

Saskatoon Municipal Review Commission:
Remuneration Committee Report



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 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

The guiding principles of the SMRC are accountability, transparency, fairness, and predictability. Bearing in mind these guidelines, the SMRC has identified several areas of Council remuneration and benefits that will be addressed in the following recommendations:

Tax Treatment of Salaries

Recommendation 1: Request the Government of Saskatchewan to change *The Cities Act* in order to permit municipalities to adopt fully taxable remuneration for mayors and councillors.

Remuneration Policy (C-006)

Recommendation 2: No change should be made in the current linkage and adjustment formulas for the Mayor's salary.

Recommendation 3: 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.

Recommendation 4: Maintain the current method of determining Councillors' salaries but 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.

Communications Allowance

Recommendation 5: Change the name of Communications Allowance to Communications and Constituency Relations Allowance (CCRA).

Recommendation 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.

Recommendation 7: Combine the Gifts and Promotions section of the guidelines with the Hospitality Expenses section and rename *Constituency Relations*.

Recommendation 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.

Recommendation 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.

Recommendation 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.

Recommendation 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.

Recommendation 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.

Recommendation 13: Approve additional housekeeping changes:

- Clarify under the General Guidelines section that funds cannot be carried forward to the next fiscal year.
- Add to the Reimbursements section that invoices/receipts must be dated.
- Change references to the Executive Committee to the Governance and Priorities Committee or the Integrity Commissioner, as appropriate.

Recommendation 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.

Recommendation 15: 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. The review should include:

- usage of funds – by whom, where, and types of expense claims submitted;
- summary of impacts – in an attempt to measure community engagement through the fund;
- validation of expenditure appropriateness based on policy; and
- validation that the current policy reflects the needs of Council members and their constituents.

Following each review, Council should be provided the opportunity to revise the policy as appropriate.

Recommendation 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.

Support for Members of Council

Recommendation 17: 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.

Benefit Plan Provisions

Recommendation 18: 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.

Background

In Saskatchewan *The Cities Act* (s.56.1) specifies that members of city councils are expected to set their own compensation, benefits, and allowances. Over the years, Saskatoon City Council has requested and received assistance in this task—notably, in 1980, from an independent commission headed by Judge J.B.J. Nutting and again, in 2005, from the City Administration as set out in a report to Council from Mr. B. Veltkamp. The process currently followed allows for orderly salary progression for both the Mayor and Councillors without requiring the direct involvement of the members of Council on an annual basis.

In 2014, Council passed Bylaw No. 9242 establishing the Saskatoon Municipal Review Commission (SMRC) as an independent commission with a mandate to review periodically certain areas of municipal governance, including matters relating to “the remuneration and benefits and any reimbursement or allowances for expenses to be paid to members of Council.”

The mandate of the SMRC's Remuneration Committee is set out 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.

Methodology

Information about municipal compensation practices for elected officials was gathered and assessed:

- The current compensation provisions for members of Council were posted on the SMRC website, and public hearings were held on June 16, 2015 at the Cosmo Civic Centre and on June 24, 2015 at the Lakewood Civic Centre. Citizens were encouraged to provide feedback through an online survey and through social media.
- The SMRC reviewed the current Council policy on remuneration of members of City Council (No. C01-006), the provincial legislative framework set out in *The Cities Act*, and Canada Revenue Agency's provisions for taxation of elected municipal officials (IT-292).
- An historical review was conducted using primarily the Nutting and Veltkamp reports to Saskatoon Council in 1980 and 2005, respectively, and a 2006 Province of Saskatchewan report on MLA indemnity prepared by an independent review committee chaired by Mr. A. Wakabayashi.
- The SMRC undertook an extensive review of the compensation provisions followed by other Canadian cities. The decision was made to focus on a sample of sixteen cities, concentrating on larger cities in western Canada (Calgary, Edmonton, and Winnipeg) and a sample of smaller, non-suburban cities across Canada. Two were eliminated from the

sample because current data were not available or not readily comparable. Components of remuneration reviewed included: compensation models, bases for setting salaries, and adjustment mechanisms; salary levels for mayors, councillors, and deputy mayors; travel, communications, and other allowances available to councillors; health, disability, pension/retirement, life insurance, death benefits, and vacation provisions; staff, facilities, equipment, and other support for councillors.

- The City Clerk's Office very generously compiled and forwarded information it had available, made enquires requesting additional information, and made the administrative arrangements for two surveys—one to the cities in the comparison sample and one to city councillors.
- Mr. Yuzhu Liu, a doctoral student at the Johnson-Shoyama School of Public Policy, was contracted to provide research services, analyze the data, and assist the Remuneration Committee in preparing the information for decision-making purposes and for presentation in this report.

Findings

Public sector compensation can be a controversial subject, and this is especially true for the members of city councils in Saskatchewan who are expected to set their own remuneration in accordance with *The Cities Act*, which states: "56(1) Each member of council is to be paid any remuneration and benefits and any reimbursement or allowances for expenses that may be fixed by the council." To many observers it presents a "no-win" situation for councils.

Salary Model. Over the years, Saskatoon City Council has avoided a measure of contentiousness by adopting a process recommended in 1980 by an independent commission headed by Judge J.B.J. Nutting. That process allows for orderly salary progression without requiring the direct involvement of Council on an annual basis (Nutting Report, Appendix VII).

The Nutting Commission articulated the general principle that "compensation payable should be sufficient to attract competent and well qualified community-minded persons to the offices of Mayor and Councillor." The commission went on to say that the salaries paid to elected officials need to be balanced with "the fact that other forms of community service within the city are, for the most part, extended as a matter of civic concern and public duty without any recompense." Because considerable time is normally required to carry out the duties of the Mayor of Saskatoon or a City Councillor, it becomes important to provide realistic compensation in order to allow citizens to make sufficient time available to perform the duties of these elected offices.

The Nutting Commission report recommended that the compensation of the Mayor and City Councillors be linked to the compensation of a Provincial Cabinet Minister, which is determined annually by the Provincial Government following careful consideration of comparable market data. Over the years, the level of the linkage has been adjusted several times. 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. At the same time the salary formula for a City Councillor was raised from 30% to 45% of the Mayor's salary in recognition of the increased time commitment required of Councillors (Veltkamp Report, Appendix VIII).

The SMRC believes that, in general, the current remuneration levels for the Mayor and Councillors are commensurate with those of other cities of similar size. It is important to note, however, that there is considerable variation in the compensation profiles of Canadian municipalities: Variation occurs in the way cities are organized and their scope of responsibility, what council members are compensated for, how their salaries are taxed, whether members of council are expected to work full time or part time, what benefits and office support they are provided, and many other compensation factors. Given the challenges of gathering comparable data, the SMRC chose to focus on comparisons of base salaries (both actual salaries and their fully taxable equivalents) and, in the case of councillors, the ward density or average number of constituents per ward. The table and charts in Appendix I support the observation that the salary levels for both Mayor and Councillor are appropriate when compared with those of other similar-sized cities.

Annual Compensation Adjustment. The SMRC believes that the basic architecture of the Nutting commission formula has provided an adjustment mechanism that is transparent and simple, and over time it has been fair both to the members of Council and to the citizens of Saskatoon. It has the additional advantage of avoiding the direct involvement of Council with comparison issues that can be both complex and contentious.

Other cities use different mechanisms for adjusting salaries. Some of these include averaging the salaries of a comparison group of cities, incrementing salary levels by changes in the Consumer Price Index, linking salary increases in some way to the increases received by municipal workers, and directly tying elected officials' salaries to the average weekly earnings of a city or region. Each has merits and weaknesses.

While the Nutting model has served the City well, concern has been expressed that it is too reliant on the decisions of the Province. In the event of a reduction in the salaries of Cabinet

Ministers, for example, the salaries of the Mayor and Councillors would also be adversely affected. The SMRC acknowledges this could be the case but believes that an extraordinary event of this kind would warrant special consideration by Council. On balance, the advantages of the linkage with the salary of a Cabinet Minister outweigh possible disadvantages.

Tax Treatment of Salaries. Another significant feature arising from *The Cities Act* is set out in section 56(2), which states: “One-third of the total remuneration paid to a member of council is deemed to be paid with respect to general expenses incurred that are incidental to the discharge of the duties of a member of council.” When read in conjunction with a special provision for elected municipal officials in the federal *Income Tax Act* (see CRA Interpretation Bulletin IT-292), this statement is interpreted to mean that one-third of the salary for a member of a municipal council is considered to be a tax-free, non-accountable expense allowance.

In other words, the salaries of the Mayor and Councillors are one-third tax exempt, as allowed by the federal *Income Tax Act* and as required by the provincial *Cities Act*. The tax exemption option was introduced federally in 1947 for the purpose of helping to defray incidental expenses incurred by elected officials in the performance of their duties. In effect, this is a non-accountable general expense allowance that requires no receipts or other evidence of expenditure. The rationale for maintaining this tax exemption is to reimburse elected officials who are asked to support events and organizations by making donations or purchasing tickets that are not claimable expenses. In effect, the Mayor received \$40,475 in 2015 in the form of a tax-exempt allowance, and each Councillor received \$18,214.

	Mayor	Councillor
Salary (2015)	\$121,436.10	\$54,646.25
1/3 tax-exempt expense allowance	\$40,474.65	\$18,213.60
Net taxable earnings	\$80,961.45	\$36,432.65

Provincial MLAs had a similar arrangement until about ten years ago when the Government of Saskatchewan eliminated the tax-free allowances for MLAs in order to improve transparency, accountability, public understanding, and allow for meaningful comparisons of their salaries with those of other public and private jobs and occupational groups (Wakabayashi Report, 2006).

Part-Time vs. Full-Time Status of Councillors. The SMRC looked at the question of whether a Councillor in Saskatoon should be considered full time or part time. The SMRC noted that large cities are more likely to have full-time councillors than medium-sized cities. Among the cities in our sample, only Calgary, Edmonton, Winnipeg, and Halifax have full-time councillors.

Importantly, Calgary, Edmonton, and Winnipeg have significantly higher ward densities, and in these cities we also see higher level organizational features such as personal office staff for councillors, one or more offices for each councillor, and ward budgets of significant size.

The SMRC reviewed data from several sources, including responses to a survey, in order to estimate the amount of time Councillors spend on Council and Council-related duties (See Appendix V.) . Estimates of the average time spent by each Councillor to prepare for and attend Council and standing committee meetings, as well as to represent the City or Council on external bodies, ranged from 585 hours to 768 hours annually. Using the standard of 2,080 hours for annual, full-time employment, this amounts to a range from 28% to 37% of full time. These estimates probably represent the minimal time required for a Councillor to have a general understanding of the matters requiring consideration.

In addition to Councillors' required duties of office, there are a significant number of hours spent working with and for their constituents: Councillors' self-reported range for constituency work was from 240 to 900 hours annually, which is 12% to 42% of full time; the median was 360 hours per councillor or 17% of full time. Most Councillors acknowledge they manage their time in different ways, which makes it difficult to specify a standard number of hours required to perform the job or even what the parameters of the job are. Based on this review, the SMRC concluded that the office of Councillor in Saskatoon should continue to be characterized as a part-time commitment.

That said, the committee noted that some Councillors spend considerably more time than the reported median number of hours attending meetings and functions in their constituencies and responding to citizen enquiries. This is important work, valued by the community, and citizens are grateful for this service.

Communications Allowance. 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. (See Appendix II, pp. 36-41.) 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. (See Appendix II, pp. 32-36.) 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.

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." (See Appendix IV.) 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 Communications Allowance and the intended purpose of the non-accountable, general expense allowance granted to elected officials.

With these observations in mind and in the interest of promoting accountability, transparency, and fairness for Council members and the citizens of Saskatoon, the SMRC has prepared recommendations, including a revised name for the fund and revised guidelines and parameters, for the consideration of Council.

Remuneration of Deputy Mayor. The office of Deputy Mayor rotates among the Councillors on a monthly schedule, and the current practice is to compensate all Councillors \$20 each month, with an additional \$20 per half day for those occasions when a Councillor is required to fulfill the

Mayor's duties in the Mayor's absence. This particular remuneration practice has been criticized by Councillors who consider it cumbersome and not very meaningful.

Other Components of Compensation. Other elements of compensation including vacation leave, professional allowances, health and disability benefits, pension benefits and additional retirement benefits, general in-town and out-of-town expenses, support staff, facilities, and equipment for members of Council were considered, and two areas were suggested for additional review.

First, there is a concern that the support for Councillors' administrative needs cannot be met with current resources available through the City Clerk's Office. While the Communications Allowance provides a resource for Councillors to arrange for part-time, contract assistance, it generally has not been used for this purpose. The SMRC notes that this mode of support may be most suitable for certain types of tasks such as conducting research, writing newsletters, arranging events, and performing other types of constituency work. Certain routine administrative tasks can often be discharged more efficiently and effectively by a person who is familiar with the procedures and systems of the City such as a person employed in the City Clerk's Office. To meet these administrative needs, additional resources may be required for the City Clerk's Office.

The second area relates to an equity concern raised about a restriction applying to older persons enrolled in the SUMA Extended Health Plan. This is a cost-shared group benefit plan that is offered to all members of Council. The plan contains no restrictions on the overall amount of benefits that will be paid out, except that plan members who are 65 or older are limited to a total benefit payment of \$10,000. Once that limit has been reached, no more extended health care benefits will be paid. This type of limitation is not considered to be age discrimination in health insurance plans because the Saskatchewan Human Rights Code still authorizes such plans to treat persons over 65 years old differently "for reasonable and bona fide reasons."

Recommendations

Tax Treatment of Salaries

Recommendation 1: Request the Government of Saskatchewan to change *The Cities Act* in order to permit municipalities to adopt fully taxable remuneration for mayors and councillors.

Current practice:

The salaries of the Mayor and Councillors are currently one-third tax exempt as required by *The Cities Act*.

Rationale:

Over the years, many cities in Canada have chosen to use formal expense allowances to pay for expenses incurred by elected officials, and at the same time municipalities have increasingly adopted fully taxable salaries in the interest of fairness, accountability, and transparency. The practical consequences of this policy reform are the elimination of a “hidden” allowance which potentially can generate suspicion and unnecessary confusion about who should pay for what and what should be considered to be legitimate expenses of the office.

Calgary, Winnipeg, Sherbrooke, Guelph, and Victoria are the cities in the SMRC’s comparison sample that have eliminated the tax free allowance. Other Canadian cities that have made this change include Toronto, Vancouver, Ottawa, and Hamilton. The SMRC endorses a change to a fully taxable salary model as a means of improving the accountability, transparency, and fairness of the Mayor’s and Councillors’ salaries, as well as improving the comparability of salaries and public understanding. Unfortunately, in Saskatchewan, this option is not available. *The Cities Act* does not currently permit municipalities in the province to convert elected officials’ salaries to the fully taxable model. Following the 2006 Wakabayashi Report, the Saskatchewan government changed the salaries of its MLAs to a fully taxable model.

Amendments to *The Cities Act* may not be considered for some time, but the SMRC recommends that Council request an amendment that would allow municipalities in Saskatchewan the choice of fully taxable or partially tax exempt salaries. The question of whether Saskatoon City Council would choose to move to fully taxable salaries could then be considered by Council at a future date.

Remuneration Policy (C01-006)

Recommendation 2: No change should be made in the current linkage and adjustment formulas for the Mayor’s salary.

Current practice:

The Mayor’s salary is set at 85% of a provincial Cabinet Minister’s salary.
(See Appendix IV.)

Rationale:

The Mayor’s current remuneration is commensurate with that of mayors of other cities of similar size. It is important to note, however, that there is considerable variation in compensation profiles among Canadian municipalities: Variation occurs in the way cities are organized, how they choose to pay for meeting attendance, how salaries are taxed, what office support and benefits are provided, and many other compensation factors. Because of the challenges involved in gathering comparable data, the SMRC has chosen to rely in large part on comparisons of base salaries (both actual salaries and fully taxable equivalents), city size, and ward density for an indication of how Saskatoon compares with

other cities. The table and charts in Appendix I support the observation that the salary level of the Mayor is appropriate when compared with the mayors' salaries of other similar-sized cities. That said, the SMRC acknowledges that the Mayor and Councillors did not receive a salary increase in 2015 because of a wage freeze imposed on Saskatchewan government ministers and senior officials; none the less the salary of the Mayor appears to be at an appropriate level in comparison with other benchmarked cities. The current mechanism for determining the Mayor's salary allows for an understandable and orderly salary progression without directly involving City Council on an annual basis.

Recommendation 3: 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.

Current practice:

The office of Deputy Mayor rotates among the Councillors on a monthly schedule. In recognition of this, each Councillor receives \$20 each month and is eligible for an additional \$20 per half day for those occasions when the Councillor is fulfilling the Mayor's duties in the Mayor's absence.

Rationale:

The SMRC heard suggestions that the current remuneration practice for Deputy Mayor is not very meaningful. The role of Deputy Mayor is more or less shared by all Councillors. Each Councillor serves as Deputy Mayor in a monthly rotation schedule. Incorporation of the compensation for Deputy Mayor duties into Councillors' base salaries would be equitable and would simplify the payments.

Recommendation 4: Maintain the current method of determining Councillors' salaries but 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.

Current practice:

Councillors' salaries are set at 45% of the Mayor's salary.

Rationale:

The table and charts in Appendix I support the observation that the salary level of the Councillors is appropriate when compared with those of other similar-sized cities. Increasing the formula for Councillors' salaries from 45% of the Mayor's salary to 46% would compensate Councillors for Deputy Mayor duties, streamline the payments to Councillors, increase Councillors' base salaries by a small amount, and reduce unnecessary administrative detail. The total cost of this increase, based on 2015 salary levels, is estimated to be \$9,400 to \$9,600 annually.

The basic compensation framework for Saskatoon Councillors' salaries is sound. As in the case with mayors, there is no standardized compensation profile for municipal councillors. In the public forums, some members of Council indicated they were comfortable with this type of formula because it is both transparent and predictable.

Communications Allowance

If *The Cities Act* is changed and Council chooses to adopt fully taxable salaries, there will be an opportunity to rationalize the various expenditures and needs of both Council members and their constituents. Until that time, however, the SMRC is recommending a number of interim changes to the Communications Allowance in the interest of encouraging good governance, improving the oversight of the fund, and providing better support for Council members so they, in turn, can provide better services for their constituents. This might involve redirecting a portion of resources away from strictly promotional activities in order to hire contract assistants who can perform services needed to support the constituency. Appendix III sets out the proposed changes to the 2013 "Preliminary Parameters and Guidelines – Councillor Communications" as well as a draft of the revised parameters and guidelines incorporating the proposals contained in this report.

Recommendation 5: Change the name of the Communications Allowance to Communications and Constituency Relations Allowance (CCRA).

Current practice:

It is currently named the Communications Allowance.

Rationale:

The name change reflects the spirit and purpose for which the allowance should be used.

Recommendation 6: Eliminate (1) the General Entertainment section from the Guidelines and Parameters, (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.

Current practice:

The current guidelines provide for reimbursement of these expenses.

Rationale:

The cost of these types of expenditures would be more appropriately paid out-of-pocket from the Council member's non-accountable, general expense allowance -- that is, the tax exempt one-third of salary maintained, in part, to reimburse elected officials who are asked to support events and organizations by making donations and purchasing tickets.

Recommendation 7: Combine the Gifts and Promotions section of the guidelines with the Hospitality Expenses section and rename *Constituency Relations*.

Rationale:

The general purpose of both categories of expenses should be to support good constituency relations. Combining these sections would simplify the document.

Recommendation 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.

Current practice:

The guidelines require annual posting.

Rationale:

More frequent expense postings would allow for better oversight and improved transparency.

Recommendation 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.

Current practice:

There are currently no stipulations with respect to the use of the fund during an election year.

Rationale:

In the interest of fairness, Council should prohibit any use of the allowance that would provide an advantage to sitting members of Council.

Recommendation 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.

Current practice:

There are currently no stipulations with respect to the use of the fund during an election year.

Rationale:

Proration of the funds for the period from January through August and then from November through December will allow fair distribution among the pre-election period, the election period (during which the fund may not be used), and the post-election portion of the year.

Recommendation 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.

Current practice:

There are currently no stipulations with respect to the use during an election of goods and services purchased with the allowance.

Rationale:

In the interest of fairness, Council should prohibit any use of the allowance that would provide an advantage to sitting members of Council.

Recommendation 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.

Current practice:

The current document specifies that the parameters and guidelines pertain to Councillors' use of the Communications Allowance. It is silent with respect to the parameters and guidelines expected of the Mayor.

Rationale:

There is a need to ensure that these funds are used for the purpose of supporting members of Council in the performance of their duties. The Mayor is a member of Council, and it would be unfair and inappropriate to permit the funds to be used to provide an advantage to any incumbent member of Council over other candidates for office.

Recommendation 13: Approve additional housekeeping changes:

- **Clarify under the General Guidelines section that funds cannot be carried forward to the next fiscal year.**
- **Add to the Reimbursements section that invoices/receipts must be dated.**
- **Change references to the Executive Committee to the Governance and Priorities Committee or the Integrity Commissioner, as appropriate.**

Recommendation 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.

Current practice:

The current guidelines are only preliminary and have not yet been adopted as policy.

Rationale:

A policy linked to the Code of Conduct would provide a clear process for addressing any concerns about inappropriate use of the allowance. This would enhance fairness and accountability.

Recommendation 15: 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. The review should include:

- usage of funds – by whom, where, and types of expense claims submitted;
- summary of impacts – in an attempt to measure community engagement through the fund;
- validation of expenditure appropriateness based on policy; and
- validation that the current policy reflects the needs of Council members and their constituents.

Following each review, Council should be provided the opportunity to revise the policy as appropriate.

Current practice:

The current guidelines do not specify periodic reviews.

Rationale:

The SMRC has not had the opportunity to perform a full review of the usage of the allowance and the adequacy of the guidelines. Periodic reviews will ensure adequate oversight of the allowance and provide opportunities for continuous improvement based on experience.

Recommendation 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.

Current practice:

The current guidelines do not specify periodic reviews.

Rationale:

In the interest of accountability and role clarification, it is important to identify the administrative office responsible for facilitating and coordinating the periodic reviews. The City Clerk's Office is in the best position to perform these tasks.

Support for Members of Council

Recommendation 17: 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.

Current practice:

Staff support for Councillors in the City Clerk's office is nominally set at 0.25 FTE, but the actual time spent on Councillor support is estimated to be 0.50 FTE or more.

Rationale:

The SMRC heard at the public forums that Councillors need additional administrative support and that many of the tasks required can best be provided by an employee familiar the systems and procedures of the City. To help meet Councillors' administrative needs and address the current shortfall in resources, the SMRC recommends increasing the staff complement of the City Clerk's Office by one full-time position with the understanding that this position would be dedicated to Councillor support.

Benefit Plan Provisions

Recommendation 18: 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.

Current practice:

A person who is age 65 or older and has reached the \$10,000 limit on benefits will receive no further benefits from the plan. The premium deduction for single coverage amounts to \$22.86 per month per elected official.

Rationale:

Payments made to the Council member could be used to pay for health costs or to mitigate the cost of private health insurance.

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Appendix I.

Municipal Salary Comparison

Table

2016.04.15

Market Comparison of Municipal Salary Levels

City	City Population ¹ (2011)	Year	Mayor's Salary	Tax exempt	Fully Taxable Salary Equivalent ²	Councillor's Salary	Tax exempt	Fully Taxable Salary Equivalent ²	Ward Density ^{3,4} (2011)	Full-time or Part-time
Calgary	1096833	2015	\$216,402.00	All taxable	\$216,402.00	\$115,298.00	All taxable	\$115,298.00	76731	Full-time
Edmonton	812201	2015	\$176,145.00	1/3 tax exempt	\$198,515.00	\$99,994.00	1/3 tax exempt	\$111,083.00	66431	Full-time
Winnipeg	663617	2015	\$166,304.00	All taxable	\$166,304.00	\$95,040.00	All taxable	\$95,040.00	45187	Full-time
Halifax	390096	2014	\$168,449.50	1/3 tax exempt	\$194485.50	\$80,849.80	1/3 tax exempt	\$91180.80	24395	Full-time
London	366151	2013	\$104,258.00	1/3 tax exempt	\$117,927.00	\$32,969.76	1/3 tax exempt	\$35,353.76	26154	Part-time
Saskatoon	222189	2015	\$121,436.00	1/3 tax exempt	\$136,885.00	\$54,646.00	1/3 tax exempt	\$60,291.00	22928	Part-time
Kitchener	219153	2014	\$84,976.00	1/3 tax exempt	\$94,396.00	\$49,652.00	1/3 tax exempt	\$54,060.00	21915	Part-time
Windsor	210891	2015	\$86,895.23	1/3 tax exempt	\$96,390.00	\$28,770.48	1/3 tax exempt	\$30,992.48	20536	Part-time
Regina	193100	2015	\$110,435.00	1/3 tax exempt	\$124,161.00	\$36,812.00	1/3 tax exempt	\$40,003.00	19310	Part-time
Sherbrooke	154601	2010	\$139,081.00	All taxable	\$139,081.00	\$30,200.00	All taxable	\$30,200.00	25767	Part-time
Guelph	121688	2015	\$109,004.00	All taxable	\$109,004.00	\$33,433.00	All taxable	\$33,433.00	20281	Part-time
St. John's	106172	2013	\$108,743.00	1/3 tax exempt	\$122,404.00	\$50,411.00	1/3 tax exempt	\$55,505.00	10617	Part-time
Victoria	80017	2013	\$99,715.00	All taxable	\$99,715.00	\$39,886.00	All taxable	\$39,886.00	10002	Part-time
Saint John	70063	2012	\$38,000.00	1/3 tax exempt	\$41,124.00	\$12,666.67	1/3 tax exempt	\$13,242.67	17516	Part-time

¹ City populations similar to Saskatoon's are highlighted

² All calculations for fully taxable salary equivalents are generated with the Thompson Reuters tax calculator at <http://support.drtax.ca/dtmax/eng/calculator>

using the salary year and province applicable in each case: The difference between the calculated tax payable for the full nominal salary and the tax payable for 2/3 of the nominal salary is added to the nominal salary to provide a grossed-up salary. The assumptions used include: no income from other sources; no allowable deductions; no CPP or EI contributions; and only the basic personal exemption tax credit

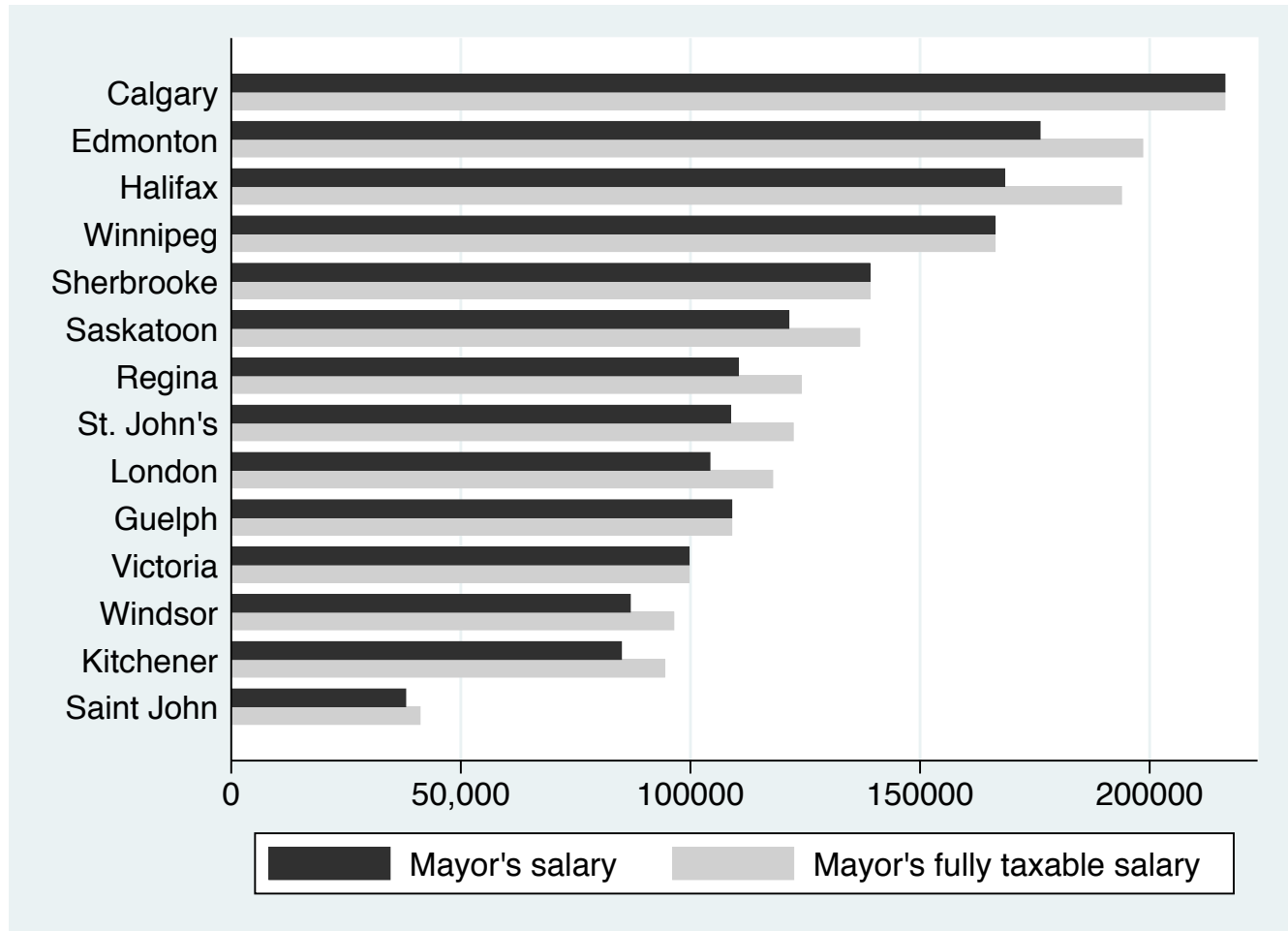
³ Ward density is defined as average number of residents per councillor

⁴ Ward densities similar to Saskatoon's are highlighted

Market Comparison Among Selected Municipalities Graphs

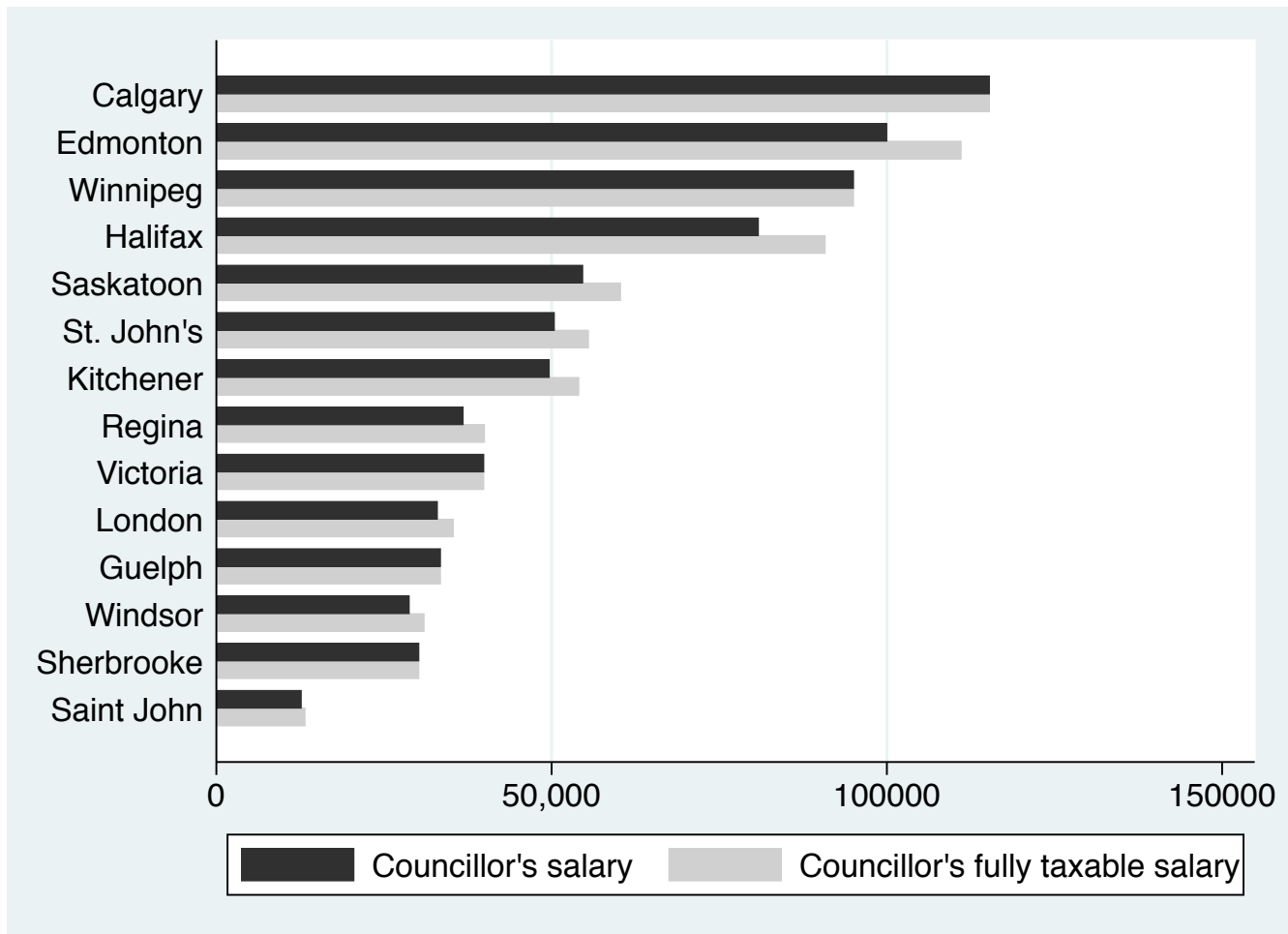
1. Bar chart: Nominal income and fully taxable income

1.1 Mayor's nominal salary and fully taxable salary (sort on mayor's fully taxable salary)



When sorting on nominal salary, the descending order among St. John's, London and Guelph is Guelph, St. John's and London. However, St. John's and London both rank higher than Guelph (fully taxable) when sorting on Mayor's fully taxable salary. Saskatoon's rank among the municipalities sampled does not change with this conversion.

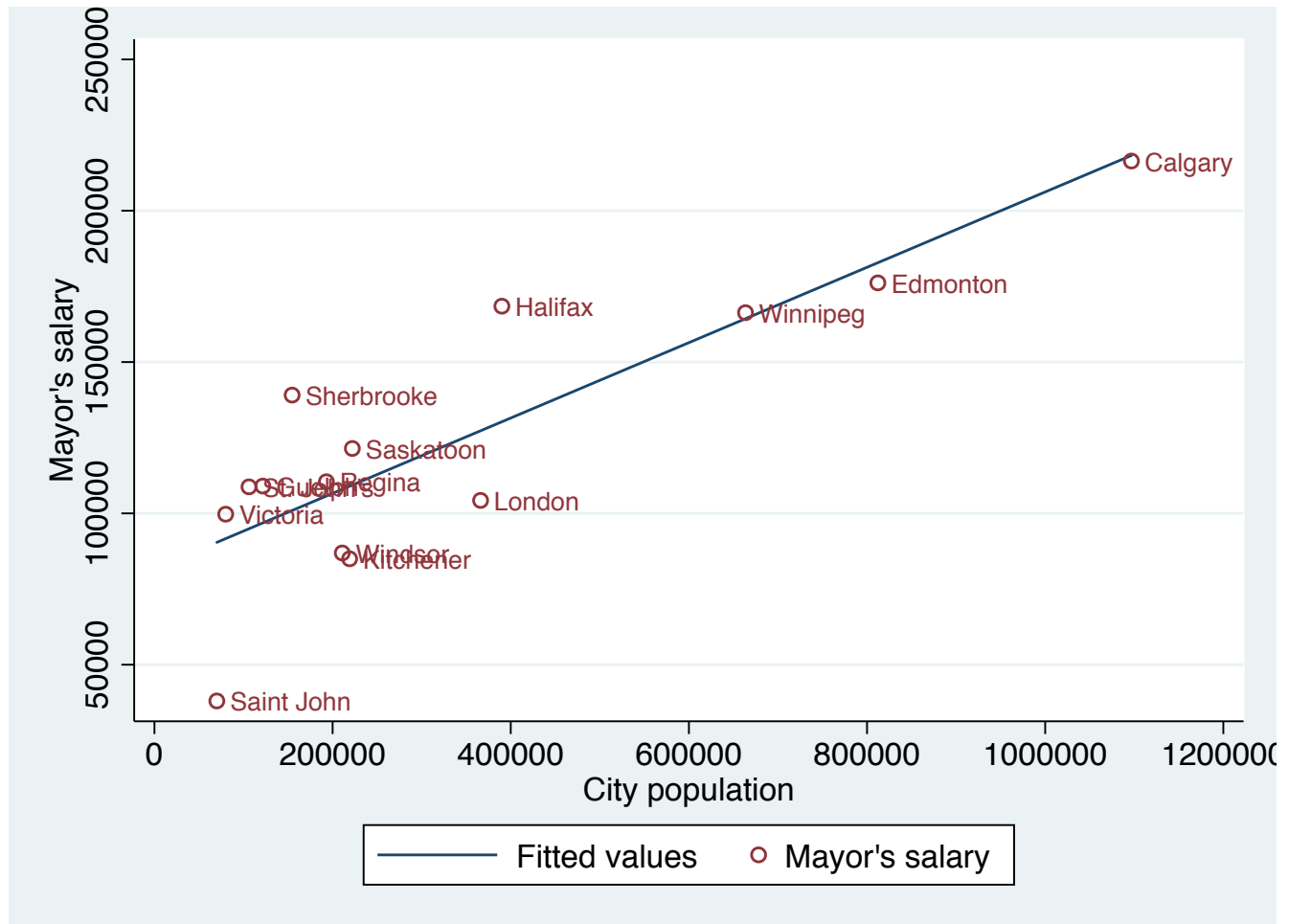
1.2 Councillor's nominal salary and fully taxable salary (sort on council's fully taxable salary)



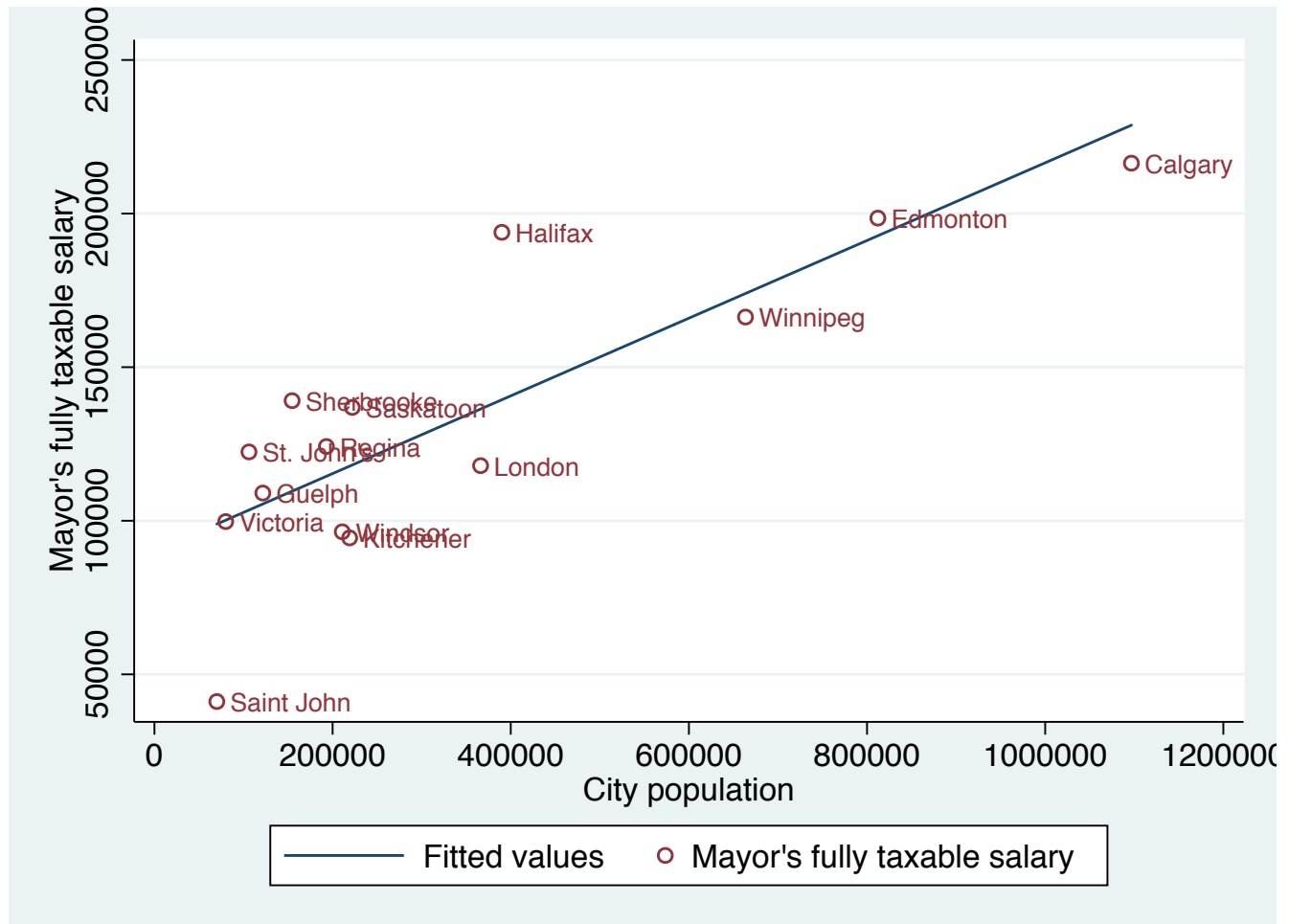
When sorting on councillor's fully taxable salary, only the order among Regina, Victoria, London, Guelph, Windsor and Sherbrooke changes. Notably, in the first group the salary for councillors in Victoria and Guelph is always fully taxable, whereas councillors' salary is one third tax exempt in Regina and London. Thus, when converting tax exempt to all taxable, the ranks of Regina, London, and Windsor increase. Saskatoon's rank among the municipalities sampled does not change with this conversion.

2. Scatterplots: Mayor's salary and city population

2.1 Mayor's nominal salary and city population

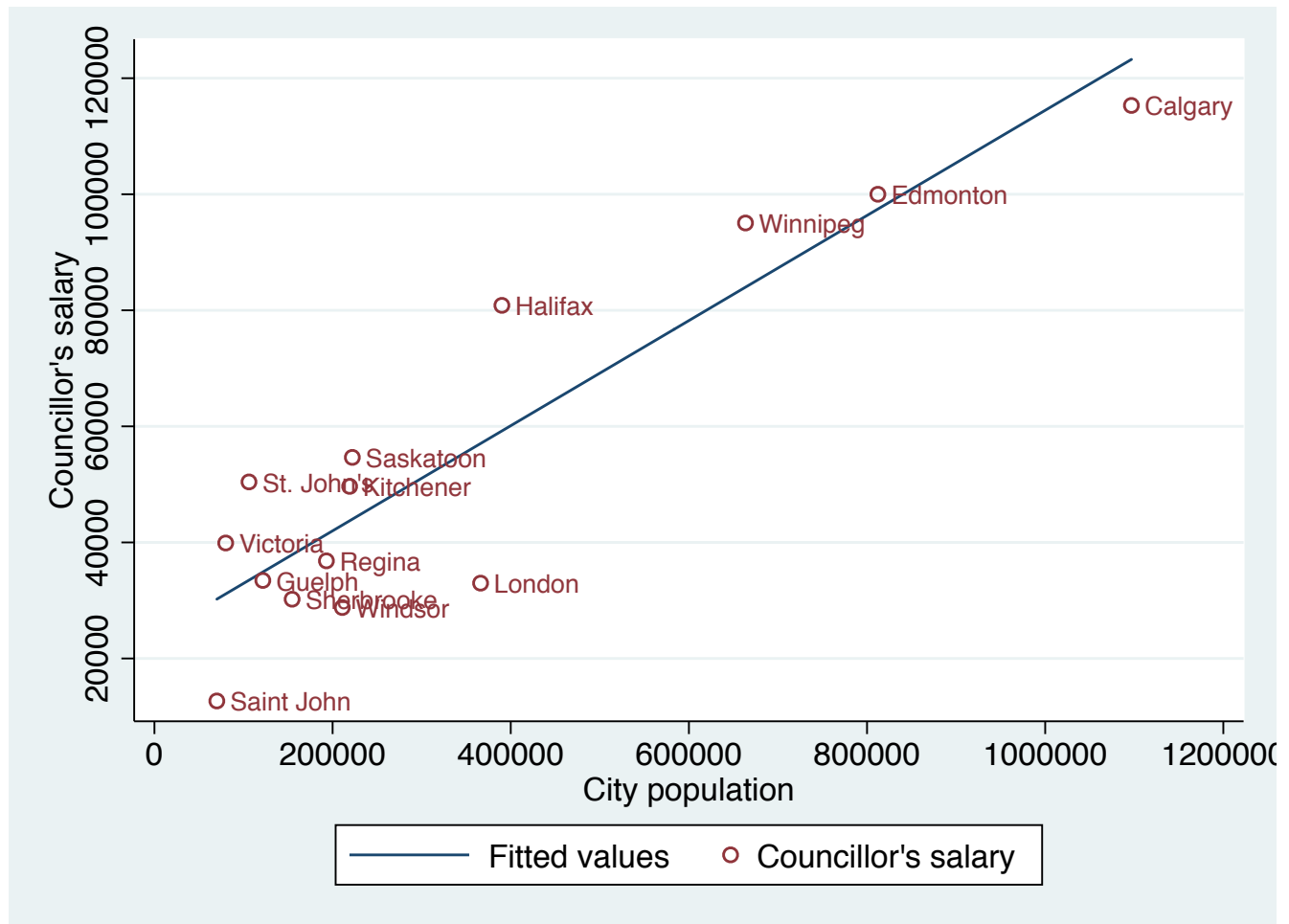


2.2 Mayor's fully taxable salary and city population

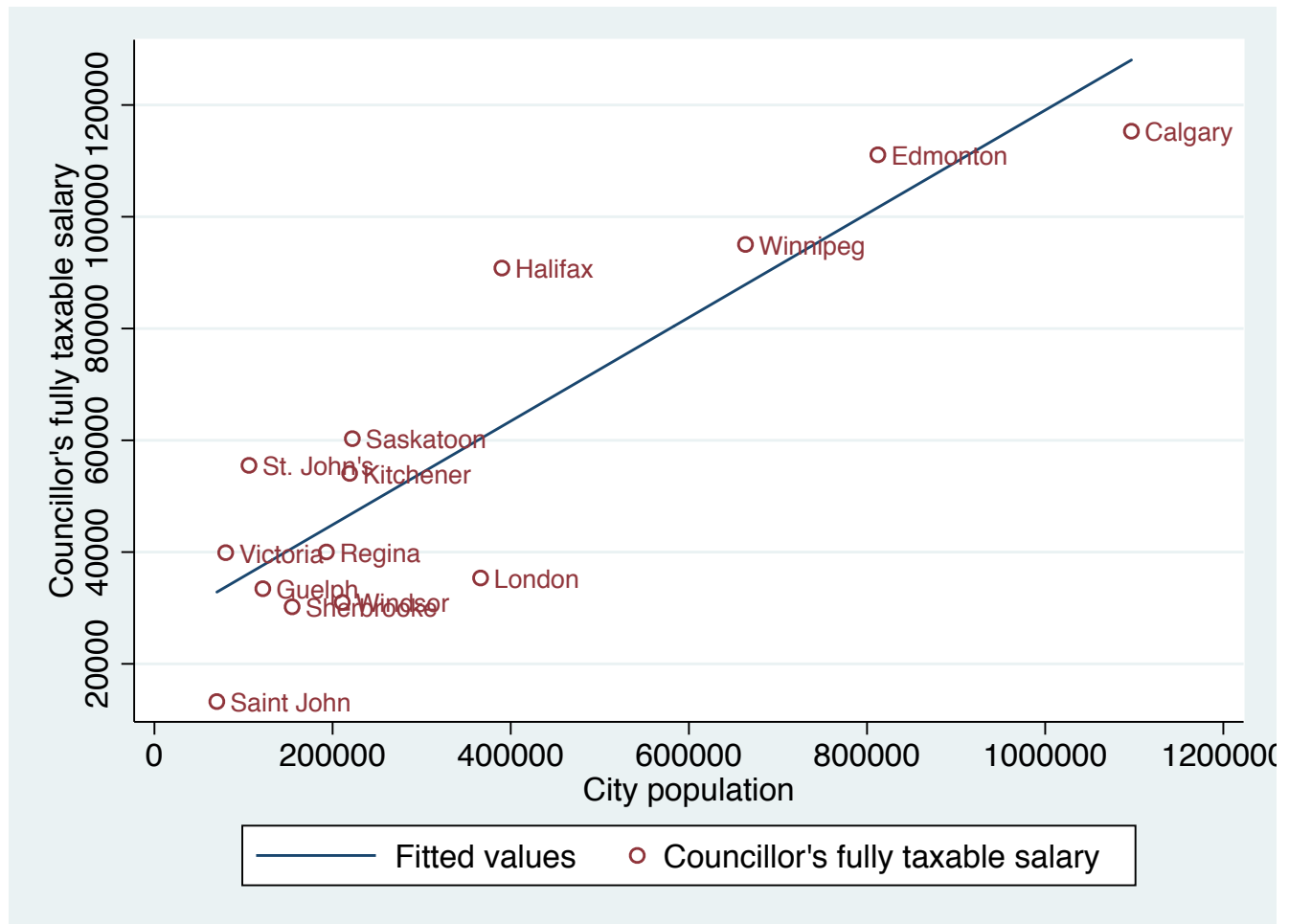


3. Scatterplot: Councillor income and city population

3.1 Councillor's nominal salary and city population



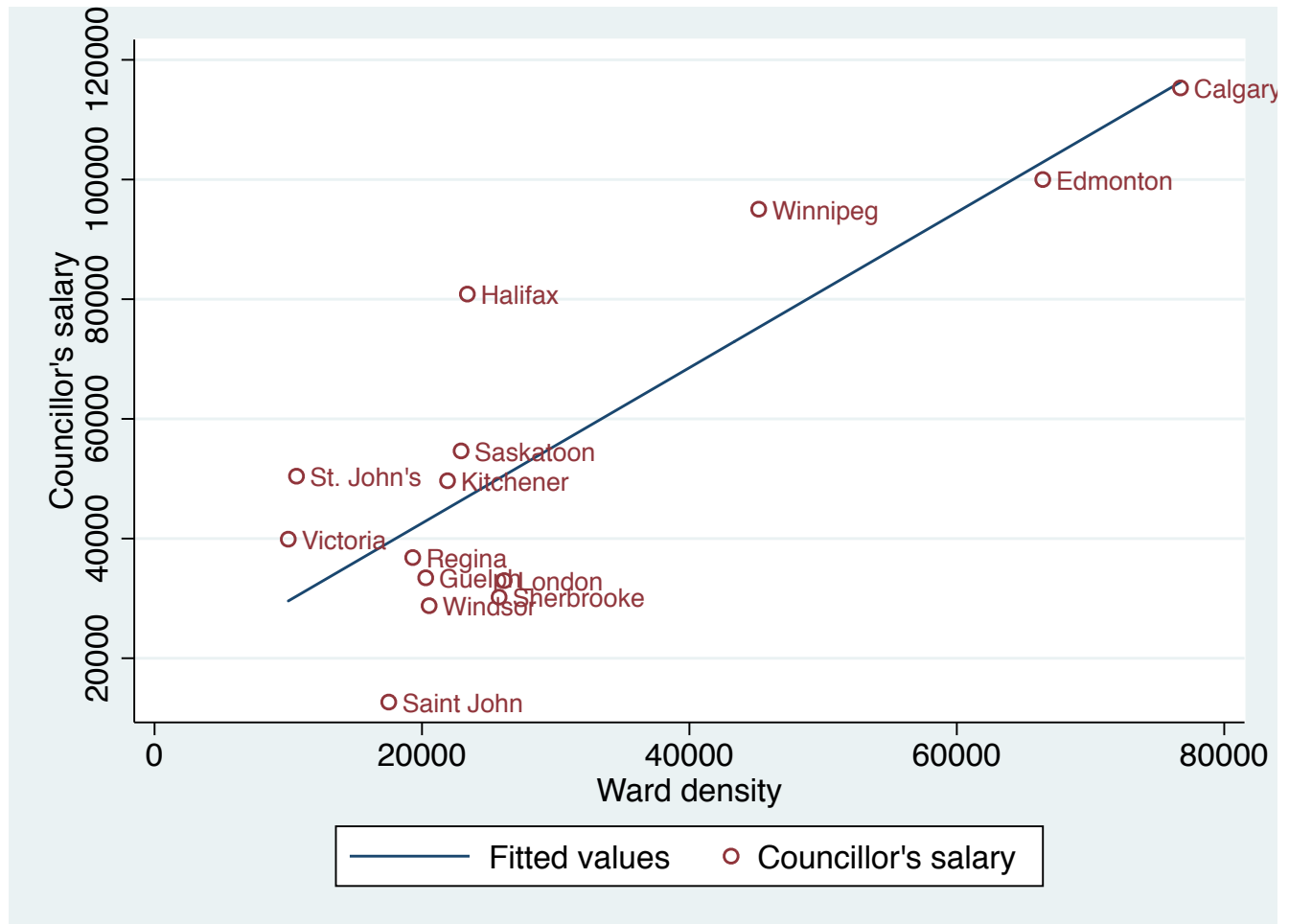
3.2 Councillors' fully taxable salary and city population



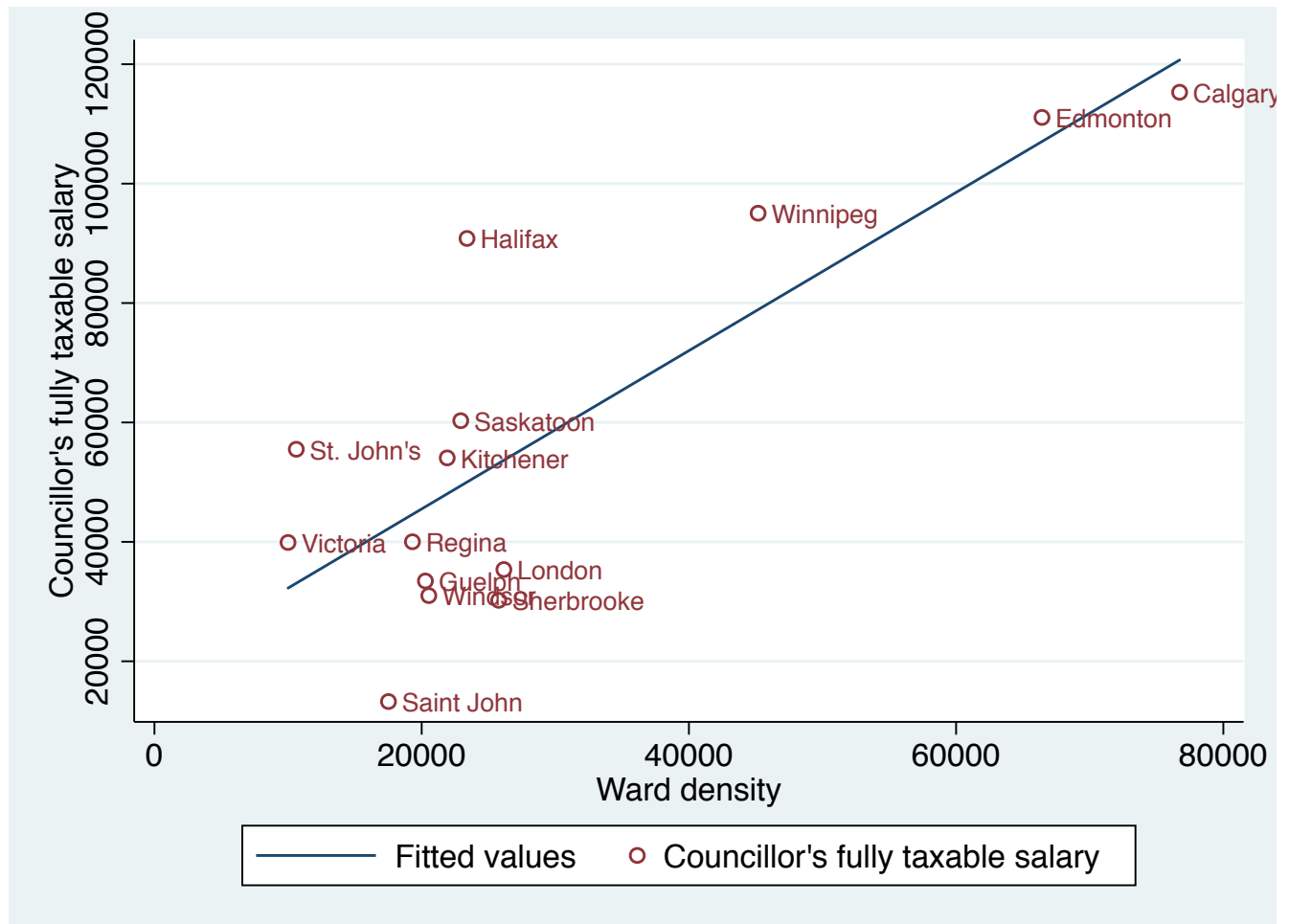
4. Scatterplot: Councillor's salary and ward density

4.1 Councillor's nominal salary and ward density

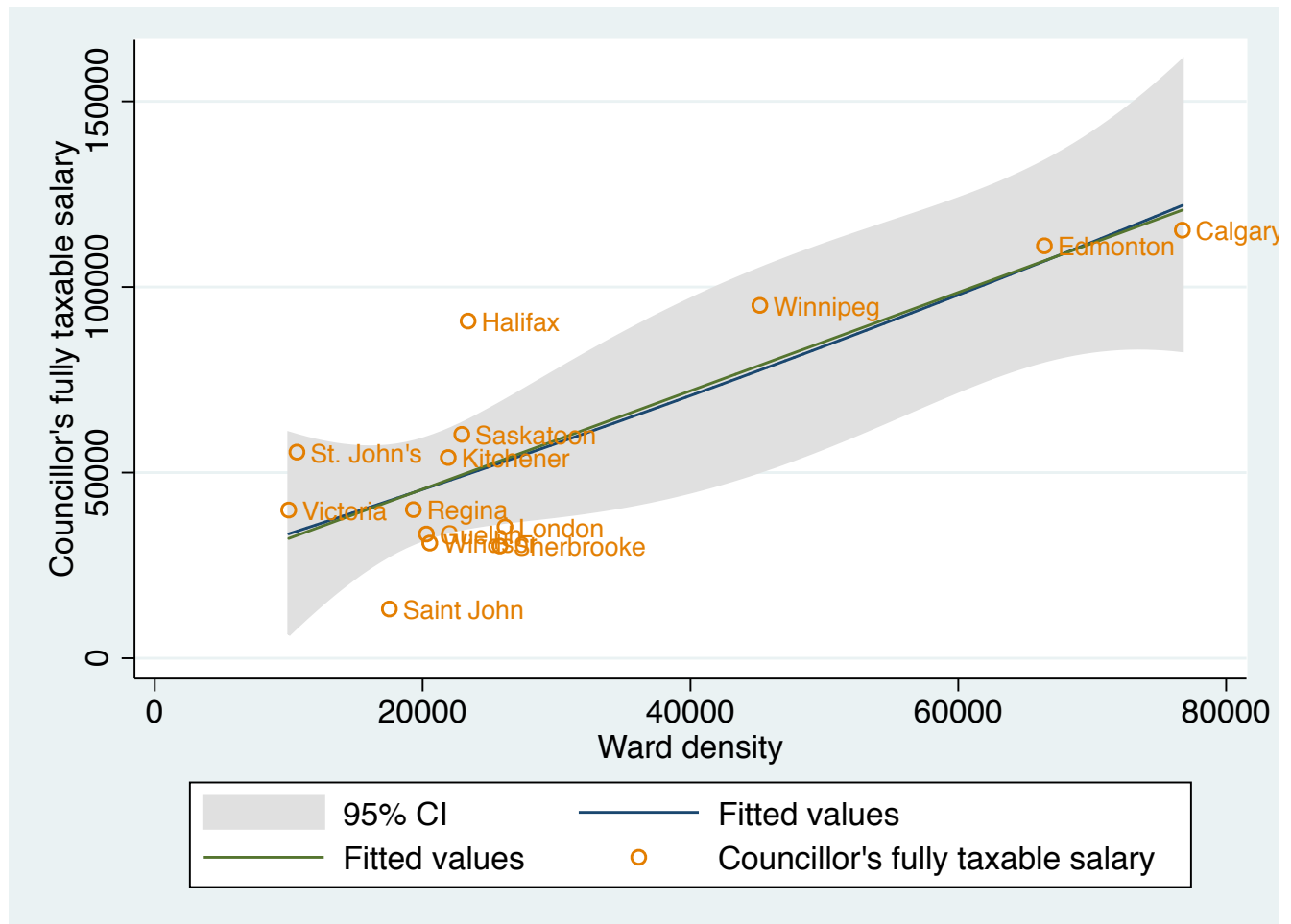
Ward density is referred as average number of residents per ward (councillor).



4.2 Councillor fully taxable salary and ward density



4.3 Councillor fully taxable salary and ward density with 95% confidence interval



Conclusion and policy implications:

For most municipalities, tax-exemption tends to increase both mayor and councillor's actual income substantially when converting their nominal salary to a fully taxable salary. However, this policy does not have substantial impact on Saskatoon's remuneration ranking. No matter what measure is adopted, Saskatoon's ranking of both the mayor's and councillor's nominal and fully taxable salaries remains the same among the municipalities sampled. When comparing Saskatoon to cities such as Regina, Kitchener, and Windsor with similar city populations and ward densities, Saskatoon's remuneration level always ranks higher than the others. This suggests that the remuneration level for both mayor and councillors is relatively higher than comparable cities.

Appendix II.

City of Saskatoon – Mayor and Councillors – Benefits & Entitlements

Administrative Support

The City Clerk's Office provides limited administrative and confidential secretarial support to Councillors only. There is approximately .25 of an FTE dedicated to this.

Work Areas

An office at City Hall is provided for the Mayor, as well as the services of an Executive Assistant, Secretarial support and a Communications Officer.

All Councillors are provided with an individual work area (with a telephone) at City Hall. A small meeting/interview room (with a telephone, computer and printer) is also available for use by Councillors.

Equipment Supplied

The following equipment is provided to members of City Council in order to expedite communication between the Administration and City Council, and to assist Councillors in carrying out their civic responsibilities.

- Laptop
- Tablet
- Printer
- Fax (for home office)
- Home phone
- Cell phone

Support and maintenance for the above equipment is provided by the City.

Councillors may choose not to have a home office and/or not use a laptop/tablet provided by the City.

REMUNERATION AND BENEFITS

Remuneration

City Council has adopted Policy C01-006, *Remuneration – Members of City Council*, in order to provide compensation sufficient to attract and retain competent and well-qualified community-minded persons for the offices of Mayor and Councillor. The

City of Saskatoon – Mayor and Councillors – Benefits & Entitlements

details are as follows:

“2. POLICY

2.1 General

- a) The Mayor and Councillors shall be compensated for services rendered on behalf of the City of Saskatoon.
- b) The remuneration shall be consistent with provisions of The Cities Act and shall be subject to approval of City Council.

2.2 Annual Remuneration

- a) Mayor – Effective July 1, 2005, the Mayor's annual remuneration shall be 85% of a Cabinet Minister's salary and adjusted annually based on increments made to a Cabinet Minister's salary.
- b) Councillors – Councillors' annual remuneration shall be increased by \$3,000 effective July 1, 2005, and increased by \$3,500 on November 1 of each year, starting in 2006, until such time that the annual remuneration equals 45% of the Mayor's salary.
- c) Deputy Mayor - All Councillors shall, in addition to the annual remuneration for Councillor, received \$20 each month in recognition of Deputy Mayor duties plus \$20.00 for each half day that he/she is required to fulfill the duties of Mayor in the Mayor's absence.
- d) Effective July 1, 1980, no remuneration shall be paid to a member of Council appointed to a Board that is under the jurisdiction of Council.
- e) Upon the death of a member of Council while in office, a payment will be made to the member's designated beneficiary of an amount equal to one month's salary for each period of twelve months of service to a cumulative lifetime maximum of twelve months.

2.3 Expenses

- a) General Expenses - One-third of the annual remuneration paid to a member of Council shall be

City of Saskatoon – Mayor and Councillors – Benefits & Entitlements

designated as having been paid in respect of general expenses incurred incidental to the discharge of the duties of the respective office.

- b) Out-of-town Expenses - A member of Council, absent from the City on business of Council or attending a convention, shall, pursuant to authorization of Council, receive \$100.00 per day plus reimbursement for actual expenses incurred.
- c) In-town Expenses - A member of Council attending in-town business on behalf of Council, shall be reimbursed for all actual expenses incidental to such business, to a maximum of \$100.00 per day.
- d) Effective July 1, 2005, Councillors shall be reimbursed for use of their personal vehicle for City business, based on a per kilometre reimbursement equal to the limits set by the Canada Revenue Agency for tax-exempt allowances for the use of personal vehicles.
- e) All Councillors' expenses require authorization by His Worship the Mayor."

Effective April 1, 2014, the annual remuneration is as follows:

Mayor	\$121,436.10 per annum (1/3 tax exempt)
Councillor	\$54,646.25 per annum (1/3 tax exempt)

BENEFITS

Group Insurance

Group Insurance coverage is available.

Pension

All Members of Saskatoon City Council also have the option of participating in the SUMA Group Registered Retirement Savings Plan. Members can contribute up to 6% of their base remuneration which is matched by the City and deposited monthly to the member's RRSP account.

In addition, SUMA provides Life Insurance, Extended Health Care and Dental Care for elected officials of the City of Saskatoon:

- Elected officials are covered all day, every day, during their term of office.

City of Saskatoon – Mayor and Councillors – Benefits & Entitlements

- No medical questions are asked.
- Life insurance coverage is in addition to any other life insurance coverage they may have.
- Benefits end when term of office ends or age 70 (age 80 for Accidental Death, Disease & Dismemberment Insurance), whichever comes first.
- All benefits are equally cost shared with the Elected Official

All elected officials must be covered for benefits. However, an elected official may choose to opt out of the Dental Care, Extended Health Care or Vision Care Plan if they already have similar coverage through their own or their spouse's employer plan.

Life Insurance

Compulsory benefit of \$10,000 for all members of City Council.

Extended Health Care (some restrictions apply after age 65)

All members of Council are covered for a wide range of medical services and drugs which are not covered under Saskatchewan Health Care, as well as provides unlimited emergency out-of-country travel insurance.

TRAVEL, CAR ALLOWANCE AND PARKING

TRAVEL

The Mayor has a budget for training and travel, the amount to be determined annually through the budget review process. In 2015, \$35,000 for travel and \$3,500 for training was allocated.

Each Councillor is allocated funds for travel and training, the amount to be determined annually through the budget process. Currently, the amount is \$3,500 each per year. No partner expenses are paid. The amount in this budget will be prorated during an election year in order to ensure that sufficient funds remain for newly-elected Councillors.

In addition to the individual travel budgets for Councillors, a Common Travel and Training Budget is also allocated, the amount to be determined annually through the budget process. Currently the amount is \$24,000. Councillors are entitled to use this fund in order to attend annual conferences or board meetings of any organization on which he or she sits as an official representative of the City of Saskatoon, or conferences where the City of Saskatoon is entitled to voting delegates through its membership (eg. Trans Canada Yellowhead Highway Association). No partner expenses are paid. The amount of the budget will be pro-rated during an election year in order to ensure sufficient funds remain for newly-elected Councillors.

City of Saskatoon – Mayor and Councillors – Benefits & Entitlements

Out-of-town events attended by a Councillor on behalf of the Mayor are at the Mayor's expense.

A summary of allowable expenses follows:

Out-of-Province Travel - actual costs equivalent to the least cost suitable option and not to exceed economy air fare.

Within Province Travel - encouraged to seek an economical alternative to car travel; however, when a car is used, car allowance is based on Canada Revenue Agency rates.

Accommodation - encouraged to seek accommodation at hotels which offer discounts. Receipts must be provided.

Meals and Incidentals - actual and reasonable, up to a maximum according to a schedule established by the City Manager's Office. Currently the per diem amounts are: Breakfast - \$11.00; Lunch - \$16.00; Dinner - \$25.00; Incidentals - \$7.00.

CAR ALLOWANCE

The Mayor and Councillors are reimbursed for use of their personal vehicle for City business, based on a per kilometre reimbursement equal to the limits set by the Canada Revenue Agency for tax-exempt allowances for the use of personal vehicles. The rate for 2015 is \$.55/km for the first 5,000 km in a year then it drops to \$.49/km.

PARKING

Parking permits are provided to elected civic officials for use while on official City business.

Additionally, a limited number of marked parking stalls for use by Councillors only, while at City Hall, are available in the City Hall Parking lot and there are two designated stalls in the underground garage. The Mayor has a designated parking stall in the underground garage.

COMMUNICATIONS ALLOWANCE

The Mayor's Office is provided an annual Communications budget, determined through the annual budget review process. The budget includes salary and travel for a Communications Officer as well as communication tools. In 2015, \$120,000 was allocated.

City of Saskatoon – Mayor and Councillors – Benefits & Entitlements

Each Councillor is allotted \$10,000 for a Communications Allowance. The following are the parameters:

Preliminary Parameters and Guidelines – Councillor Communications

1. General Guidelines

- Funding must be used within the fiscal year.
- Councillors must adhere to the requirements of the Code of Conduct dealing with “Actions During Civic Election Periods”.
- No councillor may use funds allocated to engage the services of a member of their family, as defined in Section 114 (c) of *The Cities Act*.
- Nothing in the guidelines and parameters should be used for the purposes of fundraising for a Councillor or for raising election funds.
- Assistance will be provided by the City’s Communication Branch by preparing and distributing the Agenda in Brief and the Decisions in Brief, prior to and following City Council meetings, and providing background information on civic programs and services to be used for responding to enquiries or for preparing speeches as a Member of Council or as Deputy Mayor.

2. Allowable Expenses

This section summarizes alphabetically the categories and examples of the types of allowable expenses that could be charged to the communications allowance for Councillors.

Advertising & Promotion

- Paid advertising that is related to the business of the City in all types of media.
- Advertising that supplements City departments’ advertisements that are placed to promote specific programs or specific events.
- Messages in Community Association Newsletters, Newspapers, publications such as Planet S Magazine (e.g. introductory messages, congratulatory messages, event announcements).

Books & Magazines

- Books, magazines, and periodicals that are related to the business of the City. Name of the book or magazines must be included on the invoice.

General Entertainment

City of Saskatoon – Mayor and Councillors – Benefits & Entitlements

- Up to two tickets to:
 - functions or business/community events (banquets, theatres, shows) when the Councillor has been invited to attend in their official capacity or when the Councillor is performing their duties as Councillor;
 - charitable events or fund-raising events such as golf tournaments, walkathons, organized by non-profit organizations.

Conditions

- Event tickets for family members not attending as the Councillor's spouse or guest are ineligible.
- Tickets can be used by the Councillor and their spouse or guest.
- Council member must provide a copy of the event notice or flyer as well as any accompanying request for attendance.
- Raffle tickets, silent auctions, table prize tickets at events, alcohol, unless included in the price of the ticket are ineligible.

General Office Supplies

- General office supplies which are not already provided by the City Clerk's Office
- Personalized stationery, greeting cards, holiday cards, including envelopes and stamps and Canada Post regular mail services
- Photocopy charges
- Photographic supplies and services
- Courier delivery costs

Gifts and Promotions

- Promotional items such as fridge magnets, t-shirts, pens.
- Gift baskets/flowers for constituents for special occasions
- Table prizes for local community groups

Conditions

- Ineligible expenses include gifts for staff or other employees of the City, boards and committees.
- Council member must provide an original invoice or receipt detailing gift items, quantity, cost and purpose of the items.
- Reimbursement for flowers and gifts to specific constituents must include an explanation.

Hospitality Expenses

- Facility rental for hosting an event

City of Saskatoon – Mayor and Councillors – Benefits & Entitlements

- Council members' expenses for food and non-alcoholic beverages related to community events, meals or receptions when hosting constituents, business contacts, representatives of other levels of government

Conditions

- Council member must provide the date, purpose and details of the expense, and where applicable or feasible, original itemized receipt showing items consumed and names of participants attending.

Meeting Expenses

- Facility rental
- Catering order for meetings including non-alcoholic beverages, snacks and light foods
- Venue set-up fees, including audio-visual equipment, flip charts, cleaning charges.

Conditions

- Council member must provide date and purpose for meeting, original itemized receipt, names of participants or group name with number of participants attending.

Newsletters and Flyers

- Design, writing, copy-editing, printing costs
- Distribution costs through Canada Post, Admail, by private distribution firms or by other means
- Clip art or stock photo fees
- Electronic newsletter distribution costs
- Translation fees

Conditions

- Councillors are permitted to use the City Crest and care must be taken in the appropriate use of the Crest.

Professional and Contract Services

- Firms or individuals whom councillors retain for specific business purposes with clear deliverables, fee structures and timelines.
- The engagement of a business or person(s) as a contractor and/or the cost of supplies, rental of facilities and equipment relative to production, presentation and/or distribution of information to residents relevant to City Council business.

City of Saskatoon – Mayor and Councillors – Benefits & Entitlements

- The engagement of a professional or consulting service for the purposes of preparing speeches, conducting research, etc.

Websites, Social Media Tools, Software & Accessories

- Costs associated with the creation of twitter accounts, Facebook accounts, web pages, or other social media tools for communicating as a member of Council.
- Additional communications management tools such as database management tools and software accessories.

Conditions

- Tools or software accessories not supported or not integrated with the City's systems or connected to the corporate network are not supported by the City's Corporate Information Services Branch.
- Councillors are responsible for the protection of any personal information collected or used for City Council business in accordance with LAFOIPP.
- Councillors must adhere to the requirements of the Code of Conduct dealing with "Actions During Civic Election Periods", including conversion of any city- funded websites and social media tools to an election campaign site.

3. Purchasing Procedures

Purchases of goods, services and work from outside parties are to be made in accordance with Policy C02-030 – Purchase of Goods, Services and Work. Information and advice on purchasing procedures, vendor lists, obtaining quotations and preparation of purchasing documents can be obtained from Manager of the Materials Management Branch.

Regardless of the value, it is recommended that competitive prices be obtained.

- Purchases up to \$250 attained locally allows for payment by Automatic Payment Voucher (administered by City Clerk's Office)
- Purchases up to \$5000 (including taxes and freight) may be made through a Departmental Purchase Order (administered by City Clerk's Office). It is recommended that competitive prices are attained; however, this is to be balanced off with the value of the purchase, the time required to get competitive prices, and the potential (or lack of) savings that can be achieved.
- Consulting Services must follow standard procedures (consult with the City Clerk's Office).

City of Saskatoon – Mayor and Councillors – Benefits & Entitlements

4. Reimbursements

Councillors must provide the City Clerk's Office with proper documentation, including detailed original receipts for claims. Credit card receipts or statements alone are not sufficient and will not be accepted. In the case of any on-line purchases, a copy of the confirmation must be attached to the claim.

Invoices/receipts must include a description of the goods purchased or services rendered, the cost, and any applicable taxes.

Expenses must be charged to the year in which they occurred. Expenses cannot be carried forward to future years. Charges for goods against the current year must be received by Councillors and/or services from the vendor before December 31st of that year.

5. Responsibility of City Clerk's Office

The responsibility of the City Clerk's Office in administering communications support to Councillors includes, but is not limited to:

- Reviewing usage requirements and parameters with a view to bringing forward recommendations to Executive Committee for amendments;
- Providing support to Councillors by processing payments for expenditures;
- Ensuring that supporting documentation for expenditures is in place, and to bring forward to Executive Committee any expenditures where supporting documentation is not place, and expenditures which may not fit within the parameters and guidelines of the support for Councillor Communications document;
- Advising Councillors on the status of their communications allowance and expenditures;
- Annually posting all expenses, individually and in detail, on the City's website and providing Executive Committee with monthly usage updates.
- Redacting all personal and other exempted information governed by *The Local Authority Freedom of Information and Protection of Privacy Act* from the detailed Councillor expenses prior to the disclosure of Councillor expenses on the City's website.

Appendix III**Communications and Constituency Relations Allowance
(CCRA)****Part I: Proposed Communications and Constituency Relations Allowance (CCRA)****Part II: Proposed Communications and Constituency Relations Allowance (CCRA)
Indicating Additions, Deletions and Amendments**

Part I: Proposed Communications and Constituency Relations Allowance (CCRA)

The recommended changes to the “Communications Allowance” have been developed to maintain and promote accountability, transparency, fairness and predictability for Council and the citizens of Saskatoon. The recommendations are based on the spirit and intention that the allowance was first established to reflect. The recommended changes also considered the appropriateness of a civic fund compensating Council for expenses that previously would have been expended by Council’s 1/3 portion of remuneration.

The SMRC recommends that Council adopt the revised guidelines into policy and that it is understood that a violation of the policy would be a violation of the Code of Conduct and any irregularities would be reported to the Integrity Commissioner for investigation.

Following the entrenchment of these guidelines into policy a third party review of the allowance should occur at a minimum every term. The review is not intended to imply that wrongdoing or incorrect usage of funds would be allowed by the City Clerk’s office who approves the funds, but rather to provide additional guidance and perspective on future requests. This review should include:

- Usage of funds – by whom, where, types of expenses submitted.
- Summary of impacts – in an attempt to measure community engagement through the fund.
- Validation of expenditures appropriateness based on policy.
- Validation that the current policy reflects needs of the allowance and provides for an opportunity to revise policy as required.

Renamed “Communications and Constituency Relations Allowance (CCRA)”

1. General Guidelines

- The guidelines and policies contained here are applicable to Council as a whole, including Mayor and Council members.
- In the year of an election 8/12th of the allowance will be allocated to the sitting Council, 2/12th of the allowance will be allocated to the newly elected Council
- In the year of a civic election, the allowance cannot be used from September 1 through October 31.
- No goods or services purchased by the Mayor or Councillors that have been reimbursed by this fund may be used during the election period. This would include items such as a website’s annual domain registration or billboard signage.
- Funding must be used within the fiscal year and cannot be carried forward.
- Council must adhere to the requirements of the Code of Conduct dealing with “Actions During Civic Election Periods”.
- No councillor may use funds allocated to engage the services of a member of their family, as defined in Section 114 (c) of *The Cities Act*.
- Nothing in the guidelines and parameters should be used for the purposes of fundraising for a Councillor or for raising election funds.
- Assistance will be provided by the City’s Communication Branch by preparing and distributing the Agenda in Brief and the Decisions in Brief, prior to and following City Council meetings, and providing background information on civic programs and services to be used for responding to enquiries or for preparing speeches as a Member of Council or as Deputy Mayor.

2. **Allowable Expenses**

This section summarizes alphabetically the categories and examples of the types of allowable expenses that could be charged to the Communications and Constituency Relations Allowance (CCRA) for Council.

Administrative Staff Support

- The fund can be used individually or pooled together with other Council members for the hiring/engagement of support staff to assist with constituency related tasks
- These tasks may include:
 - Research related to constituency issues
 - Support for the development of constituency communications
 - Rent of office space to base staff support

Advertising & Promotion

- Paid advertising that is related to the business of the City in all types of media.
- Advertising that supplements City departments' advertisements that are placed to promote specific programs or specific events.
- Messages in Community Association Newsletters, Newspapers, and Magazines (e.g. introductory messages, congratulatory messages, event announcements).

Books & Magazines

- Books, magazines, and periodicals that are related to the business of the City. Name of the book or magazines must be included on the invoice.

General Office Supplies

- General office supplies not provided by the City Clerk's Office
- Personalized stationery, greeting cards, holiday cards, including envelopes and stamps and Canada Post regular mail services
- Photocopy charges
- Photographic supplies and services
- Courier delivery costs

Constituency Relations (Combined Gifts and Promotions and Hospitality Expense)

- Promotional items such as fridge magnets, t-shirts, pens.
- Table prizes for local community groups
- Facility rental for hosting an event
- Council members' expenses for food and non-alcoholic beverages related to community events, meals or receptions when hosting constituents or representatives of other levels of government

Conditions

- Ineligible expenses include gifts for staff or other employees of the City, boards and committees.
- Council member must provide an original invoice or receipt detailing gift items, quantity, cost and purpose of the items.
- Council member must provide the date, purpose and details of the expense, and where applicable or feasible, original itemized receipt showing items consumed and names of participants attending.

Meeting Expenses

- Facility rental
- Catering order for meetings including non-alcoholic beverages, snacks and light foods
- Venue set-up fees, including audio-visual equipment, flip charts, cleaning charges.

Conditions

- Council member must provide date and purpose for meeting, original itemized receipt, names of participants or group name with number of participants attending.

Newsletters and Flyers

- Design, writing, copy-editing, printing costs
- Distribution costs through Canada Post, Admail, by private distribution firms or by other means
- Clip art or stock photo fees
- Electronic newsletter distribution costs
- Translation fees

Conditions

- Council are permitted to use the City Crest and care must be taken in the appropriate use of the Crest.
- All CCRA funded communications must cease from September 1 through October 31 in the year of a civic election.

Professional and Contract Services

- Firms or individuals whom Council retain for specific business purposes with clear deliverables, fee structures and timelines.
- The engagement of a business or person(s) as a contractor and/or the cost of supplies, rental of facilities and equipment relative to production, presentation and/or distribution of information to residents relevant to City Council business.
- The engagement of a professional or consulting service for the purposes of preparing speeches, conducting research, etc.

Websites, Social Media Tools, Software & Accessories

- Costs associated with the creation of twitter accounts, Facebook accounts, web pages, or other social media tools for communicating as a member of Council.
- Additional communications management tools such as database management tools and software accessories.

Conditions

- Tools or software accessories not supported or not integrated with the City systems or connected to the corporate network are not supported by the City's Corporate Information Services Branch.
 - Council are responsible for the protection of any personal information collected or used for City Council business in accordance with The Local Authority Freedom of Information and Protection of Privacy Act (LAFOIPP).
- Council must adhere to the requirements of the Code of Conduct dealing with "Actions During Civic Election Periods", including conversion of any city-funded websites and social media tools to an election campaign site.

3. Purchasing Procedures

Purchases of goods, services and work from outside parties are to be made in accordance with Policy C02-030 – Purchase of Goods, Services and Work. Information and advice on purchasing procedures, vendor lists, obtaining quotations and preparation of purchasing documents can be obtained from Manager of the Materials Management Branch.

Regardless of the value, it is recommended that competitive prices be obtained.

- Purchases up to \$250 attained locally allows for payment by Automatic Payment Voucher (administered by City Clerk's Office)
- Purchases up to \$5000 (including taxes and freight) may be made through a Departmental Purchase Order (administered by City Clerk's Office). It is recommended that competitive prices are attained; however, this is to be balanced off with the value of the purchase, the time required to get competitive prices, and the potential (or lack of) savings that can be achieved.
- Consulting Services must follow standard procedures (consult with the City Clerk's Office).

4. Reimbursements

Council must provide the City Clerk's Office with proper documentation, including detailed original receipts for claims. Credit card receipts or statements alone are not sufficient and will not be accepted. In the case of any on-line purchases, a copy of the confirmation must be attached to the claim.

Dated invoices/receipts must include a description of the goods purchased or services rendered, the cost, and any applicable taxes.

Expenses must be charged to the year in which they occurred. Expenses cannot be carried forward to future years. Charges for goods against the current year must be received by Council and/or services from the vendor before December 31st of that year.

5. Responsibility of City Clerk's Office

The responsibility of the City Clerk's Office in administering CCRA support to Council includes, but is not limited to:

- Reviewing usage requirements and parameters with a view to bringing forward recommendations to Governance and Priorities for amendments;
- Providing support to Council by processing payments for expenditures;

- Ensuring that Review supporting documentation for expenditures is in place, and to bring forward to Integrity Commissioner any expenditures where supporting documentation is not place, and expenditures which may not fit within the parameters and guidelines of the support for CCRA expenditures;
- Advising Council on the status of their communications allowance and expenditures;
- Within 60 days of the end of the quarter, post all expenses, individually and in detail, on the City's website and provide Governance and Priorities with monthly usage updates.
- Redacting all personal and other exempted information governed by *The Local Authority Freedom of Information and Protection of Privacy Act* from the detailed Councillor expenses prior to the disclosure of Councillor expenses on the City's website.
- Facilitating / coordinate with the Integrity Commissioner the review of the CCRA. This can occur through an independent body or through a third party, to be determined by the Integrity Commissioner.

Part II: Proposed Communications and Constituency Relations Allowance (CCRA) Indicating Additions, Deletions, and Amendments

The recommended changes to the “Communications Allowance” have been developed to maintain and promote accountability, transparency, fairness and predictability for Council and the citizens of Saskatoon. The recommendations are based on the spirit and intention that the allowance was first established to reflect. The recommended changes also considered the appropriateness of a civic fund compensating Council for expenses that previously would have been expended by Council’s 1/3 portion of remuneration.

The SMRC recommends that Council adopt the revised guidelines into policy and that it is understood that a violation of the policy would be a violation of the Code of Conduct and any irregularities would be reported to the Integrity Commissioner for investigation.

Following the entrenchment of these guidelines into policy a third party review of the allowance should occur at a minimum every term. The review is not intended to imply that wrongdoing or incorrect usage of funds would be allowed by the City Clerk’s office who approves the funds, but rather to provide additional guidance and perspective on future requests. This review should include:

- Usage of funds – by whom, where, types of expenses submitted.
- Summary of impacts – in an attempt to measure community engagement through the fund.
- Validation of expenditures appropriateness based on policy.
- Validation that the current policy reflects needs of the allowance and provides for an opportunity to revise policy as required.

Renamed “Communications and Constituency Relations Allowance (CCRA)”

1. General Guidelines

- The guidelines and policies contained here are applicable to Council as a whole, including Mayor and Council members.
- In the year of an election 8/12th of the allowance will be allocated to the sitting Council, 2/12th of the allowance will be allocated to the newly elected Council
- In the year of a civic election, the allowance cannot be used from September 1 through October 31
- No goods or services purchased by the Mayor or Councillors that have be reimbursed by this fund may be used during the election period. This would include items such as a website’s annual domain registration or billboard signage.
- Funding must be used within the fiscal year and cannot be carried forward.
- Council must adhere to the requirements of the Code of Conduct dealing with “Actions During Civic Election Periods”.
- No councillor may use funds allocated to engage the services of a member of their family, as defined in Section 114 (c) of *The Cities Act*.
- Nothing in the guidelines and parameters should be used for the purposes of fundraising for a Councillor or for raising election funds.
- Assistance will be provided by the City’s Communication Branch by preparing and distributing the Agenda in Brief and the Decisions in Brief, prior to and following City Council meetings, and providing background information on civic programs and services to be used for responding to enquiries or for preparing speeches as a Member of Council or as Deputy Mayor.

2. Allowable Expenses

This section summarizes alphabetically the categories and examples of the types of allowable expenses that could be charged to the **Communications and Constituency Relations Allowance (CCRA) for Council.**

Administrative Staff Support

- The fund can be used individually or pooled together with other Council members for the hiring/engagement of support staff to assist with constituency related tasks
- These tasks may include:
 - Research related to constituency issues
 - Support for the development of constituency communications
 - Rent of office space to base staff support

Advertising & Promotion

- Paid advertising that is related to the business of the City in all types of media.
- Advertising that supplements City departments' advertisements that are placed to promote specific programs or specific events.
- Messages in Community Association Newsletters, Newspapers, and Magazines (e.g. introductory messages, congratulatory messages, event announcements).

Books & Magazines

- Books, magazines, and periodicals that are related to the business of the City. Name of the book or magazines must be included on the invoice.

General Entertainment –

- ~~Up to two tickets to:~~
 - ~~functions or business/community events (banquets, theatres, shows) when the Councillor has been invited to attend in their official capacity or when the Councillor is performing their duties as Councillor;~~
 - ~~charitable events or fund-raising events such as golf tournaments, walkathons, organized by non-profit organizations.~~

Conditions

- ~~Event tickets for family members not attending as the Councillor's spouse or guest are ineligible.~~
- ~~Tickets can be used by the Councillor and their spouse or guest.~~
- ~~Council member must provide a copy of the event notice or flyer as well as any accompanying request for attendance.~~
- ~~Raffle tickets, silent auctions, table prize tickets at events, alcohol, unless included in the price of the ticket are ineligible.~~

General Office Supplies

- General office supplies not provided by the City Clerk's Office
- Personalized stationery, greeting cards, holiday cards, including envelopes and stamps and Canada Post regular mail services
- Photocopy charges
- Photographic supplies and services

- Courier delivery costs

Constituency Relations (Combined Gifts and Promotions and Hospitality Expense)

- Promotional items such as fridge magnets, t-shirts, pens.
- ~~Gift baskets/flowers for constituents for special occasions~~
- Table prizes for local community groups
- Facility rental for hosting an event
- Council members' expenses for food and non-alcoholic beverages related to community events, meals or receptions when hosting constituents or ~~business contacts~~ representatives of other levels of government

Conditions

- Ineligible expenses include gifts for staff or other employees of the City, boards and committees.
- Council member must provide an original invoice or receipt detailing gift items, quantity, cost and purpose of the items.
- ~~Reimbursement for flowers and gifts to specific constituents must include an explanation.~~
- Council member must provide the date, purpose and details of the expense, and where applicable or feasible, original itemized receipt showing items consumed and names of participants attending.

Meeting Expenses

- Facility rental
- Catering order for meetings including non-alcoholic beverages, snacks and light foods
- Venue set-up fees, including audio-visual equipment, flip charts, cleaning charges.

Conditions

- Council member must provide date and purpose for meeting, original itemized receipt, names of participants or group name with number of participants attending.

Newsletters and Flyers

- Design, writing, copy-editing, printing costs
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- Clip art or stock photo fees
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- Translation fees

Conditions

- Council are permitted to use the City Crest and care must be taken in the appropriate use of the Crest.
- All CCRA funded communications must cease from September 1 through October 31 in the year of a civic election

Professional and Contract Services

- Firms or individuals whom Council retain for specific business purposes with clear deliverables, fee structures and timelines.
- The engagement of a business or person(s) as a contractor and/or the cost of supplies, rental of facilities and equipment relative to production, presentation and/or distribution of information to residents relevant to City Council business.
- The engagement of a professional or consulting service for the purposes of preparing speeches, conducting research, etc.

Websites, Social Media Tools, Software & Accessories

- Costs associated with the creation of twitter accounts, Facebook accounts, web pages, or other social media tools for communicating as a member of Council.
- Additional communications management tools such as database management tools and software accessories.

Conditions

- Tools or software accessories not supported or not integrated with the City systems or connected to the corporate network are not supported by the City's Corporate Information Services Branch.
 - Council are responsible for the protection of any personal information collected or used for City Council business in accordance with **The Local Authority Freedom of Information and Protection of Privacy Act** (LAFOIPP).
- Council must adhere to the requirements of the Code of Conduct dealing with "Actions During Civic Election Periods", including conversion of any city-funded websites and social media tools to an election campaign site.

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Regardless of the value, it is recommended that competitive prices be obtained.

- Purchases up to \$250 attained locally allows for payment by Automatic Payment Voucher (administered by City Clerk's Office)
- Purchases up to \$5000 (including taxes and freight) may be made through a Departmental Purchase Order (administered by City Clerk's Office). It is recommended that competitive prices are attained; however, this is to be balanced off with the value of the purchase, the time required to get competitive prices, and the potential (or lack of) savings that can be achieved.
- Consulting Services must follow standard procedures (consult with the City Clerk's Office).

4. **Reimbursements**

Council must provide the City Clerk's Office with proper documentation, including detailed original receipts for claims. Credit card receipts or statements alone are not sufficient and will not be accepted. In the case of any on-line purchases, a copy of the confirmation must be attached to the claim.

Dated invoices/receipts must include a description of the goods purchased or services rendered, the cost, and any applicable taxes.

Expenses must be charged to the year in which they occurred. Expenses cannot be carried forward to future years. Charges for goods against the current year must be received by Council and/or services from the vendor before December 31st of that year.

5. **Responsibility of City Clerk's Office**

The responsibility of the City Clerk's Office in administering ~~communications~~ **CCRA** support to Council includes, but is not limited to:

- Reviewing usage requirements and parameters with a view to bringing forward recommendations to **Governance and Priorities** for amendments;
- Providing support to Council by processing payments for expenditures;
- ~~Ensuring that~~ Review supporting documentation for expenditures ~~is in place~~, and to bring forward to ~~Executive Committee~~ **Integrity Commissioner** any expenditures where supporting documentation is not place, and expenditures which may not fit within the parameters and guidelines of the support for ~~Councillor Communications document~~ **CCRA expenditures**;
- Advising Council on the status of their communications allowance and expenditures;
- ~~Annually~~ **Within 60 days of the end of the quarterly** posting all expenses, individually and in detail, on the City's website and providing **Governance and Priorities** with monthly usage updates.
- Redacting all personal and other exempted information governed by *The Local Authority Freedom of Information and Protection of Privacy Act* from the detailed Councillor expenses prior to the disclosure of Councillor expenses on the City's website.
- **Facilitating / coordinate with the Integrity Commissioner the review of the CCRA. This can occur through an independent body or through a third party, to be determined by the Integrity Commissioner.**

CITY OF SASKATOON COUNCIL POLICY

NUMBER
C01-006

POLICY TITLE <i>Remuneration – Members of City Council</i>	ADOPTED BY: <i>City Council</i>	EFFECTIVE DATE <i>January 1, 1980</i>
		UPDATED TO <i>September 12, 2011</i>
ORIGIN/AUTHORITY <i>Personnel and Organization Committee Reports 6-1980, 6-1992 and 7-1985; City Commissioner Reports 38-1985 and 4-1987; A Committee of the Whole Council Report No. 4-1986; Executive Committee Reports 12-1996, and 14-2005 and City Council Resolutions of June 13, 2005 and September 12, 2011</i>	CITY FILE NO. <i>CK. 4670-5</i>	PAGE NUMBER <i>1 of 2</i>

1. PURPOSE

To provide compensation sufficient to attract and retain competent and well qualified community-minded persons for the offices of Mayor and Councillor and to provide for a death benefit to assist the family of a member of Council who dies while in office.

2. POLICY

2.1 General

- a) The Mayor and Councillors shall be compensated for services rendered on behalf of the City of Saskatoon.
- b) The remuneration shall be consistent with provisions of The Cities Act and shall be subject to approval of City Council.

2.2 Annual Remuneration

- a) Mayor – Effective July 1, 2005, the Mayor's annual remuneration shall be 85% of a Cabinet Minister's salary and adjusted annually based on increments made to a Cabinet Minister's salary.
- b) Councillors – Councillors' annual remuneration shall be increased by \$3,000 effective July 1, 2005, and increased by \$3,500 on November 1 of each year, starting in 2006, until such time that the annual remuneration equals 45% of the Mayor's salary.

- c) Deputy Mayor - All Councillors shall, in addition to the annual remuneration for Councillor, received \$20 each month in recognition of Deputy Mayor duties plus \$20.00 for each half day that he/she is required to fulfill the duties of Mayor in the Mayor's absence.
- d) Effective July 1, 1980, no remuneration shall be paid to a member of Council appointed to a Board that is under the jurisdiction of Council.
- e) Upon the death of a member of Council while in office, a payment will be made to the member's designated beneficiary of an amount equal to one month's salary for each period of twelve months of service to a cumulative lifetime maximum of twelve months.

2.3 Expenses

- a) General Expenses - One-third of the annual remuneration paid to a member of Council shall be designated as having been paid in respect of general expenses incurred incidental to the discharge of the duties of the respective office.
- b) Out-of-town Expenses - A member of Council, absent from the City on business of Council or attending a convention, shall, pursuant to authorization of Council, receive \$100.00 per day plus reimbursement for actual expenses incurred.
- c) In-town Expenses - A member of Council attending in-town business on behalf of Council, shall be reimbursed for all actual expenses incidental to such business, to a maximum of \$100.00 per day.
- d) Effective July 1, 2005, Councillors shall be reimbursed for use of their personal vehicle for City business, based on a per kilometre reimbursement equal to the limits set by the Canada Revenue Agency for tax-exempt allowances for the use of personal vehicles.
- e) All Councillors' expenses require authorization by His Worship the Mayor.

3. RESPONSIBILITY

- 3.1 Executive Committee - shall be responsible for any updates to this policy.

Appendix V.

2016 Survey of Saskatoon City Councillors

Compilation of Councillors' Estimates: Hours Spent in an Average Month

		<u>Range</u>	<u>Number Responding</u>	<u>Median</u>
Q1	All councillor duties	100 – 193	7	120
Q2	Council and standing policy cttes (meetings and preparation)	30 – 60	7	40
Q3	Other Council business	14 – 96	7	33
Q4	Representing City or Council on external boards, assns., etc.	12 – 36	7	24
Q5	Constituency business	20 – 75	7	30
Q6	Other duties not included above	?	4	?
Q7	Comments and suggestions	---	3	---

Appendix VI.

Council Members: Benefit Plan Entitlements

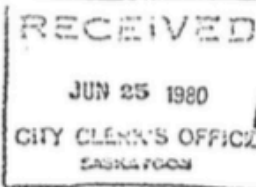
Group Plan Benefit	Councillors	Mayor
Pension: SUMA Group RRSP (6% contribution Matched by City)*	✓	✓
Life Insurance: \$10,000 policy*	✓	✓
Extended Health Care Insurance*	✓	✓
Dental Care Insurance*	✓	✓
Vision Care Insurance*	✓	✓
Accidental Death and Dismemberment Insurance*	✓	✓
Short-term Disability Insurance		✓
Long-term Disability Insurance		✓
Other Benefit**		
Death Benefit	✓	✓

*SUMA benefit plans effective July 1, 2015.

** Provided by the City of Saskatoon effective July 1, 2011.

Appendix VII.

JUNE 1980



TO HIS WORSHIP THE MAYOR
AND CITY COUNCIL:

CONFIDENTIAL UNTIL
TABLED BEFORE COUNCIL

RE: COMMITTEE TO REVIEW
REMUNERATION OF THE
MAYOR AND COUNCILLORS

Further to the general provisions of Bylaw No. 5960 of The City of Saskatoon, which provides for the establishment of an Advisory Committee to review the salary of the Mayor and Councillors, with a mandate to consider and recommend to the Council each year such increases, modifications or adjustments to these aforesaid salaries as it deems appropriate; and further to Clause 1, Report No. 5-1980 of the Committee on Committees which was adopted by City Council at its meeting held on April 8th, 1980, which provided as follows:

"(a) that Council approve of the following appointments to the Committee for the year 1980:

HIS HONOUR JUDGE J.B.J. NUTTING
of the Provincial Court for
Saskatchewan;

MR. PETER ZAKRESKI, former
member of Council;

MR. RNOOLD SMITH, representing
the Saskatoon Board of Trade; and

MR. ED LOCHRIE, nominated by the
Saskatoon District and Labour
Council."

this Committee has reviewed the matter of salary compensation for the Mayor and Councillors and hereby submits the following report:

Firstly, in its consideration of this matter, the Committee took it as a general principle that any compensation payable should be sufficient to attract

- 2 -

competent and well qualified community-minded persons to the offices of Mayor and Councillor. That is to say, that the salaries should be adequate to make it possible for such citizens to participate in elected office without the sacrifice being financially prohibitive for them. Also, the salaries paid must be balanced between the fact that other forms of community service within the City are, for the most part, extended as a matter of civic concern and public duty without any recompense; but that in connection with elected office, a measure of realistic compensation is required to enable citizens to make the time available to fully function within the increasing demands of such office normally associated with the position of Mayor or Councillor. It is, of course, difficult to assess how much compensation is adequate, and on the contrary, how much would be excessive to the public purse and would thereby also promote professional office-holders by reason thereof.

While such a balance of compensation is difficult, in the view of the Committee, it is still reasonably attainable.

Also, the Committee considered the salaries payable in most of the major cities across Canada, and found that comparisons between cities, while helpful in showing certain basic highs and lows, did not afford a concise or clear pattern for comparison. By way of illustration only, the following shows the salaries paid in several Western Canadian cities with populations over 100,000 persons, and some Eastern cities in the population range 100,000 - 250,000 persons:

- 3 -

ILLUSTRATION:WESTERN CANADA - 1980 RATES

	<u>MAYOR</u>	<u>ALDERMAN</u>
REGINA	\$ 40,000.00	\$ 12,000.00
BURNABY, B. C.	\$ 37,625.00	\$ 9,675.00
EDMONTON	\$ 47,000.00	\$ 19,750.00
WINNIPEG	\$ 38,066.66	\$ 12,621.60 *(Chair- persons of stand- ing committees receive \$16,641.00)
CALGARY	\$ 49,000.00	\$ 17,500.00 *(under Court Review)

EASTERN CANADA - * 1979 RATES

(100,000 - 250,000)

	<u>MAYOR</u>	<u>ALDERMAN</u>
HALIFAX, N.S.	\$ 30,910.00	\$ 11,448.00
KITCHENER, ONT.	\$ 28,298.00	\$ 8,114.00
LONGUEUIL, QUE.	\$ 32,042.00	\$ 10,680.00
SUDBURY, ONT.	\$ 42,790.00	\$ 5,724.00
EAST YORK, ONT.	\$ 35,041.00	\$ 11,041.00
YORK, ONT.	\$ 41,048.00	\$ 10,509.00

As stated above, this is merely illustrative of some of the other Canadian cities considered by the Committee.

The Committee considered the question of the time spent by the Mayor and Councillors in the general discharge of their respective duties and was reliably informed that the Office of the Mayor requires some 35 to 55 hours per week on the average, and that Councillors spend anywhere from 12 to 40 hours per week in the discharge of their office depending on the circumstances.

- 4 -

In general, the Committee was of the opinion that the time spent in the discharge of these public duties has increased yearly with the continued rapid growth of this city and the ever-increasing demand for attention to the more sophisticated and urgent problems facing this urban community.

The Committee also considered the matter of indemnities paid to members of the Provincial Government, particularly on the Cabinet level. The reason for this was because the cabinet salaries are established annually after careful consideration and based on a rationalized formula. Also, the Committee was of the view that if the salary of the Mayor could be set at a percentage of a provincial cabinet minister's annual compensation, then in turn, a councillor's salary could be set at a percentage of that payable to the Mayor. Hence, an ordered and progressive salary package could be arrived at on a continued annual basis without the hit and miss assessment of compensation depending on any uncertain comparisons between various cities, or in the extreme, upon the whim or fancy of any particular council. In this regard, it is to be noted that the Mayor's duties are certainly no less onerous than that of a cabinet officer. Indeed, no average department of government assumes any more financial responsibility or has any more employees than that of this City. The Mayor, as chief executive officer of the City, discharges responsibilities and duties at least comparable to that of a cabinet function.

After consideration and deliberation, this Committee formed the view that the Mayor's salary should be staggered over a three-year period to bring it up to 90% of the indemnities paid to a cabinet minister, in the following manner:

- 5 -

- 1) 1980 - 80% of the indemnity paid to a cabinet minister * - OR - \$37,049.00*
(*which this year totals an indemnity of \$46,311) (*taken to nearest decimal point).
- 2) 1981 - 85% of the indemnity paid to a cabinet minister in the year 1981.
- 3) 1982 - 90% of the indemnity paid to a cabinet minister in the year 1982.

In regard to the Councillors (who now, incidentally, receive a salary of \$6,480.00 per annum, or 22.73% of the Mayor's annual salary of \$28,500.00), it was considered advisable that the salaries be also staggered over a three-year period to bring it up to 25% of the Mayor's salary, in the following manner:

- 1) 1980 - 22% of the Mayor's 1980 salary of \$37,049.00 - OR - \$8,151.00.
- 2) 1981 - 23.5% of the Mayor's 1981 salary.
- 3) 1982 - 25% of the Mayor's 1982 salary.

In regard to other benefits, the Committee is of the view that the present Deputy Mayor's salary should be increased from \$150.00 to \$200.00 per month and the present allowance for a Councillor being out of town on civic business pursuant to Council authorization, or attending a convention or the Court of Revision pursuant to Council authorization, be increased from \$50.00 to \$75.00 per day. The Committee considered such other benefits as a pension plan for Councillors (enacted by the City of Regina) but was of the view that such was not desirable nor necessary under the circumstances. Also, the Committee was of the view that payment of remuneration to members of Council for sitting

- 6 -

on a Board that is under the jurisdiction of Council was not necessary at this time.

As to the timing of the above matters, the Committee was of the view that the effective date for implementation should be on January 1st, 1980, and thereafter on the 1st day of January of each year.

RECOMMENDATION:

Effective January 1st, 1980:

- 1) That the remuneration of His Worship the Mayor be increased from \$28,500.00 per annum to \$37,049.00 per annum;
- 2) That the remuneration payable to each member of City Council, other than the Mayor, be increased from \$6,480.00 per annum to \$8,151.00 per annum;
- 3) That the Deputy Mayor be paid a per diem allowance of \$40.00 per day* for any day that the Deputy Mayor is called upon to fulfill the duties of the Mayor in his absence, in addition to the payment of the sum of \$200.00 per month being paid to a member of Council acting as Deputy Mayor; (*An increase from the \$25.00 per day adopted by Council in 1977.)
- 4) That one-third of such amounts to be paid aforesaid be designated as having been paid in respect of general expenses incurred incidental to the discharge of the duties of the respective offices;
- 5) That members of Council absent from the City on business of Council, attending a convention or the Court of Revision, pursuant to authorization of Council, be paid the sum of \$75.00 per day and actual expenses, subject to any other conditions contained in The Urban Municipality Act; and

- 7 -

6) That no remuneration be paid to a member of Council appointed to a Board that is under the jurisdiction of Council.


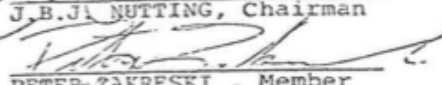
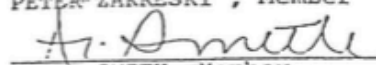
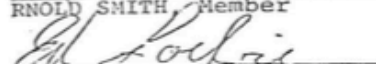
In making the above recommendations, the Committee is aware that its particular mandate is for advising Council of any salary increases for the year 1980; however, in keeping with the precedent established by the last committee which reviewed this matter in 1977, and which made a three-year recommendation, and having regard to the desirable three-year phasing-in period suggested above in this Committee Report, the Committee also makes this final recommendation:

7) That effective January 1st, in the years 1981 and 1982 respectively, the remuneration of the Mayor and Councillors be increased in accordance with the guidelines and formula set out in this Committee Report.

This Committee wishes to express its appreciation to the City Clerk and to the City Solicitor for their co-operation and that of their staff for providing support facilities and secretarial assistance.

DATED at the City of Saskatoon, in the Province of Saskatchewan, this 26th day of June, A. D. 1980.

RESPECTFULLY SUBMITTED.


J.B.J. NUTTING, Chairman

PETER ZAKRESKI, Member

ARNOLD SMITH, Member

ED LOCHRIE, Member

Appendix VIII.

B) **Remuneration – Members of City Council** **Policy No. C01-006** **(File No. 4670-5)**

- RECOMMENDATION:**
- 1) that the information be received; and,
 - 2) that, should Council wish to consider changes to the compensation for the Mayor and City Councillors, the appropriate Public Notice under *The Cities Act* must be given.

REPORT

Your Administration has had a considerable amount of discussion regarding the appropriateness of the level of compensation that is provided to members of City Council. An independent Commission, headed by Judge Nutting, in 1980, established the current compensation levels. In their report, Judge Nutting noted that the Commission *“took it as a general principle that any compensation payable should be sufficient to attract competent and well qualified community-minded persons to the offices of Mayor and Councillor. Salaries should be adequate to make it possible for such citizens to participate in elected offices without the sacrifices being financially prohibitive.”* However, the Commission also recognized that *“the salaries paid must be balanced (by) the fact that other forms of community service areextended as a matter of civic concern and public duty without any recompense”*.

During the past eighteen months (the accumulated term of the existing Council), your Administration has received comments from a number of Councillors about the amount of time that needs to be committed to City work, time that was not clearly understood before these members first chose to seek a seat on Council. These Councillors have adjusted their employment commitments, as well as their personal lives, to accommodate the requirements of being a Council member. However, it is your Administration’s opinion that “post election” is not the time for the City to reveal to candidates for the Office of City Councillor of the actual time commitment that is required.

To prepare a somewhat unbiased account of the time required by a Councillor, an analysis was prepared (Appendix 1) using data comprised from actual meetings that took place in 2004 (Council, Executive, Budget, Planning and Operations, and Administration and Finance). Times spent at the P & O and A & F meetings were averaged since Councillors only sit on one of these committees. The attachment also includes an estimate of the time spent on Advisory Committees and Boards, with some (e.g. Police Commission) having spent eighty-four hours in meetings in 2004, and others with differing levels of time commitment. An average of fifty hours was applied. For each actual hour of meeting time, it has been estimated that a minimum of one hour of time would be required to adequately prepare for participation in the meeting. Finally, an annual estimate of 250 hours has been added to account for work that each Councillor does within their constituency by attending various meetings, functions, and responding to citizen enquiries.

The accumulated time, based on the above, is 936 hours per year. It is your Administration’s opinion that this is the very minimum time required for a Councillor to have a general understanding of the issues that are brought to their attention. However, in order to have an in-depth knowledge of the issues impacting the City and each Ward, and respond to all of the enquiries made by citizens, it is estimated that Councillors, in fact, spend in the range of 1,200 to 1,400 hours on City business. However, the purpose of

this report is not to acknowledge the work done by the present Council, but to prepare future candidates for the challenges they may face, and to ensure that an appropriate remuneration is in place. As quoted previously from the 1980 Commission, there is a certain expectation that Councillors participate, to some level, in this form of community service, along with other civic-minded citizens, “*without any recompense*”. Administratively, we believe that the time spent by Councillors, in excess of the minimum of 936 hours calculated as being required, follows the spirit of that statement.

In order to ensure that future candidates for Council have an awareness of the commitment that they are making when they seek public support to be elected as a Ward representative, it would be beneficial if the City Clerk’s information summary (provided to prospective Councillors prior to each election) includes an estimate of the time that could be expended as a member of Council. This summary would provide information on Council and standing Committee meetings (meeting times, expectation of special meetings, etc.), as well as the expectation of participation on a number of Advisory Committees, Boards and Associations. This summary would also clearly identify any remuneration that is in place at the time of an election. All citizens registering as a candidate could automatically be provided with a copy of this statement, as could anyone seeking information prior to considering running for office.

Based on our research, it is your Administration’s opinion that the compensation level is not commensurate with the minimum time commitment that needs to be given to this position. The Commission’s recommendations were made twenty-five years ago. Since that time, Saskatoon’s population has increased from 148,450 to 205,000, without increasing the number of Wards that represent these citizens. That means that each Councillor is now responsible to address the concerns of approximately 20,000 citizens. In addition to the increase in the number of citizens needing representation, a growing City brings with it increasingly complex decision requirements, whether that be in planning, protection of persons and property, infrastructure requirements or the provision of recreational and cultural opportunities. The City needs Councillors that have the combined expertise, energy, and time commitment to ensure that appropriate decisions are being made. To ensure that we continue to attract those individuals, the level of compensation must be appropriate.

Your Administration continues to support the basis of conclusion of the Nutting Commission. For that reason, it is not being recommended that a new commission be created. The relationship for compensation to that of a Cabinet Minister is not wrong, but the recognition of the time required to be an effective City Councillor needs to be updated. That is the premise of this report.

The 1980 Commission recommended, and City Council of the day adopted, a compensation package that related directly to that of a Provincial Cabinet Minister. It was acknowledged at that time that “*the Mayor’s duties are certainly no less onerous than that of a cabinet officer*”. As a result, the Commission set the Mayor’s salary at 90% of a Cabinet Minister. Certainly, the role of the Mayor has changed significantly since 1980. Undoubtedly, the demands of this position far exceed that of what would normally be considered a full time position and, very likely, the demands and responsibilities of most Cabinet Minister positions.

Councillors’ salaries were set, by the 1980 Commission, at 25% of the Mayor’s salary. In 1981, this was amended to 30%. Even if the time credited to the Mayor’s position was limited to the recognition of a forty-hour workweek (in fact, his appointment calendar supports a weekly schedule exceeding sixty hours), our analysis of minimum required hours would suggest that a Councillor’s compensation should be closer to 45% of the Mayor’s salary. Again, it should be reiterated that this represents the absolute minimum required commitment, with actual time, much like that of the Mayor, far exceeding those estimates.

Historically, the Mayor’s salary has been derived as a percentage of three provincially-recognized areas of compensation for Cabinet Ministers. For 2005, the following compensation has been approved:

MLA salary	\$ 64,175
Cabinet Minister – additional compensation	40,578
Expense Allowance	<u>5,372</u>
 Total	 \$110,125

The Commission's recommendations were applied to all three levels of compensation. In addition, the Mayor was provided with a car allowance based on actual travel done on city business. In 1996, the Commission's recommended compensation of 90% of a Cabinet Minister's salary was adjusted to 77.27% to recognize the different income tax treatment between the salaries of a Mayor and/or Councillor (1/3 of their compensation is tax exempt), and the change in tax treatment applied after 1996 for Cabinet Ministers (where only the expense allowance is not subject to income tax).

In the spirit of the Nutting Commission report, and acknowledging that the position of Mayor is full time (without acknowledging that full time exceeds a normal work week), it would be appropriate that the Mayor's salary be based on 85% of a Cabinet Minister's salary (but excluding the expense allowance). This would equate, after taking into account the difference in income tax treatment, to the Mayor receiving recognition equal to that of a Cabinet Minister (i.e. 100%). It would follow, using the estimated minimum hours of annual service, but not acknowledging any time in excess of that service, that a Councillor's salary be 45% of the Mayor's salary and that Councillor's be reimbursed for their travel on City business in the same manner as the Mayor (based on a per kilometer reimbursement equal to the limits set by the Canada Revenue Agency for tax-exempt allowances for the use of personal vehicles). This would mean that the Mayor's salary would increase to \$89,040 (from \$85,000), and a Councillor's salary would increase to \$40,068 (from \$25,500). The cost of added car allowances for all Councillors is estimated to total \$24,000 annually. In light of the narrowing of the gap between the Mayor's salary and that of each Councillor, changes to the monthly compensation or the per diem rate (for acting as Mayor in the Mayor's absence) would not be a major issue, so this has not been addressed in this report.

Information was obtained in order to compare the proposed remuneration to that provided by other municipal governments. Direct comparisons became difficult because population figures could not be used to confirm that the comparisons were appropriate (e.g. cities with larger populations may have more wards, thereby reducing the number of residences represented by each Councillor). Recent independent studies in Oshawa (prepared by AON) and Halifax Regional Municipality (report from a Citizens' Advisory Committee) were influenced by the impact of the regional governments for each municipality. However, with few exceptions, the compensation in these municipalities exceeded those being proposed in this report. Regina's compensation is similar to that currently paid by the City of Saskatoon, whereas Councillors in Calgary and Edmonton are paid 50% more than the proposed rates in this report.

If Council wished to consider a change in compensation, a number of options could be chosen. The following demonstrates the impact of several options:

a) Implement effective June 1:			
- 2005 Budget Impact			
	- Salaries		\$ 96,000
	- Car Allowance		\$ 14,000
- 2006 End-load			
	- Salaries		\$ 54,000
	- Car Allowance		\$ 10,000
b) Implement for last year of current 3 year term:			

	- 2005 Budget Impact	-Salaries	\$ 25,000
		-Car Allowance	\$ 4,000
	- 2006 End-load	-Salaries	\$125,000
		-Car Allowance	\$ 20,000
c)	Phase-in over last year of current term and next 3 year term (but initiate car allowance immediately at the start of the last year of current term):		
	- 2005 Budget Impact	-Salaries	\$ 6,250
		-Car Allowance	\$ 4,000
	-2006 End-load	-Salaries	\$ 37,500
		-Car Allowance	\$ 20,000
	-2007 End-load	-Salaries	\$ 37,500
	-2008 End-load	-Salaries	\$ 37,500
	-2009 End-load	-Salaries	\$ 31,250

PUBLIC NOTICE

Public Notice for a change in Councillors' or Mayor's compensation is required pursuant to Section 3 of Policy No. C01-021, Public Notice Policy.

ATTACHMENTS

1. Appendix 1 – Councillors - Estimate of Minimum Hours Required.

Written and
approved by: _____

Bernie Veltkamp, General Manager
Corporate Services Department

Dated: _____

Remuneration-members of City Council
copy: City Manager

Appendix IX

Other Sources

Part I: 2006 Wakabayashi Report, Independent Review Committee on MLA Indemnity (Province of Saskatchewan)

Retrieved from <http://www.legassembly.sk.ca/mlas/board-of-internal-economy/reports/report-of-the-mla-indemnity-committee>

Part II: CRA Information Bulletin (IT-292)

Retrieved from <http://www.cra-arc.gc.ca/E/pub/tp/it292/it292-e.html>