



Corporate *NO: R017*

Report *COUNCIL DATE: January 28, 2002*

REGULAR			
TO:	Mayor & Council	DATE:	January 23rd, 2002
FROM:	General Manager, Finance, Technology & H R Acting City Clerk	FILE:	0473-001
SUBJECT:	Expense Policy for Council Members		

RECOMMENDATION

That Council:

1. Revise Section 1 of Council Policy D-15, by deleting reference to \$75 per event and increasing the maximum to \$1,200 per year;
2. Delete Council Policy D-33 in its entirety;
3. Repeal "Surrey Council Remuneration and Expenses By-law, 2001, No. 14218", and
4. Rescind Council Resolution No. 98-2975.

BACKGROUND

At the October 15, 2001 Regular Council Meeting, Council asked staff to report back to consider deleting reference to \$75 per event in Item 11 of By-Law, 2001, No. 14218 and to increasing the maximum of \$750 per year to \$1,200 per year.

Rules pertaining to the re-imburement of expenditures, made by members of Council, are currently referenced in the following documentation:

- Council Policy No. D-15, effective January 9th, 1991;

- Council Policy No. D-33, effective March 16th, 1992;
- Council Resolution R98-2975, effective October 19th 1998,
- City of Surrey By-Law No. 14218, effective February 26th, 2001, and
- Local Government Act, Section 329.1.

Explanations of how each of the above documents affects the re-imbursement of expenditures for Council members are outlined on the following page.

1. Council Policy No. D-15, “Expense Policy for Council Members”, outlines specific expenses that Council members may claim. In particular, Section 1 currently specifies the following:

Section 1.1 Municipal Act 267

	Minor City Business Meetings/Trips	Major Business Trips, Courses, Conferences, Seminars, Conventions
Mayor	Authorized to expend up to \$700 per event, to a maximum of \$7,000 per year	Council resolution required
Council	Authorized to expend up to \$200 per event, to a maximum of \$2,000 per year each	Council resolution required

Section 1.2 Municipal Act 270

	Receive, Entertain, or Honour - Minor Events	Receive, Entertain, or Honour - Major Events
Mayor	Authorized to expend up to \$350 per event, to a maximum of \$3,500 per year	Council resolution required
Council	When all members of Council are invited, each is authorized to expend up to \$75 per event, to a maximum of \$750 per year each	Council resolution required

Sections 267 and 270 of the Municipal Act were repealed in 1999 when the Local Government Act came into effect.

2. Council Policy No. D-33, “Council Expenses”, merely repeats the information in the above Section 1.2 of Policy No. D-15.

3. Council Resolution No. R98-2975 states, “That, with the exception of the Mayor and the Acting Mayor, the bills for all Councillors' cell phones be limited to \$1,200 per year, excluding normal operating charges.”

4. Surrey By-law, 2001, No. 14218, “Surrey Council Remuneration and Expenses”, details the Mayor and

Council's remuneration as was previously required under Sections 269 and 270 of the Municipal Act.

5. Local Government Act, Section 329.1, “Reporting of Remuneration and Expenses”, requires that at least once a year, Council must have prepared a report separately listing for each Council member by name, the following information:

- a) Total amount of remuneration paid to the Council member for discharge of the duties of office, including any amount specified as an expense allowance;
- a) Total amount of expense payments for the Council member made to the Council member as reimbursement for expenses incurred by the Council member or as an allowance that is not reported under paragraph (a), and
- a) Total amount of any benefits, including insurance policies and policies for medical or dental services, provided to the Council member or the member's dependants.

DISCUSSION

Mayor and Council are responsible for staying within the funding levels allocated in the Five-Year Financial Plan. Each member of Council is also required to comply with Section 329.1 of the Local Government Act which legislates that Council must prepare an annual report listing specific expenditures as previously outlined.

In order to eliminate confusion and to streamline the current legislated requirements with those additional requirements imposed through By-laws, Policies and Council resolutions, we recommend the following:

- 1. Revise Section 1 of Policy D-15.** This section should be changed to read the following:

		NO RESOLUTION REQUIRED	RESOLUTION REQUIRED
TRIPS/CONFERENCES/ SEMINARS/COURSES/ BUSINESS MEETINGS OUTSIDE SURREY.	Mayor	Pre-authorized to expend up to \$700 per event, to a maximum of \$7,000 per year	Over either \$700 per event or \$7,000 per year.
	Councillor	Each Councillor is pre-authorized to expend up to \$200 per event, to a maximum of \$2,000 per year.	Over either \$200 per event or \$2,000 per year.
RECEIVE, ENTERTAIN OR HONOUR AT CITY EVENTS	Mayor	Pre-Authorized to expend up to a maximum of \$3,500 per year	For each event, once the \$3,500 maximum per year has been exceeded.
	Councillor	For attendance at events where all members of Council are invited, each member is pre-authorized to expend a maximum of \$1,200 per	For each event that a Councillor wishes to attend, once that individual Councillor

		year	exceeds his/her \$1,200 per year maximum.
CELL PHONE USAGE	Councillor	Each Councillor is pre-authorized to expend up to a maximum of \$1,200 per year for cell phone usage, over and above the normal operating charges.	For a Councillor's usage once his/her individual maximum of \$1,200 per year has been exceeded.

There is no additional budget impact on these revisions, since they are within the limits set by the Adopted 2002-2006 Financial Plan. This Policy, as amended, is included in Appendix A.

- 2. Delete City Policy D-33.** The requirements outlined in this Policy have also been covered in Policy D-15, therefore, Policy D-33 is no longer required.
- 3. Rescind Council Resolution No. R98-2975.** The annual limit for cell phone usage is incorporated in the above revision to Section 1 of Policy 15. This resolution is therefore not required.
- 4. Repeal Surrey Council Remuneration and Expenses By-law, 2001, No. 14218.** Recent changes to the Local Government Act no longer require this By-law. The detail pertaining to Council expenses are covered in By-law # 14218 is also covered under Policy D-15. This By-law can therefore, be repealed.

CONCLUSION

The recommendations, as previously outlined, should eliminate confusion and help streamline the current legislation with those additional requirements imposed by Council. The Local Government Act requires that members of Council report annually in an open meeting, their remuneration, expenses and benefits. Mayor and Council are also required to manage expenditures through the budget reporting process.

The recommended amendments to Council Policy No. D-15, should clarify where each Council member is required to seek a Council resolution prior to expending funds. This will streamline the process by eliminating unnecessary steps. We, therefore support all of the recommendations outlined in this report.

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Acting City Clerk General Manager, Finance,
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