

TO: MUNICIPAL MANAGER

FROM: DIRECTOR FINANCE

SUBJECT: EXPENSE REIMBURSEMENT

PURPOSE: To update the expense allowances for the
Municipal Council and staff

RECOMMENDATIONS:

1. THAT members of Council or delegates may claim reimbursement for expenses up to a maximum daily allowance for meals and miscellaneous costs of sixty dollars (\$60.00) when on the instructions of Council they are representing the municipality beyond its borders; and
2. THAT any members of Council or delegates, when travelling on municipal business, may request additional costs up to a maximum of one hundred and thirty dollars (\$130.00) per day, when a loss of wages or salary is incurred in the individual's normal occupation; and
3. THAT staff may claim reimbursement for expenses up to a maximum daily allowance for meals and miscellaneous costs of sixty dollars (\$60.00); and
4. THAT the maximum daily expense allowances for Council, delegates and staff be in United States funds when travelling outside of Canada; and
5. THAT when travelling outside of North America reimbursement be based on actual out of pocket expenses; and
6. THAT air transportation be at the economy rate, or when the individual uses their personal automobile, they be paid at the lesser of actual mileage or economy airfare.

REPORT

General

Currently the maximum daily expense allowances for Council and staff are treated differently; the purpose of this report is to bring them into line for ease of administration.

Hotel and airport transportation costs are paid separately on behalf of staff but currently Council members cover these costs out of their individual expense allowances. There is such a divergence of hotel rates across North America that in some cases the daily expense allowance could be consumed by the hotel bill alone. Additionally not all travel costs to other cities includes transportation to and from the airport. The cost of transportation to and from the airport is currently paid by Council members out of their expense allowances. In order to simplify the process and allow the municipality to claim the GST rebate, it is proposed that the Corporation pay the hotel and airport transportation costs separately.

It has been our practice to pay the maximum daily allowance in U.S. funds when travelling outside Canada. It has also been our practice to pay for airfare at the economy rate and pay mileage up to the value of economy airfare.

ITEM	8
MANAGER'S REPORT NO.	53
COUNCIL MEETING	91/09/16

MUNICIPAL COUNCIL

Maximum Daily Expense Allowance

The present daily expense allowance of \$165.00 was approved by Council in 1986. The authority for Council to approve the expenses actually incurred is provided in Section 270 of the Municipal Act, which states:

The council may, by a vote of at least 2/3 of the council members, expend money to:

- (d) pay, in addition to payments under section 267, all or some of the expenses necessarily incurred by a member of council when, on instructions of council, he represents the municipality or is engaged, beyond its borders, on its business;
- (e) pay all or some of the expenses of delegates, whether council members or otherwise, when, on instructions of council, they represent the municipality beyond its borders;

A review of expense allowances paid by other municipalities has been made. In light of this survey and the removal of the hotel and airport transportation component from Burnaby's allowance, it is recommended that the maximum daily expense allowance be \$60.00. This would cover such costs as meals, taxis (other than to and from the airport), valet service, gratuities and all other incidentals associated with travel. Arrangements for hotel and air transportation will be made through the Clerk's office.

In recent years travel to Pacific Rim countries has increased. The cost of living is higher in these countries than in North America and therefore our \$60.00 allowance is not adequate. It is recommended that for travel outside of North America reimbursement be on an actual out of pocket basis. Claims must be accompanied by receipts where possible and a record of other out of pocket expenses must be maintained where receipts are not practical.

Loss of Wages

Prior to 1981, daily expense allowances were intended to offset direct costs incurred by the member but made no provision for compensation for a loss of wages by the member or delegate. In 1981 provision was made to cover a loss of wages if and when it occurred.

It was recognized that it would be difficult to cover the total range of possible daily costs for lost wages so the daily average labour rate was used to establish a rate for compensation of lost wages.

The current rate of \$100.00 per day has been in effect since 1984. Since then the daily average labour rate has risen to the point where an increase in the allowance for loss of wages is justified. The recommended daily rate is \$130.00.

MUNICIPAL STAFF

Maximum Daily Expense Allowance

The present daily expense allowance of \$45.00 was approved by Council in 1986. Burnaby's policy has been to pay the following costs in addition to the expense allowance:


- hotel at single occupancy rates
- registration fees
- travel at economy air rate
- airport transportation

ITEM	8
MANAGER'S REPORT NO.	53
COUNCIL MEETING	91/09/16

The expense allowance covers all other costs such as meals, taxis (other than to and from the airport), valet service, gratuities and all other incidentals associated with travel. When claimed, this is paid without supporting receipts.

A review of expense allowances paid by other municipalities has been made. Based on this survey, it is concluded that increasing Burnaby's allowance to \$60.00 is justified.

As in council's case above, the \$60.00 allowance would not be adequate for travel in the Pacific Rim (outside of North America). Reimbursement for travel in these countries should be on an actual out of pocket basis. Claims must be accompanied by receipts where possible and a record of other out of pocket expenses must be maintained where receipts are not practical.


Rick Earle
DIRECTOR FINANCE

AML:aj

cc. Municipal Clerk

