

**Title: Council Travel, Subsistence
and Honorariums**

Policy No: 1011

Approval: Town Council

Effective Date: February 8, 2006

Amended: March 10th, 2015



Policy Statement: To provide a fair and equitable means of reimbursing Council and designated officials at large for their time, travel and subsistence while undertaking their official role as an elected official for the Town of Hardisty.

Guidelines:

Members of council shall receive compensation for their role as an elected official in four (4) different ways.

- as an Honorarium
- as an Expense Allowance
- as a Per Diem
- as an Expense Re-imbusement

The amount spent will be limited by the amount set out in the annual approved budget of the Town of Hardisty.

Definitions:

Mayor – Chief Elected Official as stipulated under Sec 1. 1.d and Sec. 150 of the *Municipal Government Act, R.S.A. 2000 c. M-26*.

Councillor – as stipulated under Sec 1.1. g of the *Municipal Government Act, R.S.A. 2000 c. M-26*.

Honorarium – “Remuneration” – as defined by the *Municipal Government Act, R.S.A. 2000 c. M-26 Sec 275.1 (1)*

Expense Allowance – “Remuneration” – as defined by the *Municipal Government Act, R.S.A. 2000 c. M-26 Sec 275.1 (2)* and in accordance with sub sec. 81(3) of the *Income Tax Act*. Which sets out that one third of the annual honorarium and per diems paid to an elected official will be paid as an expense allowance. As per the *Income Tax Act* these are expenses incident to the discharge of the member’s duties as a member of Council.

Per Diem – a rate of remuneration that accounts for the activities of the elected official in their capacity not stipulated in the activities of an honorarium.

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Expense Re-inbursement – an amount of compensation that is set out by the Town of Hardisty Policy #1953 which sets the allowable rates for an individual for costs related to travel and subsistence. This rate of payment will be governed by the Government of Alberta Public Service Subsistence, Travel and Moving Expenses Regulation. Payment will be provided by the submission of an Expense Claim Form as set forth in the Town of Hardisty Policy #1953.

Town of Hardisty Master Rates Bylaw #1155/10 as amended - referred to in this document as the Master Rates Bylaw.

Town of Hardisty Human Resources Management Policy – Reimbursement of Expenses Policy #1953 – referred to in this document as Policy #1953

1. **Honorariums:**

For all members of Council, including the Mayor and Deputy Mayor, are paid as compensation for all activities which are not eligible for per diems, including but not limited to the following:

- Regular Council Meetings
- Special Council Meetings
- Budget Meetings
- Yearly Strategic Planning Meetings
- Committee Meetings
- Appointed Committee as per the annual Organizational Meeting
- Or any meeting covered for a fellow Councillor when they cannot attend their Committee meeting
- Ceremonies, grand openings, public open houses and banquets by invitation in official duty as the representative of the Town
- Meetings with administration staff
- Dealing with and responding to public concerns from citizens, clubs, organizations and businesses
- Council & staff functions

The monthly honorarium shall be paid to all members of Council without councillors needing to submit an expense claim form. The Mayor honorarium rate is higher to compensate for the additional responsibilities required of this position including chairing and preparing as chair for council meetings, additional meetings with administration staff, and signing of cheques, agreements and the review and approval of council expense claims.

2. Per Diems:

- a) Additional remuneration can be claimed but must have Council approval before attending:
 - AUMA Convention,
 - Committee Conventions, and
 - Regional Governance Meetings and
 - Other meetings or seminars as seen as beneficial to the governance of the Town of Hardisty.

- b) Additional remuneration can be claimed without Council approval as follows:
 - Emergency situation (ie. establish of EOC) or
 - Request of the CAO to attend a meeting in the Town of Hardisty Office.

- c) Rates for per diem calculation are time based approved activities of Council. Time calculated for per diem activities shall include travel time to and from the activity. Any activity that is four (4) hours or less will be considered a half day activity. Any activity over four (4) hours will be considered a full day activity. Where councillors must travel to the conference or seminar the day prior to commencement, travelling time will be reimbursed based on the amount of total travel time required for the activity. These activities shall be compensated by the submission of an Expense Claim Form as outlined in Policy #1953. These expense claim forms shall be submitted at least every 45 days (monthly would be preferable for accounting purposes).

3. Taxation of honorariums and per diem fees:

In accordance with the Canada Revenue Agency's provisions for municipal officials, one-third (1/3) of the total allowances and honoraria paid to municipal officials shall be non-taxable. The remaining two-thirds (2/3) is income from elected or appointed office and is, therefore, subject to income taxation and considered as earnings.

4. Expenses:

Expenses incurred by members of Council while on Town business shall be either paid or reimbursed at the rates set in the Town of Hardisty Policy #1953. Expenses incurred shall be reimbursed upon submission and approval of an expense claim form as per Policy #1953. Expense claim forms shall be submitted at least every 45 days (monthly would be preferable for accounting purposes). The Mayor shall be responsible for approving Councillors' claims and the Deputy Mayor responsible for

approving the Mayor's claims. A Councillor whose expense claim is not approved by the Mayor or the Deputy Mayor as the case maybe may appeal the decision to Council.

In addition to the guidelines in the Town of Hardisty Policy #1953, the following additional expenses will be either paid or reimbursed for members of Council:

- Tickets and registration for activities for which members of Council qualify for a Per Diem.
5. Where a Council member attends a meeting where he is not representing the municipality or where such attendance has not been approved by Council or this policy, no compensation will be paid to the member.

6. **Honorarium and per diem rates:**

Rates for honorarium and per diem fees are to be set out in the Master Rates Bylaw as amended by Council.

7. Under no circumstance shall the Town of Hardisty make any political contribution nor reimburse any individual, councillor or employee for a political contribution as per the requirements of the Election Finances and Contributions Disclosure Act. The Town of Hardisty may reimburse to the individual who attends a political fund-raiser only for the amount that is allowed as an expense under the Act and/or the applicable meeting rate if the attendance is approved prior to the event by a resolution of Council as per section three (3) of this policy.

8. **Public disclosure of remuneration and compensation:**

In the interest of maintaining transparency and accountability, the remuneration and compensation paid to each elected official shall be posted monthly on the Town of Hardisty website. At a minimum, each named elected official's honorarium, per diem and expenses, for the year to date, shall be included. The per diem and expense components of this posting shall be itemized so as to identify the amount that was paid to the elected official for each activity and or transaction.

Approved by Council ___ March 10th, 2015 ___ - Motion #37/15 ___



Sandy Otto – CAO

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