



## COUNCIL REPORT

Report Date: June 7, 2023  
Contact: Grant Murray  
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RTS No.: 15285  
VanRIMS No.: 08-2000-20  
Meeting Date: July 11, 2023  
[Submit comments to Council](#)

TO: Vancouver City Council  
FROM: Director of Legal Services  
SUBJECT: Amendments to the Mayor and Councillor Expenses By-law

### Recommendations

- A. THAT Council approve, in principle, proposed amendments to the Mayor and Councillor Expenses By-law generally in accordance with Appendix "A".
- B. THAT Council instruct the Director of Legal Services to bring forward for enactment a by-law to amend the Mayor and Councillor Expenses By-law, generally in accordance with Appendix "A".

### Purpose and Executive Summary

This report recommends amendments to the Mayor and Councillor Expenses By-law. One set of amendments relates to a Council motion regarding the use of public funds for partisan activity. Another set relates to a \$5,000 allocation to each member of Council to assist them with paying for legal fees associated with conflict of interest issues. A final amendment clarifies that Councillor's expenses incurred to attend annual meetings and committee meetings of the Federation of Canadian Municipalities ("FCM") or the Union of British Columbia Municipalities ("UBCM") are eligible travel expenses. These proposed amendments are set out in Appendix "A".

### Council Authority/Previous Decisions

The proposed amendment regarding partisan activities flows from a Council motion adopted unanimously by Council on June 22, 2022.

The proposed amendment regarding the annual allocation of \$5,000 per Councillor results from Council's decision in relation to the Integrity Commissioner's report that was accepted by Council on May 10, 2023.

The proposed amendment regarding travel expenses is considered to be in accordance with Council policy to encourage attendance at FCM and UBCM meetings.

## City Manager's Comments

The City Manager concurs with the foregoing recommendations.

## Context and Background

The proposed amendments arise from three different sources.

### Partisan Activity

The proposed amendment regarding partisan activities flows from a Council motion adopted unanimously by Council on June 22, 2022.

The motion, as adopted, can be found at Appendix "B", and includes the following:

THEREFORE BE IT RESOLVED THAT Council direct staff to review By-law No. 11529 (Mayor and Councillor Expenses), with reference to Parts 5 and 7, and make recommendations to strengthen the By-law with respect to eligible and prohibited use of discretionary funds;

Legal staff have developed a proposed amendment that responds to the motion. The proposed amendment better defines what an "eligible expense" is and clarifies that eligible expenses do not include the partisan use of City property and resources.

### Legal expenses

The proposed amendment regarding an annual allocation of \$5,000 per Councillor results from Council's decision in relation to a report regarding the Integrity Commissioner's, the Annual Report of the Office of the Integrity Commissioner and Review of the Code of Conduct By-law, that was adopted by Council on May 11, 2023. The report can be found here:

<https://council.vancouver.ca/20230510/documents/cfsc5.pdf>

The minutes regarding Council's discussion and decision regarding the report can be found on page 16 of this link:

[Standing Committee on City Finance and Services - Minutes - May 10, 2023 \(vancouver.ca\)](#)

In adopting the report and its Recommendations, Council instructed staff to:

... bring forward proposed amendments to the Code of Conduct and Mayor and Councillor Expenses By-Law No. 11529 (the "Expenses By-law") ... including a further provision in the Councillor Expenses By-Law No. 11529 that would allow all Council Members to access a new collective expense fund for up to \$5,000 per year per Council Member ... for the purpose of obtaining independent legal advice as to their duties and obligations under the Code of Conduct, Financial Disclosure Act and conflict of interest provisions in the *Vancouver Charter* (sections 145.2-145.91).

FURTHER THAT it also be noted for clarity that legal expenses incurred with respect to an existing complaint, action, prosecution, inquiry or a proceeding would not be an eligible expense for this new fund and would continue to be dealt with by way of a request for indemnification and/or reimbursement to Council in accordance with the *Vancouver Charter*.

### Travel Expenses

The Mayor and Councillor Expenses By-law currently states that attending the annual meetings of the FCM and UBCM are eligible travel expenses. This amendment will explicitly state that expenses incurred to attend FCM or UBCM committee meetings are also eligible travel expenses for anyone appointed as a committee member. This amendment is recommended by the Acting City Clerk, and is considered to be in accordance with Council policy to encourage attendance at such meetings.

### **Financial Implications**

Establishing a new collective expense fund of \$5,000 per Council member would have a budget impact of \$55,000. Travel expenses would be in addition to this amount and would depend on usage. The source of funding is to be the General Revenue Stabilization Reserve for 2023 and an estimate of the required budget, based on Council usage in 2023, is to be included in the draft Operating Budget for 2024.

### **Legal Implications**

The proposed by-law amendments are authorized section 196 of the *Vancouver Charter*.

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**APPENDIX “A”  
DRAFT BY-LAW**

**BY-LAW NO. \_\_\_\_**

**A By-law to amend the Mayor and Councillor Expenses By-law No. 11529**

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

1. This by-law amends the indicated provisions of the Mayor and Councillor Expenses By-law No. 11529.

2. Council strikes the definition of “eligible activities” in section 1.2, which reads as follows:

““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;”

and replaces it with the following:

““eligible activities” means civic activities for which the Mayor or Councillors may incur expenses which may be paid for or reimbursed in accordance with this By-law including promoting or encouraging public participation in City engagement processes, hosting engagement activities regarding civic issues and announcing or reporting on:

- (i) the office holder’s activities,
- (ii) the office holder’s contact information,
- (iii) the role played by the office holder in civic business,
- (iv) services provided by the office holder, and

but does not include any use of City resources for partisan political purposes including to promote an elector organization as defined in section 7 of the *Vancouver Charter* or to solicit financial support for the Mayor or any Councillor or an elector organization;”.

3. Council strikes section 3.1, which reads as follows:

**“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.”

and replaces it as follows:

**“Approved eligible activities**

3.1 Council approves the attendance by the Mayor and Councillors at each annual convention, and attendance by an appointed member of Council at any committee meeting, of the Federation of Canadian Municipalities or the Union of British Columbia Municipalities, as eligible activities.”.

4. Council adds a new section 5.3 as follows:

**“Legal expenses incurred in relation to conflict allegations**

5.3 The Mayor is entitled to claim expenditures of up to \$5,000 per year for retaining independent legal counsel to seek advice as to the Mayor’s duties and obligations under the Code of Conduct By-law, the Financial Disclosure Act or in relation to sections 142.1 to 146 of the *Vancouver Charter*, but these approved expenditures do not include any expenses incurred in defending a proceeding for which the Mayor may be indemnified under section 180 of the *Vancouver Charter*.”.

5. Council adds a new section 7.5 as follows:

**“Legal expenses incurred in relation to conflict allegations**

7.5 Every Councillor is entitled to claim expenditures of up to \$5,000 per year for retaining independent legal counsel to seek advice as to their duties and obligations under the Code of Conduct By-law, the Financial Disclosure Act or in relation to sections 142.1 to 146 of the *Vancouver Charter*, but these approved expenditures do not include any expenses incurred in defending a proceeding for which a Councillor may be indemnified under section 180 of the *Vancouver Charter*.”.

6. This by-law is to come into force and take effect on the date of its enactment.

ENACTED by Council this \_\_\_\_\_ day of \_\_\_\_\_, 2023

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
Acting City Clerk

## APPENDIX B MOTION

### **Amending By-Law No.11529 Mayor and Councillor Expenses to Clearly Define Eligible and Prohibited Uses of Discretionary Funds (Member’s Motion B.5)**

#### WHEREAS

1. The City of Vancouver and Vancouver City Council are committed to the principles of transparency, accountability, and good governance, and to ensuring that these core principles are embedded within, and applied to, all City processes and activities;
2. Discretionary funds are allocated to the Mayor and Councillors for a variety of eligible expenses. The discretionary expenses of Vancouver’s Mayor and Councillors are outlined and enabled in the City’s By-law No. 11529 (Mayor and Councillor Expenses);
3. PART 5 of By-law No. 11529 (Mayor’s Discretionary Expenses) states under section 5.1 that “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” – among other things – communications expenses, fees for consulting or other contracted services, costs of research and information gathering, and costs of community outreach and events;
4. PART 7 of By-law No. 11529 (Councillor Discretionary Expenses) states under section 7.2 that “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
  - (d) costs of community outreach and events
5. Provincially, each Member of the Legislative Assembly (MLA) receives an annual office allowance to run the day-to-day operations of their respective constituency offices. This office allowance covers operating expenses, including office staff payroll and discretionary expenses;
6. Similar to the discretionary funds allocated to the Mayor and Councillors under By-law No. 11529, Members of the Provincial Legislature are able to use their constituency office allowance for communications with constituents, “which can be in the form of a newsletter, household flyer, or advertisement (e.g., print, online, radio, or television)”;
7. The content of advertisements and messages sent by Members of the Provincial Legislature to their constituents is specifically, and unambiguously, restricted “to announcing or reporting on constituency office activities, how to contact the Member, the role played by the Member in the legislative process, and services provided by the Member to constituents. Members may not use constituency office resources or funds to distribute or mail physical or digital content which promotes partisan or political messages or solicits financial support.”;
8. Unlike the clearly defined prohibitions on Members of the Provincial Legislature, whereby they are not allowed to use constituency office resources or funds “to distribute or mail physical or digital content which promotes partisan or political messages or solicits financial support,” the City’s current By-law does not adequately and clearly define the limits and/or appropriate expenditures and uses of Mayor and Councillor discretionary funds; and

9. In the absence of clear definitions as to the scope of eligible expenses, which has proven to be too broad and open to interpretation, the potential exists for misuse and/or inappropriate use of public dollars for partisan purposes – perceived or otherwise – which can only serve to erode trust in government and the integrity of government processes.

THEREFORE BE IT RESOLVED THAT Council direct staff to review By-law No. 11529 (Mayor and Councillor Expenses), with reference to Parts 5 and 7, and make recommendations to strengthen the By-law with respect to eligible and prohibited use of discretionary funds;

FURTHER THAT Council direct staff to report back with their analysis and recommendations by or before the end of Q4 2022.