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**TO:** FINANCE AND RESPONSIBLE GOVERNANCE COMMITTEE

**SUBJECT:** COMMUNITY PROJECTS FUND AND UPDATE TO THE COUNCIL EXPENSE POLICY

**PREPARED BY AND KEY CONTACT:** W. COOKE, CITY CLERK/DIRECTOR OF LEGISLATIVE AND COURT SERVICES, EXT. 4560

**SUBMITTED BY:** W. COOKE, CITY CLERK/DIRECTOR OF LEGISLATIVE AND COURT SERVICES

**GENERAL MANAGER APPROVAL:** D. MCALPINE, GENERAL MANAGER OF COMMUNITY AND CORPORATE SERVICES

**CHIEF ADMINISTRATIVE OFFICER APPROVAL:** M. PROWSE, CHIEF ADMINISTRATIVE OFFICER

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**RECOMMENDED MOTION**

1. That the project submission and approval process outlined in the Report to the Finance and Responsible Governance Committee dated June 6, 2023 concerning the Community Project Fund and Update to the Council Expense Policy, be approved.
2. That the revised Council Expense Policy attached as Appendix “A” to the Report to Finance and Responsible Governance Committee dated June 6, 2023 concerning the Community Project Fund and Update to the Council Expense Policy, be approved.

**PURPOSE & BACKGROUND**

Purpose

3. The purpose of this Staff Report is to recommend a submission and approval process for projects being funded through the Community Project Fund and recommend updates the Council Expense Policy to provide clarity to what items members of Council are permitted to use their expense accounts funds for.

Background

Community Project Funds

4. City Council at its meeting on February 15, 2023, adopted the following as part of motion 23-G-023:

That \$250,000 (\$25,000 per ward) in one-time funding be dedicated to support ward specific initiatives, including community engagement and ward wellness projects to be funded from the Reinvestment Reserve, with the projects being completed and unveiled by December 31, 2025; and

That staff report back to the Finance and Responsible Governance Committee concerning an intake and approval process, with Council approval of a process occurring before 2023 Summer recess.

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5. A similar fund was established for the 2018-2022 Term of Council. This fund was administered through the Mayor's Office. A formal intake/submission process was not used. Requests were sent by email to the Mayor's Office or individual departments to request various projects. The Mayor provided approval for the projects.
  6. Various community projects were initiated by members of Council. Projects included art installations, tree plantings and traffic calming measures. Most members of Council utilized their funds for projects located within their ward, with some using funding for projects within the Downtown or other wards.
  7. The Mayor transferred responsibility of the approval for the use of these funds to the City Clerk just prior to the blackout period for the election, detailed in the Use of Corporate Resources Policy for Election Purposes. In an attempt to have a consistent approach, prior to approving projects, staff asked the Mayor and Mayor's Office staff if the projects were in keeping with projects that were previously approved.

#### Councillor Expense Policy

8. The Councillor Expense Policy governs the use of the Mayor and members of Council expense accounts. Funding in these accounts is generally used for expenses related to newsletters, ward events, etc. Given the increase in the amounts allocated to the expense accounts for all members of Council staff believe that the Policy should be updated to better reflect the items that these funds are being used for.
9. After the Policy was updated in 2022, members of Council have asked questions associated with the allocation of education dollars being specific to courses provided by AMO and whether or not this funding could be applied to courses provided by other organizations.

#### **ANALYSIS**

##### Community Project Fund

10. City Council established a Community Project Fund as part of the 2023 Budget. Each member of Council has been allocated \$25,000 for projects to be completed during the 2022-2026 Term of Council. As part of this recommendation, staff were requested to report back with a process to submit project ideas.
11. As noted above, the administration of this program was transferred to staff. The following observations were made about the program:
  - The previous community project funding was established through a budget intake form that lacked parameters for the use of the funds;
  - Members of Council were not always aware of other processes required to implement projects (e.g. approvals through Public Art Committee or procurement);
  - Members of Council seemed to use multiple channels for requesting projects (eg. Departments vs the Mayor's Office);
  - A deadline was not established for completion of projects, and some were being requested too close to the blackout period in an election year to be accomplished in time;
  - Members of Council enquired about using their funds for projects outside of their ward, which did not appear to be consistent with the intent of the budget intake form;
  - There was no official reporting mechanism established to report how the funds were used (either with the Council expenses memorandum or a separate annual memorandum) with the exception of a press release through the Mayor's Office in the Spring of 2022, which did not capture the entire list of projects given the multiple channels for requests.

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12. Once staff were provided the authority to approve the projects it was challenging not having a Council approved submission process and parameters as staff had to use their professional opinion as to whether or not a project met the criteria, was in alignment with other projects that were previously approved and determine if requests should seek authorization from Council to ensure they were in keeping with the intent of the budget intake form that was approved.
13. Council through motion 23-G-023 provided an opportunity to establish an approval process for projects that are going to be requested and undertaken. Below is an outline of the recommendations for the proposed program:
- **The Project should be ward specific to the member of Council**
  - **What the funds can be used for:**
    - Projects including:
      - improvements to playgrounds and playcourts;
      - art installations;
      - traffic calming; and
      - initiatives that have a longevity to them e.g. tree planting, community gardens
    - Multiple projects as long as they don't exceed the \$25,000
    - Projects must align with Council Strategic Priorities
  - **What the funds cannot be used for:**
    - Any items/office expenses covered under Council Expense Policy or top up there of;
    - Donations to organizations;
    - Any item that would be considered bonussing under the Municipal Act.
  - **Project Submission Process**
    - Members of Council will be required to prepare and submit a Project Submission Form, (similar to the one for Item for Discussion) to the Clerk. This form would detail the project, alignment to strategic priorities, benefits to their ward, etc.;
    - The submission forms would be sent to EMT to have their Teams provide costing, potential project timing and identify any process requirements (eg. Public Art Committee, RFP, etc);
    - Once the form is reviewed by staff, it would be presented to the Finance and Good Governance Committee for consideration with final approval by Council;
    - If a member of Council wishes to make any changes to the intent of the Council approved program, Council approval would be required.
  - **Submission Deadlines**
    - The deadline to submit capital requests is March 30, 2025 to ensure completion and unveiling is completed by December 2025.
14. Staff are recommending that the projects should be vetted through a Reference Committee, as members of Council should determine whether or not a project meets the parameters of the approved program, strategic priorities and if it will benefit the community. By having projects approved by Council, it provides members the opportunity to present a project for consideration that may be outside of the scope of the approved project parameters.
15. Given that projects may fall within the mandate of multiple committees, staff are recommending Finance and Good Governance to have these forms vetted through, as the funds were approved through the Business Plan and Budget Process and provides consistency on approach and responsible spending of municipal funds.



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16. Once projects are approved through Council, members of Council can work with the appropriate department to undertake their individual projects.
  17. Given that all the projects must be completed and unveiled prior to the election year, members of Council will be able to host public unveilings or announce their projects that they initiated. The deadline that has been established for all projects to be submitted is to ensure that this is achievable.

#### Council Expense Policy

18. Section 284 (1) of the Municipal Act requires the Treasurer to report on the remuneration and expenses paid to the Mayor and members of Council. The expense amounts are approved annually as part of the budget with the remuneration being recommended each term by a citizen-based Council Compensation Review Committee.
19. When a member of Council uses funding from the expense accounts, a form is completed and signed by the Councillor, Clerk and Treasurer. These expenses are reported quarterly, as per Council direction. Reporting of these expenses is also a requirement under the Municipal Act annually.
20. There needs to be a clear distinction between what the Community Project Fund and the Councillor Expense Accounts are used for. It is recommended that the Council Expense Account be used for ward communications such as newsletters, room rentals, tickets to charity events, etc., travel outside the city, etc. Therefore, it is being recommended that the funds from the Community Project Fund are used towards items that are capital projects or projects with longevity such as tree planting. Any expenditures approved by a member of Council, the Treasurer and Clerk through an individual Councillor expense account prior to approval of this Corporate Project Fund submission and approval process, that are capital projects or projects with longevity as noted above, will have funding reallocated from the Community Project Fund based on a discussion with the member of Council and would not be provided to the Finance and Good Governance for any further approvals.
21. The Council Expense Policy was last updated in March 2022. The updates included increases to mileage claims, amount allocated to attendance at conferences and allocation of education dollars to AMO specific courses.
22. Members of Council have requested reimbursement for items that are covered in the policy but not specifically listed. To provide further transparency to the public to items that are eligible expenses, staff are recommending including more specific wording to the policy to identify what is an eligible expense, including but not limited to tickets to charitable events, sponsorship of ward events, recreation passes, etc.
23. City Council approved the establishment of a Lobbyist Registry starting January 1, 2024. To be in alignment with the Council Sponsorship Policy, members of Council should seek a written opinion from the Integrity Commissioner if they are working with individuals on ward events who may be on the Registry.
24. A few members of Council have also approached staff about using the education dollars for courses offered outside of the Association of Municipalities of Ontario. Staff are recommending that the policy be changed to reflect that \$1,600 be allocated towards education opportunities that support members of Council in their role on Council.

#### **ENVIRONMENTAL AND CLIMATE CHANGE IMPACT MATTERS**

25. There are no environmental and/or climate change impact matters directly related to the recommendation.



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## **ALTERNATIVES**

26. The following alternatives are available for consideration by General Committee:

**Alternative #1:** Finance and Responsible Governance Committee could decide not have projects vetted through Finance and Good Governance Committee.

This alternative is available but not recommended, as this Term of Council is making significant efforts to ensure projects and initiatives are in alignment with their Strategic Priorities. Having projects vetted by Committee will ensure this consistency with the approach of other items being considered by Council.

**Alternative #2:** Finance and Responsible Governance Committee could recommend that the proposed changes to the Council Expense Policy not be approved.

This alternative is available. Council could remain with the status quo with the Council Expense Policy. Providing further clarity on what are allowable expenses for members of Council, adds to the level of transparency to members of the public on what is an allowable expense.

**Alternative #3** Finance and Responsible Governance Committee could alter the proposed parameters associated with the Community Projects Fund.

This alternative is available. The proposed parameters have been identified based on staff's understanding of the proposed intent of the Fund and to provide clarity on the submission and approval process, reflecting on matters encountered during the 2018 to 2022 term of office.

## **FINANCIAL**

27. There are no direct financial implications associated with the recommendations contained within this report, as the project funding and the increase in the council expense funding was approved as part of the 2023 Business Plan.

## **LINKAGE TO 2022-2026 COUNCIL STRATEGIC PLAN**

28. The recommendation(s) included in this Staff Report support the following goals identified in the 2022-2026 Strategic Plan:

Responsible Governance

Having a clear process and parameters for use of the Community Project Fund will assist in ensuring that expenditures using the fund are aligned with Council's priorities and a responsible spending of municipal funds.



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**APPENDIX "A"  
Revised Council Expense Policy**



# REIMBURSEMENT OF COUNCIL EXPENSES POLICY

<b>Policy Category/Section:</b>	C00 – Governance – Council
<b>Last Review:</b>	Reviewed in 2022 by the Council Compensation Review Committee
<b>Date:</b>	March 7, 2022 - City Council approved motion 22-G-041 to amend the Reimbursement of Council Expenses Policy
<b>POLICY STATEMENT:</b>	<p>The City of Barrie is committed to the reimbursement of its elected officials for all reasonable costs incurred in the course of fulfilling their duties. It is expected that all elected officials who incur business expenses, will adhere to the ethical standards of the community and will exercise their best judgment when incurring such expenses. It is also expected that expenses will be incurred only for purposes, and in facilities, that reflect the positive image of the citizens of the City of Barrie. Any expenses incurred are to support the attainment of the organization’s approved goals and objectives.</p>
<b>DEFINITIONS:</b>	<p><b>Air Travel</b> – Economy class fare only. Airfare receipts and boarding passes must be included with the travel claim to establish that the trip was taken and airfare paid unless supported by a cheque requisition in advance of travel.</p> <p><b>Charges for Toll Roads (Highway 407)</b> – Toll charges for Highway 407 travel will be reimbursed for business trips</p> <p><b>Communication Materials</b> – Includes newsletters, advertisements, websites, etc. Care should be taken to ensure that the mailing/distribution of newsletters be restricted to the member’s ward only.</p> <p><b>Corporate Expenses</b> - include payments made on behalf of Members of Council from public funds which would include payments made directly to suppliers (ie. for cell phones, internet charges, office expenses, etc.). These expenses are not included against Council members’ budgets.</p> <p><b>Council Expenses</b> - include the costs associated with attending events on behalf of the City, hosting guests, communication materials and travel related expenses.</p> <p><b>Hotel Accommodations</b> – Will be covered on the basis of single room accommodation only at the government rate where available. Double room accommodation may be allowed where a spouse is attending a conference. Any additional expenses incurred for spousal accommodation will be the responsibility of the individual Member of Council.</p> <p><b>Incidental Expenses</b> - Where overnight accommodation is required or when attending a conference on City business, incidental costs may be claimed for each day or part day of travel status to offset the cost of gratuities, laundry, dry cleaning, newspapers and personal supplies. Incidental costs will be based on receipts submitted and are limited to a maximum of \$10.00/day. Costs over the maximum will be the responsibility of the individual claimant.</p> <p><b>Office Expenses</b> – Includes business cards, letterhead, printer paper, printer cartridges, stationery, etc.</p>

	<p><b>Community Engagement Initiatives</b> include Community Events, Town Halls, Newsletters.</p> <p><b>Attendance at Community Events</b> include Charity Events where a ticket purchase is required.</p> <p><b>City of Barrie Items</b> include City of Barrie Promotional items, Recreation Passes, transit passes for distribution to other community members (unrelated) to encourage/support participation in City programs, services and facilities.</p> <p><b>Parking / Public Transit Costs</b> - Those who incur parking expenses or costs for a local bus or subway while on City business will be reimbursed. Where possible, parking fees should be supported by submitting appropriate documentation.</p> <p><b>Private Vehicles</b> - May be used for City related business purposes and users will be compensated at the prevailing rates established by the City of Barrie annually. If an elected official chooses to use their own vehicle in an instance where air travel would be available, the elected official will be reimbursed for the lesser of economy airfare or mileage.</p> <p><b>Rail</b> - Train receipts and boarding passes must be included with the travel claim to establish that the trip was taken and paid for.</p> <p><b>Rental Vehicles</b> – will be permitted only in circumstances where shuttle bus service to the conference location is not provided. Compact cars should be rented at all times. Collision damage coverage must be secured.</p> <p><b>Spousal expenses</b> - Spousal expenses are not allowed, with the exception of the Mayor. Any additional fees as a result of spouse or significant other attending a conference shall be paid for by the respective Councillor.</p> <p><b>Taxis</b> - May be used for local transit, airport service, or where private vehicles are unavailable. A receipt is required and the user shall specify the point of origin and destination.</p> <p><b>Telephone and Internet Expenses</b> – Includes long distance charges and costs associated with cellular phones, blackberries or similar equipment. City equipment is to be utilized for City business only. Costs associated with charges incurred for non-city business are payable by the individual.</p> <p><b>Travel Related Telephone Calls / Faxes / Computer Charges</b> - All telephone calls/faxes/computer costs placed as a result of City business while traveling will be reimbursed. Charges may be verified by billing following the use of a personal calling card.</p>
<p><b>SPECIFIC POLICY REQUIREMENTS:</b></p>	<p><u>Annual Expense Account</u></p> <p>The annual expense account allocations for Mayor and Councillors will be established on the basis of the forecasted population provided by the Development Services Department to provide up-to-date population figures.</p> <p>The submission of Council member expenses for reimbursement will be in accordance with Finance Department's year-end reporting deadlines.</p>



Any unused portion of the annual budget cannot be carried forward into a new calendar year.

Elected officials are eligible to expend up to the stated maximum in one fiscal year with the exception of election years.

The budgets for members of Council for the period January 1 to Election Day in a municipal election year be restricted to 11/12ths of the approved annual budget amount with the provision that subsequent to election day:

- a) New members of Council be allocated a budget equal to 11/12th of the approved budget amount for the month of December; and
- b) Re-elected members of Council have available to them the balance of funds remaining as of Election Day.

Funding from any other sources approved by Council for the use by members of Council are not eligible to be used toward "topping up" a member of Council's expense account.

#### Car Allowance

The amount for the car allowance for the Mayor will be \$6,600 (\$550 per month).

The Deputy Mayor receive additional compensation in the amount of \$7,500 per year and an additional car allowance of \$3,600 (\$300 per month).

The amount for Councillors will be \$2,400 (\$200.00 per month) with no mileage compensation for travel within the City limits.

Members of Council will be compensated for each kilometre driven on "City Business" outside of the City limits based on the City of Barrie rate that is automatically adjusted effective May 1<sup>st</sup> of each year. Effective January 1, 2022, the rate was established at 61 cents per kilometre for the first 5000 kilometres and then 55 cents for each additional kilometre.

For the purposes of compensation for kilometres driven "City Business" is defined as:

- a) Kilometres driven to and from City Hall or other locations for attendance at City Council, General Committee, Reference, Advisory or Special Committee meetings.
- b) Kilometres driven to and from events, meetings with citizens, etc.
- c) Kilometres driven to and from events/meetings required as a member of Council appointed to a Board, Commission or Committee.
- d) Usage of Corporate vehicles based on the Corporate mileage rate times the number of kilometres driven and the amounts to be included in annual Council remuneration reports.

"City Business" does not include kilometres driven to attend Board, Commission or Committee meetings which are reimbursed by the specific Board, Commission or Committee.

	<p><u>Educational Courses</u></p> <p>Members of Council are eligible up to a maximum of \$1,600 per year per to take educational courses that will support them in their role.</p> <p><u>Conferences</u></p> <p>Attendance at a conference for more than one day for specific municipal oriented organizations or municipal related association, excluding the Association of Municipalities of Ontario (AMO) or the Federation of Canadian Municipalities (FCM). Workshops or seminars conducted by Federally, Provincially or Municipally oriented organizations shall be included. Costs associated with banquets, event tickets, etc. are allowable expenses for consideration of reimbursement. Alcohol expenses will not be allowed for liability reasons.</p> <p>The Council Conference Budget shall be allocated a maximum of \$25,000 per year to permit members of Council to attend the Federation of Canadian Municipalities (FCM), and the Association of Municipalities (AMO) annual conferences and one member of Council to attend the Annual Town and Gown Association of Ontario Symposia including all applicable related expenses (ie. travel, registration, accommodation and meals).</p> <p><u>Meal Allowances</u></p> <p>A half day or full day per diem is provided to cover the cost of meals for daily business trips on behalf of the Corporation. A per diem may not be claimed where meals are provided on a carrier or as part of a business activity such as a conference dinner. Alcohol expenses will not be allowed for liability reasons.</p> <p>The following amounts may be claimed on a per diem basis:</p> <p>\$60.00 half day rate  \$120.00 full day rate  The rates include taxes and gratuity.  No Alcohol is permitted.</p> <p><u>Use of City Facilities</u></p> <p>Individual expense accounts will be charged for the usage of Corporate Facilities based on the applicable rate established in the City's Fees By-law and the amounts will be included in annual Council remuneration reports.</p>
<b>IMPLEMENTATION:</b>	<p><u>Approval of expenses</u></p> <p>The reimbursement of expenses of Members of Council will be approved by the City Clerk and the City Treasurer.</p> <p>Where disputes arise over the payment of elected officials' expense items, the matter will be brought forward to a meeting of Council for final decision-making regarding the payment or reimbursement of expenses.</p> <p>All invoices for items purchased by members of Council are to be invoiced directly to the member of Council. Invoices are not to be invoiced to the City of Barrie. The expense accounts are established for</p>

	<p>the reimbursement of members of Council for reasonable costs incurred in the course of fulfilling their duties (to the maximum amount of the expense account). Members of Council will be reimbursed (to the maximum amount as per the expense policy) where the expense is clearly associated with representing the interests of the constituents who elected them. Members of Council will not be reimbursed for any expenses deemed by the City Clerk to be election-related.</p> <p><u>Cash Advances</u></p> <p>Cash advances will not be provided. Members of Council will be reimbursed for expenses only when receipts are received.</p> <p><u>Excluded Items</u></p> <p>The City will not be responsible for expenses relating to:</p> <ul style="list-style-type: none"> <li>• Medical and hospital treatment beyond City benefit guidelines;</li> <li>• Expenses related to spouse or significant other;</li> <li>• For purchase of trunks, luggage, clothing and souvenirs;</li> <li>• For lost luggage, cameras and other misplaced belongings;</li> <li>• Alcoholic beverages; and</li> <li>• For in-suite services relating to movies and bars.</li> </ul> <p><u>Extended Stays</u></p> <p>Extended stays will be permitted at the expense of the member of Council.</p> <p><u>Reimbursement of Expenses</u></p> <p>Each invoice for reimbursement must be accompanied by the prescribed form, signed by the member of Council.</p> <p>Original, itemized receipts must be obtained and be submitted for reimbursement of expenses unless otherwise noted. Any amounts under 5.00 do not require a receipt.</p> <p>All payments will be made in Canadian funds. Foreign exchange shall be paid on actual costs claimed (supported by receipts). Claims shall be converted at the current exchange rate when a receipt is not provided.</p> <p>All receipts must be submitted within 45 days of the expense being incurred. Receipts for expenses incurred must be submitted within the same calendar year or within 30 days of year end (December 31<sup>st</sup>).</p> <p><u>Upgrades</u></p> <p>Individuals may choose to upgrade at their own expense.</p>
<b>RELATED POLICIES:</b>	<ul style="list-style-type: none"> <li>• Council Compensation</li> <li>• Use of Corporate Resources for Election Purposes</li> <li>• Fees By-law</li> </ul>
<b>DATE APPROVED BY CITY COUNCIL:</b>	Policies prior to May 10, 2010 were repealed and replaced with the policies listed in Appendix "C" to the Report of the Council Compensation Review Committee dated May 3, 2010. (CCRC5-10)

<b>POLICY TO BE REVIEWED:</b>	To be reviewed a minimum of once per Term of Council.
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**DATES UPDATED AND/OR AMENDED:**

<b>Date:</b>	<b>Type:</b>	<b>Motion #</b>	<b>Description</b>
October 28, 2008	FIN006-09	09-G-136	2008 Council Remuneration Report
May 10, 2010	CCRC5-10	10-G-185	Council Compensation Report
October 1, 2012	Item for Discussion	12-G-248	Town and Gown Symposium
June 3, 2013	CLK002-13	13-G-133	Use of City Facilities
June 6, 2017	CCRC01-17	17-G-171	Council Compensation Report
May 14, 2018	LCS009-18	18-G-106	Deputy Mayor Position
May 13, 2019	Item for Discussion	19-G-129	FCM Conference – Nomination to Board of Directors
December 16, 2019	LCS017-19	19-G-380	2020 Council Conference Attendance
March 7, 2022	CCRC01-22	22-G-041	Council Compensation Report