

CITY OF CHESTERMERE
POLICY HANDBOOK

EFFECTIVE DATE: November 1, 2017		SECTION: 800 POLICY: 835
APPROVED BY: City Council	APPROVED DATE: September 18, 2017	POLICY TITLE: Elected Officials Remuneration, Benefits and Expenses
REVIEW DATE:	AMENDMENT DATE:	PAGE NO.: 1 of 9
POLICIES AMENDED / RESCINDED: <i>Policy 803 Council Remuneration & Expense Policy (Rescinded)</i>		POLICY TYPE: Council Policy

1. PURPOSE

To provide payment to Council Members for attending the meetings of Council and the Committees thereof and/or performing related duties.

To provide for the payment of reasonable allowances for traveling and for subsistence and out of pocket expenses incurred in attending meetings affecting the municipality.

To ensure that Council Members' remuneration is appropriate to the demands of the role and their value to the community.

To ensure that remuneration is reflective of the size of the community compared with other Albertan communities of comparable size and structure.

2. DEFINITIONS

- Council Members: means the Elected Officials of the Council of the City of Chestermere.
- Councillor: means the Elected Officials of Council other than the Mayor and Deputy Mayor.
- Mayor: means the Chief Elected Official.

- Deputy Mayor: means the member/s of Council appointed as Deputy Mayor at the annual Organizational Meeting.
- Base salary: an all-inclusive amount provided to Council Members for their time and service with respect to attending to Municipal matters.
- Conferences: refers to conferences, seminars, forums, workshops, courses, training and information sessions related to municipal government.
- Travel expense: out of pocket expenses incurred by Council Members for attending City related functions outside of the corporate limits of the City of Chestermere.

3. **POLICY STATEMENT**

The City of Chestermere will compensate Council Members in accordance with the formula established in May 2017 by the 2017 Council Remuneration Resident Review Committee and as reflected below.

Pursuant to subsection 81(3) of the *Income Tax Act* and subsection 275(2) of the *Municipal Government Act*, one-third of the compensation provided will be deemed to be an allowance in respect of general expenses incurred by the Council Member incidental to the discharge of the Council Member's duties.

4. **RESPONSIBILITIES**

- This Policy applies to Members of City Council.
- Human Resources and if applicable, Legislative Services are required to:
 - Administer the compensation and benefits of Council Members in accordance with this policy.
 - Review benefits so that adjustments can be made to reflect changing practices of City Administration or of other communities.
- Human Resources shall attend to calculating and administering compensation adjustments as follows:

○ **Adjustment Factor**

- Every five years, calculate the average annual rate of change in the median employment income of Chestermere citizens by using the median employment income of the most recent Statistics Canada census comparing with the prior Statistics Canada census. The five-year rate of change will remain constant until the relevant data release of the subsequent federal census (typically at five year intervals).
- Add to the five year average rate of change, the rate of change in the Alberta Consumer Price Index (CPI) for the previous year and divide by two to determine the average. This amount becomes the Adjustment Factor

EXAMPLE – Adjustment Factor

2015 City of Chestermere Median Employment Income	\$48,992
2010 City of Chestermere Median Employment Income	<u>\$45,707</u>
2010 – 2015 Change in Average Total Income	\$3,285
2010 – 2015 Average Annual % Rate of Change (A)	1.43%
2016 Increase in Alberta Consumer Price Index (B)	1.10%
Adjustment Factor $[(A+B) / 2 = C]$	1.265%

○ **Comparator Adjustment**

- Conduct a comparison of Council remuneration and benefits in the second and fourth year following a general election using the following criteria:
 - Using data found in policy (as opposed to actual Financial Statement figures), consider the base salary, benefits, allowances, and RRSP contributions using the municipalities of City of Airdrie, Town of Beaumont, City of Brooks, Town of Cochrane, Town of High River, City of Lacombe, City of Leduc, Town of Okotoks, Rocky View County, Town of Stony Plain, and Town of Strathmore as comparators.
 - Using data found in policy (as opposed to actual Financial Statement figures), determine the average remuneration and benefits of the comparators.

- If the Mayor’s base salary is less than the average remuneration and benefits of the comparators, adjust the salary of the Mayor by the difference between the average remuneration and benefits of the comparators and the Mayor’s base salary.
 - If the Comparator Adjustment analysis completed in the second and fourth year shows the Mayor’s salary to be greater than the average remuneration and benefits of comparators, the Mayor’s salary will be frozen until the average remuneration and benefits of the comparators increases.
- **Schedule of Adjustments**

The adjustments to the base salaries of the Mayor, Deputy Mayor, and Councillors shall be calculated and applied according to the following schedule:

2017/2018	November 1, 2017 – October 31, 2018	Adjustment Factor
2018/2019 (second year following general election)	November 1, 2018 – October 31, 2019	Comparator Adjustment, if applicable
2019/2020	November 1, 2019 – October 31, 2020	No Adjustment
2020/2021 (fourth year following general election)	November 1, 2020 – October 31, 2021	Comparator Adjustment, if applicable
2021/2022	November 1, 2021 – October 31, 2022*	Adjustment Factor or recommendations made by Committee and approved by Council

*By end of August 2021, Elected Officials Remuneration, Benefits and Expenses Resident Review Committee

- **Salary**

- Council Members will be provided annual base salaries per Schedule “A”, which will be paid on a monthly basis, in arrears, on the last business day of the month.

- Councillors salaries will be set at a 50% ratio (rounded up to the nearest dollar) and the Deputy Mayor’s salary will be set at a 55% (rounded up to the nearest dollar) ratio of the Mayor’s salary. If the Mayor’s salary is frozen, then the Deputy Mayor and Councillors’ salaries will also be frozen.
- In accordance with the Municipal Government Act and the Federal Income Tax Act, one third of compensation (including salary and allowances, excluding benefits) paid to Council members is deemed to be an allowance for expenses (without receipts) that are incidental to the discharge of their duties and is, therefore, non-taxable.
- The Mayor’s salary is based on a commitment to be in the City Office or on City business a minimum of four (4) days per week. Attending a City Council meeting does not count toward commitment days to be in the City Office.
- The Deputy Mayor’s salary is based on a commitment to be in the City Office or on City business a minimum of one (1) day per week. Attending a City Council meeting does not count as a commitment day to be in the City Office.
- Councillors’ salary is based on a commitment to attend all scheduled Council and committee meetings. Councillors must inform the Mayor or Deputy Mayor if they are to be absent from a Council Meeting.
- Unscheduled absences will result in a reduction of monthly payments accordingly.

- **Benefits**

- Council Members are eligible for coverage under the AUMA/AMSC Council Group Accident Insurance Policy as follows:

Benefit	Premium	
	Council Member Paid	City Paid
Accidental Death & Dismemberment (maximum insurable amount of \$200,000.00)	0%	100%
Paralysis (maximum insurable amount of \$400,000.00)	0%	100%

Seat Belt (maximum insurable amount \$20,000.00)	0%	100%
Disability (\$300.00 per week)	0%	100%

- The benefits that Council Members are also eligible for as part of the City's employee benefit program are as follows:

Benefit	Premium	
	Employee Paid	Employer Paid
Life Insurance (maximum insurable amount \$50,000)	0%	100%
Accidental Death & Dismemberment (\$50,000.00.)	0%	100%
Healthcare Benefits (including vision)	20%	80%
Dental Benefits	20%	80%
Best Doctors & Global Medical Assistance	20%	80%
Employee & Family Assistance Plan	0%	100%
Healthcare Spending Account (\$500.00)	0%	100%
Optional Life Insurance (maximum insurable amount \$500,000)	100%	0%
Optional Critical Illness Insurance (maximum \$250,000)	100%	0%
RRSP (up to 7% of annual taxable income)	50%	50%

- Council Members are subject to the same rules and conditions as City employees when it comes to membership of the benefits program (e.g., three month waiting period).

Other Expenses

- Equipment
 - Council members will be provided City information technology devices (e.g. laptop and smartphone) to connect to City systems (e.g.

email, Internet, intranet, records management, meeting management).

- Council members have the option to purchase these devices at the end of their term at the depreciated value as determined by IT.

○ Travel

- Mileage expenses will be paid at the rate applicable to City staff under Policy 733.
- Airline or other travel as required upon submission of a receipt.

○ Lodging

- Will be reimbursed for the actual amount of expenditure upon submission of a receipt.
- Meal Allowances (receipts not required).
- Will be reimbursed at same rate applicable to City staff under Policy 733. As of this date these rates are:

Meal	Rate
Breakfast	\$10.00
Lunch	\$15.00
Dinner	\$25.00
Incidental	\$8.00 per day when out of City

NOTE: These meal allowances include gratuity and GST, therefore these may not be claimed when meal allowances are claimed. Additionally, a receipt must be submitted for reimbursement of any meals purchased that cost more than the meal allowance rate.

○ Conventions, Conferences, Seminars, Educational Courses

- Those Council members who wish to attend conventions and conferences, etc. will be allowed to do so as authorized at a Council Meeting.
- All registration for programs or conventions (e.g. AUMA, FCM) will be paid directly by the municipality unless otherwise indicated.
- Each Council member will be allowed to claim a reimbursement cost of up to \$2,500.00 per annum for expenses of educational courses

(covers course fees, transportation, accommodation and meals while attending a course). This amount is not cumulative.

- Spouses may travel with a Council member and share accommodation however no other spousal expenses (meals, travel cost etc.) shall be paid for by the City.
- Other
 - All claims for any expenses must be made on the forms available and must be presented to the CAO for approval prior to payment.
 - No claims can be made for attendance at any social type event (e.g. Library Gala, United Way fundraiser etc.).
 - This Policy shall be reviewed by an Elected Officials Remuneration, Benefits and Expenses Resident Review Committee by end of August 2021 and shall be amended and adopted accordingly.

REFERENCES

- *Schedule “A”*
- *Federal Income Tax Act, as amended*
- *Municipal Government Act, as amended*
- *City of Chestermere Policy 733: Travel Expenses*
- *Policy 833, being the “Policy Development, Implementation and Evaluation” Policy*

Adopted by Council:

Resolution Number:

MAYOR

CAO

Schedule "A"

		Mayor	Deputy Mayor	Councillor
2017/2018	November 1, 2017 – October 31, 2018	\$65,822 (with Adjustment Factor included)	\$36,203 (with Adjustment Factor included)	\$32,911 (with Adjustment Factor included)
2018/2019 (second year following general election)	November 1, 2018 – October 31, 2019	\$65,822 (subject to Comparator Adjustment, if applicable)	\$36,203 (subject to Comparator Adjustment, if applicable)	\$32,911 (subject to Comparator Adjustment, if applicable)
2019/2020	November 1, 2019 – October 31, 2020	\$65,822 (no adjustment)	\$36,203 (no adjustment)	\$32,911 (no adjustment)
2020/2021 (fourth year following general election)	November 1, 2020 – October 31, 2021	\$65,822 (subject to Comparator Adjustment, if applicable)	\$36,203 (subject to Comparator Adjustment, if applicable)	\$32,911 (subject to Comparator Adjustment, if applicable)
2021/2022	November 1, 2021 – October 31, 2022* *By end of August 2021, Elected Officials Remuneration, Benefits and Expenses Resident Review Committee	\$65,822 (subject to Adjustment Factor)	\$36,203 (subject to Adjustment Factor)	\$32,911 (subject to Adjustment Factor)