

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)

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| 1 | Ex Gratia Payments Policy - Presentation |
| 2 | FIN-001-028 <i>Ex Gratia</i> Payments Policy (Current) |
| 3 | FIN-001-028 <i>Ex Gratia</i> Payments Policy (Draft) |