



# **TOWN OF MORINVILLE**

## **Council Remuneration Review**

**| September 2023**

**Presented By:**  
**Hillcrest Financial**

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## EXECUTIVE SUMMARY

In accordance with the terms of the proposal and Council Remuneration Policy CP194/2022 the following report sets out the results of the Council Remuneration Survey.

Invitations were extended to ten (10) comparator municipalities. The Town of Cochrane information was gathered on line.

The participants in the Council Remuneration Survey include:

- City of Beaumont
- Town of Devon
- City of Fort Saskatchewan
- City of Lacombe
- Town of Cochrane
- Town of Hinton
- Town of Whitecourt
- City of Spruce Grove
- Town of Stony Plain
- Sturgeon County

The general topics surveyed include Mayoral status, 2023 rates of remuneration, per diem rates, if benefits are offered and if there is a provision for a pension plan/RRSP for elected officials.

In consideration of the variables that can exist between municipalities, copies of Council Remuneration Policies were requested from the participants. Copies of the policies are attached to this report.

### Statistics – Percentile versus Average

Percentile is the value on a scale of 100 that indicates the percent of a distribution that is above, equal to, or below it. For example, the 50th percentile or median means half the distribution of the values is above the median or middle value, and half the distribution is below the median or middle value.

Average is the simple mathematical mean obtained by adding values together and dividing by the sum of the numbers of values used.

The use of percentiles rather than averages is a generally accepted method in compensation analysis as the measuring of the data is not as impacted by extremely high or low data points. Alternatively, the use of averages includes all data and may be negatively or positively impacted by any extreme data points.

For example, consider the following dataset: {1, 3, 5, 6, 7, 8, 9, 12, 45, 63, 100}. There are 11 data points in the data set.

- Median = middle value =  $.50 \times 11 = 5.5$  (round up) = 6<sup>th</sup> data point = 8
- Average = sum of data points / 11 = 23.5

The 50th percentile or median - the middle number of a group of numbers – essentially half the numbers have a value greater than the median, and half the numbers have values less than the median number. In the case of Council remuneration, the 50<sup>th</sup> percentile is the target, it simply means 50% of the participants have higher honoraria and 50% have lower honoraria.

## ANALYSIS & OBSERVATIONS – COUNCIL REMUNERATION

As the percentiles change, the distribution of the values shifts above or below the targeted value. For example, if the target is the 75<sup>th</sup> percentile – 75% of the numbers have values below the targeted value and 25% have values above the targeted value.

Participants that expressed a targeted percentile for Council include:

- Cochrane mid-market of defined comparators
- Hinton 60% of defined comparators
- Fort Saskatchewan average of defined comparators
- Lacombe Mayor is percentage of CAO and CAO is the 50<sup>th</sup> percentile of defined comparators

The chart below outlines the elected officials' honoraria and the calculated median rates as provided for in the Council Remuneration Policy.

Municipality	Population	Mayor	Council
Morinville	10,385	\$5,472	\$2,940
Beaumont	20,888	\$8,755	\$3,502
Devon	6,545	\$3,962	\$2,091
Fort Sask	27,088	\$8,955	\$3,682
Spruce Grove	37,645	\$9,692	\$4,846
Stony Plain	17,993	\$6,994	\$3,453
Sturgeon	20,061	\$9,570	\$6,915
City of Lacombe	13,396	\$7,333	\$2,933
Cochrane	32,199	\$8,632	\$3,625
Hinton	9,817	\$5,000	\$1,800
Whitecourt	9,927	\$4,548	\$1,790
<b>50th Percentile</b>		<b>\$7,333</b>	<b>\$3,453</b>

The Town of Morinville's Mayoral honorarium is currently 25.38% below the 50<sup>th</sup> percentile of the defined market. The Councillor rate is currently 14.86% below the 50<sup>th</sup> percentile.

Beaumont, Devon, Fort Saskatchewan, Spruce Grove, Sturgeon, Cochrane, and Whitecourt consider their Mayors to be full-time. The remainder of the Mayors and all Councillors are considered part-time.

When reviewing the Mayor rates and considering their status whether considered full-time or part-time, it is difficult to draw a clear connection between the two. All the part-time Mayors honorarium in this review are greater than the full-time Mayors of Devon and Whitecourt.

Hillcrest included the population of the participating municipalities as an additional data point. In our review, there does appear to be some connection between status and population. The more urban comparators with population more than 20k have full-time Mayors. The exception is Devon with 6,545 population and a full-time Mayor. Similarly, the Mayor of Whitecourt is full-time with a population of 9,927.

Please note the population data is according to Statistics Canada 2021 Federal Census.

## ANALYSIS & OBSERVATIONS – COUNCIL REMUNERATION

Municipality	Population	Honoraria	Mayor Status
Spruce Grove	37,645	\$9,692	Full-Time
Sturgeon	20,061	\$9,570	Full-Time
Fort Saskatchewan	27,088	\$8,955	Full-Time
Beaumont	20,888	\$8,755	Full-Time
Cochrane	32,199	\$8,632	Full-Time
City of Lacombe	13,396	\$7,333	Part-Time
Stony Plain	17,993	\$6,994	Part-Time
<b>Morinville</b>	<b>10,385</b>	<b>\$5,472</b>	<b>Part-Time</b>
Hinton	9,817	\$5,000	Full-Time
Whitecourt	9,927	\$4,548	Full-Time
Devon	6,545	\$3,962	Full-Time

## ANALYSIS & OBSERVATIONS – COUNCIL REMUNERATION

### Deputy Mayor

There are five (5) comparator municipalities that either have a designated Deputy Mayor and/or provide additional remuneration for the role. Devon pays \$2,399 per month versus the Councillor rate of \$2,091. The assignment is for eight (8) month periods and rotated amongst the Councillors. Spruce Grove pays \$750 per month for the assignment. Sturgeon County and the Town of Whitecourt have designated positions. Sturgeon pays \$7,337 versus \$6,915 for Councillor and Whitecourt pays \$2,805 versus \$1,790.

### Benefits

The comparator group's Council Remuneration policies were reviewed for details on benefit coverages for elected officials. While there is no identifiable standard of benefit offerings for Elected Officials there are several observations worthy of note.

All comparator municipalities provide some level of benefit coverage for their elected officials except for the City of Lacombe. The range of benefits and cost share arrangements vary amongst the comparators to a great extent. Specific details for some comparators are included in their policies which are attached to this report.

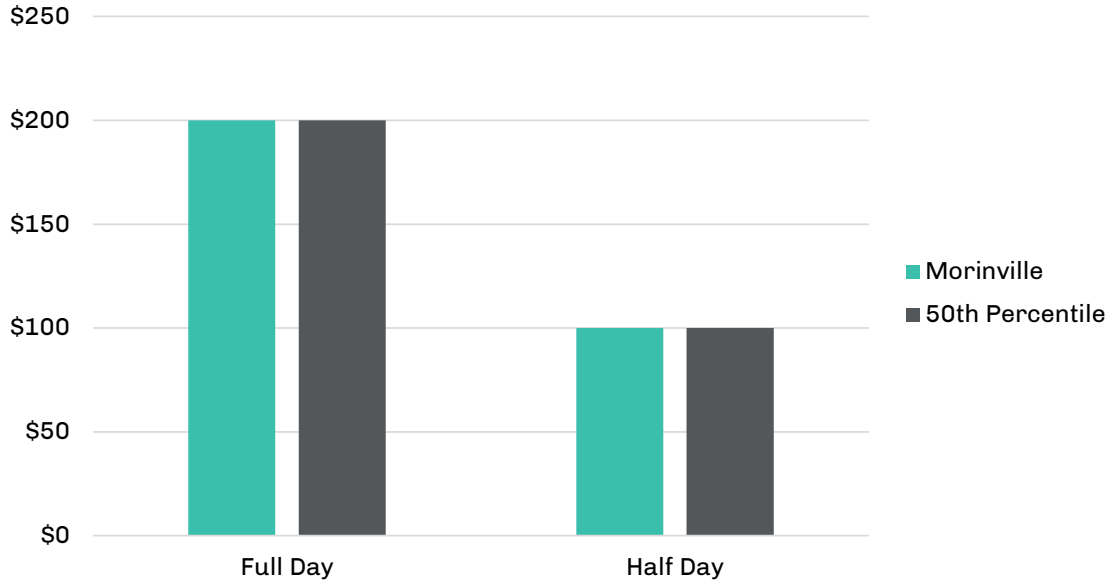
### Pension/RRSP

It is of note, four (4) of the participants are providing pension/RRSP/TFSA options for their elected officials. Based on our experience this is an emerging trend amongst municipalities and again, the options range depending upon municipality. Additional information on this emerging offering are contained in the policies attached to this report.

Municipality	Eligibility	RRSP/Pension	TFSA	Municipality's Contribution
Beaumont	Mayor Only	Alberta Communities Pension Plan		Defined 8% matching contribution
Spruce Grove	Mayor and Council	Self-directed RRSP	yes	Maximum matching contribution of 4% for one plan or the other, not both
Stony Plain	Mayor and Council	Self-directed RRSP	If ineligible, TFSA at same rate is available	Maximum matching contribution rate of 3%
Sturgeon County	Mayor and Council	Self-directed RRSP		Maximum matching contribution rate of 5%

## ANALYSIS & OBSERVATIONS – PER DIEMS

The current rates of per diems was canvassed with the participants. The value and the criteria vary by municipality both in terms of eligibility for per diems and the amounts. The median of the half day and full day values is shown graphically below, including how the Town of Morinville compares to the other participants.



Municipality	Population	Full Day	Half Day
Morinville	10,385	\$200	\$100
Beaumont	20,888	\$0	\$0
Devon	6,545	\$209	\$105
Fort Sask	27,088	\$200	\$100
Spruce Grove	37,645	\$262	\$119
Stony Plain	17,993	\$10	\$10
Sturgeon	20,061	\$260	\$130
City of Lacombe	13,396	\$0	\$0
Cochrane	32,199	\$0	\$0
Hinton	9,817	\$250	\$125
Whitecourt	9,927	\$300	\$150
<b>50th Percentile</b>		<b>\$200</b>	<b>\$100</b>

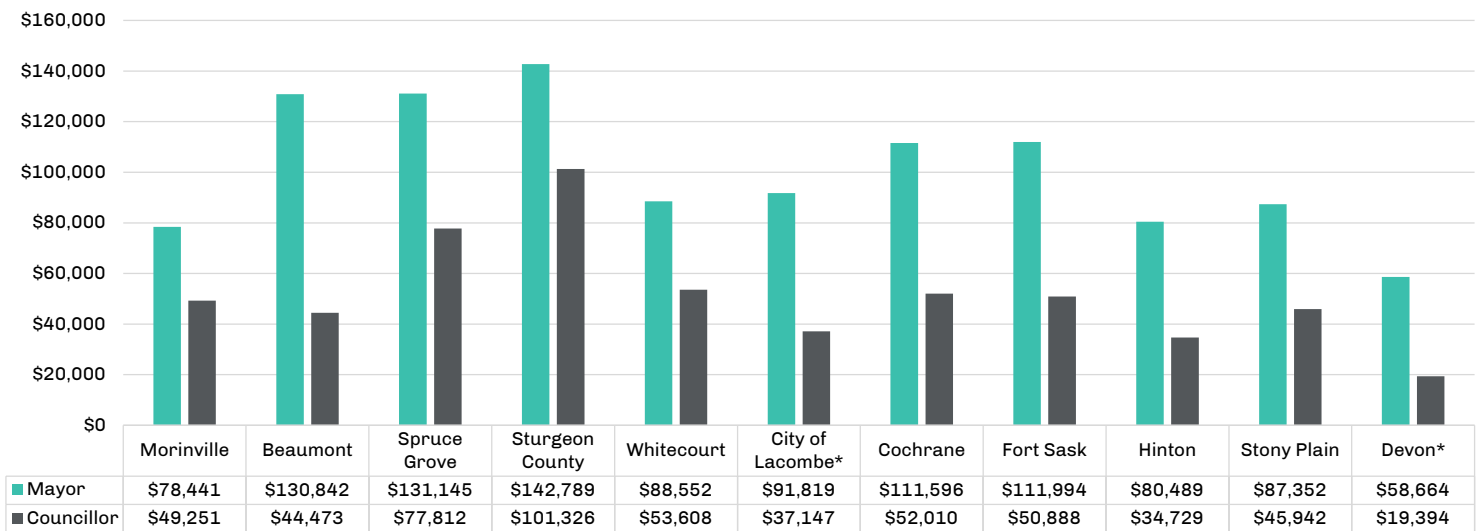
The Town of Morinville's Full Day and Half Day Per Diems are at the 50<sup>th</sup> percentile of the comparator group.

## TOTAL REMUNERATION

To provide Morinville Council and Administration with a fulsome view of Council Remuneration, Hillcrest is providing information from the participants' Financial Reporting.

The chart below shows Mayor and Council gross honoraria, and any other direct cash remuneration. Also included in the amount are the costs of the Town/County share of any benefits and contributions or payments made on behalf of the elected official including retirement pension, CPP, employment insurance, health and dental coverage, life insurance, etc.

It is noted the information for this chart is based on 2022 information except for the Town of Devon which is 2021 information. It is also noted the City of Lacombe is the only participant that does not provide elected officials with benefit coverage.





## SUMMARY

This concludes the highlights of the Council Remuneration Review and results.

A full summary of the data collected is included in this report. If there are questions with respect to any of the survey results, Hillcrest would be happy to respond.

It is our hope this report, summary and comparisons provide the Town of Morinville Management with useful and valuable information when considering the important matter of Council Remuneration.

On behalf of all of us at Hillcrest, it has been our pleasure to conduct this project on behalf of the Town of Morinville.

## APPENDIX A: DATA SUMMARY OF COUNCIL SURVEY

### Compensation:

Municipality	Mayor Status	Mayor Rate	Councillor Rate
Morinville	part time	\$5,472	\$2,940
Beaumont	full time	\$8,755	\$3,502
Devon	full time	\$3,962	\$2,091
Fort Saskatchewan	full time	\$8,955	\$3,682
Spruce Grove	full time	\$9,692	\$4,846
Stony Plain	part time	\$6,994	\$3,453
Sturgeon	full time	\$9,570	\$6,915
City of Lacombe	part time	\$7,333	\$2,933
Cochrane	full time	\$8,632	\$3,625
Hinton	part time	\$5,000	\$1,800
Whitecourt	full time	\$4,548	\$1,790

### Per Diems:

Municipality	Full Day	Half Day	Benefits Provided?	Pension?	Deputy
Morinville	\$200.00	\$100.00	Y	N	rotate part of honor
Beaumont	n/a	n/a	Y	Y	\$3,765
Devon	\$209.00	\$105.00	Y	N	\$2,399 rotate @ 8 months
Fort Saskatchewan	\$200.00	\$100.00	Y	N	N
Spruce Grove	\$262.00	\$119.00	Y	Y	\$750
Stony Plain	\$10.00	\$10.00	Y	Y	N
Sturgeon	\$260.00	\$130.00	Y	Y	\$7,337
City of Lacombe	n/a	n/a	N	N	N
Cochrane	n/a	n/a	Y	N	N
Hinton	\$250.00	*\$125.00	Y	N	N
Whitecourt	\$300.00	\$150.00	Y	N	\$2,805