

Staff Report to Council

Title: Council Remuneration & Expense Policy

Report Number: Financial Services-2023-24

Director: Corporate Services

Manager: Manager.

Meeting Date:
Wednesday, September 27, 2023

Date to be considered by Council:
Wednesday, September 27, 2023

Recommendation:

That Council adopts the draft Council Remuneration and Expense Policy as presented or with amendments; and

Further that once the new policy is adopted, Council repeals the former policy GG.1.9 Remuneration, Council & Others

Executive Summary:

The purpose of this report is to provide Council with an updated Council Remuneration and Expense Policy that aligns with the Municipality's existing policies, including the HR.03 Compensation and Benefits Policy. This policy stipulates that Council will receive an annual salary increase at the same Cost of Living rate as approved for municipal employees through the annual budget process.

Strategic Priorities:

D.17-Improve organization efficiency and be more innovative

Financial Considerations:

Council remuneration will be limited to a maximum annual economic increase of 4%, consistent with the increase for all municipal staff. Remuneration and expenses are approved through the annual budget process.

Policy:

GG.1.9 Remuneration, Council & Others Policy

Context and Background Information:

Municipal staff are presently undertaking a review of the Municipality of Kincardine Policy Manual in order to ensure that existing policies are meeting the needs of the community and are relevant to the operations of the Municipality. Policy GG.1.9 Remuneration, Council and Others was included in the list of policies to be reviewed and updated.

At its meeting on September 13, 2023, Council passed the following resolution:

*09/13/23 - 18Moved By: Andrea ClarkeSeconded by: Rory Cavanagh
Whereas HR.03 Compensation and Benefits Policy was approved in August 2023, identifying a standardized process for determining proposed rates for annual staff salary increases; and*

Whereas Policy HR.03 identifies that proposed annual increases will be adjusted for inflation using the July-to-July CPI rates for the previous year, with a maximum increases of 4% and minimum increases of 1% per year; and

Whereas Council compensation increases are guaranteed based on CPI with no identified maximum; and

Whereas Council believes that their compensation increases should be consistent with, rather than potentially higher than, those provided to staff;

Now therefore be it resolved that Policy GG. 1.9 Remuneration for Council and Others be amended to require that actual annual increases to salary and per diem rates be consistent with the annual increase approved for organizational staff through the annual budget cycle process; and further

That other updates and amendments be made as needed to align Policy GG 1.9 with the newly adopted Procedure By-law.

Result: Carried.

This resolution further prompted the need to review this policy. Staff have therefore conducted the review and have developed a draft updated policy accordingly. The updates include the following:

- Revised the annual Council compensation increase to align with the increases approved for all staff through the budget process, as per policy HR.03. Under the previous policy, Council compensation was guaranteed to increase based on CPI with no identified maximum. The new policy sets out a minimum and maximum increase of between 1% - 4% respectively;
- The annual Council remuneration has been updated to reflect 2023 figures as the starting reference point. The reference to the former one-third tax exemption has been removed;
- The annual Police Services Board (PSB) member remuneration has been updated to reflect 2023 figures as a starting point. The amount was calculated using the 2022 remuneration of \$2,126.28 plus a 3.3% CPI adjustment for the 12-month period July 2023. Annual economic increases were previously calculated using annual inflation for the 12-month period ending November.

- Entitlements for extended health and dental benefits have been incorporated into the policy;
- The policy has been updated to align with the new Procedure By-law;

Council is being requested to review the amended policy and adopt the policy as presented, or with amendments.

Consultation Overview:

The policy has been reviewed internally by staff and has been drafted to align with the Council resolution.

Origin:

Policy review and Council direction through resolution 09/13/23 – 18.

Implementation Considerations:

Council remuneration and expenses are included in the annual operating budget.

Risk Analysis:

There are no significant risks associated with the implementation of this policy.

Attachments: Draft Council Remuneration and Expense Policy

Prepared by: Roxana Baumann

Submitted by: Roxana Baumann