

## Remuneration Committee Report

(submitted to Council on January 26, 2011)

Here is a summary of the finding by the Remuneration Committee. The Towns being compared are: Grimshaw, Crossfield, Athabasca, Carstairs, Hanna, Fort Macleod, Three Hills, Gibbons, Sundre, Turner Valley and Rimbey.

Category	Information gathered
<b>Basic Stipend (\$ per month)</b>	Mayors' Salaries ranged from \$462/month (Grimshaw) to \$1540/month (Carstairs). Rimbey's mayor was paid \$1553.55 last year. Councillors salaries ranged from \$350/month to \$1155/month. Rimbey's councillors were paid \$1035.70/month last year. What this covered varied greatly from town to town. For some, this covered all work done in the community; for others, extra salary was given for extra meetings beyond the regular council meetings.
<b>Extra Salary</b>	Last year council members in Rimbey were able to apply for additional salary for anything beyond the regular council meetings on a per-meeting or per-diem basis. The mayor was paid \$36.50/hour and the councillors were paid \$30.45/hour with a 2 hour minimum. The daily rate (8 hours) kicked in after 6 hours, including travel time. Other towns varied greatly, some paying for out-of-town work only, some as a flat rate per meeting, some paid by the hour.
<b>Travel Expenses - Milage</b>	All towns except one paid about \$0.50 - \$0.53 per kilometer for travel outside of the local area. The Rimbey rate was \$0.52/km. The one exception, Fort Macleod, paid each council member \$500/year to cover all expenses, including the ones listed below, no receipts required
<b>Travel Expenses – parking, etc.</b>	All towns but one paid for all these types of expenses as long as receipts for these costs were submitted.
<b>Travel Expenses - meals</b>	Most towns had some way of reimbursing its council members for meals while traveling. Usually members just had to submit receipts for a full refund for these expenses (Rimbey's way of doing this). Some had cost limits per meal and/or per day and some had limits that could be claimed without submitting receipts.
<b>Travel Expenses - Lodging</b>	Most towns reimbursed members for the full cost of lodging while away on town business. Receipts needed. One town (Three Hills) gave its members the option of making other arrangements and getting \$50/day for lodging without receipts.
<b>Travel Expenses - Incidental</b>	Most towns did not have a policy on this, but those that did gave full refunds for these expenses as long as receipts were submitted.
<b>Other Expenses – cell phone</b>	Both Hanna and Rimbey had a cell phone package for the mayor. Rimbey's mayor had a cell phone and expenses paid for by the town. Hanna offered the same, but with the option of a cell phone allowance instead.
<b>Benefits – Life and Accident Insurance</b>	We couldn't find much on this from other towns. Rimbey and Three Hills did offer this to its council members.
<b>Benefits – Health Spending Account</b>	Only Rimbey had this - \$300/month to spend on health related products or services.
<b>Spousal Expenses</b>	Most towns did not have any provisions for spouses traveling with council members while away on town business. Rimbey's town policy says that it would pay for expenses for in-province traveling. Three Hills gave council members half of the regular meal allowance to pay for their spouses' meals.

The tables above compare the remuneration paid to Rimbey Town Council to other towns in Alberta of similar size. A couple of quick observations of these charts indicate that Rimbey has the highest remuneration in pretty much all the categories and that Rimbey is the only one with a health spending account for its council.

Please note that in 2009 the Rimbey mayor's salary and expenses (not including credit card expenses) exceeded \$66 000 using the Rimbey formula above. Total salaries of Town Council (2009 – salary plus claimed expenses) exceeded \$148 000. These figures seem excessive when compared to other communities near us, even though we have three fewer councillors than most towns. (These figures were compiled by the Rimbey Ratepayers Association.)

## Recommendations:

- 1.** The first question we looked at was the **basic stipend**. There are two approaches taken by various towns. Either a high monthly stipend that covers most of the local meetings or a low stipend with extra pay for each and every meeting. We thought that the flat rate that covered most of the local business of council is the best approach.

**Recommendation:** Leave the basic stipend in place, just have it pay for more. The stipend should cover all work – all meetings, phone calls, public interactions and in-town committee work – in the Rimbey area. See below for special compensation. For the COLA adjustment use the annual rate of inflation as of Dec. 31 each year and make it effective the following month. The Deputy Mayor shall receive an additional \$100/month.
- 2. Hourly rates:** We looked at what it should be, what it should cover and whether the mayor should be paid more than the councillors. We don't want these people working for us to suffer financial hardship just to serve on council; this would be too discouraging to people thinking about running in an election. Nor did we think the mayor should be paid more than the councillors, since they are all community members.

**Recommendation:** The mayor and councillors should be all paid the same basic \$30/hr. This would be for time spent on the job away from Rimbey and would include things like conventions, seminars, workshops, or other activities approved by Town Council. Occasionally there may be special time-consuming activities in town that go beyond what is normally expected of a council member. In that case the hourly rate can be applied, but only through a special motion by council.
- 3. Spousal expenses** when accompanying council members on out of town trips: this was a difficult topic to decide on, with lots of arguments on both sides of the issue.

**Recommendation:** No spousal expenses will be paid by Rimbey taxpayers.
- 4. Paying for meals** while out of town: There are two questions here. Some towns provide a basic per meal rate. Others just require that receipts be submitted in order to recoup expenses. Meal prices can vary significantly from place to place. We wanted a program that was easy to administer, yet ensured that council members were not burdened by additional expenses in carrying out their duties on council.

**Recommendation:** For any official meetings that go over a meal period (including travel time) council members can claim \$10 for breakfast, \$15 for lunch and \$25 for supper without submitting receipts, or, submit receipts (including tip) for total compensation.
- 5. Mileage:** The basic rate seems to be fairly consistent in all places at around 50 cents/km. Some had rates that reflected the varying price of gas.

**Recommendation:** Mileage to be paid as per Revenue Canada guidelines.

6. **Lodging:** This expense would be paid for council when traveling to other places on council business. We liked the Three Hills idea of allowing members to stay with relatives/friends while visiting other places and letting the council members settle with them.

**Recommendation:** Council members can either claim \$50/day without receipts or submit receipts for full compensation.
7. **Other traveling expenses:** This would include things like parking, and any other incidental expenses that might come up.

**Recommendation:** Members can receive full compensation by submitting receipts.
8. **Other expenses:** Some places have a cell phone package for the mayor. Most people now have their own cell phones and another one probably wouldn't be wanted.

**Recommendation:** A cell phone package will be offered to the Mayor or up to \$50 per month for use of personal phone.
9. **Alcohol:** Should it be paid for as an expense?

**Recommendation:** No
10. **Double-dipping:** Some organizations (eg. Rimoka Foundation) provide hourly and/or per diem compensation for meeting attendance. Should council members be allowed to claim this as well as claim hourly expenses from the town?

**Recommendation:** No. A claim for meeting attendance can only be made from one organization.
11. **Benefits and Health coverage:** At present, Rimbey is the only one to offer a health spending account at \$300/month/council member. There is also the question of a health plan as well as life and accident insurance.

**Recommendation:** Drop the Health Spending Account. Use whatever benefit package promoted by the AUMA. Council members would have the option of opting into the Local Authorities Pension Plan under the same conditions as Town of Rimbey employees. In the event that a council member chooses not to participate in any of these plans, he/she will be compensated for the municipal portion.
12. **Signing off on council expense sheets:** During a short CBC election video clip, our former mayor placed blame for the excessive amounts on expense sheets on the town administration rather than himself or his council.

**Recommendation:** Signing off on council expense sheets should be the job of the mayor, or deputy mayor when acting in the mayor's capacity, as the acting CEO of the town. This job should not be passed on to the CAO.

13. **A supporting structure for the remuneration policy:** We have received remuneration policies from a number of communities. They vary greatly in their length and breadth. A good policy not only explains the compensation for council members, but also how it is put into effect and what is expected in return for this compensation.

**Recommendation:** We are most impressed by Bylaw #1282-06 of the Town of Three Hills. The actual remuneration is contained in Schedule “B” of this bylaw and is changed each year to reflect new realities. The supporting definitions, interpretations, etc. are contained in the main body of the law. We suggest Rimbey Town Council look very carefully at this as a model for a revamped remuneration policy.

These policies should be reviewed in the third year of the council mandate, including comparison with similar sized towns, and be completed before the election.

14. **Other Expenses Policy:** The issues of paying for political contributions, expenses for golf tournaments, as well as other political functions, and non-political fundraisers were raised in the last election. These were often claimed under the ‘other expenses’ category and didn’t seem have any limits in terms of what was included or how high the expenses could go.

**Recommendation:** No to paying for contributions to political parties. Transferring funds from municipal government to political parties through expense claims is illegal. For events such as golf tournaments that councillors feel they need to attend in order to promote the town, expenses such as mileage and entry fees can be claimed. For non-political fund-raisers, political functions, regular and impromptu meetings with ministers and/or deputy ministers, the same rule applies. Extra remuneration can be paid for these events through a special council motion.