

## Report to Committee

For Committee Information

For Committee Direction



<b>TOPIC:</b>	Council Remuneration Policy	February 11, 2025
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### PURPOSE:

The purpose of this report is to provide Council with a summary of recommendations for Council's consideration in updating the Council Remuneration Policy.

### RECOMMENDATION:

Committee of the Whole

That Committee accept the Council Remuneration Policy Report as information.

Business Arising from Committee of the Whole

Council may provide formal direction for changes to the Policy through the following motion:

That Council direct Administration to bring forward a draft Council Remuneration Policy that includes the following amendments based on the discussion at Committee of the Whole:

- [Amendment 1]
- [Amendment 2]
- ...

### RATIONALE:

Following the Council Remuneration Review Committee's presentation of recommendations to Council and the receipt of the Hillcrest Council Remuneration Review report, Administration is seeking direction from Council regarding the preparation of an updated draft of the Council Remuneration Policy for Council's consideration.

### REPORT INFORMATION:

At the December 10, 2024, Regular Meeting of Council, the Council Remuneration Review Committee (Committee) provided Council with their recommendations for updates to the Council Remuneration Policy. Their recommendations for Council's consideration focused on the following six sections of the Policy.

#### 3.1 Council Compensation – Compensation Comparator Group

The Committee asserts that the recommended comparator group is a better reflection of the population, complexity of issues/services and geographic location of Morinville than current comparators.

Council may also wish to consider the following when discussing appropriate comparison municipalities:

- Proximity to urban centre

- While the committee asserts that population reflects the complexity of issues and services, that may not be the case
- Governance structure (ie. number of Councillors, part/full-time, Committee assignments, etc.)
- Budget and tax base
- Municipal service levels and responsibilities (ie. transit, social services, police, etc.)
- Volunteerism and political participation

### **3.1 Council Compensation – Council Compensation Percentile Target**

The Committee has recommended that Council’s compensation percentile target be aligned with the population percentile for the new recommended comparator group – 65%.

It should also be noted that Council’s current compensation is out of alignment with the current policy. The current policy is that Council’s remuneration be at the 50<sup>th</sup> percentile of the current comparison group. However, in the 2023 Hillcrest Financial Council Remuneration Review Report, it was noted that the mayor’s honorarium was 25.38% below the 50<sup>th</sup> percentile of the comparator group, and Councillor honorarium was 14.86% below the 50<sup>th</sup> percentile of the comparator group.

As such Council may wish to provide direction on realigning Council’s compensation either with the current policy or with any new recommendations put forward.

### **4.2 Honorarium – Cost of Living Adjustments**

The Committee has recommended that Council no longer receive cost of living adjustments. Rather, bi-annual reviews should be conducted to ensure compensation aligns with the percentile targets noted in the policy.

Council is also reminded that Councillor White has put forward a motion regarding cost-of-living adjustments. Councillor White’s motion would include in the policy direction that Council conduct an annual vote on whether a cost-of-living adjustment be applied to Council’s compensation.

Policies are intended to be standing decisions of Council that are reviewed and amended by Council from time to time. Council compensation decisions are particularly challenging and political and are therefore often, as is the case here, informed by third-party reviews and recommendations. If Council were to specifically vote on compensation each year, it is unlikely those decisions would be informed by arms-length reviews, and they could result in inconsistent decision-making. Enshrining the issue of compensation in a policy sets consistent and predictable parameters that can be informed by formal reviews on a regular and pre-determined basis.

### **4.2 Honorarium – Council Absences**

The Committee has recommended that Council reduce the number of unexcused absences from four to two and that the honorarium penalty for excess unexcused absences be increased from \$100 to \$250. The Committee noted that these changes increase accountability and commitment to Council responsibilities.

Despite these potential changes, members of Council retain the ability to request approved absences of Council without limitations or financial penalties to address extenuating circumstances.

### **4.3 Per Diems – Eligibility, Committee Alternatives**

The Committee has recommended that the policy be updated to allow only the designated alternative to a Council committee the ability to attend up to three meetings per year with compensation when the primary committee member is also in attendance. With this change, Council members not appointed as a primary or designate committee member would not be eligible for per diems if they attended meetings. The Committees stated intent for this change is to prevent members of Council from unnecessarily attending meetings simply to earn additional per diems.

### **4.4 Expense Reimbursement – Meals**

The Committee has recommended a change to the Canada Revenue Agency (CRA) simplified reimbursement method for meals and travel. However, it appears that the Committee has misunderstood the intent of this CRA policy. This policy is intended for tracking travel expenses for income tax purposes, not reimbursement. It allows for a simplified method for claiming travel expenses when filing income tax returns.

Administration recommends that Council consider aligning the Council remuneration policy with the recently updated Administration Expense Reimbursement Policy. With respect to meals, the policy offers two options: claim meal per diems at the posted Government of Alberta Rate; or claim actual costs via a submitted receipt. In this way, Councillors have the choice of a simplified, non-receipted method or submitting receipts for actual costs within policy guidelines. This ensures that when Councillors are at functions where meal expenses are unavoidably expensive (for example, at conferences in the mountain parks) Councillors can claim the full cost with a receipt and not be out of pocket for any costs. The transparency of councillor expenditures provides an accountability mechanism for reasonableness.

### **4.4 Expense Reimbursement – Travel**

With respect to mileage, Administration is in agreement with the Committee's recommendation that the policy reflects current CRA mileage rates. This would align with the Administration Expense Reimbursement Policy, as the policy was recently updated to reflect CRA posted mileage allowances. The reason for moving from the GOA to the CRA for mileage is that the GOA posted rate has not kept pace with rising fuel and vehicle maintenance costs (the rate has only increased 0.045/km in the past 20 years).

The Committee has also recommended the removal of the ability for Councillors to claim expenses related to spousal accompaniment to events – which is currently allowable in the policy to an annual maximum of \$200.

### **4.6 Professional Development – Out of Province**

The Committee has recommended that the policy be revised to limit the number of Council members that may attend the same out-of-province conference to two. The Committee expressed support for Council professional development but was of the opinion that such a limitation provided a balance between support for professional development and fiscal prudence.

Council may also wish to consider the following when discussing limiting Council attendance:

- With one of the key elected official conferences at a national level, such a restriction would effectively limit Council to one such conference per term.
- Networking
- Lobbying other levels of government
- Professional development decisions reflect individual needs

**Schedule “B” – Council Remuneration Rates**

Council’s current per diem schedule aligns with the recommendations of the Hill Crest report. The Committee has recommended a number of updates to the schedule for Council’s consideration.

Administration will facilitate a Council discussion on the various decision points noted above during Committee of the Whole. Council is reminded that it is not limited to the options presented and is free to provide Administration with any other direction regarding the updated draft Council Remuneration Policy. The recommendations provided by the Committee and the Hillcrest report are informational only and not binding on Council.

**IMPACT:** Impact will be assessed for the draft policy update resulting from Council’s direction.

**NEXT STEPS:** Administration to bring forward a draft policy for Council’s consideration based on Council’s direction.

**PREVIOUS COUNCIL ACTION:**

At the December 10, 2024, Regular Meeting of Council, the Council Remuneration Review Committee presented their recommendations for Council’s consideration and Council directed Administration to bring forward the Council Remuneration Policy for Council’s review.

At the April 9, 2024, Regular Meeting of Council, Council approved 3<sup>rd</sup> reading of the Council Remuneration Review Committee Bylaw 10/2024.

At the February 27, 2024, Regular Meeting of Council, Council approved establishing a Council Remuneration Review Committee, consisting of five Morinville electors and the Manager, Human Resource Services as the Administrative facilitator, to review the Council Remuneration Review results, the Council Remuneration Policy CP194/2022, and develop recommendations for Council consideration (Motion 53/2024).

**ALIGNMENT:**

Morinville 2022-2025 Strategic Plan:  
Goal 3 - Financial Stewardship

**CONSULTATION/ENGAGEMENT:**

- Council Remuneration Review Committee
- Hillcrest Council Remuneration Review

<b>PRESENTER:</b>	T. Nosko, Interim General Manager, Administrative Services	<b>ATTACHMENTS:</b>
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<b>PREPARED BY:</b>	J. Brush, Manager, Human Resource Services	<ul style="list-style-type: none"><li>• Administration's Presentation</li><li>• Council Remuneration Review Committee Report</li><li>• Hillcrest Report</li><li>• Council Remuneration Policy</li></ul>
<b>CLEARANCES:</b>	M. Hay, Interim Chief Administrative Officer T. Nosko, Interim General Manager, Administrative Services	