



January 12, 2009

Committee of the Whole (Working Session)  
Communication from Mayor Linda Jackson

**Memo to:**

Members of Council  
Michael De Angelis, City Manager  
Clayton Harris, Deputy City Manager & Commissioner of Financial Services  
Jeffrey Abrams, City Clerk  
Michael Tupchong, City Auditor

**Subject:**

Proposal for Amendments to Current City of Vaughan Expense Policies for Council and Staff

After an exhaustive review by Ernst and Young, it has become apparent that, notwithstanding some incorrect administrative processes in my office, existing City expenditure policies are vague and need to be strengthened. The audit of my office expenses has been a difficult, but valuable process. We all have an opportunity to learn from the mistakes of the past and take action to ensure they are not repeated in the future.

Our goal should be to make the City of Vaughan the standard bearer in Canada for accountability and transparency when it comes to expenses. We need to raise the bar to an entirely new level to ensure taxpayers' dollars are being spent wisely. This will eliminate the issue of expenses as a possible impediment to the important work we have to do as a Council and as a corporation.

Enhanced and concise expenditure policies will:

- provide clear guidelines for Council and staff throughout the City,
- protect public funds, and
- assist in maintaining responsible delivery of the high level of services we are committed to providing our residents.

I understand that our City Auditor, Michael Tupchong, has been tasked with the responsibility of reviewing the City's current procedures with respect to expense reporting and will present his findings at the next Audit and Operational Review Committee with his recommendations for improvements. I also understand that several

**memorandum**

members of council are eager to make recommendations of their own. Every proposal must be considered. Every proposal must be viewed with an eye to ensuring our policies become a model of transparency and accountability for others to emulate. I urge all members of our Budget Committee and our Audit & Operational Review Committee, Council, Senior Management and our stakeholders to engage in meaningful dialogue to that end.

Through the difficult process of the Ernst and Young audit of my office expenses, I believe I have learned many things. As the Head of Council and, more importantly, as the first and only person at the City of Vaughan to have been placed in this spotlight, for better or for worse, I am in a position to provide a perspective unique from anyone else's. As a starting point from which to begin our dialogue over the coming weeks, I respectfully submit to you the following proposals for consideration and would ask that we all keep our minds open to the opportunities for change and improvement.

## **PROPOSAL**

### **Independent Third Party Recommendations**

- It is highly recommended that the City seek independent third party expertise in reviewing existing and proposed expenditure policies to recommend ways to bring the City to a higher level of accountability and transparency (perhaps Erik Peters, former Auditor General of Ontario). This expert opinion should be obtained prior to finalizing any proposed policy amendments.

### **Accountability and Transparency**

- Require that three signatures be obtained to verify the accuracy of expense claims:
  - o One signature from the individual claiming the expense
  - o One signature from:
    - City Manager to approve Mayor and Members of Council expenses
    - Mayor to approve City Manager expenses
    - City Manager to approve all Senior Management Team expenses
    - Senior Management Team to approve Directors expenses
    - Directors to approve Managers expenses
    - Etc.
  - o One signature from:
    - City Auditor to approve expenses of Mayor and Members of Council, City Manager, Senior Management Team.
    - All other expenses to be approved by the claimant's next higher supervisory level to their own direct supervisor.

### Accountability and Transparency (cont'd)

- All expenses incurred against the operating budgets of Mayor and Members of Council, the City Manager and the Senior Management Team and Directors will be posted on the City's website, concurrently with the release of monthly budget reports, complete with itemized receipts/invoices/statements and a complete disclosure of "who, what, & why".

### Cell Phone & Blackberry Expenses

- For elected officials, Commissioners, and Directors:
  - o Mandate a standard for the types of services provided by communications carriers (i.e. data, cellular, texting, GPS, etc.).
  - o Mandate a standard for hardware.
  - o Mandate a standard for accessories.
- Mandate a standard for acceptable hardware/services/accessories for support staff.
- Mandate an annual ceiling for wireless communications charges.
- Require a copy of the invoice summary of expenses be provided with all expense claims but that itemized telephone numbers not be made available in order to protect the privacy of third party individuals.
- The City Auditor will review all claims to ensure the accuracy of the expense.

### Fleet Vehicles

- Mandate a standard for acceptable vehicles (makes/models) with an eye towards energy conservation.
- For those senior City officials who drive a fleet vehicle, gas will be an allowable expense, with the provision that personal kilometers be declared (against total kilometers driven) to both the Finance Department and to Payroll. For all other City officials who drive a personal vehicle, business related kilometers will be reimbursed at a determined amount per kilometer or, a vehicle allowance will be provided on a monthly basis.

### Mileage

- Mileage will be reimbursed strictly for business purposes only.
- At no time will the City pay for mileage expenses for travel between home and work.
- At no time will the City pay for mileage expenses for persons other than an elected official or staff.

#### 407ETR Charges

- At no time will the City pay for 407ETR expenses for travel between home and work.
- At no time will the City pay for 407ETR expenses for persons other than an elected official or staff.

#### Corporate Credit Cards

- Corporate credit cards are to be used solely for business expenses or the card will be revoked.

#### Personal Expenses

- At no time will city funds (either in the form of petty cash, city cheque, corporate credit card, purchase order, or FPO) be used for personal expenses.

#### Companion Expenses

- At no time will companion expenses be paid with City funds, with the exception of:
  - o At their discretion, the Mayor and Members of Council may be accompanied to all formal/ceremonial/official evening or weekend events either by their spouse (or equivalent), a family member or a member of their staff. In this instance, companion expenses will be covered by the operating budget of each respective Member of Council.
- Companions may participate in Council approved trips/conferences but any travel, accommodations, meal, incidental and programme expenses will not be covered by the City.
- All payments for companion expenses must be paid separately through personal means (direct payment by cheque, cash or credit card) at the time the expense is incurred.

#### Travel and Conference

- Travel expenses for FCM and AMO conferences will be covered by the City for Ward Councillors and Senior Management Team and expensed against their respective operating budgets. (FCM and AMO conference expenses for the Mayor and Regional Councillors are covered by York Region.)
- Travel expenses for FCM and AMO conferences for all other staff will be approved by the appropriate Commissioner and the City Manager.

### Travel and Conference (cont'd)

- Travel arrangements and expenses for all delegates attending Council-approved trade, twinning or friendship missions and Communities in Bloom activities will be covered by the Economic Development Department, with the exception of airfare which will be covered by delegates' respective operating budgets.
- At the discretion of Members of Council and Senior Management, all other travel must be expensed against their respective budgets, must be for business related purposes only, must be documented, and notification must be provided to the Mayor and to the City Manager (prior to travel).
- The Mayor may be accompanied on trips and conferences by a member of staff, when deemed necessary, and at the discretion of the Mayor and the City Manager, to provide administrative support to the Mayor and other delegates and will be allocated to operating budgets as set out above.

### York Region Expenses

- The Mayor and Regional Councillors submit expenses to York Region for such expenses as FCM Conferences and AMO Conferences. Additionally, Regional Councillors submit expenses to York Region for regional mileage expenses.
- The Mayor pays for some of these expenses through a City of Vaughan corporate credit card which is paid by the City.
- Claims to York Region for expenses incurred on any corporate credit card must be submitted in the same month in which the expenses are incurred. Upon receipt of the York Region reimbursement cheque, it is to be signed over to the City of Vaughan as repayment.

### Meals

- Meal expenses will be allowed only:
  - o When the purpose of the meal is business-related, with outside organizations, Mayor and Members of Council, staff and the public,
  - o While travelling, and
  - o When, for business purposes, the only opportunity that schedules permit is to meet with the aforementioned individuals during the course of a meal.
- Establish an expense ceiling per person per meal for all elected officials and staff who are expensing a business meal.
- Adopt a "no alcohol" policy for all elected officials and staff who are expensing a business meal. Expenses will be allowed for food and non-alcoholic beverages only. Alcohol is not a legitimate city expense.

### Field Purchase Orders

- Field Purchase Orders are generated by all departments, sometimes by several people within the same department.
- Establish an expense ceiling and implement a central process that signals the repetitive purchase of similar goods/services. This process will aid in identifying those goods/services which require that a tendering process be followed for future “annual” contracting of same (i.e. electrical contracting, emergency repairs and services).
- Require Director approvals on all Field Purchase Orders.

### Conflicts of Interest

- At no time may any staff or elected official purchase goods/services from companies owned or operated by relatives, friends, organizations or groups in which an elected official, senior manager or staff has a direct or perceived pecuniary interest.
- At no time may any staff or elected official purchase goods/services where there is any form of direct or perceived personal benefit or where there is any direct or perceived opportunity to influence decisions or affect the outcome of that purchase.
- At no time may any staff or elected official influence decisions or affect the outcome of a decision, during the execution of their duties and responsibilities, when there is a direct or perceived business interest of a commercial or financial nature where such interests might be construed to provide an advantage or be in conflict with their civic duties.

### Election Campaign Finances

- At no time will City funds or resources be used for campaign related activities. In particular (and to eliminate any unfair advantage by incumbents), immediately prior to or during a municipal election campaign:
  - o There will be no newsletters and/or mailings that would not normally have been generated on a regular basis throughout the most recent term of council,
  - o There will be no part-time wages equal to or higher than the average monthly expenditure for same during the most recent term of council,
  - o There will be no postage expenses equal to or higher than the average monthly expenditure for same during the most recent term of council,
  - o There will be no campaign-related communications via post, email or telephone.
  - o City staff will not participate in any campaign related activities at any time in order to avoid a perceived conflict with their duties as employees of the City.

Advertising

- To avoid any unfair advantage by incumbents throughout their term of office, at no time will an elected official place an ad of any kind.
- The only advertising (featuring the Mayor and Members of Council collectively) will be those ads approved by Council on an annual basis and coordinated directly by Corporate Communications.

Floral Gifts

- Increase the allowable amount for funeral arrangements to \$250 under Section 3.1.12 of Policy 01.14 to be competitive with the industry standard for this type of floral gift.

Section 4.1.11 or Policy 01.14

- Change the wording to read "Salaries and Benefits for part-time assistance exceeding vacation, lieu time and sick day coverage provided, if required."

Expense Reporting Forms

- Consolidate the format and number of forms currently used for reporting expenses.

Linda D. Jackson  
Mayor