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City Staff Report

Report Date: Mar 7, 2018
Meeting Date: Mar 27, 2018

To: Council
From: Director of Corporate and Financial Services
Subject: Council Remuneration

Purpose

The purpose of this report is to review options for Council Remuneration. These options have been discussed with the Executive Committee and they have recommended to Council that the attached draft policy be supported and brought back to Council in November/December for final approval.

Summary

Discussions with the Executive Committee indicated a desire to update Council Remuneration to be effective January 2019. Several issues were asked to be considered.

- Create a model for remuneration that includes additional pay for positions such as Acting Mayor and Committee Chair that require additional time and effort on the part of the Councillors.
- Create a model that includes a penalty for missed meetings above a set amount.
- Look at possible options to deal with the fact that as of January 1, 2019 the one third tax exemption for Council remuneration will no longer apply.
- This attached draft policy includes the changes proposed for additional pay. At this point any change for the tax policy changes has not been included. This will be addressed in Nov/Dec 2018 after a review on how other municipalities are handling the issue.

Recommendation

THAT Council supports the draft changes to the Annual Review of Council Remuneration and Expenses and that staff is to bring the policy back to Council in November/December 2018 for final approval with options for changes due to the CRA changing the tax policy on council remuneration included.

Council Policy

The current policy for remuneration is IWC-8 – Annual Review of Council Remuneration and Expenses

Financial Implications

The proposed cost of additional compensation for Acting Mayor and Chairs would be approx. \$4,800 (based on 4 standing committees, 5 select committees).

Background

Base Rate – Tax Effect

Effective Jan 1st, 2019 the CRA will no longer allow Council to receive 1/3 of their compensation tax free. Council will need to track their own expenses and declare them on their income tax returns.

Various options have been taken by other municipalities as they moved to full taxable incomes for Council (many cities have already done this as they felt it was more transparent) including just making



the entire amount taxable with no change in remuneration, to trying to determine the approximate same net take home pay.

This issue will be affecting most municipalities so over the next little while we will see the various approaches taken by municipalities. Staff will bring this issue back to Council in Nov/Dec 2018 to review and make any desired changes effective for January 2019.

Compensation for Additional Work/Missed Meetings

Attached is the draft revision of the Council Remuneration Policy including language around additional work and missed meetings.

Attachments

1. Draft potential policy – Council Remuneration