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Item No. 12.1.3
Executive Standing Committee
October 24, 2022

TO: Mayor Savage and Members of the Executive Standing Committee

SUBMITTED BY:



Jacques Dubé, Chief Administrative Officer

DATE: October 19, 2022

SUBJECT: **Councillor Expense Accounts Revisions**

ORIGIN

Motion of Executive Standing Committee, June 27, 2022:

THAT Executive Standing Committee request the Chief Administrative Officer provide a staff report including recommendations and any potential policy changes to 2017-009-ADM Respecting District Discretionary Funds on:

1. Consolidation of Councillor discretionary and advertising/promotions funds;
2. Inclusion of community events and council conference travel budgets into a single fund allocated to each Councillor; and
3. A definition of what additional funds may need to be set aside for Deputy Mayor, NSFM board and FCM board members expenses.

MOTION PUT AND PASSED.

LEGISLATIVE AUTHORITY

Halifax Regional Municipality Charter, S.N.S. 2008, c.39

79A (1) Subject to subsections (2) to (4), the Municipality may only expend money for municipal purposes if

- (a) The expenditure is included in the Municipality's operating budget or capital budget or is otherwise authorized by the Municipality...

Administrative Order 2017-009-ADM Respecting District Funds

9. The purpose of the District Activity Fund is to provide small grants to any non-profit organizations and registered charities for local initiatives, including by way of advertising with such entities.

RECOMMENDATION

It is recommended that the Executive Standing Committee recommend that Regional Council direct the Chief Administrative Officer to administer the proposed Councillor expense budget by:

1. Combining the funds for the current budgets for advertising and promotion, out of town travel, conferences, and councillor newsletters (in the combined amount of \$248,000); and
2. Commencing in fiscal year 2023-24, allocating the combined funds equally among the Councillors.

BACKGROUND

Administrative Order 2017-009-ADM, Respecting District Funds has two main parts: Part I – District Activity Fund and Part II – District Capital Fund. The purpose of the Administrative Order is to “enable members to better support community through: (a) the provision of grants to any non-profit organizations and registered charities; and (b) the allocation of funds to HRM capital projects, or to goods or services provided by the Municipality” (section 3). As per the motion, this report will address only Part I – District Activity Funds of the Administrative Order.

The District Activity Fund budget resides in Fiscal Services and is subject to requirements established by the Administrative Order 2017-009-ADM District Funds. The 2022/23 budget is \$72,000 with each Councillor of the 16 districts being allocated \$4,500.

The Councillors’ Advertising and Promotion budget resides in the Councillors’ Support Office budget. The 2022/23 budget is \$99,200 with each Councillor of the 16 districts being allocated \$6,200.

There are various other budgets in the Councillors’ Support Office that directly relate to Councillors’ expenditures including parking, local travel, meals, newsletters, out-of-town travel and conferences.

There is no specific allocation of funds for the position of Deputy Mayor, nor for being a required Council appointed board member for the Nova Scotia Federation of Municipalities (NSFM) or the Federation of Canadian Municipalities (FCM). The Deputy Mayor acts for the Mayor when the Mayor is unavailable. Any costs associated with additional work as Deputy are covered under the Mayor’s Office budget as part of the CAO business unit. The NSFM and FCM related costs are covered under the conference and out-of-town travel budgets in the Councillors’ Support Office.

DISCUSSION

The District Activity Fund is governed by Administrative Order 2017-009-ADM Respecting District Funds. The purpose of the District Activity Fund is to provide small grants to non-profit organizations and registered charities for local initiatives, including by way of advertising with such entities (section 9). As such, the District Activity Fund may not be used to purchase advertising or other goods and services from businesses, such as newspapers. Due to the nature and purpose of the District Activity Funds, it is recommended that there be no change to the amount or use of these funds, or to Administrative Order 2017-009-ADM. The total annual budget available is \$72,000, resulting in each Councillor having \$4,500 to distribute within in their district.

The Councillors’ Advertising budget is used to support advertising and promotion needs associated with the role of a Councillor. The budget for Councillor Advertising resides in the Councillors’ Support Office budget and is currently budgeted at \$99,200 (\$6,200 per Councillor).

The Councillors’ Support Office could allocate the following budgeted amounts currently being used by the Councillors for:

- Out-of-Town Travel (\$24,000),
- Conferences (\$9,000),
- Councillor Newsletters (Printing and Public Education) (\$115,800)

These budgets are not shared equally among Councillors but used as required by each Councillor.

In addition, there is \$8,000 for the Councillors that are required Council appointed members to the NSFM and FCM boards to cover their related expenses. This \$8,000 is not part of the individual Councillor allocations and will be managed by the Councillors' Support Office.

Consolidation of Councillor Advertising and Promotion, Out-of-Town Travel, Conferences, and Newsletters budgets, noted above, would provide more flexibility to Councillors in the amount of \$248,000 (\$15,500 to the Councillor of each of the 16 districts) to spend on various items including but not limited to newsletters, advertising, out-of-town travel, conferences, training and hosting community events. Councillors will have discretion as to how the money is spent between categories within their allocation, but expenditures will still need to comply with HRM policies and approvals. Each Councillor would be accountable for their decisions regarding their budget allocation. Together with the Councillors' Support Office, Finance will put mechanisms in place so that each Councillor's expenditures can be tracked against their individual budget allocation.

FINANCIAL IMPLICATIONS

The \$248,000 consolidated budget that will be allocated to the Councillors and the \$8,000 related to required Council appointed board members already exists within the CAO business unit's approved budget; therefore, there is no financial impact.

RISK CONSIDERATION

No risk considerations were identified.

COMMUNITY ENGAGEMENT

No community engagement was required.

ENVIRONMENTAL IMPLICATIONS

No environmental implications were identified.

ALTERNATIVES

The Executive Standing Committee could choose to recommend that Regional Council direct the CAO to prepare amendments to Administrative Order 2017-009-ADM Respecting District Funds for its consideration to consolidate the District Activity Fund budget into the Councillors' Support Office budget, thus eliminating the District Activity Fund. This is not the recommended approach as these funds are used for the provision of grants to local non-profit groups.

ATTACHMENTS

None

A copy of this report can be obtained online at halifax.ca or by contacting the Office of the Municipal Clerk at 902.490.4210.

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