

That Item (g)(i) from the Information Section be lifted and added as Item 2 of the Governance Review Sub-Committee Report 21-006.

The following motion was DEFEATED:

2. **Proposed Amendment to the Procedural By-law Referred by Council on August 13, 2021 to Governance Review Sub-Committee, respecting Special Meetings of Council (Added Item 10.2)**

That Council approve the proposed ***amendment*** to Sub-Section 3.4, Special Meetings of Council of Procedural By-law 21-021, as follows:

3.4 Special Meetings of Council

(7) Notwithstanding subsection 3.4(3), on urgent and extraordinary occasions, with the consent of the majority of all the Members of Council, recorded in the Minutes, a special meeting of the Council may be called by the Mayor without notice to consider and deal with such urgent and extraordinary matters.

Councillor Ferguson assumed the Chair.

For further disposition of this matter, please refer to Item 4.

(e) **PRIVATE AND CONFIDENTIAL (Item 14)**

Committee moved into Closed Session respecting Item 14.1, pursuant to Section 9.1, Sub-sections (b), (d) and (e) of the City's Procedural By-law 21-021, and Section 239(2), Sub-sections (b), (d) and (e) of the Ontario Municipal Act, 2001, as amended, as the subject matter pertains to personal matters about an identifiable individual, including municipal or local board employees; labour relations or employee negotiations; and litigation or potential litigation, including matters before administrative tribunals, affecting the municipality or local board.

**(i) Fraud and Waste Report #32153 - Update (AUD21009) (City Wide)
(Added Item 14.1)**

For disposition of this matter, please refer to Item 5.

(f) ADJOURNMENT (Item 15)

There being no further business, the Audit, Finance and Administration Committee adjourned at 10:21 a.m.

Respectfully submitted,

Councillor Ferguson, Chair
Audit, Finance and Administration
Committee

Angela McRae
Legislative Coordinator
Office of the City Clerk

**Policy and Guidelines for Eligible Expenses for Elected Officials:
Budget for the Office of the Mayor, Legislative Budget
and Councillor Ward Office Budget**

SECTION 1 – POLICY FOR ELIGIBLE EXPENSES FOR ELECTED OFFICIALS

POLICY STATEMENT	Expenses incurred by elected officials, while acting as members of Council, are paid by the City.
APPROVAL	Once Council has approved the annual budget, specific approval of individual expenditures is not required. Elected officials are responsible for monitoring their own budgets through the operating budget variance reporting process.
PURPOSE	This Policy establishes types of expenses, which will be paid by the City from the Council approved budgets. Specific restrictions identify those expenses which will not be paid by the City.
SCOPE	<p>This Policy applies to all expenses incurred annually, unless otherwise noted in this Policy, by the elected officials while conducting official City business and performing their duties as elected officials.</p> <p>Valid municipal expenditures will be paid by the City and should be charged to the correct account, regardless of whether there is a budget for that account. Elected officials are accountable for their expenditures, in aggregate, not by individual account line. This Policy is intended to provide flexibility to elected officials in managing their own budgets and programming.</p> <p>Supporting documentation required for payment for services or goods provided is:</p> <ol style="list-style-type: none"> 1. The original invoice identifying the goods or services and the purpose of the purchase, if not obvious from the invoice, or 2. If there is no invoice, a short description of the good or service and purpose of the purchase is required. <p>Expenses for goods or services of a personal nature are the responsibility of the individual elected official and will not be paid by the City.</p>
CURRENT BUDGET OR OPERATING BUDGET – APPROVAL, MONITORING AND REPORTING	<p>As part of the annual current budget or operating budget, Council establishes a budget for expenses for elected officials.</p> <p>A statement of the expenses and revenues is available to the Councillors on a monthly basis and is reported to Council with the Corporate Operating Budget Variance Reports. Councillors will be required to provide explanations of any variances at the aggregate level in accordance with corporate standards for reporting.</p>

**Policy and Guidelines for Eligible Expenses for Elected Officials:
Budget for the Office of the Mayor, Legislative Budget
and Councillor Ward Office Budget**

<p>CURRENT BUDGET OR OPERATING BUDGET – APPROVAL, MONITORING AND REPORTING (Cont'd)</p>	<p>Current budget expense accounts are intended to cover all expenses incurred by elected officials, while conducting City business or promoting the City, including: expenses related to the management of the elected official's office; communication with constituents; business entertainment and staff recognition; promotion; local travel; and attendance at functions on City business.</p> <p>Inventories of furniture, fixtures and equipment (FFE) purchased using City budgets are maintained by the Administrative Assistants.</p>
<p>Election Campaign Expenses</p>	<p>Expenses incurred to produce or distribute election campaign literature or materials will not be paid for by the City. In addition, newsletters may not be distributed after August 31 of an election year.</p>
<p>Sponsorship</p>	<p>Expenses related to sponsorships and donations (including the purchase of event tickets) will be paid by the City.</p> <p>Sponsorships / donations are not to be provided for any amounts levied in respect of any tax or user fees. Sponsorships / donations are limited to \$350 per named organization per year.</p> <p>During an election year, sponsorships and donations will not be allowed from the first day that nominations can be filed for candidates, until the day after the election.</p>
<p>CAPITAL RELATED EXPENSES</p>	<p>Expenses for minor capital equipment (office furniture and furnishings, computer and communications equipment) are provided for the Councillors' reception area and to elected officials' offices within City Hall.</p> <p>Each elected official is provided with a computer (either desktop, laptop, tablet and / or smartphone) and access to a printer. The Councillors' Administrative Assistants and staff in the Office of the Mayor are each provided with a computer and access to a printer in accordance with City standards. Any additional computer equipment may be ordered through the Information Technology Division, Corporate Services Department.</p> <p>All capital purchases must adhere to the City's Procurement Policy.</p> <p>When the elected official is no longer in office, capital equipment must be returned to the City per Procurement Policy.</p>

**Policy and Guidelines for Eligible Expenses for Elected Officials:
Budget for the Office of the Mayor, Legislative Budget
and Councillor Ward Office Budget**

REIMBURSEMENT OF CITY EXPENSES PAID BY PERSONAL ACCOUNTS (HOW TO CLAIM)	Detailed procedures for accessing the City's PeopleSoft financial system and for submitting incidental expense claims are available from the Financial Services Division, Corporate Services Department.
Reimbursement	Requests for reimbursement of out-of-pocket expenses should be submitted by using the Statement of Mileage and Other Expenses Form. Out-of-pocket expenses include items such as business meals and parking. Purchase of tickets to community events should be requested through a Cheque Requisition payable to the event organization and not through reimbursement requests.
Supporting Documentation	Original receipts and supporting documentation are to be provided with the request for reimbursement indicating: <ol style="list-style-type: none"> 1. the type of expense; 2. date and purpose of event or meeting attended (if applicable); and 3. identification of all individuals whose expenses are being reimbursed. The appropriate account number within the applicable current budget must be provided with the request.
Petty Cash	The receptionist (for the Councillors' offices) and the Mayor's administrative staff are responsible for administering the petty cash for their respective offices in accordance with the corporate procedures for petty cash. Original receipts and supporting documentation must be provided with the request for reimbursement as outlined above.
Cheque Requisition	Goods or services that are not ordered through the City's PeopleSoft financial system (such as registrations, subscriptions, etc.) may be paid for by cheque issued directly to the vendor. A cheque requisition must be submitted to Finance and Administration staff with supporting documentation, as described above.

**Policy and Guidelines for Eligible Expenses for Elected Officials:
Budget for the Office of the Mayor, Legislative Budget
and Councillor Ward Office Budget**

SECTION 2 – GUIDELINES

DESCRIPTION	BUDGET FOR THE OFFICE OF THE MAYOR	LEGISLATIVE BUDGET	WARD OFFICE BUDGET
Councillor Ward Budget Process and Guidelines	N/A	N/A	<p>The methodology for developing the Councillor Ward Office Budgets is included in a separate document, "Methodology for Developing Elected Officials Office Budget and Ward Councillor Office Budget." (Appendix "A" to Report FCS18083(a))</p> <p>Councillors may submit requests for access to the Legislative Contingency Fund to Council for approval during the course of the year.</p> <p>Councillors will be required to reimburse the City for any expenditures exceeding their approved Ward budget. This excludes costs of backfilling for sick absences and maternity / parental leave and associated benefit costs. Those costs associated with backfilling sick absences and maternity / parental leave will not be required to be reimbursed as per the Staffing description within this policy.</p>

**Policy and Guidelines for Eligible Expenses for Elected Officials:
Budget for the Office of the Mayor, Legislative Budget
and Councillor Ward Office Budget**

DESCRIPTION	BUDGET FOR THE OFFICE OF THE MAYOR	LEGISLATIVE BUDGET	WARD OFFICE BUDGET
Office Equipment and Operating Supplies (Note 1)	<p>Office expenses, including all office consumables (stationery, office supplies, organizers, etc.), office accessory items (desk lamps, pictures / certificate framing, etc.), letterhead and business cards and purchased publications (maps, magazines, newspapers, etc.).</p> <p>Common office equipment (shredder, fax machine, photocopier) in accordance with corporate standards.</p>	<p>Expenses for shared office consumables (stationery, office supplies, etc.).</p> <p>Shared office equipment (shredder, one fax machine, photocopier).</p> <p>Computer hardware (in accordance with corporate standards) for the receptionist.</p>	<p>Office expenses, including all office consumables (stationery, office supplies, organizers, etc.), office accessory items (desk lamps, pictures / certificate framing, etc.), letterhead and business cards and purchased publications (maps, magazines, newspapers, etc.).</p> <p>Computer hardware (in accordance with corporate standards) for the Councillors, and all staff of the Councillor's office.</p>
Staffing (Note 2)	Compensation costs for all staff in the Office of the Mayor.	Compensation costs for one shared receptionist and associated vacation coverage.	<p>Compensation costs for all staff in the Councillor's office.</p> <p>Costs of vacation coverage for staff of the Councillor's office.</p> <p>Costs of backfilling sick absences and maternity / parental leave, as well as, associated benefit costs will not be budgeted and actual backfilling expenses incurred will be excluded from overall expenditures in the Councillor's Office Ward Budget. In the case of such absences, the replacement must provide a similar level of service and as such the costs of backfilling should be comparable to the original costs.</p>

**Policy and Guidelines for Eligible Expenses for Elected Officials:
Budget for the Office of the Mayor, Legislative Budget
and Councillor Ward Office Budget**

DESCRIPTION	BUDGET FOR THE OFFICE OF THE MAYOR	LEGISLATIVE BUDGET	WARD OFFICE BUDGET
Parking: <ul style="list-style-type: none"> • Parking for elected officials is provided free of charge. • Parking for staff must be obtained or purchased in accordance with the corporate policy for parking. 	Parking expenses for qualifying staff of the Office of the Mayor.		Parking expenses for any qualifying staff of the Councillor's office.
Training / Strategic Planning	Training costs for staff in the Office of the Mayor. Courses that meet the criteria of the City's Tuition Reimbursement Policy require Council approval.	Costs for Council orientation, strategic planning and professional development. Training costs for one shared receptionist.	Training costs for all staff of the Councillor's office. Courses that meet the criteria of the City's Tuition Reimbursement Policy require Council approval.

**Policy and Guidelines for Eligible Expenses for Elected Officials:
Budget for the Office of the Mayor, Legislative Budget
and Councillor Ward Office Budget**

DESCRIPTION	BUDGET FOR THE OFFICE OF THE MAYOR	LEGISLATIVE BUDGET	WARD OFFICE BUDGET
<p>Communication with Constituents: Expenses incurred in the communication of City and / or ward issues or items of interest to constituents</p>	<p>Eligible expenses include, but are not limited to: mailings (printing, copying, postage, address lists); advertisements and inserts; room rentals; newspaper columns and television appearances; community association memberships; floral tributes or charitable donations in lieu of a floral tribute; greeting cards; etc.</p> <p>Costs of communication lines (telephone, cell phone, fax, Internet) and related services will be paid when the use is for City business.</p>	<p>Costs of one telephone line for the receptionist.</p> <p>Costs of one shared fax line for all Councillors will be paid when the use is for City business.</p>	<p>Eligible expenses include, but are not limited to: mailings (printing, copying, postage, address lists); advertisements and inserts; room rentals; newspaper columns and television appearances; community association memberships; floral tributes or charitable donations in lieu of a floral tribute; greeting cards; etc.</p> <p>Costs of all communications lines (telephone, cell phone, fax, Internet) and related services will be paid when the use is for City business.</p>
<p>Constituency Office</p>	<p>N/A</p>	<p>N/A</p>	<p>All costs associated with a constituency office outside of City Hall, 71 Main Street West.</p>
<p>Donations</p>	<p>Donations to charitable organizations in lieu of floral tribute for a funeral will be paid by the City.</p>	<p>N/A</p>	<p>Donations to charitable organizations in lieu of floral tribute for a funeral will be paid by the City.</p>

**Policy and Guidelines for Eligible Expenses for Elected Officials:
Budget for the Office of the Mayor, Legislative Budget
and Councillor Ward Office Budget**

DESCRIPTION	BUDGET FOR THE OFFICE OF THE MAYOR	LEGISLATIVE BUDGET	WARD OFFICE BUDGET
Promotion	<p>Costs for City souvenir items (mementoes) which are available for distribution at the discretion of the Mayor.</p> <p>Staff of the Office of the Mayor are responsible for maintaining the inventory of these items for the Office of the Mayor.</p>	N/A	<p>Costs for City souvenir items (mementoes) are available for distribution at the discretion of the individual Councillor.</p> <p>Staff of the Councillor's Ward Office will be responsible for maintaining the inventory of these items for the Councillors.</p>
Business Entertainment / Staff Recognition	<p>Reasonable expenses associated with the entertainment of business contacts or the recognition of staff, such as business lunches or tickets to events, will be reimbursed when such entertainment is considered to be either necessary for the advancement of the interests of the City, or appropriate as a means of rewarding the efforts of staff. Original receipts and supporting documentation are to be provided as outlined above and in accordance with the City's Policy for Business Travel, Seminars and Conferences.</p> <p>The purchase of alcohol is strictly prohibited for promotion and entertainment purposes.</p>	N/A	<p>Reasonable expenses associated with the entertainment of business contacts or the recognition of staff, such as business lunches or tickets to events, will be reimbursed when such entertainment is considered to be either necessary for the advancement of the interests of the City, or appropriate as a means of rewarding the efforts of staff. Original receipts and supporting documentation are to be provided as outlined above and in accordance with the City's Policy for Business Travel, Seminars and Conferences.</p> <p>The purchase of alcohol is strictly prohibited for promotion and entertainment purposes.</p>

**Policy and Guidelines for Eligible Expenses for Elected Officials:
Budget for the Office of the Mayor, Legislative Budget
and Councillor Ward Office Budget**

DESCRIPTION	BUDGET FOR THE OFFICE OF THE MAYOR	LEGISLATIVE BUDGET	WARD OFFICE BUDGET
Local Travel Allowance	<p>Mileage and parking for the Mayor for attendance at events and other meetings at locations other than City Hall, 71 Main Street West, Hamilton.</p> <p>Mileage to and from the Mayor's home and City Hall will not be paid by the City.</p>	N/A	<p>Mileage and parking for Councillors for attendance at constituency and other meetings at locations other than City Hall, 71 Main Street West, Hamilton.</p> <p>Mileage to and from the elected official's home and City Hall will not be paid by the City.</p>
Attendance at Functions / Conferences	<p>Expenses incurred to attend functions / conferences on City business, including transportation, parking, registration fees or tickets, meals and accommodation, and incidental expenses (such as tips, etc.) in accordance with the City's Policy for Business Travel, Seminars and Conferences.</p> <p>Original receipts and supporting documentation are to be provided as outlined above.</p> <p>Expenses to attend political fundraisers will be reimbursed if they advance the interests of the City.</p>	N/A	<p>Expenses incurred to attend functions / conferences on City business, including transportation, parking, registration fees or tickets, meals and accommodation, and incidental expenses (such as tips, etc.) in accordance with the City's Policy for Business Travel, Seminars and Conferences.</p> <p>Original receipts and supporting documentation are to be as outlined above.</p> <p>Only nominal expenses of a spouse or companion will be reimbursed. Nominal expenses are defined as tickets to a dinner or reception.</p>

**Policy and Guidelines for Eligible Expenses for Elected Officials:
Budget for the Office of the Mayor, Legislative Budget
and Councillor Ward Office Budget**

DESCRIPTION	BUDGET FOR THE OFFICE OF THE MAYOR	LEGISLATIVE BUDGET	WARD OFFICE BUDGET
	Only nominal expenses of a spouse or companion will be reimbursed. Nominal expenses are defined as tickets to a dinner or reception.		
Attendance at Functions / Conferences (Cont'd)	Expenses will be reimbursed in accordance with the City's Policy for Business Travel, Seminars and Conferences.	Where the elected official is representing the City as a member of a board (excluding local boards such as Police Board), expenses incurred to attend functions and / or conferences related to this membership, as follows: <ul style="list-style-type: none"> • FCM (2 members of Council) • AMO (2 members of Council) • Other (International Children's Games). 	All other expenses incurred to attend functions and / or conferences. Expenses will be reimbursed in accordance with the City's Policy for Business Travel, Seminars and Conferences.
Memberships	N/A	The cost of memberships for Council as a whole (i.e., Federation of Canadian Municipalities, Association of	N/A

**Policy and Guidelines for Eligible Expenses for Elected Officials:
Budget for the Office of the Mayor, Legislative Budget
and Councillor Ward Office Budget**

		Municipalities of Ontario, etc.).	
DESCRIPTION	BUDGET FOR THE OFFICE OF THE MAYOR	LEGISLATIVE BUDGET	WARD OFFICE BUDGET
Meeting Expenses	Expenses for meetings involving staff in the Office of the Mayor.	<p>Expenses for meetings of Council as a whole. The receptionist (for the Councillors' offices) will be responsible for arranging for any refreshments for these meetings and administering this budget allocation.</p> <p>Expenses for meetings of committees established by Council. The receptionist (for the Councillors' offices) will be responsible for arranging for any refreshments for these meetings and administering this budget allocation.</p> <p>The Office of the City Clerk will be responsible for set up requirements for meetings of Council</p>	Expenses for community meetings. These expenses can include meeting room rentals (if applicable), refreshments, preparation and distribution of meeting notices, etc.

**Policy and Guidelines for Eligible Expenses for Elected Officials:
Budget for the Office of the Mayor, Legislative Budget
and Councillor Ward Office Budget**

		and Committee meetings.	
--	--	-------------------------	--

**Policy and Guidelines for Eligible Expenses for Elected Officials:
Budget for the Office of the Mayor, Legislative Budget
and Councillor Ward Office Budget**

DESCRIPTION	BUDGET FOR THE OFFICE OF THE MAYOR	LEGISLATIVE BUDGET	WARD OFFICE BUDGET
		Expenses for use of City Hall by community groups. Staff in the Facilities Section of the Public Works Department will be responsible for arranging for any refreshments and set up requirements for these functions and administering this budget allocation.	
Hosting of Conferences with Municipal Subject Content	N/A	Expenses representing contributions to events hosted by organizations with a municipal affiliation as approved by Council.	N/A

**Policy and Guidelines for Eligible Expenses for Elected Officials:
Budget for the Office of the Mayor, Legislative Budget
and Councillor Ward Office Budget**

DESCRIPTION	BUDGET FOR THE OFFICE OF THE MAYOR	LEGISLATIVE BUDGET	WARD OFFICE BUDGET
Internal Charge-backs or Cost allocations	Expenses related to services provided in-house, such as printing and photocopying and the purchase of items through the City's PeopleSoft financial system will be charged to the account number in the budget for the Office of the Mayor provided with the requisition, if required, and no additional reporting is required.	Costs of liability insurance for general public liability, errors and omissions liability, comprehensive crime and conflict of interest for elected officials	Expenses related to services provided in-house, such as printing, photocopying, office space outside of City Hall (71 Main Street West) and the purchase of items through the City's PeopleSoft financial system will be charged to the account number in the individual Councillor's ward office budget provided with the requisition, if required, and no additional reporting is required.

Note 1: Office related furniture, fixtures, and equipment (FFE) including electronics purchased or reimbursed from the City Budget must remain the property of the City. An inventory of office related FFE must be maintained and tracked by the Administrative Assistant. At the end of every Council term, the completed list must be submitted to the Office of the City Clerk.

Note 2: Contracts including offers of employment can only be signed by the Mayor and Elected Officials once they are sworn in.