



Council Honorarium and Per Diem Policy

POLICY NUMBER: 123-AD-10

Approval Date: June 11, 2013

Revise Date: June 11, 2013

Motion Number: CM20130611.1003

Review Date: September 27, 2016

Supersedes: 085-AD-04

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.

- 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

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, 81st Ed.
- *Alberta Personal Income Tax Amendment Act*, 2006

5.0 Persons Affected

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

[Signature]

Chief Administrative Officer

Oct 4 2016

Date

[Signature]
Mayor