

From: ["Mochrie, Paul" <Paul.Mochrie@vancouver.ca>](mailto:Paul.Mochrie@vancouver.ca)

To: ["Direct to Mayor and Council - DL"](#)

Date: 11/17/2021 6:17:25 PM

Subject: [Advisory Body Expense Allowances](#)

Attachments: [Memo to Mayor and Council - Advisory Body Expenses.pdf](#)

Dear Mayor and Council,

Please find attached a memo from Katrina Leckovic, City Clerk, on the implementation of expense allowances for Type A Advisory Body members.

Summary:

- Staff are implementing expense allowances to defray certain expenses associated with Advisory Body membership;
- CRA rules on the disbursement of public funds may create unavoidable barriers to some members claiming the offered amounts;
- Some Committee members have indicated they will submit complaints to Mayor and Council regarding these barriers.

If you require any additional information regarding this matter, please contact Katrina Leckovic, City Clerk (Katrina.Leckovic@vancouver.ca), or Tina Penney, Director, Legislative Operations (Tina.Penney@vancouver.ca).

Best,
Paul

Paul Mochrie (he/him)
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City of Vancouver
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The City of Vancouver acknowledges that it is situated on the unceded traditional territories of the x^wməθk^wəyəm (Musqueam), Sḵwəxwú7mesh (Squamish), and səliłwətał (Tsleil-Waututh) Nations.

MEMORANDUM

November 17, 2021

TO: Mayor and Council

CC: Paul Mochrie, City Manager
Karen Levitt, Deputy City Manager
Lynda Graves, Administration Services Manager, City Manager's Office
Maria Pontikis, Director, Civic Engagement and Communications
Anita Zaenker, Chief of Staff, Mayor's Office
Neil Monckton, Chief of Staff, Mayor's Office
Alvin Singh, Communications Director, Mayor's Office
Tina Penney, Director, Legislative Operations
Kevin Burris, Manager, Civic Agencies
Henry Woo, Manager, Accounting Operations
Richard Tong, Supervisor, Accounting Operations
Aftab Erfan, Chief Equity Officer

FROM: Katrina Leckovic
City Clerk

SUBJECT: Advisory Body Expense Allowances

PURPOSE

This memo provides an update to Mayor and Council on the implementation of expense allowances for members of 12 "Type A" Advisory Committees—those that are advisory to Council and staff. It highlights potential barriers members may face in collecting these amounts, which stem from Canada Revenue Agency rules on the disbursement of public funds.

BACKGROUND

In a June 5, 2020 report received by Council for information (linked [here](#)), staff informed Council of measures intended to decrease barriers to participation in Advisory Bodies, including the implementation of payments meant to defray certain expenses associated with membership. Council subsequently approved the proposed budget contained in the report.

DISCUSSION

City Clerk's Office staff have been working with the Finance Department to determine how best to implement expense reimbursements to "Type A" Advisory Committee members, in a way that does not create undue administrative burden on either the City or the members. In addition to

free parking at City Hall parking facilities, reimbursements are being offered in the following amounts:

- \$40 per member, per meeting for dependent care expenses;
- \$5 per member, per in-person meeting for transportation expenses (with increases available on a case-by-case basis for members with accessibility needs).

Canada Revenue Agency rules stipulate that these amounts be considered “allowances” rather than “reimbursements,” and as such are subject to potential taxation. As a result, the City must collect the following information prior to disbursing any amount, and distribute T4 slips to any member receiving more than \$500 in a calendar year:

- Mailing address
- Social Insurance Number
- Bank Direct Deposit Information

In discussion with Advisory Committee members, it has become apparent that these administrative requirements will constitute a barrier for some—in particular, any members with no fixed address, no SIN, and/or no bank account. Further, members who receive income or disability assistance may decide to not collect the amounts, fearing that the amount will then be clawed back from their Provincial benefits.

Although ACCS staff are working with Finance to develop a cohesive honorarium policy for the City, there is currently no apparent way to address the identified barriers, while also maintaining compliance with CRA rules.

While the expense allowances will be welcomed by many members, some have indicated that if they are implemented in a way that does not account for these barriers, they will submit complaints to Mayor and Council, and possibly contact news media outlets. This memo is intended to proactively alert elected officials to this possibility.

CONCLUSION

Staff will continue working interdepartmentally to seek solutions to the identified issues. However, as long as the CRA classifies honoraria and allowances as taxable income, it will be difficult to overcome these barriers fully.

Please contact myself or Tina Penney, Director Legislative Operations at tina.penney@vancouver.ca with questions.

Regards,



Katrina Leckovic
City Clerk

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