




CITY OF HAMILTON
CITY MANAGER'S OFFICE
Human Resources

TO:	Chair and Members Audit, Finance and Administration Committee
COMMITTEE DATE:	November 21, 2024
SUBJECT/REPORT NO:	Proposed Changes to Schedule B: Fees, Gifts and Hospitality of the Code of Conduct for Employees Policy (HUR24011)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Nenzi Cocca, (905) 546-2424, ext. 3924 Katherin Platt, (905)546-2424, ext. 3212
SUBMITTED BY:	Lora Fontana, Executive Director Human Resources
SIGNATURE:	

RECOMMENDATION

That the Audit, Finance and Administration Committee approve the proposed changes to Schedule B: Fees, Gifts and Hospitality within the Code of Conduct for Employees Policy, as outlined in Appendix "A" attached to Report HUR24011. The recommended amendments to Schedule B include the following:

- (a) That the terms 'gifts' and 'hospitality' within the policy be defined as separate items, with different and distinct criteria for each.
- (b) That the different nominal amounts referenced in the Schedule be eliminated, in favour of one consistent amount (\$50).
- (c) That the amendments to the Schedule that clarifies the criteria for when employees can accept hospitality be accepted.
- (d) That any gifts over \$50 received by employees will be returned, or given to charity, or shared with other employees.
- (e) That gifts of alcohol can not be accepted.
- (f) That hospitality offered to employees that exceed \$50 in value will require approval by the General Manager.

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OUR Culture: Collective Ownership, Steadfast Integrity, Courageous Change, Sensational Service, Engaged Empowered Employees.

- (g) That employees be required to track the acceptance of gifts and hospitality, and should the amount exceed \$200 annually, submit a disclosure form by end of calendar year.

EXECUTIVE SUMMARY

In response to a motion passed at the June 7, 2023, Audit, Finance and Administration Committee and later revised on November 22, 2023, Human Resources has developed recommendations regarding amendments to Schedule B: Fees, Gifts and Hospitality within the Code of Conduct for Employees Policy. Schedule B defines fees, gifts and hospitality as follows:

Fees: An amount of money that is paid for work conducted for an outside organization or individual, for example, a speaking engagement.

Gifts: A benefit of any kind, not only pecuniary in nature, including but not limited to gifts, gift certificates, gift cards, discounts, favours, tickets, passes (zero-value or otherwise), or assistance and/or opportunities given to an employee(s), a member of their family, or a significant social relationship from an outside organization or individual.

Hospitality: Any hospitality event or activity, including but not limited to, meals, tickets to sporting events, theatre tickets, tickets to other forms of entertainment, passes (zero-value or otherwise) golf game fees, etc. given to an employee, their family member, or significant social relationship from an outside organization or individual.

As part of its review HR examined other municipal codes of conduct in relation to the acceptance of fees, gifts, and hospitality by employees. A summary of this review is included in Appendix "C" to Report HUR24011. As well, Human Resources sought input from the Policy Review Group which consists of Director level participants who provide advice and consultation on HR policy development, and from the Senior Leadership team. Below is a summary of the proposed changes to Schedule B: Fees, Gifts and Hospitality within the Code of Conduct for Employees Policy. A more detailed explanation of the proposed changes is contained in Appendix "A" to Report HUR24011. For ease of readability, a clean copy of Schedule B with the recommended changes is contained in Appendix "B" to Report HUR24011.

Summary of Changes:

- (a) Separate 'gifts' and 'hospitality' within the policy with different and distinct criteria for each,
- (b) Eliminate different nominal amounts in favour of one consistent amount (\$50),
- (c) Clarify criteria for when employees can accept hospitality,

- (d) Return gifts over \$50, or give them to charity or share with all other employees,
- (e) Employees can not accept gifts of alcohol,
- (f) Hospitality offered to employees that exceeds \$50 requires General Manager approval,
- (g) Require employees to track the acceptance of gifts and hospitality, and should the amount exceed \$200 annually, submit a disclosure form by year end,
- (h) Minor edits to provide clarity and consistency.

Alternatives for Consideration – See page 5

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: Not Applicable

Staffing:

Policy amendments, reporting forms, employee communications, and education resources can be managed with the current staff complement within Human Resources and Communications.

- (a) Human Resources can update the policy and develop reporting forms to track employee acceptance of fees, gifts, and hospitality.
- (b) Communications and Human Resources are developing a regular Code of Conduct newsletter that can be used to inform staff about changes to Schedule B: Fees, Gifts and Hospitality, along with regular updates and information on how to interpret and apply the Code of Conduct.
- (c) Human Resources has developed a mandatory Code of Conduct Learning module that was launched in 2023 in My Learning Connection. This module will need to be updated to reflect the changes to this policy.

Legal: N/A

HISTORICAL BACKGROUND

On June 7, 2023, the Audit, Finance and Administration Committee passed the following motions:

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Limiting or Prohibiting the Acceptance of Gifts in the Code of Conduct for Employees and the Council Code of Conduct (Item 9.4)

- (a) That Human Resources staff be directed to conduct a review of the Codes of Conduct for employees at other municipalities and report back to the Audit, Finance and Administration Committee with recommendations respecting limiting or prohibiting the accepting of gifts for employees.
- (b) That the City Clerk be directed to coordinate a review of the Council Codes of Conduct at other municipalities and report back to Audit, Finance and Administration Committee with recommendations respecting limiting or prohibiting the accepting of gifts for elected officials.

On November 22, 2023, Council amended the motion to add a part (c):

- (c) That staff be directed to perform a gap analysis of City policies that apply to staff, as employees of the corporation, and not to elected officials, who are not employees of the corporation, and report back to the Audit, Finance and Administration Committee with recommendations on how those policies could be applied to elected officials.

Human Resources and City Clerks Office have worked collaboratively to complete the review. Presented in Report HUR24011 are the recommended amendments to Schedule B: Fees, Gifts and Hospitality, based on a review of Codes of Conduct in other municipalities, and from consultation with leadership within the City.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

Should the proposed changes to Schedule B: Fees, Gifts and Hospitality be approved by Council, the Code of Conduct for Employees Policy will be updated and the changes will be shared with all City of Hamilton employees.

RELEVANT CONSULTATION

- Human Resources Leadership Team
- Communications
- Office of the City Auditor
- Senior Leadership Team
- Policy Review Group (members include Directors and senior staff from the Clerk's Office, Healthy and Safe Communities, Legal Services, Labour Relations, Planning and Economic Development and Public Works)

ANALYSIS AND RATIONALE FOR RECOMMENDATION

This work supports the strategic initiative of Trust and Confidence in City Government. The research and analysis conducted will help to ensure that the City of Hamilton's practices in relation to gifts and hospitality are consistent with other Ontario municipal and regional governments. As well, amendments to the Code of Conduct for Employees Policy will help to clarify the terms and conditions in relation to fees, gifts, and hospitality so that employees can better understand the City's expectations and their responsibilities.

Below is a summary of the treatment of gifts and hospitality for employees by other municipalities/regions. A more detailed explanation is provided in Appendix "C" to this Report HUR24011.

Summary:

- (a) Five municipalities do not permit acceptance of gifts or hospitality (i.e., Greater Sudbury, London, Markham, Oakville, Ottawa).
- (b) Several municipalities and regions do not permit the acceptance of gifts or hospitality, with exceptions, e.g., holiday party where other organizations are invited, infrequent business lunches, if gift is a nominal amount, if it is in the best interest of the City (business-related), moderate hospitality as an accepted courtesy of a business relationship (i.e., Brampton, Cambridge, Durham, Guelph, Halton, Mississauga, Niagara Region, Peel, Richmond Hill, Thunder Bay, Toronto, Windsor).
- (c) Several comparator municipality's policies use terms like modest, reasonable, nominal, etc. without defining an amount (i.e., Cambridge, Guelph, Halton, Mississauga, Niagara Region, Thunder Bay, Toronto, Vaughan).
- (d) A few comparator municipality's policies do provide amounts that are quantified (i.e., Cambridge \$25, Halton \$50, Mississauga \$50, Guelph \$100).
- (e) 'Infrequent acceptance of gifts' is mentioned as a criteria by several municipalities/regions (i.e., Brampton, Cambridge, Guelph, Halton, Mississauga, Peel, Thunder Bay, Vaughan) however no specific definition of "infrequent" is provided.

ALTERNATIVES FOR CONSIDERATION

The committee may choose to approve the proposed changes to Schedule B: Fees, Gifts, and Hospitality within the Code of Conduct for Employees Policy in whole, or in part.

APPENDICES AND SCHEDULES ATTACHED

Appendix "A" to Report HUR24011 – Proposed Changes to the Code of Conduct for Employees Policy, Schedule B: Fees, Gifts and Hospitality

Appendix "B" to Report HUR24011 - A Clean Version of the Recommended Changes to Schedule B: Fees, Gifts and Hospitality

Appendix "C" to Report HUR24011 - Municipal/Regional Comparison re Acceptance of Fees, Gifts and Hospitality by Employees