



Council Remuneration Committee

To: Mayor and Council

From: Jordan Forbes, Human Resources Manager

Date: December 10, 2018

Subject: By Law Updates as per direction from Council at July, 2018 Meeting

Attached please find proposed amendments to By-Laws 53/86, and 02/10 D. These amendments will coincide with the direction of Council received at the July, 2018 Council Meeting.

The amendment to By-Law 53/86 is made to comply with current OMERS regulations, as the Mayor must participate in order for Council to be eligible. In addition, Councillors have the option of participating in the plan, and it is not mandatory. The new language reflects this.

The amendment to By-Law 02/10-D Schedule A reflects the approved new rates for Councillors, Mayor and Deputy Mayor to be effective January 1, 2019.

For your information, I have included the report I provided to Council on July 5, 2018 which gives an overview of the rationale for the changes to Council Remuneration.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jordan Forbes".

Human Resources Manager

Council Approval of this Report will approve the Amendments to By-Law 53/86, and By-Law 02/10 as attached.
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TOWN OF FORT FRANCES

BY-LAW NO . 53/ 86 - A

(Being a by-law to authorize participation in the Ontario Municipal Employees Retirement System in respect to its councillors.)

WHEREAS pursuant to Section 14 of The Ontario Municipal Employees Retirement System Act, R.S.O ., 1980, as amended , a municipality may , by by-law , elect to participate in The Ontario Municipal Employees Retirement System in respect to its councillors and pay to the Fund the total of the employer and member contributions , and has all the powers necessary and incidental thereto :

NOW THEREFORE the Council of the Corporation of the Town of Fort Frances HEREBY ENACTS as follows: - amend Item 3 as follows

3. Every person who becomes a councillor after the effective date may become a member on the date on which they become a councillor, or at any time during which they serve as a councillor, provided they are eligible to do so.

This by-law shall come into full force and effect upon the final passing thereof.

READ THREE TIMES and finally passed in open Council this 10th day of December, 2018.

_____ MAYOR

_____ CLERK

TOWN OF FORT FRANCES BY-LAW NO. 02/10-E SCHEDULE 'A'

It is recognized that becoming a member of council requires dedication and a significant time commitment in order to fulfill the role. It is this time commitment that may be a deterrent to attracting members of the community who are employed and who may have to take time off of work in order to fulfill their commitment as an elected official. Below is an outline of the terms and conditions regarding Councilor Remuneration.

1. REMUNERATION

Starting **January 1, 2019** members of Council shall receive the following annual remuneration:

Mayor:	\$26,689.00+ Management / Non-Union Increase to be applied retroactively
Councilor:	\$13,925.00+ Management / Non-Union Increase to be applied retroactively
Deputy Mayor	\$15,665.00+ Management / Non-Union Increase to be applied retroactively

Council will receive additional increases that match the timing and increments identified in the Management/Non-Union Salary Administration Policy.

Council remuneration shall be reviewed in the last year of the term of Council to be in effect upon the following term of council.

~~Pursuant to Section 255(2) of the Municipal Act as amended, one-third (1/3) of the monthly remuneration of Council members as authorized during each term of Council shall be deemed as expenses incident to the discharge of their duties as members of Council.~~

2. BENEFITS

The current package of group benefit coverage as provided to the Management / Non-Union group of employees shall be made available to the elected officials at 100% cost recovery from the respective participating member. This includes Extended Health Care, Dental, Vision, Travel and Semi-Private Hospital Coverage or equivalent.

In addition, the following Life Insurance coverage shall be made available at a 100% cost recovery from the respective participating member: Life Insurance \$60,000; Spouse \$5,000; each child \$2,500 - 14 days to age 21(25 if in University or College); optional additional coverage is also available.

By-Law No. 53/86-A authorizes participation in the Ontario Municipal Employees Retirement System by Members of Council.

3. TRAVEL ALLOWANCE

Members of Council will follow the Corporate Travel Policy and the meal allowance rates as outlined within. Under the policy, the meal allowance is payable without receipts. However, there may be circumstances where costs exceed the daily rate. Therefore, members of council (and Administration if traveling with members of Council) may claim additional reimbursement. If more than the *daily rate* is claimed by members of Council attending a full day of Municipal business, then receipts for the entire day must be submitted.

4. PER DIEM ALLOWANCE

Time spent as an appointed member of a Board / Committee / or for Council meetings is within the scope of duties of a member of Council and therefore the per diem is not applicable. In order to clarify and ensure consistency, the per diem will be allocated as stipulated below:

1. Attendance at meetings, conferences, conventions, training courses, school or seminars, including travel time to / from destination (if applicable) for which attendance has been duly authorized, or;
2. Additional time spent in the performance of Council business outside the regular duties of a member of Council (regular duties also include those duties as an appointed member of a Board

/ Committee / and Council meetings) and that attendance and per diem has been duly authorized by resolution of Council or Board;

3. The per diem payment is to be made in the amount of \$160 for a full day (5 hours or greater) or \$80 for a half day (1 hour or more but less than 5 hours).

Individuals appointed, elected, or otherwise, who are serving on District Boards or similar organizations and whom the Town has sanctioned, shall utilize the policy of such organizations.

For clarification, below is a list of boards and committees and whether or not the Town's per diem allowance would apply to members of Council attending such meetings.

APPLICATION OF PER DIEMS FOR ATTENDANCE AT MEETINGS

	YES	NO
REGULAR COUNCIL and SPECIAL COUNCIL		X
SPECIAL COUNCIL – BY RESOLUTION	X	
REGULAR COMMITTEE OF THE WHOLE and SPECIAL COMMITTEE OF THE WHOLE		X
SPECIAL COMMITTEE OF THE WHOLE – BY RESOLUTION	X	
EXECUTIVE COMMITTEES		X
BIA BOARD OF MANAGEMENT		X
CITIZEN OF THE YEAR		X
COMMUNITIES IN BLOOM		X
COURT OF REVISION		X
CUPE NEGOTIATING COMMITTEE		X
ECONOMIC DEVELOPMENT ADVISORY		X
DOWNTOWN CORE COMMITTEE		X
REGIONAL VALUE ADDED FORESTRY		X
CHAMBER OF COMMERCE BOARD OF DIRECTORS		X
PUBLIC LIBRARY BOARD		X
FORT FRANCES MUNICIPAL NON PROFIT HOUSING		X
FORT FRANCES POLICE SERVICES BOARD		X
FIRE FIGHTERS ASSOCIATION NEGOTIATION COMMITTEE		X
FORT FRANCES VOLUNTEER BUREAU		X
HIRING COMMITTEE		X
MOFFAT FAMILY TRUST STEERING		X
MUNICIPAL CONTROL GROUP		X
MUSEUM & CULTURAL CENTRE ADVISORY		X
NOMA CROWN LAND DEVELOPMENT		X
NORTHWESTERN HEALTH UNIT		X
RAINY RIVER DISTRICT SOCIAL SERVICES ADMINISTRATION BD.		X
SALARY STRUCTURE & ADMINISTRATION PRACTICES CMT.		X
SISTER KENNEDY CENTRE BOARD OF MANAGEMENT		X
ST FRANCIS SPORTS FIELD MANAGEMENT		X
SUGGESTIONS AWARDS		X
THEATRE MANAGEMENT ADVISORY		X
FIRST NATIONS RELATIONS ADVISORY		X
FORT FRANCES POWER CORPORATION		X
RAINY RIVER DISTRICT MUNICIPAL ASSOCIATION (AGM & EXECUTIVE MTGS ONLY)	X	
KIWANIS SUNNY COVE CAMP ADVISORY		X
REGIONAL ECONOMIC DEVELOPMENT COMMITTEE	X	
DOCTOR RECRUITMENT		X
FORT FRANCES COMMUNITY CLINIC INC.		X
NOMA (ANNUAL MEETING, EXECUTIVE MEETING, REGIONAL FALL CONFERENCE)	X	
OTHER SPECIAL FUNCTIONS AS APPROVED BY RESOLUTION	X	

TOWN OF FORT FRANCES

BY-LAW NO. 02/10 - E

(Being a by-law to amend By-Law No. 02/10 - D a by-law for the purpose of fixing remuneration and benefits for elected officials.)

WHEREAS on December 10, 2018, Council approved a report dated December 5, 2018 from the Human Resources Manager pertaining to per diem allowances and annual remuneration for members of Council.

NOW THEREFORE Council for the Corporation of the Town of Fort Frances HEREBY ENACTS as follows:

1. That Schedule "A" to By-Law No. 02/10 - D be struck out and replaced with Schedule "A" attached hereto and forming part of this by-law.

This by-law shall come into full force and take effect on final passing hereof.

READ THREE TIMES and finally passed in open Council this 10th day of December 2018.



Council Remuneration Committee

To: Mayor and Council

From: Jordan Forbes, Human Resources Coordinator

Date: July 5, 2018

Subject: Recommendations from Council Remuneration Committee

The following report outlines the recommendations of the Council Remuneration Committee which has held two meetings, one on June 19, and one on July 3, 2018.

The Committee is made up of, Mayor Roy Avis, Councillors Ken Perry, Paul Ryan, and June Caul, as well as Doug Brown, Laurie Lindberg, and Jordan Forbes from Administration. Councillor Caul was selected to Chair the Committee.

The following is an overview of the what the committee has recommended

1. The Committee reviewed the current Council remuneration practice of the Town of Fort Frances. In addition, the practices of comparable Municipalities in the region were reviewed. It was determined that our current remuneration practice is fair based on the size of the Municipality, and the practices of similar communities in our area.
2. Due to the likely implementation of new Federal Tax Policy which would remove the tax exempt status of 1/3 of a Councillor's income, it is recommended that a commensurate increase in compensation be provided to offset the financial loss incurred by Councillors as a result of having to pay taxes on this portion of their income.

Given that the earnings of Councillors vary, it is impossible to predict the exact amount of tax that a Councillor will have to pay in a given year as a result of this change in tax policy. However, in the interest of procedural fairness, it has been recommended that Council members salary be based on the assumption that most Councillors will be in the following tax brackets:

Federal: taxable income is more than \$46,605, but not more than \$93,208 – Tax Rate of 20.5%.
Provincial: \$42,96 - \$85,923 – Tax Rate of 9.15%.

It was also agreed that future annual increases in Council Remuneration be aligned with Management / Non-Union increases. For example, if Management / Non-Union were to receive a 0.5% increase then Council would receive 0.5% as well (please note that this increase value is presented solely to provide an example).

The following table outlines the current, and projected models (Please note that the 2019 value is a projection that is created using the 2018 tax rates). Actual values will be determined when the Management / Non-Union increase, as well as tax rates are determined. At that point, the salary change will be applied retroactively.

Proposed Options for Council Remuneration starting in 2019

	2017	2018	2019 Projected (Note: Annual change, if any, will be aligned with Management / Non – Union)
Mayor Salary	23,345.00	23,695.18	26,689.00
Deputy Mayor	13,702.50	13,908.04	15,665.00
Councillor Salary	12,180.00	12,362.70	13,925.00
Note: Federal Income Tax Range \$46,603 - \$93,208 Provincial Income Tax Range \$42,963 - \$85,923			

It is recommended that should the proposed tax policy change occur, that council remuneration should increase using the methodology identified herein, to prevent a loss of earnings by accounting for the increased tax burden. Actual rates will be determined by 2019 Provincial and Federal tax rates, and if applicable, any increase in Management / Non-union compensation.

If the proposed tax policy change does not come into effect, then Council Remuneration would simply be tied to any change in Management / Non-Union compensation.

- Remuneration schedule as it relates to per diems for attendance at meetings was discussed. At present, there are a number of meetings for which per diems are paid. However, there are some organizations of which two members of Council are actively participating on. As a result, there was some discussion regarding the allocation of per diems. Some of the organizations and meetings discussed were:

- Rainy River District Municipal Association
- Rainy River Future Development Corporation – Regional Economic Development Committee
- Northwestern Ontario Municipal Association

The Committee has recommended that existing practices continue as prescribed in the current By-Law. Based upon current practice, this would typically mean that one Councillor will be compensated for per diem expenses to attend these meetings, unless otherwise specified in policy, or by Council. Council will continue to have discretion to determine areas where additional Councillors may be compensated for their participation with specific organizations, or meetings. The Committee recommended that the applicable compensation should be clearly specified in these instances. Doing so will ensure that all Councillors are aware of the cost implications, will clearly identify the scope and duration, and will facilitate reimbursement, and compensation for those participating.

- OMERS eligibility was discussed, and it is important to note that in order for Councillors to participate in the plan, the Mayor must participate. Councillors on the committee indicated that the decision to participate was based on individual circumstances (e.g. if they are already receiving a pension). Mayor Avis indicated that for Councillor who serves multiple terms, there is a clear benefit to participating, especially for individuals who own or work for an organization

that doesn't have a pension plan. It is recommended that the current practices utilized by OMERS be followed going forward.

5. Current By-Laws. As the current By-Law 53/86, related to OMERS is out of date, and doesn't accurately reflect practice, and current legislation, it is recommended that it be rescinded, and replaced with an updated By-Law reflecting the current Provincial legislative framework, and updated Council remuneration practice. In addition, it is recommended that Schedule A of By-Law 02/10 be amended to reflect the recommendations of the Committee identified herein.

Council approval of this report will agree to the recommendation of the Council Remuneration Committee to approve the proposed changes to Council Remuneration.
