

## **Administration's review of the Council Remuneration and Expense Reimbursement-Final Report**

### **Recommendation 1.1: That Councillors continue to be deemed as part-time.**

Administration has no comment for this recommendation.

### **Recommendation 1.2: That Council meeting be adjusted to commence later in the afternoon or evening to allow those employed in a full-time capacity elsewhere the opportunity to serve on Council.**

Depending on when the start time is and how long the meeting runs, there may be implications to staffing resources of this recommendation. A later start time for Council meetings could extend the time City staff are required to stay each evening after working a full day. Legislative Staff stay beyond the Council meeting time to attend to clean up and closing of business items. Employment Standards stipulate a maximum of 12 hours but there are a number of exemptions, such as management staff and staff in confidential roles; this has implications only if non-exempt staff are required to attend a Council Meeting in terms of ensuring they are scheduled prior to 8 p.m. This places a strain on existing staffing resources and could require some changes such as rotating Legislative Officers or alternate work hours. The biggest impact for staff supporting and attending late Council meetings is fatigue; and fatigue could also be an issue for members of Council. A mitigating action Council could adopt is a specific and reasonable Council meeting adjournment time to limit the length of meetings, as is the case today.

### **Recommendation 2.1: That all Council Member Per Diems provided by the City be eliminated**

An area of concern is the perception that the City will be profiting from the committee work of Members of Council when the per diems are paid to the City but not then paid to the Members of Council. While the report suggests Administration could monitor this, there is no certain way for Administration to know whether a Member of Council accepted a per diem unless they self report.

Administration recommends that all Council Member interest and involvement in all other Board/Agency/Committees be a requirement to be disclosed by Members of Council. This provides a mechanism for Administration to follow up on the matter of per diems.

Administration recommends that the policy should identify specifically which Board/Agency/Committees are deemed as Council appointments or where Council supports a Council Member involvement and therefore any per diems are directed to the City. However, if a Member of Council has been asked to serve by the organization

because of their skills and the committee is not covered under the above, they would be allowed to keep the per diem.

Further, Administration recommends that Council Policy C-CC-15 City Council Appointments to Federal, Provincial and Regional Boards and Committees be either updated with a reference to all Board/Agency/Committees the City deems included in the compensation package for Council Members, or to fold this policy into the amended Council expenses policy.

**Recommendation 2.2: That each Member of Council report to Administration on a regular basis those agencies, boards, and committees they were appointed to and attended including the duration of each meeting; and further that Administration tabulates the results for review by Council and the public on a quarterly basis.**

Council Policy C-CC-15 City Council Appointments to Federal, Provincial and Regional Boards and Committees states "Council members shall annually prepare a brief report, summarizing the functions attended, specific items of interest and benefits regarding their participation in a Federal, Provincial, or Regional Board or Committee. The report shall be an attachment to the annual public reporting of Council's expenses prepared by the City Manager pursuant to Policy C-CC-03." The process would need to be updated for Members of Council to include all Agencies/Boards/Committees (or alternatively, C-CC-15 be folded into the new expense policy). The template would require amendments to include attendance and length of the meeting. Or, this new requirement could be outlined in amendments to City Council Policy C-CG-05 Mayor and Councillor Roles.

**Recommendation 2.3: That Administration prepare in advance of the annual Organizational Meeting, a detailed listing of the frequency and duration of all agency, board, and committee appointments from the previous year.**

This information could be determined based on the information provided as part of Recommendation 2.2. However, if insufficient information is available there could be some additional work required on behalf of Council's Administrative Support person in order to ensure a complete report.

The report suggests in its rationale that the purpose of this would be to ensure that responsibilities are equitably divided among Members of Council. To meet this, a change would need to be made to the current practice of appointments. Under the current system, Members of Council self select their preferences and then Council appoints them. To ensure equitable distribution of work load, Administration would be required to assess the demands of each agency/committee/board (possibly through the processes outlined in 2.1, 2.2, though this information would be based on the previous years' work and could change substantially from year to year.

**Recommendation 3.1: The Base salary for the Mayor be increased to \$125,000 per annum effective the Organizational Meeting date in 2017.**

The Council Remuneration Review Committee as part of their rationale for this recommendation referred to the large salary increase made by the Regional Municipality of Wood Buffalo following the wildfire that impacted that community. It's important to note that these salary adjustments were done in consideration of their recovery work and are temporary. The raise is intended to compensate that municipality's Council Members for the increased workloads associated with the recovery effort. A Recovery Committee was established and the Mayor was given a temporary salary increase out of recognition of the additional work likely involved with guiding the recovery effort. The increased salary is due to be reviewed in December 31, 2017 as part of an update on the recovery effort. Given the temporary nature of this increase, it is not a good comparator for our purposes.

Administration did consult with Deloitte to ensure that there was no financial reporting issue with having the compensation commence at the organizational meeting, and no issues emerged.

**Recommendation 3.2: The Base salary for Councillors be increased to \$50,000 per annum effective the organizational meeting date in 2017.**

Administration did consult with Deloitte to ensure that there was no financial reporting issue with having the compensation commence at the organizational meeting, and no issues emerged.

**Recommendation 3.3: In the event a Member of Council is duly elected to serve on the FCM Board of Directors, they shall receive an additional amount added to their base salary of \$4,500/annum.**

Council Policy C-CC-15 City Council Appointments to Federal, Provincial and Regional Boards and Committees, both FCM and AUMA and regional bodies are identified as desirable and of benefit to the City. Therefore, the treatment of compensation and per diems should be equitably applied to each agency. The singling out of an additional sum to a Council Member involved with FCM in the Report is inconsistent with this principle. Per the response to recommendation 2.1, if a Councillor is attending FCM or AUMA it would be considered on behalf of the City and any funding would go to the City.

If this were to be paid, life insurance and AD&D volume and premiums are calculated on base salary; therefore, a higher base salary for a Councillor appointed to FCM will result in higher benefit coverage costs. Should Council accept recommendation 5.1, this could also result in higher costs for RPP contributions than is currently paid for Council's retirement allowance. This would impact any Member of Council appointed to the FCM Board of Directors.

This would also require consideration of the comments raised in 2.1 with regards to

clarifying a distinction between representing the City and providing a service to the board.

**Recommendation 4.1: That base salaries be indexed to the Edmonton Consumer Price Index (ECPI) for December 31st of the previous year. And further that they continue to occur on April 1st of each year.**

In any given year, this change could result in a slight increase, slight decrease, or no change from the current system.

**Recommendation 5.1: That the Council benefits program remain the same with the exception that the City contribution for Council Member retirement purposes be replaced with a Registered Pension Plan (RPP) that is based on up to a five percent matching portion from the City.**

This recommendation could result in significant chances for inequity based on different ages and employment status (employed, retired, not working). If a Member of Council maintains a job elsewhere and already contributes to an RPP outside of their City of St. Albert Member of Council position, they may already have reached their annual maximum contribution level as early as mid-year which could result in some Members of Council receiving a contribution while others do not. Another example of potential inequalities is age: the Alberta Communities Pension Plan for example, does not allow participation in the plan for anyone over the age of 71, which could potentially exclude future Members of Council from participating in the program.

The costs outlined in the report are correct as presented, however, they represent a worse case scenario as Council Members will not be required (or eligible) to sign up for the program and they choose to sign up their contributions could be anywhere between 1-5%.

If Council did approve this recommendation, Administration would recommend the AUMA Elected Official Pension Program as they are a known provider who we use for staff benefits, and are familiar with the support they provide.

**Recommendation 6.1: That reasonable out-of-pocket expenses incurred while on City business continue to be reimbursed to Council Members subject to submission of an accompanying receipt unless otherwise specified.**

Some of the rationale and information around this recommendation is not consistent with employee benefits. This is pointed out because the current and proposed Council Remuneration and Expense Policy states “Although Council Members are not employees of the City, for the purposes of this policy, they are treated wherever required in a similar manner as members of the City’s non-union employment category”.

One significant example noted in the report is around child care costs. A receipt would need to be produced which could be challenging with a young babysitter. To deal with

this, changes would need to be made to the Council Remuneration and Expense Policy to set an upper limit either by occurrence or by hour. Further, Council may want to consider excluding immediate family members (to be defined by the policy) from qualifying.

**Recommendation 6.2: That Council expense claims for reimbursement be approved and signed off by two members of senior Administration. In the event one or both of the signatories does not agree that a claimed expense is reasonable, the claim shall be referred to Council for adjudication with the Council Member whose claim is under scrutiny being excluded from any discussion or debate.**

If Council approves this recommendation, Administration would recommend that the Director of Finance and the City Manager be the two senior members of Administration responsible for approving expense claims.

**Recommendation 6.3: That maximum amounts for each Council Member be contained in their "General Council Budget" and "Training and Development Budget" which are part of the annually approved City Budget for all costs and expenses. This would include but not be limited to: transportation; accommodation; meals; mileage, and community events tickets.**

Administration has no feedback for this recommendation.

**Recommendation 7.1: That Council Members continue to be given the option of whether to be supplied with a tablet device or a Laptop.**

This may no longer be a relevant distinction as new devices exist that have the properties of both a tablet and a laptop. To eliminate the distinction, Administration would recommend that rather than offering an option, that the City supply a new Windows tablet with removable keyboard at the start of the Council Term. One fully configured spare should be maintained in the event of loss, damage, or technical problems.

Further, Members of Council should be supplied with a docking station and large monitor for their home office for ease of reading electronic documents without printing them.

Standardization will be critical to ensure compatibility of devices being used by Council with existing technology solutions required to conduct City business. This standardization would also allow for rapid replacement.

**Recommendation 7.2: That Council Members who choose not to access a City supplied smartphone forego the opportunity to be reimbursed any costs incurred conducting City business.**

Administration suggests, rather than providing individual tools, such as smart phones, fax machines, or high speed Internet, a allowance be made available to each Council Member for home supplies that would encompass all of these. The allowance would be evaluated annually as part of the budget process to determine an appropriate amount. However, for cell phones, the best choice would be for Members of Council to utilize devices provided by the City for security reasons and ensuring standardization.

**Recommendation 7.3: That the use of a fax machine for home be re-evaluated with Members of Council to ascertain the value/need of this tool.**

See response to 7.2

**Recommendation 7.4: That reimbursement for a high-speed internet connection for Council Member home applications continue; and further, that a monthly maximum amount is established and adjusted from time-to-time.**

See response to 7.2

**Recommendation 7.5: That City supplied printers be added to the list of support tools for Councillors; and further, that the required paper and toner also be supplied by the City.**

Should Council accept this recommendation, a contracted on-site maintenance plan will be needed for technical support and replacement of toner or other parts. Given the City's bulk buying options, it would be advisable that paper be made available for pickup from City Hall. Alternatively, supplies for the printer could be made a reimbursable expense. Given the moves being made within the organization to move towards a more paperless system, the need for printers should continue to decline in the coming years.

**Recommendation 7.6: That the City allocate a shared office space for Councillors.**

As part of the space planning work that Administration is undertaking a shared "hoteling" space for Council members has been identified and is being included in our pending moves. It is anticipated that this space will be set up and in place by late Q1 or early Q2, 2017

**Recommendation 8.1: That any Council Member may attend the FCM and AUMA Annual Conferences.**

This will require some changes to C-CC-15 City Council appointments to Federal, Provincial, and Regional Boards and Committees.

This will also involve a small incremental cost from year to year depending on how many Council Members choose to participate and the location of the conference. Finance estimates the overall increase to be roughly \$3,000.



Staff have discussed the potential risks associated with having all the elected officials travelling together and being out of the community at the same time. It was noted that Council's role is primarily governance-based rather than operational, and that operations would continue in Council's absence. In the case of a catastrophic event, governance matters would be postponed and managed as appropriate with the assistance of the Province. If necessary in the case of a local emergency, Provincial officials may assume control and direction over any emergency response by declaring a state of emergency (rather than the Mayor as indicated by bylaw).

**Recommendation 8.2: That any other training or development activities beyond the FCM and AUMA Conferences be managed in accordance with each Council Member's Training and Development Budget.**

Administration has no feedback for this recommendation.

**Recommendation 8.3: That any reasonable general travel expenses incurred while conducting City business continue to be a reimbursable expense.**

Administration has no feedback for this recommendation.

**Recommendation 8.4: That Council Members attend whatever Community Events they deem appropriate, subject to any reimbursable expenses being covered by their general Council Budget.**

A clear definition of "Community Event" would need to be established in the Council Expense and Reimbursement policy.

**Recommendation 8.5: That Policy C-CC-21 related to contributions and sponsorships by individual Council Members be quashed.**

Administration has no feedback for this recommendation.

**Recommendation 9.1: That any mileage incurred while on City business be reimbursed at the rate used by the Government of Alberta.**

This is consistent with Administrations current practices.

**Recommendation 9.2: That any mileage or other transportation costs incurred as a result of conducting City business within the boundaries of the City, shall not be considered a reimbursable expense; and further, that any reasonable out-of-pocket costs incurred for travel outside of the City boundaries is considered a reimbursable expense.**

Administration has no feedback for this recommendation.

**Recommendation 10.1: That Policy C-CC-03 be amended as shown in Appendix VI.**

Depending on which recommendations Council accepts, significant changes would need to be made to the recommendations in this policy to ensure consistency between the report and the proposed policy.

The proposed policy would need to be reviewed for consistency with current templates and formatting.

Administration does not recommend approving the policy as presented, but request that Administration bring back a draft including the proposed changes from the report and any of the recommendations accepted by Council from the Council Remuneration Review Committee-Final Report.