

STAFF REPORT

TO: Mayor & Councillors

FROM: Corporate Services Manager

DATE: 12 October 2010

SUBJECT: **Expenses, Allowances and Reimbursement Rules
- RCN10-10-10**

PURPOSE/REASON FOR REPORT

To provide Council with the necessary background information to facilitate a recommendation to the Remuneration Authority for Council's Expenses, Allowances and Reimbursement Rules dated October 2010.

BACKGROUND/DISCUSSION

The Remuneration Authority is the statutory body responsible for approving local government elected members reimbursement allowances. The Remuneration Authority has recently asked Council to provide its expenses, allowance and expense rules to take affect from October 2010. These rules govern the types and amounts of claims that can be made by an elected member. The revised rules (Appendix A) seek to tidy up the old rules (Appendix B) and to more fairly represent current practise.

Other than noted below the policy remains similar to the old policy.

Amended

Private accommodation provided by friends/relatives: An elected member may arrange private accommodation with friends/relatives of the elected member when they are travelling on Council or Community Board business. This shall be reimbursed at a rate of \$50.00 per night and is all inclusive of accommodation, transport to and from the private residence and meals. No other expenditure shall be claimed by the elected member and no receipts are required for reimbursement to occur.

The previous policy was very restrictive and did not allow for reimbursement in these circumstances

Internet connection: The Council will pay elected members who own a computer and use the computer for Council or Community Board business an allowance for the cost of broadband or dial-up to a maximum amount of \$39.95 per month. If broadband is unavailable an allowance for the setup and usage of a satellite connection up to a maximum of \$91.96 per month will be paid.

This has been amended to allow for the reimbursement of a satellite connection where broadband is not available

Reimbursement for accommodation: If it is unreasonable for an elected member to travel to his or her home after a meeting, the elected member may claim a meal and accommodation allowance. The maximum amount of the allowance is \$150.00 per night, reimbursable with receipts.

This has been increased from the current allowance of \$90.00 and now applies to councillors and community board members

The Member of the Council for the Lakes - Murchison Ward may make a mileage claim for travel described in clause 6(b) up to a maximum of 4,000 kilometres per annum.

Previously this allowance stood at 3,000 kilometres per annum and has been amended to more fairly reflect the mileage required for such a large ward serviced by only one elected member

RECOMMENDATION

That the Tasman District Council recommends to the Remuneration Authority that the Expenses, Allowances and Reimbursement Rules dated October 2010 be approved.

Murray Staite
Corporate Services Manager

TASMAN DISTRICT COUNCIL

EXPENSES, ALLOWANCES AND REIMBURSEMENT RULES OCTOBER 2010

INTERPRETATION

1. In these expenses rules:

Chief Executive and **Corporate Services Manager** mean the Chief Executive and Corporate Services Manager of the Council

Community Board means a Community Board situated within Tasman District

Council means Tasman District Council

Elected members means the elected members of Tasman District Council and Community Boards situated within Tasman District

Mayor means the Mayor of the Council

Member of the Council means an elected member of the Council, including the Mayor. For the avoidance of doubt, in these rules 'Member of the Council' does not include a Member of a Community Board

Member of a Community Board means an elected member of a Community Board

2. All claims by elected members (except for the Mayor) for reimbursement of expenses or payment of allowances in accordance with these rules, together with supporting documents, shall be submitted to the Corporate Services Manager for approval. The Mayor shall submit such claims to the Chief Executive for approval.

PRINCIPLES

Reimbursement of allowances should adhere to the following principles:

- Are in line with council policies
- Have a justified business purpose
- Have senior management oversight
- Are approved by a person able to exercise independent judgement
- Are adequately documented
- Are reasonable and conservative in line with public sector norms

VEHICLES

3. Except for the Mayor, no elected members are provided with the use of a vehicle by the Council.

VEHICLE MILEAGE ALLOWANCE

4. The vehicle mileage allowance is \$0.70 per kilometre.
5. Every reasonable effort should be made by elected members to share transport in order to reduce costs.
6. A member of the Council may make a mileage claim for travel to and from the member's residence if the travel is in his or her own vehicle, by the most direct route reasonable in the circumstances, and is:
 - (a) for the purposes of attending a meeting of the Council, or a committee of the Council, or a Community Board, Long Term Plan or Annual Plan hearings; or
 - (b) on other Council business up to a maximum of 3,000 kilometres per annum (subject to clause 8).
7. Nothing in clause 6 shall apply to the Mayor if the Mayor is provided with a vehicle by the Council.
8. The Member of the Council for the Lakes - Murchison Ward may make a mileage claim for travel described in clause 6(b) up to a maximum of 4,000 kilometres per annum.
9. A Member of a Community Board may make a mileage claim for travel to and from the member's residence if the travel is in his or her own vehicle, by the most direct route reasonable in the circumstances, and is:
 - (a) for the purpose of attending a meeting of the Council, a committee of the Council, or the Community Board, on Community Board business;
 - (b) for travel to briefings, working parties, sounding boards and information workshops where attendance has been requested by Council officers or by resolution of the Council; or
 - (c) for travel:
 - (i) to a specific event pursuant to a resolution of the Community Board;
 - (ii) pursuant to a request or authorisation from the Mayor or Chief Executive;
 - (iii) to official functions and events of the Community Board;

- (iv) to meetings of residents, ratepayers or community groups in the capacity of a Member of the Community Board;
- (v) to meetings called by Council Officers to discuss Council business;
- (vi) to National and Zone Community Board meetings and conferences; or
- (vii) to agenda setting meetings of the Community Board.

TRAVEL AND ACCOMMODATION

10. **Taxis:** A taxi fare paid by a Member of the Council on Council business outside of the Nelson-Tasman region shall be reimbursed only if the member has obtained the approval of the Chief Executive or Corporate Services Manager.
11. **Car parks:** With the exception of the Mayor no car parks are provided to elected members.
12. **Rental cars:** The cost of a member of the Council hiring a rental car on Council business within, or outside of, the Nelson-Tasman region shall be reimbursed only if the member has obtained the approval of the Chief Executive or the Corporate Services Manager.
13. **Domestic air travel:** The cost of domestic air travel by a member of the Council on Council business shall be reimbursed only if the member has obtained the approval of the Chief Executive or the Corporate Services Manager. Where possible bookings should be made to ensure the Council benefits from discounts (if any).
14. **International air travel:** The cost of international air travel by a member of the Council on Council business shall be reimbursed only if the Council has previously resolved to do so. Where possible bookings should be made to ensure the Council benefits from discounts (if any).
15. **Airline clubs/airports:** The Mayor may claim reimbursement of the cost of the Mayor's Koru Club membership. Otherwise, subscriptions by elected members to airline clubs (such as Koru Club) shall not be reimbursed or an allowance paid.
16. **Accommodation:** The cost of accommodation for a member of the Council on Council business, or a member of a Community Board on Community Board business, outside of the Nelson – Tasman region shall be reimbursed only if the member has obtained the approval of the Chief Executive or the Corporate Services Manager. Where possible bookings should be made to ensure the Council benefits from discounts (if any).

17. **Meals:** Where a Council meeting adjourns for lunch and a member of the Council buys his or her lunch, and where a Community Board meeting adjourns for lunch and a member of the Community Board buys his or her lunch, then the member may claim reimbursement of the cost of their lunch up to a maximum of \$10.00. Otherwise, the cost of meals paid for by a member of the Council or a member of a Community Board shall be reimbursed only if the member has obtained the approval of the Chief Executive or the Corporate Services Manager. Reimbursement of the cost of meals must be accompanied by receipts and details of the reason for the claim.
18. **Reimbursement for accommodation:** If it is unreasonable for an elected member to travel to his or her home after a meeting, the elected member may claim a meal and accommodation allowance. The maximum amount of the allowance is \$150.00 per night, reimbursable with receipts.
19. **Private accommodation provided by friends/relatives:** An elected member may arrange private accommodation with friends/relatives of the elected member when they are travelling on Council or Community Board business. This shall be reimbursed at a rate of \$50.00 per night and is all inclusive of accommodation, transport to and from the private residence and meals. No other expenditure shall be claimed by the elected member and no receipts are required for reimbursement to occur.
20. **Entertainment and hospitality:** Except for meals (refer rule 17) no hospitality and entertainment allowances are payable to elected members.
21. **Communications and technology:** The Council provides the following equipment to members of the Council:
 - Notebook – Mayor only
 - Mobile phone – Mayor and Deputy Mayor only

No restrictions are placed on private use of any of this equipment.

22. **Telephone rental costs:** There is no reimbursement of elected member's telephone rental costs.
23. **Telephone call expenses:**

The Council pays the telephone account for mobile phones that the Council provides to the Mayor and Deputy Mayor.

The reasonable cost of toll calls made by elected members on their home phone on Council or Community Board business, and the reasonable cost of calls made by elected members (other than the Mayor and Deputy Mayor) on their mobile phone on Council or Community Board business, will be reimbursed to the member on presentation to the Chief Executive or Corporate Services Manager of a telephone account with details showing to whom the call was made.

24. **Facsimile machines:** The Council will pay elected members who own a facsimile machine and use the facsimile machine for Council or Community Board business an allowance to cover line charges up to a maximum amount of \$39.95 per month. Consumables will be provided on request.
25. **Internet connection:** The Council will pay elected members who own a computer and use the computer for Council or Community Board business an allowance for the cost of broadband or dial-up to a maximum amount of \$39.95 per month. If broadband is unavailable an allowance for the setup and usage of a satellite connection up to a maximum of \$91.96 per month will be paid.
26. **Computers:** The Council will pay elected members who own a computer and use the computer for Council or Community Board business an allowance of \$41.66 per month. Consumables will be provided on request.

PROFESSIONAL DEVELOPMENT, CLUBS AND ASSOCIATIONS

27. The cost of a member of the Council or a member of a Community Board registering to attend a conference or seminar on Council or Community Board business shall be reimbursed only if the Council or Community Board has previously resolved to do so. Otherwise, no expenses are reimbursed or allowances paid in respect of elected members attendance at professional development courses, conferences and seminars.
28. Except as allowed under rule 15, no expenses are reimbursed or allowances paid in respect of subscriptions to clubs or associations.

OTHER EXPENSE REIMBURSEMENT AND ALLOWANCES

29. Other than with the approval of the Chief Executive or the Corporate Services Manager no other expense reimbursements are made or allowances paid, to elected members.

TAXATION OF ALLOWANCES

30. No allowances (as distinct from reimbursement of actual business expenses) are paid without deduction of withholding tax.

MATTERS NOT COVERED

31. Any matters not covered by the above rules shall be decided by the Mayor, Chief Executive and Corporate Services Manager in accordance with the principles set out in Section 2.