Revised Policy FIN-001-028 Ex Gratia Payments

Report Purpose
To propose amendments to Policy FIN-001-028 Ex Gratia Payments in order to increase the policy’s financial limits, to amend operational guidelines, and to ensure the policy meets the County’s new policy format standards.

Recommendation
THAT Policy FIN-001-028, Ex Gratia Payments, be replaced with the revised Policy FIN-001-028 attached as Enclosure 3 to the September 8, 2020, Legislative and Legal Services report.

Our Prioritized Strategic Goals
Continuously improving the way we work, as one organization, in an agile and sustainable manner

Report

Purpose of an Ex Gratia Policy
The County’s Ex Gratia Payments policy was originally passed by Council in 2013. The purpose of the County’s policy, and Ex Gratia policies and payments in general, is to allow small payments without the admission of legal liability.

Ex Gratia policies are common in various levels of government, as well as in the corporate world. Ex gratia payment are used to avoid court proceedings and their increased costs, as well as to avoid admissions (and sometimes discussions) of legal liability, which may set a precedent for future payments. Ex gratia payments are also often connected to situations where there may be a “moral” obligation to compensate for damage, loss, or another detriment, but where a “legal” obligation might not exist (for example, where an honest error may not lead to legal liability, but there may be a general feeling that there should be compensation).

Current Ex Gratia Policy
The County’s current Ex Gratia Payments policy, FIN-001-028, was approved by Council in 2013. One of the key aspects of the current policy is that its limit for Ex gratia payments is $1,500. This limit is the maximum amount that can be paid by the County for a claim without further Council or budget approval.

In discussions on other matters, Council has noted that there may be value in increasing the limits on Ex gratia payments in order to create efficiencies in making small payments.

Revisions to the Policy
In order to allow more flexibility and efficiencies in making Ex gratia payments, the draft policy proposes to raise the Ex Gratia payments limit to $5,000, from $1,500.

A number of additional changes have been made to the draft policy to bring the policy in line with the requirements in the Municipal Policy Handbook Program policy.
Some of the items, tasks, and descriptions in the “Roles and Responsibilities” section have been removed, as they were particularly procedural (for example, which department issues the cheques, which department reviews requests, and who communicates with residents). In addition, the Policy Statement and Purpose have been separated. The current version does not have a “Purpose” section (the policy predates the changes in the Municipal Policy Handbook Program policy).

Administration proposes the draft policy in order to streamline Ex Gratia payments, increase the payment limit, and allow for changes in processes when necessary.

**Council and Committee History**
September 10, 2013   FIN-001-028 Ex Gratia Payments policy approved by Council

**Other Impacts**
**Policy:**
**Legislative/Legal:**
**Interdepartmental:**
**Master Plan/Framework:**

**Enclosure(s)**
1  Ex Gratia Payments Policy - Presentation
2  FIN-001-028 Ex Gratia Payments Policy (Current)
3  FIN-001-028 Ex Gratia Payments Policy (Draft)