



STAFF REPORT

Title: Elected Official Compensation Review Committee - Recommendation

Meeting Date: September 17, 2024

Executive Summary:

The Elected Official Compensation Review Committee has completed a comprehensive review of the City's elected official compensation including Policy No. 123-AD-10, Elected Official Compensation and HR Policy 23.0 Expense Reimbursement. The Committee has prepared a recommendation to Council in relation to their mandate in Section 4 of Bylaw No. 641-BD-19. The Committee recommends:

- 5% increase to Council honorarium (in addition to annual CPI indexing)
- 20% increase to Council per diems (+\$50 over 8 hours excluding social events)
- 10% increase to meals reimbursement
- 25% increase to mileage reimbursement
- New addition benefits including:
 - \$1,000 annual Health and Wellness Benefit
 - \$100/month Vehicle Allowance (for business within City)
 - Up to \$250 municipal branded clothing
 - Up to \$500 annual partner tickets to events
 - Up to \$200/month childcare reimbursement
 - Up to \$500 annual driver reimbursement

The Elected Official Compensation Review Committee further recommended that its recommendations take effect January 1, 2025.

This recommendation is provided to ascertain the feedback of the Corporate Priorities Committee. If the recommendation was to be implemented, amendments would be required to Policy No. 123-AD-10, Council Compensation Policy, and the HR Policy No. 23.0 Expense Reimbursement Policy.

Background:

On March 12, 2019, Council passed Bylaw No. 641-BD-19, City of Cold Lake Elected Official Compensation Review Committee Bylaw, to establish a committee of members of the public to review elected official compensation. The mandate of the Committee (section 4 of Bylaw No. 641-BD-19):

- Review the expectations of the elected officials in accordance with the *Municipal Government Act*,



- Review the existing Mayor and Council compensation structure;
- Provide recommendations to Council on improvements to Policy No. 123-AD-10, Council Honorarium and Per Diem Policy

The following members were appointed to the committee:

- Paul McWilliams (Chair)
- Melissa Shea
- Lisa Ford
- Partrick Hort
- Craig Copeland - Mayor
- Chris Vining - Councillor

On November 28, 2023 the bylaw was amended to change the composition of the committee to be: a minimum of three (3) and maximum of five (5) members-at-large and a minimum of one (1) and a maximum of three (3) elected officials of the City of Cold Lake. Between December 2023 to February 2024, members were appointed to the Committee.

The Committee met on several occasions including May 8, 2024, June 13, 2024 and July 11, 2024. An extensive review was conducted including consideration of:

- Comparators of Regional Municipalities
- Comparators of Urban Municipalities
- Comparators of Alberta Municipalities (Urban and Rural)
- 2022 Wage and Compensation Survey
- Financial Statements
- City of Cold Lake documentation including summary pay history, elected official commitments and time expectations, and policy.

The information reviewed by the Committee is attached for Council's reference.

In general, the Committee noted the following observations and considerations relevant to their findings:

- Despite recent increase to elected officials' compensation in 2022, the City of Cold Lake's elected officials' honorarium remains on the low end when considered against comparable municipalities (regional, urban, rural comparators).
- Elected official compensation should be determined in consideration of the workload and expectations placed on elected officials.
- Compensation should balance principles of:



- Fair financial reimbursement of time,
- Accountability to City’s rate payers and value for tax dollars spent,
- Compensation that reduces financial barriers to running for City Council to promote economically diverse candidates for Council,
- Progressive benefits and compensation package to incentivize interested candidates and promote health and wellness of elected officials,
- Expense reimbursement that falls within the range of comparable(s),
- Consideration for rising cost of living.

Following extensive discussions and consideration, the Committee recommends the following changes to the elected officials compensation:

	2024 Current	Recommendation	% Change	Estimated Annual Financial Impact (\$)
Honorarium	\$30,508 Indexed annually for CPI rounding up to \$5	\$32,800 (Councilor) \$71,165 (Mayor) *Indexed annually for CPI rounding up to \$5	5% plus CPI Increase	\$18,717 \$2,292* (per Councilor) \$4,965* (Mayor)
Per Diem	0-4 hours - \$125 4+ hours - \$250	0-4 hours - \$150 4+ hours - \$300 8 + Hours - Additional \$50/hour up to \$450/day (excl: social events)	20% Increase	\$14,000 (estimate)
Meal & Mileage Reimbursement	<u>\$62.10 daily:</u> \$13.80 breakfast \$19.55 lunch \$28.75 supper \$0.51 per km	<u>\$68.40 daily:</u> \$15.60 breakfast \$20.40 lunch \$32.40 supper \$0.64 per km	10% Increase 25% Increase	\$2,000 (estimate)
Health Wellness Benefit	None	\$1,000 annual per Official	NEW	\$7,000 (if fully utilized)



New Additional Benefits	None	<p><u>Per Official</u>: \$4,850 annually</p> <p><u>Vehicle Allowance</u> (\$100/month) - Each elected official will be provided a monthly vehicle allowance for travel within the geographical boundaries of the City of Cold Lake. In accordance with CRA, this benefit may be taxable.</p> <p><u>Municipally Branded Clothing Allowance</u> – (Up to \$250) – Each elected official will have a cash allowance to purchase municipally branded clothing. In accordance with CRA, this benefit may be taxable.</p> <p><u>Partner Tickets</u> – (Up to \$500) – Each elected official will have an annual cash allowance to purchase tickets and/or pay entry fees for their companion to accompany them to events. In accordance with CRA, this benefit may be taxable.</p> <p><u>Hired Driver Reimbursement</u> - \$500/year – Each elected official will be allowed to submit receipts for hiring a contract driver to travel to and from bonafide municipal business meetings, events, and conferences that are outside the geographical boundaries of the City of Cold Lake. This benefit will be a top-up to the milage compensation rate for the elected official.</p> <p><u>Dependent Reimbursement</u> - \$200/month – Each elected official will be allowed to submit receipts for hiring care for a dependent during bonafide municipal business meetings, events, and conferences. In accordance with CRA, this benefit may be taxable.</p>	NEW	\$33,950 (if fully utilized)
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*Total 7.5% increase (5% market increase plus 2.5% estimated CPI increase)

The estimated annual financial impact is \$32,717 for honorarium/per diem and \$42,950 for benefits/expense reimbursements.

Section 4.2 of Bylaw No. 641-BD-19 states that: The final report will be provided to Council at a Regular Meeting of Council after the final draft has been reviewed with Council to ensure comprehensiveness and completeness.

Subject to the feedback from Corporate Priorities Committee, a final report would be prepared with policy and budget amendments as may be recommended.

This report is presented to seek feedback from the Corporate Priorities Committee of Council.

Alternatives:

The Committee may:

- Request additional information be brought forward to a future Corporate Priorities Committee for consideration.
- Direct Administration to bring Policy No. 123-AD-10, Council Compensation Policy, and HR Policy No. 23.0 Expense Reimbursement Policy forward to a future Regular Meeting of Council with amendments, as recommended by the Elected Official Compensation Review Committee.
- Direct Administration to bring Policy No. 123-AD-10, Council Compensation Policy, and HR Policy No. 23.0 Expense Reimbursement Policy forward to a future Regular Meeting of Council with amendments.

Recommended Action:

That the Corporate Priorities Committee direct Administration to bring Policy No. 123-AD-10, being the Council Compensation Policy, and HR Policy No. 23.0, being the Expense Reimbursement Policy, forward to a future regular meeting of Council with amendments, as recommended by the Elected Official Compensation Review Committee.

Budget Implications (Yes or No):

Yes



City of *Cold Lake*

Submitted by:
Kevin Nagoya, Chief Administrative Officer