



Corporate Report

NO: R086

COUNCIL DATE: May 25, 2009

REGULAR COUNCIL

TO: Mayor & Council

DATE: May 21, 2009

FROM: City Manager

FILE: Councillor Car
Allowance

SUBJECT: Car Allowance for City Councillors

RECOMMENDATION

The City Manager recommends that Council:

1. approve amendments to “City Policy D-15 - Expense Policy for Council Members” as detailed in **Appendix A** to this report;
2. approve that these policy amendments become effective January 1, 2009; and
3. set the flat rate monthly car allowance at \$865 per month effective January 1, 2009.

INTENT

The purpose of this report is to provide Council with information regarding the practices of other local governments with respect to the payment of car allowances for City Councillors and to obtain Council approval to amend “City Policy D-15 - Expense Policy for Council Members” to implement a flat rate monthly car allowance for Surrey Councillors.

BACKGROUND

Staff has completed a survey of the practices of larger municipalities in the Lower Mainland and in other areas of Canada in relation to the provision of car allowances for City Councillors. **Appendix B** summarizes information gathered in the survey.

DISCUSSION

Based on the results of the above-referenced survey, staff has concluded that it would be reasonable for the City of Surrey to introduce a flat rate monthly car allowance for Surrey Councillors. In this regard, amendments, as detailed in Appendix A to this report, to “City Policy D-15 - Expense Policy for Council Members” have been prepared for Council’s consideration. It is recommended that these policy amendments be effective as of January 1, 2009 to coincide with the City’s budget year.

Justification for the introduction of a flat rate monthly car allowance for Surrey City Councillors includes:

- As documented in **Appendix B**, many municipalities (particularly larger ones), provide every member of their City Council with a car allowance; and
- Surrey has fewer members on City Council in comparison to other large Canadian cities and, as such, each member of Surrey Council is required to be present for a relatively larger portfolio of official and unofficial Council duties for which they are required to use their personal vehicle.

Amount of the Car Allowance

The City of Surrey provides a monthly car allowance to each member of the senior management team (i.e., the Departmental General Managers) at a flat rate of \$865 per month. This is intended to offset the costs of having a personal vehicle available for and using their personal vehicle on City business.

It is recommended that the flat rate monthly car allowance for each Surrey Councillor be set at the same rate as is provided to the City’s General Managers. In addition, based on a recent ruling by the Canada Revenue Agency, it is proposed that 1/3 of the flat rate car allowance be deemed non-taxable for Surrey Council.

Under the policy amendments recommended in this report, the flat rate monthly car allowance for Surrey Councillors would be adjusted from time to time to reflect changes in the “per kilometre” mileage rate provided to employee’s using personal vehicles for City business. This “per kilometre” mileage rate is updated periodically and is normally adjusted based on information issued by Revenue Canada.

CONCLUSION

Based on the above discussion, it is recommended that Council approve amendments to “City Policy D-15 - Expense Policy for Council Members” as detailed in **Appendix A** that will have the effect of introducing a flat rate monthly car allowance for Surrey Councillors, that these policy adjustments take effect January 1, 2009 and that the flat rate monthly car allowance be set at \$865 per month effective January 1, 2009.

Murray Dinwoodie
City Manager

Attachments: Appendix ‘A’
Appendix ‘B’

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Appendix A – Amendment to City Policy D-15 – Expense Policy for Council Members

SECTION 3: TRANSPORTATION

3.1 Means of Travel

Council members may choose their means of travel. All costs, including accommodations and per diems, must be reasonable in relation to the distance travelled and the means of travel. The total amount claimed may not exceed the total cost based on travel by air.

3.2 Travel by Own Vehicle

City Council members are provided with a flat monthly car allowance to cover related travel by personal vehicle. The amount of the car allowance will be adjusted from time to time to reflect changes in the “per kilometre” mileage rate paid by the City.

City Council members may claim 50% of the prevailing rate for mileage reimbursement for travel in excess of 120 kilometres when the one-way distance by road to the travel destination is in excess of 60 kilometres from Surrey City Hall.

Road tolls and parking costs may also be claimed for reimbursement.

3.3 Travel by City-Owned or City-Leased Vehicle

In recognition of the flat rate monthly car allowance, City Council members are not eligible to utilize City-owned or city-leased vehicles.

3.4 Travelling as a Group by Vehicle

If two or more City Council members travel together in the same vehicle, only the City Council member who incurs the expenses of operating the vehicle may claim the vehicle costs or the mileage allowance per Section 3.2.

Appendix B – City Councillor Car Allowance in Large Canadian Cities
(April/09 Survey)

Municipality	No. of Councillors	Councillor Car Allowance per month
Vancouver	10	\$250
Brampton	10	\$816
Calgary	12	\$784
Edmonton	12	\$555
Mississauga	11	\$1400
Ottawa	23	\$575