

# STAFF REPORT

Title: Policy No. 123-AD-10 - Council Honorarium and Per Diem Policy

Meeting Date: January 15, 2019

### **Executive Summary:**

During 2019 Budget deliberations, Council discussed Council Honorariums and per diems as well as whether they would like to consider changing the role of Mayor from a part-time to full-time position. There was no appetite to implement a full time Mayor at that time (during budget deliberations) however, Council did raise the query as to when they could have the discussion.

Administration is seeking Council input as to whether there would be an interest in addressing the compensation of the Mayor to facilitate that position being full time which could take effect immediately following the next municipal election on October 18, 2021.

Administration seeks Council's direction on whether Council would like to see additional research to further discuss the possibility of moving to a full-time Mayor position as well as developing a committee to review the honorariums and per diems. Council may also want to have a broader discussion on Council honorariums and per diems.

### **Background:**

Attached is the current policy 123-AD-10 that relates to Council Honorariums and per diems that was developed in 2010 by the Elected Official Compensation Review Committee (EOCRC). Also attached is the presentation to Council at that time and review of the policy in 2016.

In 2018 AUMA completed a compensation survey which included information relating to Mayor and Council. The City responded to the survey and in return received a compensation and wage package for all the municipalities that responded as well as a customized report for Cold Lake based on up to 10 municipalities of our choice for comparators. Attached are the pages that reference Mayor and Council. The City of Cold Lake customized report includes comparisons from:

- City of Brooks,
- City of Camrose,
- City of Wetaskiwin,
- Town of Beaumont,
- Town of Bonnyville,
- Town of High River,



- Town of Hinton,
- Town of Okotoks,
- Town of Stony Plain, and
- Town of Strathmore.

Of particular note is the following results of the survey:

- Of the comparator communities, 30% have a full-time Mayor
- Of the comparator communities, annual remuneration paid to the Mayor for the most recent annual period was from \$51,077 \$79,547 with a median of \$61,387

Currently the Honorarium for the Mayor is \$54,117 and \$25,437 for Council.

### **Alternatives:**

- 1. Council give direction to Administration in regards to Mayor and Council honorarium and per diem.
- 2. Council accept the report as information only.

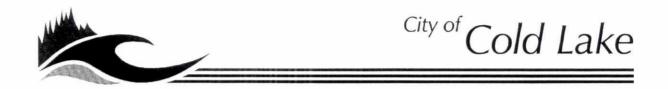
# **Recommended Action:**

For Discussion

# **Budget Implications (Yes or No):**

Yes

**Submitted by:** Kevin Nagoya, Chief Administrative Officer



# Council Honorarium and Per Diem Policy

POLICY NUMBER: 123-AD-10

Approval Date: June 11, 2013 Motion Number: CM20130611.1003 Supersedes: 085-AD-04 Revise Date: June 11, 2013 Review Date: September 27, 2016 Effective Date: October 21, 2013

#### 1.0 Policy Intent

It is the City of Cold Lake's intention to provide fair and equitable compensation to members of Council for duties performed. Members of Council attending activities in an official capacity as representatives of the City of Cold Lake will provide either a verbal or written report of the activity to Council at the next regular Council meeting.

#### 2.0 Purpose

The purpose of the Council Honorarium and Per Diem Policy is to set out guidelines for the compensation to elected officials through the combination of an honorarium, and a *per diem* rate.

#### 3.0 Policy Statement

- 3.1. The Council honorarium is intended to provide compensation for:
  - 3.1.1. Regular Council Meetings;
  - 3.1.2. Corporate Priorities Committee meetings;
  - 3.1.3. Budget Meetings;
  - 3.1.4. Meeting preparation time;
  - 3.1.5. All post-election Council education /orientation sessions;
  - **3.1.6.** All social events (ceremonies, grand openings, banquets, social events attended in an official capacity as the representative of the City) within the City;
  - 3.1.7. Community and athletic events;
  - **3.1.8.** Responding to public concerns from residents, clubs, organizations, businesses, etc.;
  - **3.1.9.** Meetings less the 40 kilometers outside the municipal boundaries of Cold Lake;
  - 3.1.10. Meetings with the Chief Administrative Officer;
  - **3.1.11.** City staff functions; and
  - **3.1.12.** Inter-city travel.

Page 1 of 3

- 3.2. Conference and/or training fees, mileage, travel/accommodation costs, and expenses for approved events shall be reimbursed as per Policy 002-FN-97.
- 3.3. Councillors shall be paid a *per diem* to compensate for the following activities:
  - 3.3.1. Attendance at conferences, meetings, seminars, and courses with content/subject matter directly related to Council business including travel time
- 3.4. Attendance at conferences, seminars, and courses not within the Province of Alberta, of greater than three (3) days' length, and/or with registration fees greater than \$500 requires authorization by resolution of Council, except for the FCM Conference which is an annual conference attended by Council.
- 3.5. In accordance with this policy, and as provided for under Section 81(3) of the *Canada Income Tax Act*, 33% of the honorarium paid to a Municipal Councillor of the City of Cold Lake shall be an allowance for expenses incurred within the boundaries of Cold Lake, incident to the discharge of that person's duties as an elected official, and shall not be included in that person's income for the year
- 3.6. The *Canada Income Tax Act* further provides that where an elected officer of an incorporated municipality has been paid by the municipality an amount as an allowance in a taxation year for expenses incident to the discharge of the person's duties as an elected official, the allowance shall not be included in computing the person's income for the year unless it exceeds one-half (1/2) of the amount that was paid to the person in the year as salary or other remuneration
- 3.7. Honoraria for members of Council are as follows:
  - 3.7.1. Councillors: \$1,958.34 per month, or \$23,500.00 per year
  - 3.7.2. Mayor: **\$4,166.67 per month** or **\$50,000.00** per year to be indexed annually using Alberta's Consumer Price Index (CPI) from October to October rounding amount to the nearest \$5.00.
- 3.8. The per diem rates for Council members are **\$125.00 for ½ day** (less than 4 hours) and **\$250.00 for full days** (in excess of 4 hours). The per diems are intended to provide compensation for the following:
  - 3.8.1. Conferences;
  - 3.8.2. Courses;
  - 3.8.3. Workshops;
  - 3.8.4. Seminars;
  - 3.8.5. Council appointed board/committee/commission meetings; and
  - 3.8.6. Special Council Meetings
  - 3.8.7. Joint Council Meetings and/or meetings directly relating to intergovernmental affairs (e.g. inter-municipal, provincial, federal)
  - 3.8.8. All social events (ceremonies, banquets, fundraisers, social events attended in an official capacity as the representative of the City) greater than 40 kilometers outside the municipal boundaries of Cold Lake.
  - 3.8.9. Meetings greater than 40 kilometers outside the municipal boundaries of Cold Lake.
- 3.9. Member of Council are eligible to join the Council Benefit Package. Benefits include Life Insurance and Accidental Death and Dismemberment at 2 times the annual honorarium with premiums paid 100% by the City of Cold Lake. Other benefits include Health and Dental which are mandatory in the package unless the member

Page 2 of 3

has coverage from another plan. The City will pay \$80.00 per month towards these premiums with the balance of the premium being paid by the member. If any member of Council chooses not to participate in the Benefit Package, they do not receive any payment in lieu. Council members are not eligible for short or long term disability. Enrollment must be within 60 days of being elected or the member is subject to the Late Entrant rules. If a Council member opts to join the Benefit Package they must remain on the program for the length of their term.

#### 4.0 References

- Municipal Government Act, RSA 200, c M-26, 275.1 (1)
- *Canada Income Tax Act with Regulations*, 2006, 81<sup>st</sup> Ed.
- Alberta Personal Income Tax Amendment Act, 2006

#### **Persons Affected** 5.0

Members of City Council, Corporate Services

#### 6.0 Revision/Review History

- 085-AD-04, approved September 14, 2004, Motion #2004-125
- (Supersedes 001-FN-97, 003-FN-97 & 038-FN-99)
- Amended by Motion No. 2004-146 October 26, 2004
- Amended by Motion No. 2004-165 November 23, 2004 .
- Amended by Motion No. 2005-152 October 25, 2005 .
- Amended January 1, 2006 3% COLA
- Amended December 12, 2006, Motion # 2006-211 .
- Amended August 1, 2007 by CAO
- Amended by Motion # CM 20010127.1011 .
- Amended by Motion # CM20090714.1004
- Rescinded by Motion # CM20100525.1018
- Amended by Motion # CM20110524.1008
- Amended by Motion # CM20130611.1003
- Reviewed by Motion # CM20160927.1006 No Amendments Made .

Oct. 4, 2016 Date

Oct 4 2016 Date

Chief Administrative Officer

Page 3 of 3



# **Issue Summary Report**

# POLICY NO. 123-AD-10 - COUNCIL HONORARIUM & PER DIEM POLICY

#20160923003

Meeting : Council - Regular Meeting Meeting Type : COUNCIL - REGULAR MEETING

Meeting Date : 2016/09/27 18:00

### Executive Summary

Administration requires Council's direction on how it wants to address the Mayor and Council remuneration post 2017 election. The previous body of Council (2010 to 2013) made a policy amendment on behalf of this body of Council for the remuneration. Council may consider hiring a third party (contractor), create an ad-hoc committee consisting of public members, or simply request for administration to prepare analysis of other municipalities. Council's Corporate Priorities Committee recommended that Council maintain the existing policy framework thru the next Council term.

#### Background

Council's CPC reviewed some historical information relating to Council remuneration. The following table outlines the Mayor and Council remuneration from 2005 to 2016:

YEAR	MONTHLY	ANNUAL	
2005	\$1,092.67	\$13,112.04	
2006	\$1,092.67	\$13,112.04	
2007	\$1,130.91	\$13,570.92	
2008	\$1,176.15	\$14,113.80	
2009	\$1,204.38	\$14,452.56	
2010	\$1,204.38	\$14,452.56	
2011	\$1,750.00	\$21,000.00	
2012	\$1,750.00	\$21,000.00	
2013	\$1,750.00	\$21,000.00	
2014	\$1,958.34	\$23,500.00	
2015	\$2,017.08	\$24,205.00	
2016	\$2,017.08	\$24,205.00	

\*\*\*The Mayor's salary has been consistent with being 2 times the Council remuneration.

Council also receives a per diem of \$125.00/Half day and \$250.00/full day for meetings attended outside the honorarium parameters.

The CPC considered hiring a third party (contractor), create an ad-hoc committee consisting of public members, or simply request for administration to prepare analysis of other municipalities. We've summarized the options as follows:

- <u>Public Committee</u> Administration will be prepare a Terms of Reference (for Council approval) to authorize a committee consisting of the public to conduct a review and make a recommendation on a proposed Council remuneration policy. This process was used to establish the current remuneration policy.
- <u>Third Party Contractor</u> Administration would engage a contractor/consultant to prepare a review and recommendation for Council. It should be noted this method has not been practiced by the City of Cold Lake within the review period conducted by administration.

 <u>Administrative Analysis</u> - Administration can prepare an internal review and provide a recommendation to Council based on either averages and percentile ratings. Please note that this method was previous used by the City of Cold Lake. We've attached dated sample of the report that was prepared by administration.

After the review, CPC recommended that Council maintain the existing policy framwork.

#### Alternatives

Council may consider the following options:

- 1. Direct administration to prepare a Terms of Reference for Council approval to authorize a committee consisting of the public to conduct a review and make recommendations on a proposed Council remuneration policy.
- 2. Direct administration to engage a contractor/consultant to prepare a review and recommendation for Council.
- 3. Direct administration to prepare an internal analysis on Council honorariums and per diems for further review.
- 4. Council pass a motion to maintain the current Council Honorarium and Per Diem Policy No. 123-AD-10 for the next Council term being October 24, 2017 to October 25, 2021.

#### Recommendation

That the support Council's Corporate Priorities Committee recommendation to maintain the current Council Honorarium and Per Diem Policy No. 123-AD-10 for the next Council term being October 24, 2017 to October 25, 2021.

#### Additional Information

Budget Implications (Yes or No) :

Yes

Contributors to Report :

Kevin Nagoya, Chief Administrative Officer

#### **Respectfully Submitted by :**

Kevin Nagoya, CAO



# **Issue Summary Report**

# POLICY NO. 123-AD-10 - COUNCIL HONORARIUM AND PER DIEM POLICY #20130606001

Meeting : Council - Regular Meeting Meeting Type : COUNCIL - REGULAR MEETING Meeting Date : 2013/06/11 18:00

#### **Executive Summary**

The Elected Official Compensation Review Committee (EOCRC) completed a review of the Council remuneration policy and has made a number of recommendations to Policy No. 123-AD-10 being the Council Honorarium and Per Diem Policy. The recommendations include the following:

- Mayor's honorarium be increased from \$42,000 to \$50,000;
- Council's honorarium be increased from \$21,000 to \$23,500;
- The honorariums would be adjusted annually using Alberta Consumer Price Index (CPI);
- The Per Diem rates be increased from \$112.50 for 1/2 day (less than 4 hours) to \$125.00;
- The Per Diem rates be increased from \$225.00 for full day (excess of 4 hours) to \$250.00;
- All post-election Council education/orientation sessions be covered in honorariums rather than being paid per diems; and
- · Provisions for extended health care benefits be added to the policy.

The overall budget impact is estimated at \$33,880. The estimate is subject to the actual number of meetings being attended by an elected official and all Councillors involvement in the health care benefits package.

Further to Policy No. 123-AD-10, the committee also reviewed Policy No. 002-FN-97 being the Elected Officials Expense Reimbursement Policy and made a number of recommendations including:

- Allowances for meals (without receipts) be increased as follows:
  - Breakfast from \$12.00 to \$12.00 (status quo)
  - Lunch from \$16.25 to \$17.00
  - Dinner from \$22.75 to \$25.00
  - Gratuities @15% from \$7.65 to \$8.10
  - Total from \$58.65 to \$62.10
- It was noted that the policy is very general and is subject to interpretation; therefore, the committee recommends that a more in-depth review of the policy be conducted at a later date.

#### Background

The EOCRC consisted of the following appointed members by Council:

- Jerry Kolewaski Chair
- Daniel Brisebois Vice Chair
- Raymond Gillis
- Kevin Heffernan
- Terry Kaminski

The EOCRC held meetings on April 18, April 30, and May 23, 2013. The committee has attached its final report and policy recommendations.

This report is outlining some recommended adjustments to Councils' Honorarium and Per Diem Policy include the following:

#### • Mayor's honorarium be increased from \$42,000 to \$50,000. Appendixus in Notoral in 60 1922 2003 from \$42,000 to \$50,000.

- Honorariums are intended to provide compensation for the following meetings:
  - Regular Council Meetings;
  - · Corporate Priorities Meetings;
  - Budget Meetings;
  - Meeting Preparation Time;
  - All post-election Council education/orientation sessions;
  - All social events such as (Ceremonies, Grand Openings, Banquets, Social Events attended in an official capacity as the representative of the City) within the City.
  - Community and Athletic Events
  - ° Responding to public concerns from residents, clubs, organizations, businesses, etc.
  - Meeting less the 40 Kilometers outside the Municipal Boundaries of Cold Lake
  - Meeting with the Chief Administrative Officer
  - City Staff Functions
  - Inter-City Travel
- The Per Diem rates be increased from \$112.50 for 1/2 Day (less than 4 hours) and \$225.00 in excess of 4 hours to \$125.00 for 1/2 Day (less than 4 hours) and \$250.00 in excess of 4 hours
- The Per Diems are intended to provide compensation for the following:
  - Special Council Meetings
  - Conferences
  - Courses
  - Workshops
  - Seminars
  - ° Council Appointed Boards/Committee/Commission Meetings
  - ° Meetings greater than 40 Kilometres outside the Municipal Boundaries of Cold Lake
  - All social events such as (Ceremonies, Grand Openings, Banquets, Social Events attended in an official capacity as the representative of the City) greater than 40 Kilometres outside the Municipal Boundaries of Cold Lake.
- The following provision be added for indexing the elected official salary:
  - .....to be indexed annually using Alberta's Consumer Price Index (CPI) from October to October rounding amount to the nearest \$5.00.
- The following provision for extended health care benefits be added to the policy:
  - Member of Council are eligible to join the Council Benefit Package. Benefits include Life Insurance and Accidental Death and Dismemberment at 2 times the annual honorarium with premiums paid 100% by the City of Cold Lake. Other benefits include Health and Dental which are mandatory in the package unless the member has coverage from another plan. The City will pay \$80.00 per month towards these premiums with the balance of the premium being paid by the member. If any member of Council chooses not to participate in the Benefit Package, they do not receive any payment in lieu. Council members are not eligible for short or long term disability. Enrollment must be within 60 days of being elected or the member is subject to the Late Entrant rules. If a Council member opts to join the Benefit Package they must remain on the program for the length of their term.
- No allowance provision for the use of personal mobile devises be included in the policy.
- No allowance provision for Child Care (babysitter) be included in the policy.
- No allowance for an increase rate of pay for the deputy mayor. As such, it is recommended that the Council
  compensation package be all inclusive on the basis that the deputy mayor term will continue to be equally rotated
  amongst Council.

The schedules in the report include:

- SCHEDULE "A" OPERATING AND CAPITAL BUDGET OF VARIOUS MUNICIPALITIES
- SCHEDULE "B" 2011 FINANCIAL STATEMENT COMPARISON OF MAYOR/COUNCIL
- SCHEDULE "C" AMSC CONFIDENTIAL SALARY SURVEY REPORT
- SCHEDULE "D" VARIOUS OTHER EXAMPLE MUNICIPAL REMUNERATION REVIEWS AND POLICIES
- SCHEDULE "E" EXISTING COUNCIL HONORARIUM AND PER DIEM POLICY NO. 123-AD-10
- SCHEDULE "F" EXISTING ELECTED OFFICIALS EXPENSE REIMBURSEMENT POLICY NO. 002-FN-97
- SCHEDULE "G" PROPOSED COUNCIL HONORARIUM AND PER DIEM POLICY NO. 123-AD-10
- SCHEDULE "H" PROPOSED ELECTED OFFICIALS EXPENSE REIMBURSEMENT POLICY NO. 002-FN-97
- SCHEDULE "I" GROUP BENEFITS PLAN BOOKLET

#### • SCHEDULE "J" MEETING MINUTES Appendix 2 for I.20160923003: 2013 COUNCIL REMUNERATION REVIEW - COMMUNITY Alternatives

Council may consider the following options:

- 1. Pass or defeat a motion to support the amendments to Policy 123-AD-10 as presented being the Council Honorarium and Per Diem Policy.
- 2. Make further amendments to the above policy and pass a motion there of as amended.

#### Recommendation

Administration recommends the following motions:

- 1. Administration recommends that Council support the amendments to Policy No. 123-AD-10 being the Council Honorarium and Per Diem Policy as presented.
- 2. Administration recommends that Council support the amendments to Policy No. 002-FN-97 being the Elected Officials Expense Reimbursement Policy as presented.

#### Additional Information

#### Budget Implications (Yes or No) :

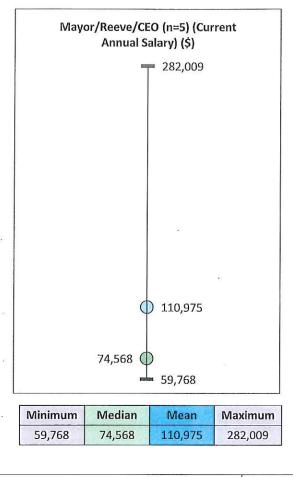
Budget will have impacts post election.

#### **Respectfully Submitted by :**

Kevin Nagoya, CAO

# City of Cold Lake

Part 2



Average Minimum Salary for Position (n=1)	74,568
Average Maximum Salary for Position (n=1)	74,568
Average Weeks of Service per year (n=5)	52
Average Hours worked per week (n=4)	33
Average Lump sum payment (n=1)	58,014
Average Years of Experience	2
(in current position) (n=5)	
Additional Duties (% Yes) (n=5)	0%
Degree of Match to Position Title	98%
(Average Percent of Match) (n=6)	
Contracted Position (% Yes) (n=5)	0%
Average # of Employees in Position (n=6)	1
Average Length of Service	13
(years in municipality) (n=6)	

2018 AMSC Wage & Compensation Survey Conducted and Prepared by Banister Research Limited

44 | Page

÷

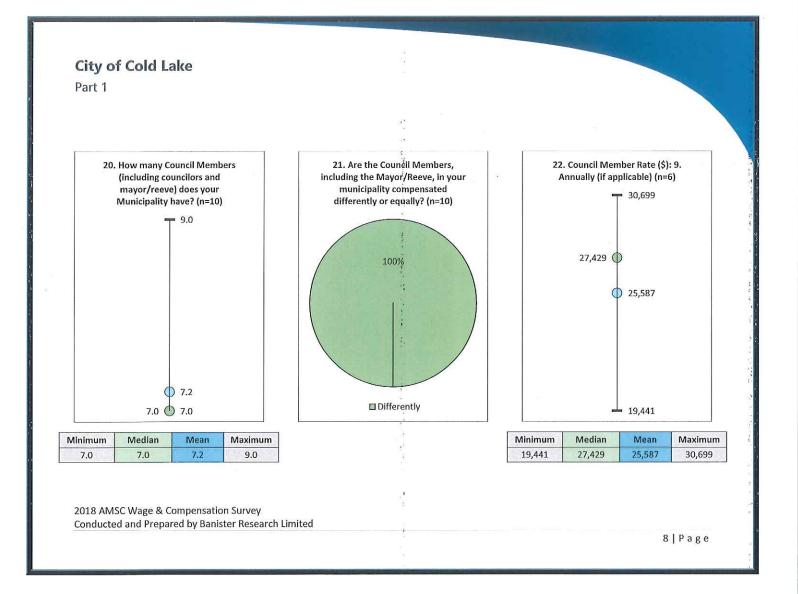
1 . mar

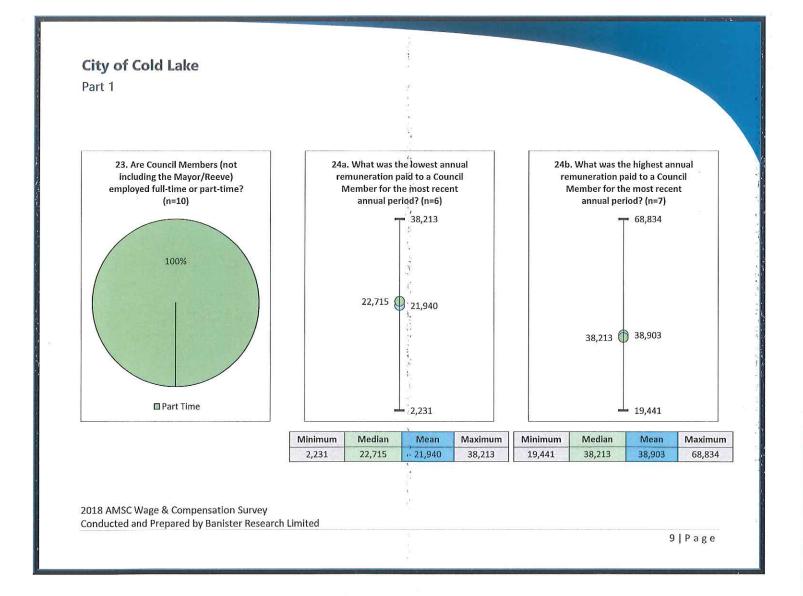
11

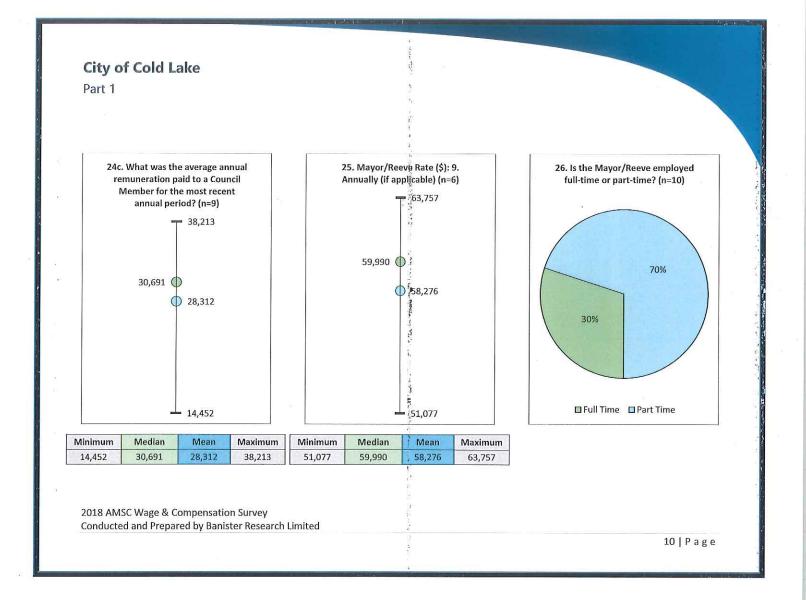
The second second

「日本学にたいない

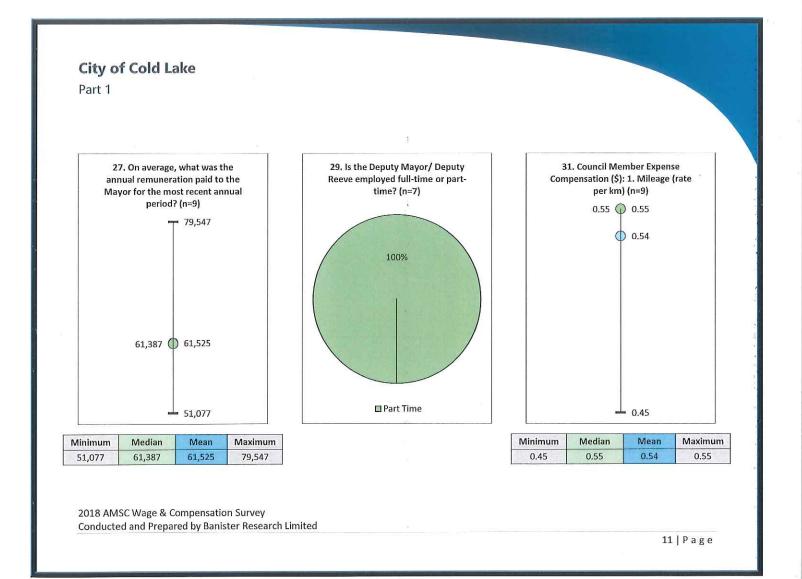
こうがなる。そうなたちというかみわれるのないないないというというないにない。 うれたいないないないないないないになっていたい

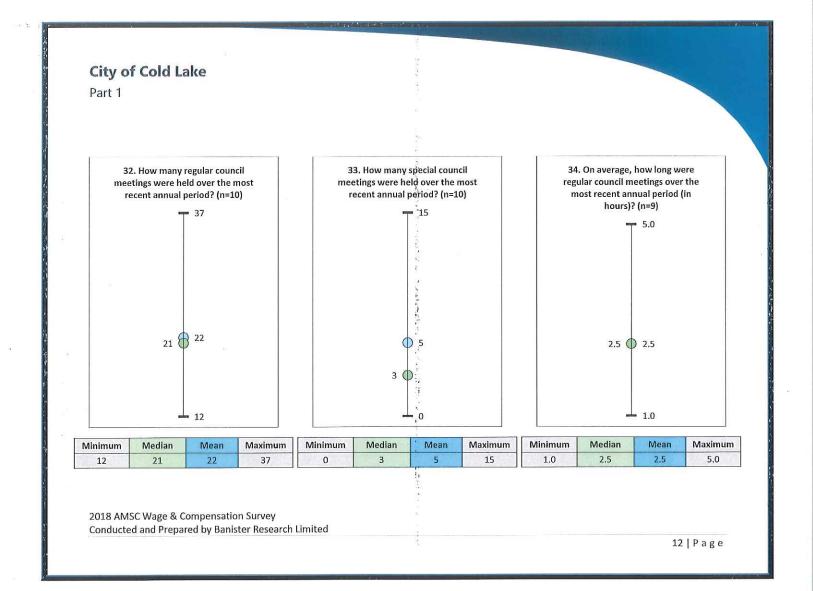


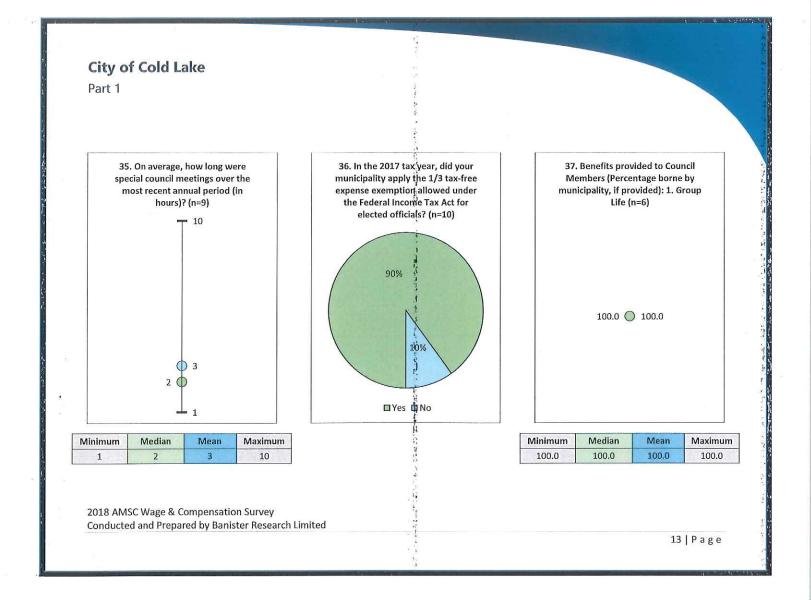


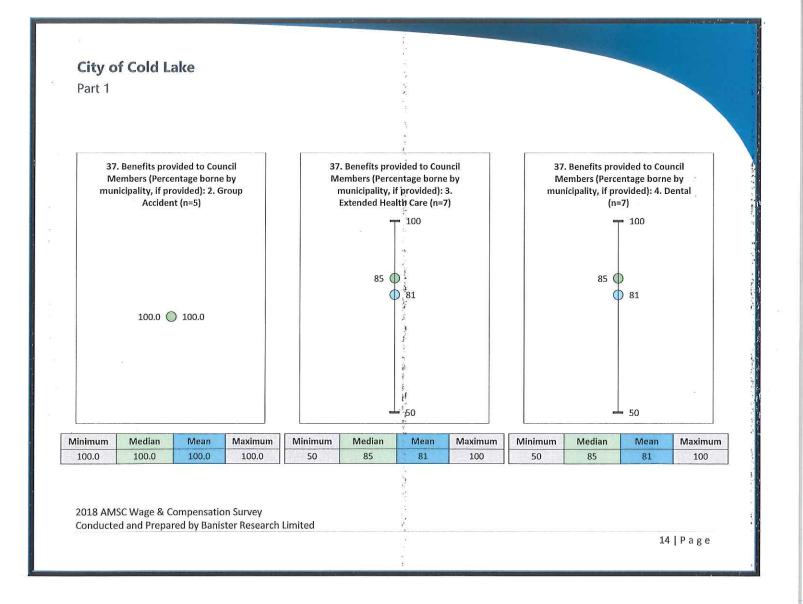


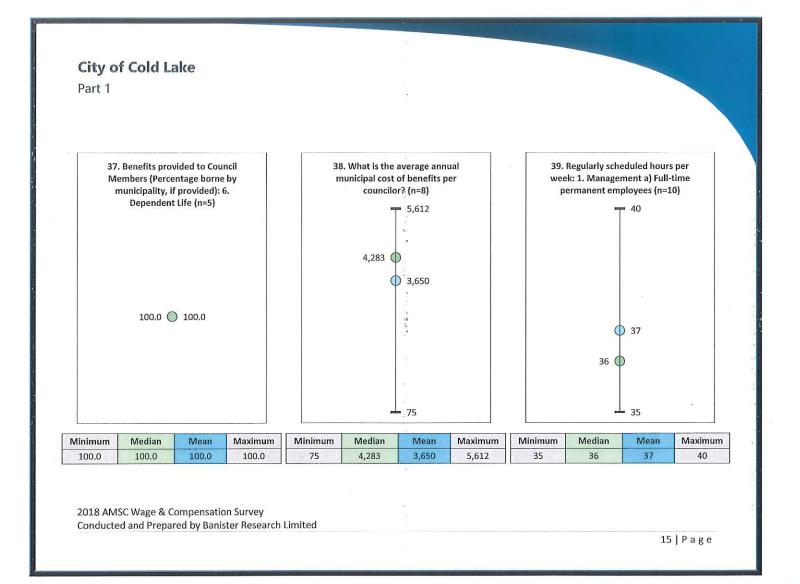
# Page 27 of 148





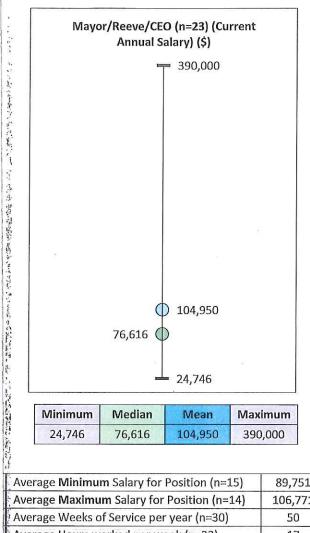






# **All Municipalities**

Part 2



Average Minimum Salary for Position (n=15)	89,751
Average Maximum Salary for Position (n=14)	106,771
Average Weeks of Service per year (n=30)	50
Average Hours worked per week (n=22)	17
Average Lump sum payment (n=12)	16,329
Average Years of Experience (in current position) (n=33)	4
Additional Duties (% Yes) (n=28)	21%
Degree of Match to Position Title (Average Percent of Match) (n=26)	100%
Contracted Position (% Yes) (n=30)	3%
Average # of Employees in Position (n=39)	1
Average Length of Service (years in municipality) (n=34)	8

2018 AMSC Wage & Compensation Survey Conducted and Prepared by Banister Research Limited

81 | P a g e

