

# **COUNCIL REMUNERATION TASK FORCE**

## **2022 - FINAL REPORT**

**June 28, 2022**

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## **1.0 PURPOSE AND INTENT**

- Strathcona County policy recommends that Council remuneration is reviewed every two terms of Council via an independent committee (Task Force).
- Strathcona County established the Task Force in spring of 2022 under the authority of Bylaw 2-2022 – Council Remuneration Task Force Bylaw.
- The mandate of the Task Force is described in Section 5 of the bylaw:
  - Provide recommendations to Council on appropriate compensation for the County’s Mayor and Councillors, including salary, benefits, pensions, allowances, and any other form of compensation.
  - Provide recommendations on revisions to the County’s policies related to Council remuneration, including GOV-001-013 *Elected Officials Remuneration*.
- Additionally, Section 8 of the bylaw advises that the Task will consider the following when fulfilling its mandate:
  - Compensation that would attract and allow for a diverse range of candidates for the role of Mayor and Council;
  - The responsibilities and time commitment requirement of the Mayor and Councillors;
  - The current and anticipated economic environment;
  - Alignment with other comparable Canadian municipalities;
  - Alignment with policies related to compensation for Strathcona County employees.

## **2.0 BACKGROUND**

### **2.1 Task Force Members**

- The Task Force was made up of the following public members:
  - Wendy Beller
  - Brian Botterill
  - Carson Danyluik
  - Mike Fernandez (Chair)
  - Ryan Osterberg
- The Task Force was supported by key staff from Strathcona County:
  - Lana Dyrland, Coordinator, Boards, Committees and Tribunals.
  - Sara McKerry, Manager of Governance.
  - Sharry Sowiak, Director of Human Resources.

### **2.2 Principles**

- The Task Force reviewed the principles established in 2014 and found them valuable for informing our discussion.
- Task Force used two principles to help guide discussions.
  - #1 – Council is considered a full time position.
    - The roles on Strathcona County Council demand varied and unpredictable hours.
    - The commitment required of Council is significant and meeting those commitments is a demand that requires greater than full time hours.
  - #2 - Annual adjustment of remuneration should be based on sound methodology with consideration of the existing economic situation and financial and County objectives.
    - The economic situation will often be variable and dependent on many external factors.

- #3 – Strathcona County operates a Ward Based system (vs At Large Councillors)
  - The *Municipal Government Act* allows councillors to be elected at-large or as councillors for a specific district or ward. The committee found that whether councillors are elected at-large or by individual wards significantly impacts elected officials' expectations, responsibilities, and ultimately workload.
  - Irrespective of the electoral system, it is essential to note that the *Municipal Government Act* requires all elected officials to act in the best interest of the entire municipality.
  - When elected at-large, the Mayor and Councillors work together to advance the interests of the entire community. Viewed as the leader of Council, the Mayor typically serves as the primary point of contact for constituent inquiries. Communication, consultation, and governance outreach are an effort of all of Council.
  - When elected by a specific ward or district, the role of a councillor becomes more complex. Councillors must balance their duty to the entire community with their special relationship with ward residents. As a specialized municipality, Strathcona County's councillors must also consider how any decision might disparately impact rural vs urban communities.
  - Individual wards have unique needs, requiring further consultation and communication from councillors to ensure and demonstrate effective representation. Councillors take the lead on constituency business, including ward events, citizen inquiries and ward communications.
  - Another uniqueness is that Strathcona County councillors must live within their ward's boundaries. Councillors in urban municipalities, or those elected at-large, can reside anywhere in the municipality. This restriction helps ensure local representation but impacts housing availability, cost, and driving distances for councillors.
  - The committee has considered these impacts when making its recommendations.
  - Appendix 6.3 specifies the election system for each comparable municipality, whether at-large or ward-based.

### 2.3 Remuneration Framework for Elected Officials

- Strathcona County has a clear and transparent policy framework that governs Elected Officials remuneration.
- Appendix 1 – Strathcona County Remuneration Framework, provides a simple illustration of the policy framework.
  - Hyperlinks to each piece of the framework can be found in Appendix 4.
- The framework consists of the following pieces, with relevant elements of remuneration listed below each title.
  - Elected Officials Remuneration Policy
    - Salary Adjustments
    - Transition Allowance
    - Automobile Allowance
  - Elected Officials Business Expense Policy
    - Kilometer Rates (Mileage)
  - Bylaw 35-2021 Parental Leave Bylaw
    - Parental Leave

- Elected Officials Participation in Employee Benefit Plans
  - Benefit Plan Coverage
  - Disability Coverage
  - Registered Retirement Saving Plans
  - Additional details and benefits are described in the Elected Officials Group Benefits Summary Booklet 2022 (i.e. Health Spending Accounts and Wellness Spending Accounts).

**2.4 Comparable Communities**

- An important consideration in undertaking remuneration analysis is to compare Strathcona County against relevant communities.
- There were a number of factors considered in identifying a list comparator communities to support Task Force analysis:
  - Ward-based or at large system
  - Committee appointments/structure
  - Regional economic factors (municipal revenue)
  - Method of payment (i.e. Salary or per diems)
  - Population
  - Council size
  - Council meeting frequency
- Task Force discussions initially considered municipalities in British Columbia, Alberta, Ontario and Quebec.
- There are factors that make Strathcona County (and Alberta) unique when compared to other municipalities across Canada and identifying acceptable comparators is not an easy task.
- Municipal Councillors play an ombudsman role that sees them deal directly with many constituents on resolving an array of complaints with administration and the delivery of municipal services.
  - This is a fairly unique role in Canada that is not found in many other provinces and territories.
- Ultimately, the Task Force landed on the following communities as comparators to support the analysis. See Appendix 3 for a high level summary of comparator community data.

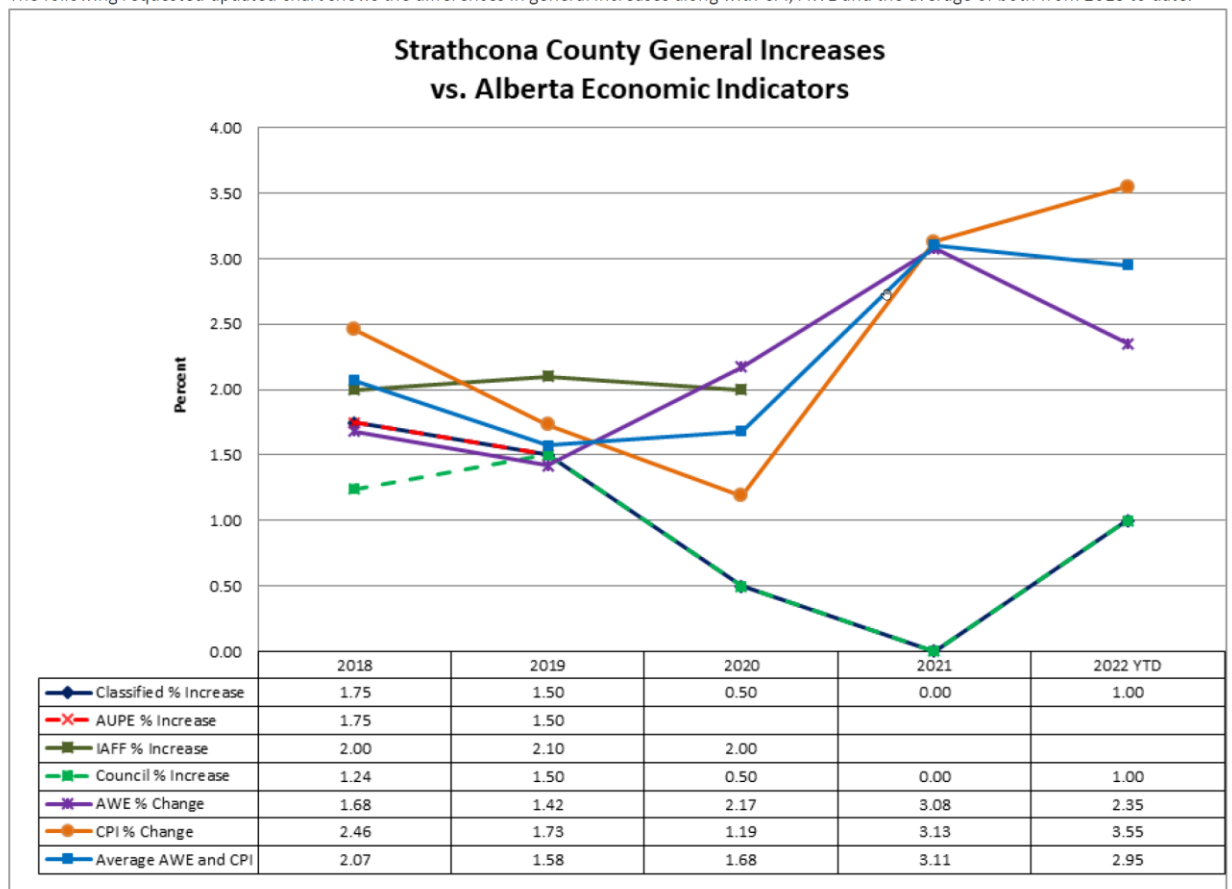
<b>Alberta</b>	<b>British Columbia</b>	<b>Ontario</b>
Edmonton	Kamloops	Brantford
Calgary	Nanaimo	Thunder Bay
Regional Municipality of Wood Buffalo	Saanich	Sarnia / Lambton County
Red Deer		
Lac la Biche		
Surgeon County		
Airdrie		
Medicine Hat		

### 3.0 AREAS OF REVIEW

#### 3.1 – Salary

- Salary for elected officials is addressed in the Elected Officials’ Remuneration Policy (GOV-001-013).
- The current state is the elected officials receive an annual salary increase each July.
  - The increase is an average of the per cent change in average annual index of Alberta CPI (consumer price index) and the percent change in annual average earnings of Alberta AWE (average weekly earnings).
- The current policy also states that any Elected Officials salary increase is not to exceed the general increase given to the majority of Strathcona County staff.
- The below table illustrates economic indicators and Council salary adjustments over the last several years.

The following requested updated chart shows the differences in general increases along with CPI, AWE and the average of both from 2018 to date.



- **RECOMMENDATION 1** - Remove the link between Elected Officials salaries and any increase given to the majority of Strathcona County staff found in Guideline 2 of the Elected Officials’ Remuneration Policy (GOV-001-013).
  - Task Force thinks the salary formula is fair and meets the policy intent in a predictable and transparent manner.
  - There is no policy need to have it linked in any way to the salary adjustments made to Strathcona County staff.

- Any general salary increase provided to Strathcona County staff on an annual basis is determined based on a number of variables and ultimately decided by elected officials.
- This appears to be an unnecessary cap that is imposed by Council as they deliberate each fall during the annual budget process.

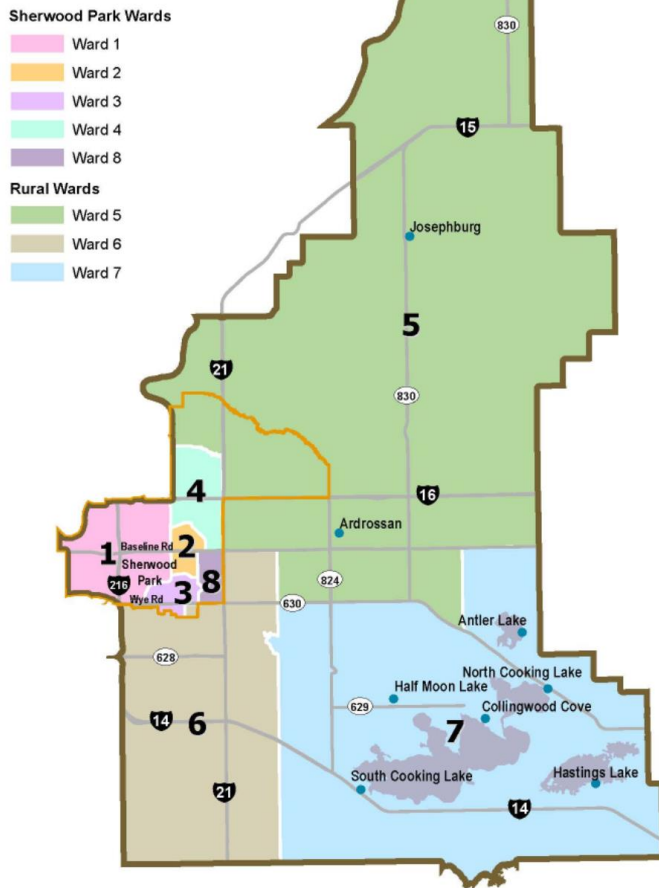
### 3.2 - Transition Allowance

- The Transition Allowance is described in the Elected Officials Remuneration Policy (GOV-001-013)
- The current policy is that upon leaving the elected office, Councillors and Mayor will receive a transition allowance equal to two weeks' pay per consecutive years as an elected official, to a maximum of 16 weeks' pay (8 years served), effective for service commencing October 2013.
- The Transition Allowance is designed to serve as a bridge to a Councillors next employment opportunity as they are not eligible for any type of Employment Insurance when they leave office.
- Councillors face an additional and highly unique barrier when they leave their elected role as they may face reputational impacts that affect their employment prospects
- See Appendix Comparator Communities 3 for Transition Allowance in comparator communities.
- Task Force reviewed this policy and agreed that the current level of transition allowance is fair in the current context.

### 3.3 – Automobile Allowance

- The Automobile Allowance is described in the Elected Officials Remuneration Policy (GOV-001-013)
- The current policy is that all elected officials receive an allowance of \$400 per month.
- This level of Automobile allowance has been in place for many years (since at least since 2006).
- The Task Force agreed that this policy should be adjusted given the significant change in cost structure associated with vehicle operating costs since the current rate was established.
  - For example, gasoline was \$0.63/liter in 2000 and \$0.91/liter in 2006. Today gasoline is being sold at double the price it was in 2006.
  - The median price of a new vehicle in 2006 was \$32,700 and in 2022 has risen to \$51,000
  - Data is sourced from Statistics Canada
- The Task Force agreed that moving to a receipted system introduces significant subjectivity in what gets claimed by an individual councillor and that a flat rate system creates policy clarity and minimizes administrative burden.
- Strathcona County has a significant difference in ward sizes (urban vs. rural wards) that sees councillors in larger (rural) wards undertake significantly more driving than in the smaller (urban) wards.
- **RECOMMENDATION 2** – Elected Officials should have a differentiated Automobile Allowance that provides different rates for urban vs. rural wards.
  - Urban ward rate should be set at \$750 per month.
  - Rural ward rate should be set at \$1250 per month.
  - For the purposes of this recommendation, Wards 1,2,3,4 & 8 are deemed urban and Wards 5, 6 & 7 are deemed rural (in alignment with the Strathcona County Ward Boundary Review Policy).

## Strathcona County Wards



### 3.4 – Kilometer Rate (Mileage)

- Information on the Kilometer Rate (Mileage) received by Elected Officials is found in Schedule A of the Elected Officials Business Expense Policy.
- The current policy states that Elected Officials can use personal vehicles for County business and that the reimbursement for business travel outside Strathcona County is set at 1 cent below CRA Canada Revenue Agency Rate; and that reimbursement for business-related mileage within Strathcona County at a rate of 30.5 percent of CRA rate.
- The CRA automobile allowance rates for 2022 are:
  - 61¢ per kilometre for the first 5,000 kilometres driven;
  - 55¢ per kilometre driven after that.
  - <https://www.canada.ca/en/revenue-agency/services/tax/businesses/topics/payroll/benefits-allowances/automobile/automobile-motor-vehicle-allowances/automobile-allowance-rates.html>
- Based on the 2022 rates above, business travel outside of the County can be claimed at \$0.60/km and business travel inside of the County can be claimed at \$0.186/km
- Typically, Elected Officials in Strathcona County tend not to claim in-county mileage, but will claim the out of county mileage.
  - The last expense claim that included in-county mileage was prior to 2017.



- RECCOMENDATION 3 – If the Automobile Allowance recommendation is acted upon, the in county Kilometer Rate, and any reimbursement for additional insurance coverage, should be removed from Elected Officials Business Expense Policy.
  - The proposed Automobile Allowance should adequately address in county business travel expenses, including insurance costs.

### 3.5 - Parental Leave

- Parental leave for Elected Officials is addressed in Bylaw 35-2021 Parental Leave Bylaw.
- The bylaw provides the conditions under which a Councillor can take parental leave.
- This bylaw was only passed in June 2021.
- The Task Force assumption is that the bylaw will meet the needs of Council and constituents, however it has not yet been tested.
- Task Force is making no recommendations at this time.

### 3.6 – Registered Retirement Savings Plans

- Support for Elected Officials Registered Retirement Savings Plans is addressed in the Elected Officials Participation in Employee Benefit Plans Policy.
- The current approach is that Elected Officials under the age of 72 may choose to participate in the County’s group Registered Retirement Savings Plan (RRSP).
- If an Elected Official chooses to participate in the RRSP, the County’s share of the contributions will be 1% higher than the Elected Official’s share, up to the maximum.
- The contribution level is at the discretion of the Elected Official; however the total contribution may not be higher than the maximum allowed by Canada Revenue Agency or be higher than the Local Authorities Pension Plan (LAPP) contributions for an employee earning a comparable base salary.
- Based on the LAPP criteria, this means that the maximum contribution rate by an Elected Official would be 8.5% and the County contribution would top out at 9.5%.
  - The maximum County contribution based on this formula has an approximate value of \$8187.82.
- When an Elected Official turns 72, they are no longer able to contribute, and the Task Force views this as a potential disincentive to elected service.
- RECOMMENDATION 4
  - For Elected Officials who serve past the age of 72, provide an annual lump sum of \$4000 in lieu of making matching contributions to RRSP’s in the year following their 72<sup>nd</sup> birthday.

### 3.7 – Benefits

- Benefits for Elected Officials are found in the Elected Officials Participation in Employee Benefit Plans Policy (GOV-001-038) and the Benefit Booklet for County Classified Employees, Elected Officials & Strathcona County Library Employees.
- The current state is that Elected Officials will participate in the same employee benefits package as the County’s municipal classified staff (excluding the Local Authorities Pension Plan), and with the same cost share structure.
- Task Force reviewed the Benefit Policy and Booklet and found the benefits to be both comprehensive and reasonable.
- RECCOMENDATION 5 - Newly elected officials should be eligible for benefit coverage as per the Elected Officials Group Benefits Summary Booklet.

- The current Policy (bottom of Page 1) states that newly Elected Officials are eligible for coverage on the first day of the month following their election.
- However, the Benefit Booklet has several different eligibility dates depending upon the Benefit being discussed.
- For consistency, the Policy should be changed so that it instead points to eligibility dates noted in the Booklet.

**3.8 - Professional Development**

- Reimbursement for professional development expenses for Elected Officials is addressed in the Elected Officials Business Expense Policy.
- Professional development for Council is an important benefit that helps Council members develop knowledge and skills that inform and improve decision making.
- However there is limited detail in the current policy regarding professional development. On occasion this may create situations where too much subjectivity is being exercised, leading to inconsistent costs being reimbursed for Elected Officials undertaking professional development.
- **RECOMMENDATION 6** - Elected Officials professional development costs should be capped at \$6500 per year, and any request to exceed the \$6500 should require a motion of Council.
  - For the purposes of calculating annual professional development costs, participation and costs associated with attending conferences should not be included as professional development unless the sole purpose of attending such a conference is professional development.
  - The \$6500 annual cap is in line with the cap for Strathcona County staff.

**3.9 – Administrative Amendments**

- Task Force reviewed all of Remuneration Framework documents in detail and offers the following recommendation.
- **RECOMMENDATION 7** - Make administrative edits to the Elected Officials’ Remuneration Policy (GOV-001-013).
  - Add a cross reference section and cross reference this policy with the Elected Officials Business Expense Policy (GOV-001-026) and the Elected Officials Participation in Employee Benefit Plan Policy (GOV-001-038).
  - Amend the term “flat rate allowance” to “salary” so that it is consistently applied throughout the policy.
  - Guideline 3 was a point in time adjustment to the policy and can likely either be removed, or moved to Schedule A of the policy.
  - Amend the phrase “Councillor Business Expense Policy” (which is not an official policy title) to “Elected Official Business Expense Policy”.

**4.0 SUMMARY OF RECOMMENDATIONS**

1	Remove the link between Elected Officials salaries and any increase given to the majority of Strathcona County staff found in Guideline 2 of the Elected Officials Remuneration Policy.
2	Elected Officials should have a differentiated Automobile Allowance that provides different rates for urban vs. rural wards.

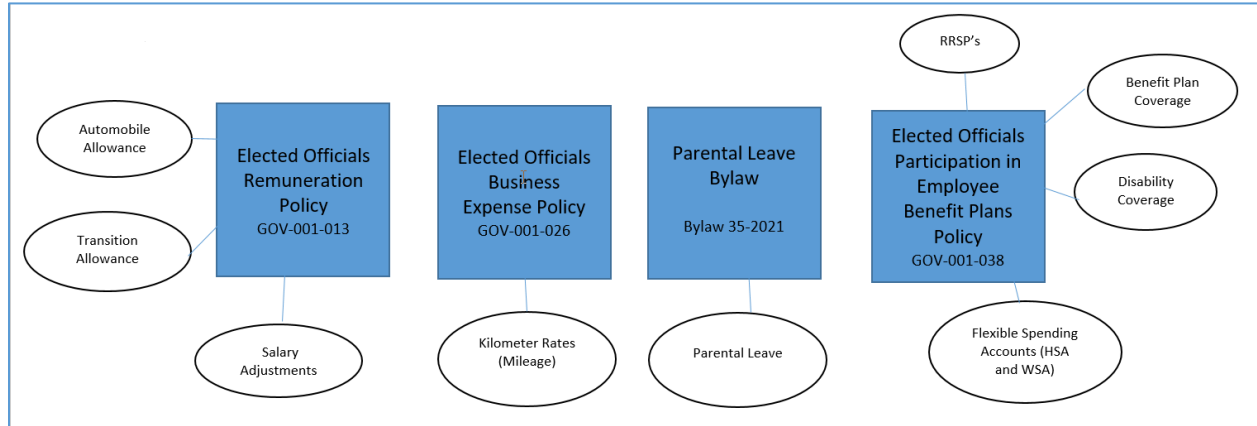
3	If the Automobile Allowance recommendation is acted upon, the in county Kilometer Rate and reimbursement for additional insurance coverage) should be removed from Elected Officials Business Expense Policy.
4	For Elected Officials who serve past the age of 72, provide an annual lump sum payment of \$4000 in lieu of making matching contributions to RRSP's in the year following their 72 <sup>nd</sup> birthday.
5	Newly elected officials will be eligible for benefit coverage as per the current Elected Official Benefit Plan and Elected Officials Group Benefits Summary Booklet.
6	Elected Officials professional development costs should be capped at \$6500 per year, and any request to exceed the \$6500 should require a motion of Council.
7	Make administrative edits to the Elected Officials' Remuneration Policy (GOV-001-013).

### **5.0 THANK YOU**

The Council Remuneration Task Force would like to sincerely thank Sara McKerry, Lana Dyrland and Sharry Sowiak with Strathcona County. Your advice, assistance, and professionalism was greatly appreciated and we owe you a beverage of your choosing later this summer.

## 6.0 APPENDICES

### 6.1 - APPENDIX 1 – REMUNERATION FRAMEWORK



### 6.2 APPENDIX 2 – WORK PLAN

#### **Remuneration Task Force Work Plan – April 22, 2022**

##### **Mandate/Tasks of Working Group**

- 1) Provide recommendations to Council on appropriate compensation for the County's Mayor and Councillors, including salary, benefits, pensions, allowances, and any other form of compensation.
- 2) Provide recommendations on revisions to the County's policies related to Council remuneration, including GOV-001-013 *Elected Officials Remuneration*.

##### **Deliverables**

- 1) Final Report w/recommendations to Council.
- 2) Briefing deck to be used at July 5, 2022 Council meeting.

##### **Work Plan**

###### *Meeting #1 – April 11, 2022*

- Introductions
- Establish meeting schedule
- Preliminary discussion on criteria for identifying comparators

###### *Meeting #2 – April 25, 2022*

- Preliminary discussion on work plan
- Review of 2014 Council Remuneration Review report
  - What do you like about the report and the methodology?
  - What do you think of the principles that guided their work?
- Discuss principles that will guide Task Force 2022 work
- Identify what work we are asking of Administration

- For us to have meaningful discussions at future meetings, what support are we seeking from Administration?
  - Research? Briefings?
- Goal is to try and identify now what we think we'll need so it can be put in motion.

*Meeting #3 – May 2, 2022*

- Approve final work plan
- Review of GOV-001-013 *Elected Officials Remuneration* s.5(b)
  - Initial review of policy to ensure awareness and understanding of content.
  - Given what you know now, what observations do you have about potential amendments that might need to be considered?
- Review of policies related to compensation for Strathcona County employees s.8(e)

*Meeting #4 – May 9, 2022*

- Review and discussion of pensions s.5(a)
- Review and discussion of allowances s.5(a)
- Review of alignment with comparable Canadian municipalities s.8(d)

*Meeting #5 – May 16, 2022*

- Review and discussion of benefits s.5(a)
  - Found in *Elected Officials Participation in Employee Benefit Plans Policy*
- Review and discussion on vehicle allowance
- Review and discussion on the responsibilities and time commitment requirement of the Mayor and Councillors s.8(b)
- Review of the current and anticipated economic environment s.8(c)

*Meeting #6 – May 30, 2022*

- Establish structure of Final Report
- Discussion on initial recommendations for Task 1.
- Review of GOV-001-013 *Elected Officials Remuneration* s.5(b)
  - Detailed review of policy with a focus on identifying recommendations for Task 2

*Meeting #7 – June 7, 2022*

- Review of s.8 of the by-law.
  - Have we adequately considered all of the elements of fulfilling our mandate?
  - Do we have any identified gaps or key areas that need additional discussion or research?
- Review structure and draft of Final Report.

*Meeting #8 – June 13, 2022*

- Establish structure of Briefing Deck
- Review draft of Final Report

*Meeting #9 – June 23, 2022*

- Review draft of Final Report
- Approve Final Report
- Approve Briefing Deck

*Delivery of Final Products – June 27, 2022*

- *Final Report and Briefing Deck delivered to administration on June 27, 2022*

*Presentation to Council – July 5, 2022.*

**6.3 APPENDIX 3 – COMPARATOR COMMUNITIES**

- This Appendix is an inventory of the final list of comparator communities used in Task Force analysis. (Separate attachment)

**6.4 APPENDIX 4 – LINKS TO BACKGROUND MATERIALS**

- A) Bylaw 2-2022 – Council Remuneration Task Force Bylaw
  - [Bylaw 2-2022 Council Remuneration Task Force \(1\).docx \(strathcona.ca\)](#)
- B) Elected Officials Remuneration Policy (GOV-001-013)
  - [GOV-001-013 Elected Officials Remuneration \(windows.net\)](#)
- C) Elected Officials Business Expense Policy (GOV-001-026)
  - [GOV-001-026 Elected Officials Business Expense Policy \(windows.net\)](#)
- D) Elected Officials Participation in Employee Benefit Plans Policy (GOV-001-038)
  - [Elected Officials Participation in Employee Benefit Plans \(windows.net\)](#)
- E) Elected Officials Group Benefits Summary Booklet 2022
  - Not available online.
- F) Bylaw 35-2021 Parental Leave Bylaw
  - [Bylaw 35-2021 Parental Leave Bylaw.docx \(strathcona.ca\)](#)
- G) Council Remuneration Review, 2014
  - [filestream.ashx \(escribemeetings.com\)](#)