



CITY OF HAMILTON
CORPORATE SERVICES
Financial Planning, Administration and Policy Division

TO:	Mayor and Members General Issues Committee
COMMITTEE DATE:	January 17, 2024
SUBJECT/REPORT NO:	Policy and Guidelines for Eligible Expenses for Elected Officials (FCS18083(e)) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Maja Walters (905) 546-2424 Ext. 5726
SUBMITTED BY:	Brian McMullen Director, Financial Planning, Administration and Policy Corporate Services Department
SIGNATURE:	

RECOMMENDATION(S)

- (a) That Appendix “A” to Report FCS18083(e) Policy and Guidelines for Eligible Expenses for Elected Officials: Office of the Mayor, Legislative and Councillor Ward Office Budgets be approved;
- (b) That the Employee Related portion of Elected Officials Budgets be moved to the General Legislative Budget and the 2024 Budget be restated; and
- (c) That, effective 2023, the costs associated with employee leaves, excluding vacation, in all Elected Officials budgets be moved to General Legislative Budget.

EXECUTIVE SUMMARY

The update to the Policy and Guidelines for Eligible Expenses for Elected Officials addresses the following:

- Expanded guidance on election campaign expenses
- Ensuring the privacy of Elected Officials’ staff with respect to employee leaves
- Isolates staffing expenses from the overall office budget
- Introducing inflation factors to maximums set forth in the policy
- Updated guidance on cost of City Facilities for constituency offices
- Update and modernization of wording with respect to payments, digital tools and communication

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: N/A

Staffing: N/A

Legal: N/A

HISTORICAL BACKGROUND

At its September 15, 2021 meeting, Council approved Appendix “A” to Report FCS18083(c) which updated the existing guidelines for Eligible Expenses for Elected Officials. The modifications encompassed not allowing sponsorships and donations during election periods, adherence to the City's Procurement By-Law for capital purchases, elimination of the obligation for Councillors to reimburse deficits in Ward Office Budgets resulting from employee leaves, and clarification regarding meeting expenses. The November 27, 2023 General Issues Committee meeting briefly addressed updates to the policy and guidelines (Report FCS18083(d)). The updated guidelines were not approved at that time and staff received direction to report back in January 2024.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

The Recommendations in report FCS18083(e) are reflected in the Policy and Guidelines for Eligible Expenses for Elected Officials: Office of the Mayor, Legislative and Councillor Ward Office Budgets, as amended, attached as Appendix “A” to Report FCS18083(e).

RELEVANT CONSULTATION

Staff in the City Clerk’s Office and Human Resources were consulted on the amendments to the Policy and Guidelines.

ANALYSIS AND RATIONALE FOR RECOMMENDATION(S)

Expanded Guidance on Election Campaign Expenses

The preceding policy revision restricted sponsorships and donations during an election year. The revised guidance aims to prevent the inappropriate use of City funds for election campaign expenses while preserving the ability of Elected Officials to continue to support community groups through donations. Consequently, the updated policy maintains the prohibition of sponsorships that publicize the Elected Official's name but permits donations, provided there is no public acknowledgment or recognition of the Elected Official's contribution to the organization.

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Likewise, tickets for events can be purchased using the Elected Official's budgets during the election period, provided that no activities described as campaign activities take place while attending the event.

Ensuring the Privacy of Elected Officials' Staff with Respect to Employee Leaves

As there are a limited number of staff in Elected Official's Offices, the disclosure of expenses related to employee leaves can easily lead to the identification of the specific employee. As such, it is recommended that costs associated with employee leaves be recorded in the General Legislative office budget to maintain confidentiality and employee privacy. This change was incorporated in Report FCS18083(d) that was expected to be approved by Council in 2023. With that report not being approved in 2023, this change is retroactively applied to 2023.

Isolate Staffing Expenses from the Overall Office Budget

To continue to uphold the confidentiality of Elected Officials' staff, it is advised to consolidate all employee-related expenses within the General Legislative budget. The Finance and Administration staff will retain the capability to segregate individual Elected Officials' budgets within the General Legislative budget; however, the information will be disclosed as an aggregated total. Elected Officials will retain accountability for both their Ward Office Budget and the Employee Related Budget. Should expenditures surpass the approved allocations in the Ward Office Budget and their share of the employee-related budget within the Legislative Budget, Councillors will be required to reimburse the City.

Introducing Inflation Factors to Maximums Set Forth in the Policy

The maximum of \$350 for donations and sponsorships was established in 2004. The suggested \$560 maximum was calculated by applying inflationary adjustments from 2004 to present. Introducing inflationary increases on the maximum limit for sponsorships and donations ensures that the real value of the financial threshold is maintained. It prevents the limit from becoming outdated and losing its effectiveness in covering the same scope of expenses. This also ensures that organizations supported by Elected Officials are not unintentionally penalized due to the erosion of the value of currency.

Updated Guidance on Cost of City Facilities for Constituency Offices

It is advisable to assign all expenses related to Elected Officials' utilization of City Facilities to the General Legislative Budget. Facility costs constitute an internal allocation charge and should not be factored into the computation of Elected Officials Budgets

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Acknowledging the City of Hamilton's extensive and dispersed constituency, whose access to local government is constrained by geographical distance, the recommendation is to charge external leasing costs for a satellite office in Wards 9, 10, 11, 12, 13, and 15 to the General Legislative Budget if City-owned facilities are unavailable in those areas.

Update and Modernization of Wording with Respect to Payments, Digital Tools and Communication

This represents an administrative revision aimed at aligning the policy with contemporary norms regarding payments, digital tools, and communication. The updated policy acknowledges the prevalent online purchase of event tickets and eliminates the need for Petty Cash. Additionally, the revision equates newsletters, literature, materials, and traditional advertising forms with modern channels such as social media, search engine, and video advertising, along with Short Message Service (SMS) marketing. The refinement of language in these sections is intended to improve overall clarity.

ALTERNATIVES FOR CONSIDERATION

N/A

APPENDICES AND SCHEDULES ATTACHED

Appendix "A" to Report FCS18083(e) - Policy and Guidelines for Eligible Expenses for Elected Officials: Office of the Mayor, Legislative and Councillor Ward Office Budgets

MW/dt