



## ADMINISTRATIVE REPORT

Report Date: May 24, 2016  
Contact: Janice MacKenzie  
Contact No.: 604.871.6146  
RTS No.: 11391  
VanRIMS No.: 08-2000-20  
Meeting Date: June 1, 2016

TO: Standing Committee on Policy and Strategic Priorities  
FROM: City Clerk  
SUBJECT: Councillors' Discretionary Fund - Report Back

### **RECOMMENDATION**

- A. THAT Council approve the Mayor and Councillors' Expenses Bylaw generally as set out in the Administrative Report entitled "Council Members' Discretionary Fund - Report Back".
- B. THAT the Director of Legal Services be instructed to bring forward a bylaw for consideration by Council generally in accordance with Appendix A.

### **REPORT SUMMARY**

This report is to recommend bylaw changes in order to implement the Council decision of February 24, 2016 in which Council created a fund of \$6,000 per Councillor per year which is available to be used for discretionary purposes. The report also recommends streamlining and modernizing the content of the bylaw that regulates Mayor and Councillors' expenses, without altering the intent of the existing Bylaw.

### **COUNCIL AUTHORITY/PREVIOUS DECISIONS**

At the Standing Committee on Policies and Strategic Priorities on February 24, 2016, Council approved the creation of a discretionary fund of \$6,000 per Councillor per year. Staff were asked to report back to Council with a recommended framework for use and reporting of the fund.

Under the Vancouver Charter (s.196), Council may by bylaw provide for payments for:

- remuneration to Council members for discharge of the duties of office - a portion of which may be an allowance for expenses incidental to those duties; and
- expenditures made or expenses incurred by a Council member when they are representing the city, engaging in city business, or attending a meeting, course or convention.

In response to this requirement, Council enacted the Mayor and Councillor Remuneration Bylaw No. 11483 and Mayor and Council Members' Expenses Bylaw No. 8904. The current remuneration bylaw was enacted on April 5, 2016. The Mayor and Council Members' Expenses Bylaw No. 8904 currently in effect was approved by Council in July 2004.

Further, the Vancouver Charter (s.196A) requires that Council publicly report on the total amount of remuneration paid to the Mayor and each Councillor and the total amount of expense payments made to each Council member (i.e. Mayor and Councillors) made at least once a year. The most recent reporting took place on February 24, 2016.

In addition, each quarter the City publishes through the City's online open data catalogue the details of local expenses incurred by the Mayor and each Councillor. At the Regular Council meeting on May 3, 2016, as part of a larger motion, Council directed staff to expand the quarterly reporting to include spending incurred by the Councillors' Office and Mayor's Office, including spending from the Mayor's discretionary fund.

### ***CITY MANAGER'S/GENERAL MANAGER'S COMMENTS***

The City Manager RECOMMENDS approval of the foregoing.

### ***REPORT***

#### ***Background/Context***

On February 24, 2016 at the Standing Committee on Policies and Strategic Priorities, Council approved the following motion:

THAT Council approve the creation of a discretionary fund in the amount of \$6,000 per Councillor per year for Councillors to utilize for purposes of obtaining research support and constituency management functions that are outside the scope of the duties performed by administrative assistants, and further, that staff be directed to report back to Council with a recommended framework of terms and conditions for use and reporting of discretionary funds.

Under the Vancouver Charter, section 196, Council may by bylaw provide an allowance for expenses incurred by a Council member when the member is representing the city, engaging in city business, or attending a meeting, course, or convention.

Therefore, in response to the above Council decision, staff are proposing that the existing Bylaw (Mayor and Council Members' Expenses Bylaw No. 8904) be changed to incorporate the previously approved discretionary fund for each Councillor.

That bylaw is the same bylaw that sets out the rules governing the:

- Mayor's and Councillors' local expenses funds
- Mayor's and Councillors' travel expenses

- Councillors' (shared) travel fund
- Mayor's discretionary fund

In addition to changing the bylaw to include the rules governing the use of the discretionary fund by Councillors, staff are proposing housekeeping amendments designed to streamline and modernize the bylaw and ensure that the wording of the bylaw reflects the City processes currently in place. The housekeeping changes do not impact the current rules governing Council members as set out in the existing bylaw but rather attempt to organize the rules governing Mayor and Councillors' expenses in an easier to understand manner.

### ***Strategic Analysis***

The following section summarizes the proposed changes to the existing bylaw governing the Mayor and Councillors expenses (i.e. Bylaw No. 8904):

#### **A. Councillor Discretionary Fund**

As indicated previously, on February 24<sup>th</sup>, Council approved the creation of a discretionary fund in the amount of \$6,000 per Councillor per year. Staff were directed to report back to Council with a recommended framework for the use and reporting of these funds.

Based on this direction, staff are proposing an addition to the existing bylaw language to describe the discretionary expenses and outline the rules governing fund usage.

Specifically, staff are proposing that the fund be available to cover expenses incurred by one or more Councillors while carrying out constituency activities such as:

- Communications expenses - Includes costs related to speech writing, letter writing, media releases, social media, and other similar forms of communication services;
- Fees for consulting and contracted services - Includes costs related to the engagement of services to facilitate constituency management;
- Costs of research and information gathering - Includes costs related to conducting research and gathering information regarding issues and other matters of interest to members of constituency; and
- Costs of community outreach and events - Includes costs associated with liaising and undertaking community outreach to various constituencies and neighbourhoods, including the holding of events for that purpose.

The bylaw, as proposed, allows for two or more Councillors to jointly incur discretionary expenses.

The specific language proposed for the Councillors' discretionary allowance is as follows:

## **PART 7 COUNCILLOR DISCRETIONARY EXPENSES**

### **Councillor discretionary fund**

7.1 Council establishes the Councillor discretionary fund for each Councillor.

### **Councillor discretionary expenses**

7.2 Councillor discretionary expenses are eligible expenses if incurred by one or more Councillors while carrying out constituency activities related to eligible activities and not provided for elsewhere in this By-law, and may include:

- (a) communications expenses;
- (b) fees for consulting or other contracted services;
- (c) costs of research and information gathering; and
- (d) costs of community outreach and events.

### **Joint discretionary expenses**

7.3 Two or more Councillors may jointly incur Councillor discretionary expenses.

### **Councillor discretionary expenses limit**

7.4 A Councillor or Councillors are entitled to payment for discretionary expenses, as specified in this By-law, that are incurred in any calendar year, subject to the provisions of this By-law:

- (a) to a maximum for each Councillor of the amount approved by Council as part of the city's annual budget for that individual Councillor's discretionary fund for the calendar year; and
- (b) in the case of two or more Councillors who jointly incur discretionary expenses:
  - (i) to a combined maximum of the total amounts approved by Council as part of the city's annual budget for discretionary funds for those participating Councillors, for the calendar year, and
  - (ii) to be distributed equally among participating Councillors, unless participating Councillors advise the Director of Finance, at the time of submitting the claim, that the discretionary expenses are to be allocated otherwise.

With respect to publicly reporting on the use of the discretionary fund, as mentioned previously the Vancouver Charter requires that Council publicly report on remuneration and expense payments made under the Vancouver Charter for all Council members. This includes the Mayor and Councillors. Therefore, the expenses incurred through the discretionary fund will also be reported on annually. Further, the City's current practice of quarterly reporting on

Mayor and Councillors' local expenses in open data will be extended to include expenses incurred in relation to the discretionary fund for each Councillor as well as the Mayor's Office spending (as directed by Council at the Regular Council meeting on May 3, 2016).

## B. Housekeeping Changes

The existing Mayor and Council Members' Expenses Bylaw No. 8904 has been in effect since July 2004. This bylaw is difficult to understand largely because of the way in which the bylaw is organized and, in some instances, the language used. Therefore, in an effort to more clearly lay out the rules governing the Mayor's and Councillors' expenses, staff have modernized and streamlined the bylaw content by restructuring it, using easier to understand language, and expanding the definitions section of the bylaw. The changes are meant to ensure that the wording of the new bylaw reflects the city's actual processes without altering the intent of the existing By-law. The proposed bylaw is attached as Appendix A.

The following is a summary of the housekeeping changes made to the bylaw content:

- Definitions - staff are proposing that the definition section of the bylaw be expanded as outlined in Appendix A - Part 1.
- Councillor transportation allowance - the current bylaw establishes a transportation allowance equal to 60% of 10% of the council member's remuneration. However, the language used in the current bylaw is confusing. Staff are proposing to restate the description of the transportation allowance in simpler terms in the new bylaw. See Appendix A - Part 2.
- Transportation Allowance - Annual Notice - The existing bylaw does not specify a date by which the Mayor and Councillors are to provide notice of their intent to receive a transportation allowance. However, in practice, if a Council member wishes to receive the allowance in the upcoming year, they make their request known to staff by mid-December. Therefore, staff are proposing to specify an annual notification deadline of December 15. See Appendix A - Part 2.
- Mayor's discretionary fund - In the existing bylaw this fund is referred to as the "Mayor's budgeted fund". This fund is approved by Council as part of the annual Mayor's Office budget. The fund is for use by the Mayor for discretionary expenses specified in the bylaw. Staff are proposing that this fund be named "Mayor's discretionary fund" in the new bylaw to reflect title by which it is more commonly known. See Appendix A - Part 5.
- Councillor travel fund - The existing bylaw allows for a "pooled budgeted fund" for eligible travel activities outside of the GVRD. This fund is approved by Council as part of the annual budget and is for use by all Councillors for travel expenses as outlined in the Appendix A. Staff are proposing that this fund be called "Councillor travel fund" to better reflect its use. See Appendix A - Part 6.

### ***Implications/Related Issues/Risk (if applicable)***

#### ***Financial***

On February 24, 2016, Council approved the creation of a discretionary fund in the amount of \$6,000 per Councillor per year for Councillors to utilize for purposes of obtaining research support and constituency management functions.

**CONCLUSION**

This report is to recommend bylaw changes in order to implement the Council decision of February 24, 2016 in which Council created a discretionary fund of \$6,000 per Councillor per year for discretionary purposes. The report also recommends streamlining and modernizing the content of the bylaw that regulates Mayor and Councillors' expenses, to ensure that the wording of the new Bylaw reflects the city's actual process, without altering the intent of the existing Bylaw.

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# CITY OF VANCOUVER

## MAYOR AND COUNCILLOR EXPENSES BY-LAW

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BY-LAW NO \_\_\_\_

A By-law regarding  
Mayor and Councillor expenses

THE COUNCIL OF THE CITY OF VANCOUVER, in public meeting, enacts as follows:

PART 1  
INTERPRETATION

Name of By-law

1.1 The name of this by-law, for citation, is the “Mayor and Councillor Expenses By-law”.

Definitions

1.2 In this By-law:

“City Clerk” means the city official appointed by Council as the City Clerk and includes the Deputy City Clerk and any other persons authorized to act on behalf of the City Clerk;

“civic activities” means representing the city, engaging in city business, or attending a course, meeting or convention;

“Councillor” does not include the Mayor;

“Councillor discretionary fund” means the fund established by this by-law, and approved by Council as part of the annual budget, for discretionary expenses for each Councillor related to constituency activities, as specified in this By-law;

“Councillor travel fund” means the pooled fund approved by Council as part of the annual budget for use by all Councillors for travel expenses that are specified in this By-law;

“Director of Finance” means the city official appointed by Council as the Director of Finance and includes the Deputy Director of Finance and any other persons authorized to act on behalf of the Director of Finance;

“eligible activities” means civic activities for which the Mayor or Councillors may incur expenses which may be paid for in accordance with this By-law;

“eligible expenses” means those expenses necessarily incurred in the course of or as the result of participation in or carrying out eligible activities, and any other expenses specified in this By-law as eligible expenses;

“local expenses” means those eligible expenses set out in section 4.1;

“Mayor’s discretionary fund” means the fund approved by Council as part of the annual budget for use by the Mayor for discretionary expenses that are specified in this By-law;

### **Application**

1.3 Eligible expenses incurred by the Mayor and Councillors while carrying out eligible activities must be paid in accordance with, and subject to the limits set out in, this By-law.

### **Table of contents**

1.4 The table of contents is for convenient reference only.

### **Severability**

1.5 A decision by a court that any part of this By-law is illegal, void or unenforceable severs that part from this By-law and is not to affect the balance of this By-law.

## **PART 2 TRANSPORTATION ALLOWANCE**

### **Mayor’s transportation allowance**

2.1 Subject to notice to the Director of Finance in accordance with the provisions of this By-law, the transportation allowance for the Mayor for each calendar year or portion thereof, is:

- (a) the use of a motor vehicle for the conduct of city business; or
- (b) \$600.00 per month, paid bi-weekly.

### **Councillor transportation allowance**

2.2 Subject to notice to the Director of Finance in accordance with the provisions of this By-law, the transportation allowance for each Councillor for each calendar year or portion thereof, is 60% of 10% of the Councillor’s remuneration for that calendar year, prorated if applicable and paid bi-weekly.

### **Annual notice regarding transportation allowance**

2.3 The Mayor or any Councillor who elects to receive a transportation allowance for a calendar year must advise the Director of Finance of their intention to do so, on or before December 15 of the preceding year.

### **Failure to provide notice**

2.4 The Mayor or any Councillor who fails to provide notice to the Director of Finance as required by section 2.3 will not be eligible to receive a transportation allowance for the pertinent calendar year.

## **PART 3 APPROVED ELIGIBLE ACTIVITIES**

### **Approved eligible activities**

3.1 Council approves the attendance by the Mayor and Councillors at each annual convention of the Federation of Canadian Municipalities or the Union of British Columbia Municipalities, as eligible activities.

## **PART 4 MAYOR AND COUNCILLOR LOCAL EXPENSES**

### **Local expenses**

4.1 Local expenses are eligible expenses if incurred by the Mayor or a Councillor while carrying out eligible activities within the Greater Vancouver Regional District, and include:

- (a) registration and attendance fees for courses, meetings, conventions other than those approved under section 3.1 of this By-law, and other events;
- (b) admission fees and other costs related to cultural and community events;
- (c) parking fees;
- (d) entertainment expenses incurred in a hosting capacity;
- (e) transportation costs, except for a Councillor who already receives a transportation allowance in accordance with this By-law;
- (f) membership fees in any organization that contributes to the ability of the Mayor or a Councillor to fulfill their civic duties;
- (g) educational fees for courses that contribute to the ability of the Mayor or a Councillor to fulfill their civic duties;
- (h) expenses related to communications and business equipment costs; and
- (i) other similar or related expenses.

### **Mayor's local expenses limit**

4.2 The Mayor is entitled to payment for local expenses incurred in any calendar year, subject to the provisions of this By-law, to a maximum amount equivalent to 10% of the Mayor's remuneration for that calendar year.

### **Councillor local expenses limit**

4.3 Each Councillor is entitled to payment for local expenses incurred in any calendar year, subject to the provisions of this By-law, to a maximum amount of the lesser of:

- (a) 10% of the Councillor's remuneration for that calendar year, and
- (b) the difference between the Councillor's remuneration referred to in paragraph (a) above and the Councillor's transportation allowance.

## **PART 5 MAYOR'S DISCRETIONARY EXPENSES**

### **Mayor's discretionary expenses**

5.1 The Mayor's discretionary expenses are eligible expenses if incurred by the Mayor or by the Mayor's staff, while carrying out eligible activities, and may include:

- (a) registration and attendance fees for courses, meetings, conventions including those approved under section 3.1 of this By-law, and other events;
- (b) those eligible expenses set out in the Corporate Travel Policy of the City of Vancouver;
- (c) communications expenses;
- (d) fees for consulting or other contracted services;
- (e) costs of research and information gathering; and
- (f) costs of community outreach and events.

### **Mayor's discretionary expenses limit**

5.2 The Mayor is entitled to payment for discretionary expenses, as specified in this By-law, that are incurred by the Mayor or by the Mayor's staff in any calendar year, to a maximum of the amount approved by Council as part of the city's annual budget for the Mayor's discretionary fund for that calendar year and subject to the provisions of this By-law.

## PART 6 COUNCILLOR TRAVEL EXPENSES

### Councillor travel expenses

6.1 Councillor travel expenses are eligible expenses if incurred by Councillors while carrying out eligible activities outside of the Greater Vancouver Regional District, and may include:

- (a) registration and attendance fees for courses, meetings, conventions including those approved under section 3.1 of this By-law, and other events; and
- (b) those eligible expenses set out in the Corporate Travel Policy of the City of Vancouver.

### Request for Council approval of travel expenses

6.2 A Councillor who wishes to be paid for Councillor travel expenses, other than conventions approved under section 3.1 of this By-law, must seek and obtain the prior approval of Council to participation in or attendance at that eligible activity.

### Submission of approval request

6.3 A Councillor must submit the approval request referred to in section 6.2, in writing to the City Clerk, in sufficient time for Council to consider the request before the date of the eligible activity.

### Approval request on Council agenda

6.4 The City Clerk must include the approval request on the next Council agenda following the date of the approval request.

### Council approval or refusal

6.5 Council may approve or refuse an approval request, except that a Councillor must not be paid for expenditures made or expenses incurred in relation to an eligible activity for which Council has previously refused an approval request.

### Councillor travel expenses limit

6.6 Councillors who claim payment in accordance with this By-law, are entitled to payment for travel expenses, as specified in this By-law, that are incurred in any calendar year, subject to the provisions of this By-law, to a combined maximum of the amount approved by Council as part of the city's annual budget for the Councillor travel fund for that calendar year.

**PART 7  
COUNCILLOR DISCRETIONARY EXPENSES**

**Councillor discretionary fund**

7.1 Council establishes the Councillor discretionary fund for each Councillor.

**Councillor discretionary expenses**

7.2 Councillor discretionary expenses are eligible expenses if incurred by one or more Councillors while carrying out constituency activities related to eligible activities and not provided for elsewhere in this By-law, and may include:

- (a) communications expenses;
- (b) fees for consulting or other contracted services;
- (c) costs of research and information gathering; and
- (d) costs of community outreach and events.

**Joint discretionary expenses**

7.3 Two or more Councillors may jointly incur Councillor discretionary expenses.

**Councillor discretionary expenses limit**

7.4 A Councillor or Councillors are entitled to payment for discretionary expenses, as specified in this By-law, that are incurred in any calendar year, subject to the provisions of this By-law:

- (a) to a maximum for each Councillor of the amount approved by Council as part of the city's annual budget for that individual Councillor's discretionary fund for the calendar year; and
- (b) in the case of two or more Councillors who jointly incur discretionary expenses:
  - (i) to a combined maximum of the total amounts approved by Council as part of the city's annual budget for discretionary funds for those participating Councillors, for the calendar year, and
  - (ii) to be distributed equally among participating Councillors, unless participating Councillors advise the Director of Finance, at the time of submitting the claim, that the discretionary expenses are to be allocated otherwise.

## PART 8 CLAIMING EXPENSES

### Claim procedure

8.1 All claims for payment of expenditures made or expenses incurred by the Mayor or Councillors while carrying out eligible activities must be made in accordance with this Part.

### Submission of claims

8.2 The Mayor and Councillors must:

- (a) submit all claims for payment of expenses to the Director of Finance; and
- (b) provide supporting receipts or other documentation to the satisfaction of the Director of Finance.

### Authority of the Director of Finance

8.3 The Director of Finance must:

- (a) determine whether or not a claim is for an eligible expense; and
- (b) determine the applicable fund or allowance from which an eligible expense is to be paid.

### Referral to Council

8.4 The Director of Finance may refer any claim for payment of an expense to Council for a determination regarding whether or not the claim is for an eligible expense.

### Appeal to Council

8.5 An appeal lies to Council from a determination by the Director of Finance that a claim for payment is not for an eligible expense.

### Approval of eligible expenses

8.6 Eligible expenses may be approved:

- (a) by the Director of Finance; or
- (b) by Council in accordance with section 8.4 or 8.5.

### Payment or reimbursement

8.7 The Director of Finance must pay the Mayor and Councillors for expenses that have been determined by Council or the Director of Finance to be eligible expenses, from the applicable fund or allowance, and in accordance with the provisions of this By-law.



