

TO: MEMBERS OF MUNICIPAL COUNCIL

1986 May 02

FROM: ALDERMAN V.V. STUSIAK
FINANCE LIAISON ALDERMAN

REPORT
Regular Council Meeting
1986 May 20

RE: MAXIMUM DAILY EXPENSE ALLOWANCES

SUMMARY

It is the policy of the Municipal Council to pay the expenses of delegates, whether members of Council or otherwise, when on the instruction of Council they are representing the municipality outside the limits of the municipality. The existing maximum daily expense allowance has been in effect since 1984. This report recommends a 10% increase in the maximum allowance for accommodation, meals and miscellaneous costs, from \$150 to \$165, and no change in the maximum daily allowance for loss of wages.

REPORT

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EXISTING POLICY

The present daily expense allowance of one hundred and fifty dollars (\$150.00) was approved by Council in 1985 when Council adopted the following recommendations from the Finance Liaison Alderman:

1. THAT effective immediately, members of Council or delegates may claim a per diem for room, meals and miscellaneous costs of one hundred and fifty dollars (\$150.00) when on the instruction of Council they are representing the municipality outside the limits of the municipality; and
2. THAT the per diem rate of one hundred and fifty dollars (\$150.00) be United States funds when travelling outside Canada; and
3. THAT any members of Council or delegates, when travelling on municipal business, may request additional costs up to a maximum per diem of one hundred dollars (\$100.00), when a loss of wages or salary is incurred in the individual's normal occupation; and
4. THAT economy air passage be paid or actual mileage at the current municipal employee rate, whichever is the least; and
5. THAT the above per diem rate be reviewed 1986 May 01.

The authority for Council to approve the expenses actually incurred is provided in Section 270 of the Municipal Act, which states:

The Council may, by a vote of at least 2/3 of the council members, expend money to:

- (a) help establish, develop, maintain and operate airports, seaplane harbours and aircraft landing areas in or out of the municipality;
- (b) inquire into railway or harbour improvements;
- (c) receive and entertain distinguished guests;
- (d) pay, in addition to payments under section 267, all or some of the expenses necessarily incurred by a member of council when, on instructions of council, he represents the municipality or is engaged, beyond its borders, on its business;
- (e) pay all or some of the expenses of delegates, whether council members or otherwise, when, on instructions of council, they represent the municipality beyond its borders;
- (f) pay all or some of the expenses necessarily incurred by an employee when, on instructions of council, he is engaged on municipal business;
- (g) honour persons who have, in the opinion of the council, served or brought honour to the municipality.

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DISCUSSION

Daily Expense Allowance

A review of present day costs indicates that the average cost of hotel, meals and miscellaneous expenses would be \$165.00 per day as follows:

Rooms - inclusive of tips and tax	\$ 90	to	\$120
Meals - inclusive of tips and tax	30	to	40
Miscellaneous - taxis, airport bus, valet service, tips, coffee, etc.	<u>20</u>	to	<u>30</u>
Total cost per day	\$140	to	\$190

The costs in the United States are approximately the same on a dollar for dollar basis. Rates outside the North American continent would on average be much higher than those stated in this report.

I have reviewed current rates and recommend a 10% increase in the maximum daily expense allowance that may be claimed from \$150 per day to \$165 per day to reflect increasing hotel accommodation costs.

Loss of Wages

It will be noted that in Section 270(d) and (e) the Council can provide for all or some of the expenses of Council members and/or delegates when they represent the municipality beyond its borders. Prior to 1981, daily expense allowances were to offset direct costs incurred by the member but made no provision for compensation for a loss of wages by said member or delegate.

It is my opinion that a person serving the interest of the community should be compensated for all costs. If part of that cost is a loss of pay as a result of absence from their normal occupation, then this cost should be recognized by the community being served. It would be difficult to cover the total range of possible daily costs for lost wages so a fixed figure, which would be at the daily average labour rate, would be a minimum suggested amount.

In 1985, Council approved payment for such a loss to a maximum of \$100.00 per day. The average daily wage of the public administration sector has declined slightly but I am recommending no change in the current allowance for loss of wages of \$100.00 per day.

RECOMMENDATIONS

1. THAT members of Council or delegates may claim actual expenses up to a maximum daily allowance for room, meals and miscellaneous costs of one hundred and sixty-five dollars (\$165.00) when on the instruction of Council they are representing the municipality outside the limits of the municipality; and
2. THAT the maximum daily allowance of one hundred and sixty-five dollars (\$165.00) be United States funds when travelling outside Canada; and
3. THAT any members of Council or delegates, when travelling on municipal business, may request additional costs up to a maximum of \$100.00 per day, when a loss of wages or salary is incurred in the individual's normal occupation; and
4. THAT economy air passage be paid or actual mileage at the current municipal employee rate, whichever is the least; and
5. THAT the above allowances be reviewed 1987 May 02.

Victor V. Stusiak

Respectfully submitted,
Alderman V.V. Stusiak