

# Saskatoon Municipal Review Commission: Remuneration Report (Second Report)

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Saskatoon, Saskatchewan  
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## Preface

On February 29, 2016, City Council approved a process for dealing with reports of the Saskatoon Municipal Review Commission (SMRC).

- The SMRC tables the report with City Council at a regular business meeting.
- Council receives the information and refers the report to a meeting of its Governance and Priorities Committee for discussion and, at the same time, refers the report of the SMRC to the Administration for review and written comment to the same meeting of the Governance and Priorities Committee.
- The report of the SMRC, along with comments of the Administration, are considered together at a meeting of the Governance and Priorities Committee. The Chair and/or Designate of the SMRC should be in attendance and review the recommendations in detail with the Committee. Likewise, Administration would present its comments or feedback to the Committee.

The Governance and Priorities Committee may defer and refer any aspect of the report to seek further clarification from either the SMRC and/or the Administration.

## Executive Summary

Note that this summary of recommendations is provided at the onset of this report for ease of referral. However, it is critical that the reader refers to the full rationale that follows for the full analysis and reasonings behind each recommendation. The SMRC has put considerable time, energy and expertise into this analysis to arrive at the stated recommendations. The recommendations provided herein, and in previous reports submitted to the City, have been done so in accordance with the scope and mandate that was set by the City of Saskatoon in Bylaw 9242.

Our core values of accountability, transparency, fairness, and predictability are the foundational elements of the work completed on behalf of the citizens of Saskatoon. Recommendations made within this report, previous reports and future reports contain concepts or actions that the SMRC believes are critical to ensuring that these values are reflected in the topic areas mandated to us for analysis and insight.

Bearing in mind these guidelines, the SMRC has identified areas of Council remuneration and benefits that will be addressed in the following recommendations.

### **Recommendation 1:**

The previously identified, documented and approved recommendations from the first Remuneration Committee Report (May 2016)<sup>1</sup> are reviewed with appropriate City Administrators to confirm plans for implementation.

### **Recommendation 2:**

It is recommended that the Communications and Constituency Relations Allowance (CCRA) be amended to clarify that passive event sponsorships are not within the scope of the policy. A passive sponsorship is not an activity resulting in increased communications with constituents – as intended by the allowance.

### **Recommendation 3:**

Implement the appointment of the recommended Integrity Commissioner to review potential misuses (unintentional or otherwise) of the CCRA funds.

### **Recommendation 4:**

The SMRC recommends that the City of Saskatoon conduct a fulsome, robust third-party review of the CCRA to identify outcomes related to spending and to confirm alignment to the stated policy.

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<sup>1</sup> Link to report - [https://www.saskatoon.ca/sites/default/files/documents/city-clerk/reports-publications/revised\\_report\\_-\\_saskatoon\\_municipal\\_review\\_commission\\_-\\_remuneration\\_committee\\_report.pdf](https://www.saskatoon.ca/sites/default/files/documents/city-clerk/reports-publications/revised_report_-_saskatoon_municipal_review_commission_-_remuneration_committee_report.pdf)

**Recommendation 5:**

If the federal government eliminates the non-accountable allowance (tax exemption for one-third of salary) for members of city councils, in order to maintain the integrity of Saskatoon's compensation model an adjustment of the Mayor's salary to 100% of a Cabinet Minister's salary and providing the corresponding adjustments to the salaries of Councillors will be required.

**Recommendation 6:**

No recommendation related to change in the calculation of benefits is required, until such time that the tax exemption is removed.

**Recommendation 7:**

Implement a "threshold amount of expenditure" that is processed through a senior member of the Finance Department (or similar) rather than all expenses submitted to the City Clerk.

**Recommendation 8:**

Implement a pre-approval process for expenditures of a certain dollar amount. Key areas include expenditures related to travel and training.

## Introduction

The guiding principles of the SMRC are accountability, transparency, fairness, and predictability. Bearing in mind these guidelines, the SMRC had identified several areas of Council remuneration and benefits that were addressed in the report that was issued to City Council on May 30, 2016.

The mandate of the SMRC's Remuneration Committee, according to the Bylaw 9242, is as follows:

14. (1) The Remuneration Committee shall inquire into and make recommendations with respect to any or all of the following:
  - (a) the salaries to be paid to the Mayor and Councillors;
  - (b) the remuneration to be paid to a Councillor appointed as deputy mayor;
  - (c) professional allowances;
  - (d) vacation leave;
  - (e) health and disability benefits;
  - (f) pension benefits and additional retirement benefits;
  - (g) general in-town and out-of-town expenses;
  
- (2) The Remuneration Committee may inquire into and make recommendations with respect to the following:
  - (a) the support staff, facilities and equipment for members of Council;
  - (b) communications allowances.

This provided the scope and basis of the first report issued on May 30, 2016.

In accordance the mandate of the SMRC the report that follows is a second submission to the City regarding similar topics.

The identified scope of this report is as follows:

- Confirm status of implementation of recommendations and outline any revisions to initial approved recommendations from the 2016 report.
- Review current remuneration alignment to the Provincial Minister's salaries
- Review the use of the Communications and Constituency Relations Allowance (CCRA)
- Review the Tax-Exempt portion of municipal salaries and impacts of proposed changes to this revision
- Complete a high-level review of other jurisdictions to identify any best practices that have been implemented since the previous report.

## Methodology

To inform this second report a number of data sources were reviewed including:

- Primary data from a survey submitted to members of Council
- Communications and Constituency Relations Allowance (CCRA) policy
- Review of current compensation policies of similar jurisdictions
- The City Clerk's Office compiled and forwarded information it had available, made enquires requesting additional information, and made the administrative arrangements to the Council survey.
- Kurt Terfloth was contracted to provide research services and assisted the committee in the development of key findings for the report.



## Summary of Recommendations – Status Update

### Recommendation 1:

The previously identified, documented and approved recommendations from the first Remuneration Committee Report (May 2016) are reviewed with appropriate City Administrators to confirm plans for implementation.

### Rationale:

The SMRC May 30, 2016 report outlined eighteen (18) recommendations for consideration by City Council. The recommendations of this report were all accepted, however some amendments to the recommendations were made by Council since the issuance of the report. The following table outlines the original recommendation and the status (if there are key areas of comment to be made) as the SMRC understands it currently.

It is important to note that an additional report submitted by the SMRC to City Council regarding Code of Conduct remains outstanding. A key recommendation within that report is the establishment of an Integrity Commissioner to provide oversight on numerous topics including aspects of the topics covered under the Remuneration report. Some recommendations have only been partially implemented due to this position not being established.

	<b>Original Recommendation (May 30, 2016 Report)</b>	<b>Status</b>
<b>1.</b>	Request the Government of Saskatchewan to change The Cities Act in order to permit municipalities to adopt fully taxable remuneration for mayors and councillors.	The City has made a request to the Province to make the change.  The 2017 Federal Budget has proposed removing these tax exemptions for elected municipal officials, starting in 2019.
<b>2.</b>	No change should be made in the current linkage and adjustment formulas for the Mayor's salary	There have been no increases to Provincial salaries, therefore no adjustments have occurred for the Mayor's salary.
<b>3.</b>	Change the Deputy Mayor section of the Council Remuneration Policy document to state that all Councillors shall be deemed to have received remuneration in recognition of Deputy Mayor duties as part of their annual remuneration as Councillors.	Completed
<b>4.</b>	Maintain the current method of determining Councillors' salaries but	Completed, however similar to recommendation #2, as there have been no increases to Provincial

	increase percentage to 46% of the Mayor’s salary in recognition that compensation for Deputy Mayor duties would now be incorporated in the Councillor’s base salary	salaries, there have been no adjustments to the Mayor’s salary and therefore, no adjustments to Councillor’s base salary.
5.	Change the name of Communications Allowance to Communications and Constituency Relations Allowance (CCRA).	Completed
6.	Eliminate (1) the General Entertainment section from the Guidelines and Parameters of the allowance, (2) the “gift baskets and flowers for constituents for special occasions” from the Gifts and Promotions section, and (3) “business contacts” from the list of groups hosted by Councillors that are eligible for reimbursement.	Completed
7.	Combine the Gifts and Promotions section of the guidelines with the Hospitality Expenses section and rename Constituency Relations.	Completed
8.	Change the Responsibility of City Clerk’s Office section to indicate all expenses will be posted quarterly within 60 days of the end of the quarter.	Completed
9.	Add to the General Guidelines section a statement that in the year of a civic election the allowance cannot be used from September 1 through October 31.	Completed
10.	Add to the General Guidelines section a statement that, in the year of an election, 8/12 of the allowance will be allocated to the sitting Council, and 2/12 of the allowance will be allocated to the newly elected Council.	Completed
11.	Add to the General Guidelines section a statement that no goods or services purchased with the allowance (including such purchases as a website annual domain registration or billboard signage) may be used during an election period.	Completed
12.	Change the wording to indicate that all of the guidelines and policies are applicable to Council as a whole--that is, to the Mayor as well as Councillors.	Completed
13.	Approve additional housekeeping changes:	

	<ul style="list-style-type: none"> <li>• Clarify under the General Guidelines section that funds cannot be carried forward to the next fiscal year.</li> <li>• Add to the Reimbursements section that invoices/receipts must be dated.</li> <li>• Change references to the Executive Committee to the Governance and Priorities Committee or the Integrity Commissioner, as appropriate.</li> </ul>	Completed
14.	Adopt revised guidelines as set out in Appendix III and establish them as Council policy with the understanding that a violation of the policy would be a violation of the Code of Conduct and any irregularities would be subject to investigation by the Integrity Commissioner.	The recommendation was accepted; however, the implementation of an Integrity Commissioner remains outstanding.
15.	<p>Once the revised guidelines are established as policy, require that a third-party review of the allowance be conducted at least every two years in order to provide additional guidance and perspective on the appropriate use of this fund.</p> <p>The review should include:</p> <ul style="list-style-type: none"> <li>• usage of funds – by whom, where, and types of expense claims submitted;</li> <li>• summary of impacts – in an attempt to measure community engagement through the fund;</li> <li>• validation of expenditure appropriateness based on policy; and</li> <li>• validation that the current policy reflects the needs of Council members and their constituents.</li> </ul> <p>Following each review, Council should be provided the opportunity to revise the policy as appropriate.</p>	<p>The recommendation was accepted; however, a third-party review has not been sought out. The revised policy document instead directs the review function to the SMRC.</p> <p>Through this report a high-level review of submitted expenses has been conducted to assess alignment to the stated policies, however the analysis on outcomes related to CCRA expenditures has not been completed.</p> <p>It is the view of the SMRC that this level of robust analysis is outside the mandate and scope of the commission.</p> <p>The additional potential scope of the SMRC was added to the revised CCRA Policy <i>C01-027</i>, however the SMRC bylaw and scope were not amended to reflect this request.</p>
16.	Add to the Responsibility of the City Clerk’s Office section of the guidelines the responsibility for facilitating and coordinating with the Integrity Commissioner the bi-annual reviews of	

	the fund. This can occur through the engagement of a third-party committee or the issuance of a formal request for proposals from external vendors as determined by the Integrity Commissioner.	This recommendation was accepted, however not implemented.
<b>17.</b>	That City Council consider adding an additional staff member (1 FTE) to the City Clerk’s Office. This position would be dedicated to providing support for Councillors.	Completed
<b>18.</b>	If a member of Council who is enrolled in the SUMA Extended Health Plan is no longer eligible to receive benefits because of the benefit limitation placed on older plan members, that person shall be provided additional compensation equal to the employer’s premium cost for single coverage in the plan.	The SMRC was unable to find examples of demonstration of this recommendation being implemented; it may be that it is not currently required by any member of Council.

## Communications and Constituency Relations Allowance (CCRA)

The 2014 Report contained many recommendations related to enhancing and revising the allowance previously named “Communications Allowance”. While initially fully accepted, over time adjustments to the CCRA have occurred. This report has focussed on the current policies in place for analysis, review and recommendations.

### Communications Allowance Background

The following summary is provided verbatim (with references to appendices in the original report removed) from the 2014 report as a point a reference for new members of council and to retain the history and insight of previous recommendations.

*“In 2013 Council allocated funds to provide communications support for members of Council. The Mayor was given an annual accountable allowance of \$100,000, each Councillor was allotted \$10,000, and another \$10,000 was provided to the City Clerk’s Office to administer the funds.*

*“Minutes of the June 10, 2013 Council meeting record approval of the preliminary parameters and guidelines for communications support to Councillors, with a further recommendation that this document ‘be reviewed after the first year, including a review of allocations in an election year.’ This planned review was deferred in order to include it in the mandate of the SMRC.*

*“The purpose of the Communications Allowance is vague, and the enumerated allowable expenditures are not, strictly speaking, always related to communications. The preliminary parameters and guidelines suggest permissible expenditures in diverse areas: advertising and promotion; books and magazines; general entertainment; general office supplies; gifts and promotions; hospitality expenses; newsletters and flyers; professional and contract services; and websites, social media tools, software and accessories. All Councillors’ expenses charged to the fund for 2013 and 2014 have been posted in some detail on the City’s website. The SMRC was impressed with this transparency and the accountability built into the fund’s purchasing and reimbursement procedures.*

*“The SMRC sees considerable potential for this fund as a resource for Councillors to help them effectively and efficiently perform the duties of their office. It complements office and travel supports already provided by the City. In addition, it can be drawn upon to provide additional assistance for constituency services in the form of preparing newsletters, answering and directing enquiries, coordinating events, and performing basic research into issues of interest to ward members. That said, the SMRC questioned whether the fund might be used in some situations to provide an unfair advantage to incumbents seeking re-election and whether taxpayers should be asked to fund Councillors’ activities that may be viewed*

*to represent more self-interest than public service. (Note the timing and availability of funds was adjusted in election years due to this finding.)*

*“The SMRC sees a value in renaming the fund and reshaping its use to increase support for the formal duties of the office and constituency services and provide less support for social and promotional activities.*

*“(According to Council policy), the other significant source of funds available to members of Council is the non-accountable, general expense allowance arising from one-third of their salary being “designated as having been paid in respect of general expenses incurred incidental to the discharge of the duties of the respective office.” This general expense allowance is a totally discretionary allowance for which there are no guidelines, no receipts are required, and no expenses are reported. The SMRC noted there may be considerable overlap between the areas of support funded by the CCRA and the intended purpose of the non-accountable, general expense allowance granted to elected officials.”*

## Current State - CCRA

Council accepted all recommendations related to the CCRA adjustments. However, over time adjustments have been made to the acceptable expenditures. As there have been adjustments to the policy since the original report was issued it is difficult for the SMRC to outline a clear summary of how the funds have been used and to confirm if they are in alignment to the stated policies. Additionally, without the implementation of an Integrity Commissioner or other similar body to enforce any findings of improper use of the CCRA it is difficult for an appointed commission to make recommendations on findings of improper (intended or otherwise) use of funds if they were previously approved by the City Clerk’s office.

As such, a high-level review of the 2017 expenditures under the CCRA has been summarized for this report. It is important to note this is not a full program review nor is it aligned to audit nor treasury board methodologies. The level of public dollars allocated over the years since the development of the CCRA (and previous titles) are at a level deserving of a formal third party periodic review.

## Summary of Expenditures

Although, a full review of the CCRA spending was not completed within this report, a preliminary review of the 2017 Council expenditures can be allocated to seven similar “buckets” and an eighth “other” for one-off type of expenses for the members of Council, not including the Mayor.

<b>Expenditure Type</b>		
Flyer / Newsletter (Printed, including postage)	\$	16,377.97
Signage (Billboards, bus stops, etc.)	\$	15,264.66
Web based (Facebook, websites and email)	\$	6,773.29
Advertisements (Community Association ads)	\$	4,609.50
Event tickets	\$	1,572.91
Sponsorships	\$	1,500.00
Administrative Assistants	\$	1,069.00
Other items	\$	774.35
		<hr/>
	\$	<u>47,941.68</u>

Each approved expenditure was accompanied with a receipt or invoice confirming the expense and the provider of the product or service. These were posted to the City of Saskatoon website in accordance with the CCRA policy.

In comparison, the Mayor’s CCRA 2017 Summary of spending indicates that of the \$100,705.94 in expenditures, only \$150.00 was for Advertising and \$70.00 was for the purchase of a ticket for the Mayor’s Policy & Communications Advisor to attend a Marketing Association event. The remaining \$100,485.94 was spent on Payroll and Contract expenses related to a Social Media Manager and Policy & Communications Advisor.

A few items to note and related recommendations– while not directly “off-side” with the policies they are items to be given further consideration and discussion by Council on potential further refinement of the CCRA.

**Recommendation 2:**

It is recommended that the CCRA be amended to clarify that passive event sponsorships are not within the scope of the policy. A passive sponsorship is not an activity resulting in increased communications with constituents – as intended by the allowance.

**Rationale:**

Only one member of Council provided Cash Sponsorships, each in the amount of \$500.00 to three associations – the Chamber of Commerce, as a “Hole Sponsor” for a golf tournament, sponsorship of a school event and sponsorship of a Community Association BBQ. While it is not specifically articulated in the CCRA policy that these expenditures are not acceptable uses of the CCRA, it is also not specifically articulated within the policy that they are acceptable.

**Recommendation 3:**

Implement the appointment of the recommended Integrity Commissioner to review potential misuses (unintentional or otherwise) of the CCRA funds. The following rationale identifies an item that may have been provided to the Integrity Commissioner for further review.

**Rationale:**

The SMRC conducted a web search to review the sites of those members of council claiming web-based expenditures for the maintenance and updating of a website. One member of council's site has not been updated since the election and the banner appears to be of an election style heading "*City Councillor For City Council Ward X*". As such the expenditures related to the upkeep of the website – which appears to be of an election based nature, should not have been approved under the CCRA.

Respondents to the SMRC survey to Council members on the CCRA indicated that generally the current policy is clear regarding what is included and not included. Overall no additions to the policy were recommended. One member did request the ability to use the allowance to hire support staff, which is currently allowed within the policy. As such beyond the clarifying items, no additions to the policy are recommended at this time.

## Program Review Methodology

**Recommendation 4:**

The SMRC recommends that the City of Saskatoon conduct a fulsome, robust third-party review of the CCRA to identify outcomes related to spending and to confirm alignment to the stated policy.

**Rationale:**

Applying the Treasury Board of Canada's methodology for program reviews will ensure a detailed review of expenditures is undertaken, while also outlining what the public has gained by members of Council using these funds. While the SMRC was able to review expenditures against stated policy it is unable to undertake an analysis of outcomes of the expenditures. The resources required (time and capacity) to undertake such a study are outside the scope of this commission.

Measuring performance is an essential link in the program design cycle (design, implementation and evaluation). Evaluations should produce timely, relevant, credible, and objective findings and conclusions on program performance, based on valid and reliable data collection and analysis. Evaluations should present these findings and conclusions in a clear and balanced manner that indicates the reliability of the findings.

The key items to be considered in an evaluation are:

- Is the allowance resulting in clear and increased communications between the constituents and the members of City Council?
- Is the CCRA providing Council with the financial support they require to undertake the tasks required of their roles?

The answer to this question can be grouped into the following classes.



- Continued Relevance: The extent to which the CCRA continues to be relevant to City priorities and the needs of constituents.
- Results: The extent to which the CCRA meets its objectives, within budget and without causing significant unwanted results.
- Cost Effectiveness: The extent to which the CCRA provides the most appropriate, efficient and cost-effective method to meet objectives.

## Transition from Tax Free Portion

### **Recommendation 5:**

If the federal government eliminates the non-accountable allowance (tax exemption for one-third of salary) for members of city councils, in order to maintain the integrity of Saskatoon's compensation model an adjustment of the Mayor's salary to 100% of a Cabinet Minister's salary and providing the corresponding adjustments to the salaries of Councillors will be required.

### **Rationale:**

The rationale related to this recommendation is based on the following jurisdictional review, additional review of the Nutting Commission report and discussion related to the implications for Saskatoon.

### Jurisdictional Review

By 2006, the tax-free provision for one-third of an elected officials' salary had been abolished in Vancouver, Toronto, Ottawa, and Hamilton, as well as for MLA's in British Columbia, Ontario, Manitoba, Nova Scotia, and Saskatchewan and for federal MP's. In 2012, Alberta and Calgary also eliminated this tax-free allowance. Currently, most of the major cities in Ontario have made a transition to fully taxable salaries.

Until the 2017 federal budget, the stated reasons for adopting a fully taxable compensation model have been to promote fairness, accountability, and transparency. Budget 2017 proposed to remove these tax exemptions for elected municipal officials, starting in 2019, in the interest of removing an advantage "that other Canadians do not enjoy."

Municipalities considering a transition to fully taxable remuneration generally have looked at three scenarios:

- First, the option of maintaining current compensation levels with one-third of the remuneration tax exempt;
- Second, the option of maintaining current compensation levels but making them fully taxable; and,
- Third, the option of grossing up the compensation levels to provide the same net pay levels after taxes.

Historically, councils have chosen either to remain with one-third of the remuneration tax exempt or to shift to a grossed-up, fully taxable level. If the change signaled in Budget 2017 occurs, the first option will no longer be allowed.

### The Nutting Commission Report

As outlined in the 2016 Remuneration Report, The Nutting Commission report recommended that the compensation of the Mayor and City Councillors be linked to the compensation of a Provincial Cabinet Minister. In 2005 the Mayor's salary was set at 85% of a Cabinet Minister's salary following a review and recommendations to Council by the City Administration. In this

review, the office of Mayor was found to require at least a full-time commitment, but a differential of 15% was established to account for the difference between the Cabinet Minister's fully taxable salary and the Mayor's partially tax-exempt salary.

The SMRC continues to find this analysis sound and applicable. If the tax-exempt portion of salaries is eliminated so should the differential between the Mayor's remuneration and Cabinet Ministers. This adjustment would be similarly applied to members of Council as they receive a set (currently 46%) percentage of the Mayor's salary. -

### Implications for Saskatoon

The recommendation from the 2014 SMRC Report was accepted - *Request the Government of Saskatchewan to change The Cities Act in order to permit municipalities to adopt fully taxable remuneration for mayors and councillors.* However, the change has not occurred.

The survey that was sent out to current members of City Council requested additional insight on their views of how to implement the abolishment of the 1/3 tax free portion and potential adjustments.

### Out of Pocket Spending

There is not a clear indication of a direction nor was there comprehensive understanding of the topic and the potential implications to Council salaries if the tax-free portion is no longer in place. Some members do not consider any spending as part of this tax-free portion, others see the small out of pocket expenses incurred on a regular basis but not submitted under another avenue (such as the CCRA) as use of this tax-free portion. A comment was also shared questioning the need of the CCRA if there is a 1/3 tax-free portion to accommodate out of pocket spending by elected officials. If there is a change to the tax free portion of Council's compensation a review of the CCRA policy and amounts may be required..

### Potential Salary Adjustment

In Saskatoon, the Mayor's compensation has been benchmarked to the annual salary of a Saskatchewan Cabinet Minister for several decades, and the salary of Councillors is set as a percentage of the Mayor's salary. This remuneration model was adopted by Council in 1980 and subsequently confirmed in 2006 and 2016. Over the years this salary adjustment mechanism has proven to be simple, transparent, and fair to both the citizens of Saskatoon and members of Council. In addition, it has allowed adjustments to occur without direct intervention by Council, thereby avoiding concerns about bias or allegations of self-interest in the salary setting process.

Because a Cabinet Minister's salary is fully taxable and one-third of the salary of the Mayor's salary is tax exempt, the Mayor's annual compensation is currently set at 85% of a Cabinet Member's salary (\$145,152 in 2016) to adjust for the different tax treatment. If and when the federal government decides to eliminate the automatic tax exemption for elected municipal officers and Council opts to maintain a comparable level of take-home pay, the appropriate

method of grossing up the Mayor’s salary would be to set the compensation for the Mayor at 100% of a Cabinet Minister’s. Depending on when an adjustment took place, this shift from 85% to 100% would entail an annual increase in the cost to Saskatoon taxpayers of approximately \$21,000 plus associated benefit costs.

Councillors’ salaries are currently set at 46% of the Mayor’s salary. As a result, the shift of the Mayor’s salary to 100% of the Cabinet Minister’s salary would automatically provide a corresponding increase in the salaries of Councillors.

<b>Current Salary Calculation</b>		
Provincial Cabinet Minister	\$	145,152.00
Mayor of Saskatoon (85%)	\$	123,379.20
City Councilor (46%)	\$	56,754.43
Annual City Council Salary Costs	\$	690,923.52

<b>Proposed Future State (No Tax Exempt Portion)</b>		
Provincial Cabinet Minister	\$	145,152.00
Mayor of Saskatoon (100%)	\$	145,152.00
City Councilor (46%)	\$	66,769.92
Annual City Council Salary Costs	\$	812,851.20

The annual increase in cost to the taxpayers would be approximately \$122,000 plus associated benefit costs (\$812,851.20 - \$690,923.52) for adjustments to the Mayor and Council’s annual compensation.

## Policy Review

### Comparative Research and Analysis of other Municipalities

The accessibility of City of Saskatoon policies on Council remuneration, as well as the prompt and clear reporting of Council remuneration and expenses, demonstrate great dedication to transparency. Saskatoon's online resources on this topic are easy to navigate and are regularly updated, with few challenges to accessibility. When compared to other Cities, Saskatoon is a clear leader in transparency of policy and expenditures.

#### Salaries and Benefits

##### **Recommendation 6:**

No recommendation related to change in the calculation of benefits is required, until such time that the tax exemption is removed.

##### **Rationale:**

Saskatoon's Council remuneration continues to strongly resemble other similarly-sized cities in amount of remuneration, and types and amounts of allowances offered. Although the product of salary remuneration resembles that of other Canadian cities, the methodology of calculation is perhaps the most transparent, simple, and directly tied to provincial politics.

Other municipalities use various strategies for setting Council salaries: City councils generally review and reset their own salaries periodically based on the recommendations of independent commissions, consultants, or their own administrative staff. The recommendations are often based on comparisons with other municipalities or on the average weekly earnings of a city or region, and annual increases may be linked to the Consumer Price Index, increases received by municipal workers, or another statistical data. Each methodology has merits and weaknesses. Aside from its transparency, simplicity, and fairness, the salary adjustment process used by Saskatoon's City Council has the added advantage of being an 'arms length' adjustment that eliminates the need for the direct involvement of Council on an annual basis.

#### Expenses – Non CCRA

The following outlines general observations and recommendations regarding the process for expense reporting and reimbursement for Council.

##### **Recommendation 7:**

Implement a "threshold amount of expenditure" that is processed through a senior member of the Finance Department (or similar) rather than all expenses submitted to the City Clerk.

##### **Rationale:**

The Clerk's Office is responsible for the monitoring and approval of Council reimbursements regarding travel, training, and allowances. This includes approval of Council's personal

expenses claimed. It is normal for the Clerk's office to provide support and supplies to Council, but there is the potential for issues, or perception of issues when expenditures are being processed by a role that is responsible for the provision of councillor assistance and expertise. A system of impartial financial/accounting staff members responsible for handling large claims (and perhaps all claims) may be suitable.

**Recommendation 8:**

Implement a pre-approval process for expenditures of a certain dollar amount. Key areas include expenditures related to travel and training.

**Rationale:**

The current system of Council expenditure claims is purely after-the-fact. This may place the Clerk in an awkward position of having to refuse a claim, or not knowing how to handle claims in the thousands of dollars (such as international trips that may range in the \$3,000-\$10,000 range). With no system of required approval for such expenses there is potential for trouble and Clerk-Councillor conflict.