



REQUEST FOR DECISION

MEETING DATE: November 29, 2021

TITLE: Motion – Honorarium Disclosure

DIVISION: Corporate Services

SUMMARY:

A notice of motion was brought forward by Councillor Stevenson at the November 15, 2021 Regular Council Meeting. The motion has been placed on the agenda for consideration by Council.

PROPOSED MOTION:

Option One (Current)

THAT all Council honorariums, irrespective of source, are disclosed as part of the quarterly Council Expense reports captured in the Annual Consolidated Financial Statements commencing in the 2022 fiscal year.

Option Two (Recommended)

THAT all Council honorariums, irrespective of source, are disclosed as part of the quarterly Council Expense reports commencing in the 2022 fiscal year and a note regarding external board and committee remuneration and honorariums not reported in the City financial statements be added to the financial statements.

BACKGROUND / ANALYSIS:

A notice of motion was provided by Councillor Stevenson at the November 15, 2021 Regular Council Meeting.

In accordance with Council Procedure Bylaw C-742-09, as amended, once notice is given at a Regular Council Meeting, the motion will automatically appear on the agenda of the next Regular Council Meeting unless otherwise stated.

Administration conducted research on the notice of motion and have the following information to inform two motion options for Council's consideration.

Council Board and Committee Membership

- As noted at the Organizational Meeting of November 1, Council members sit on a number of internal and external boards and committees (attached). The determination of who sits on what committee or board is done in consultation between the Mayor and Council members and is based off of interest, competency background, availability to participate and ensuring fairness of committee and board appointments amongst council members.
- These appointments are reviewed and conducted annually at the Organizational Meeting.

Council Board and Committee Remuneration

- Section 6 of Council Remuneration Policy 5,016 (attached) outlines the conditions for council member honorarium.
 - Section 6.2.c. notes honoraria will not be paid for attendance at meeting where honoraria are paid by an organization other than the City.
- 2019 Council Remuneration Review – Recommendation from the Task force on Council Remuneration (attached) outlines the recommendations that have informed the 2021-2025 Council remuneration including honorarium.
 - Section 4 contains two recommendations regarding honoraria:
 - “.... Policy be revised to reflect that the Mayor only be eligible to claim honoraria outside City of Spruce Grove business hours ... and that this become effective for the first pay period of the 2021 to 2025 term of Council”
 - “....Policy be revised to exclude internal board and committee meetings from being eligible for honoraria and that this become effective the first pay period of the 2021 to 2025 term of Council.”
- *Municipal Government Act; Alberta Regulation 313/2000 - Supplementary Accounting Principles and Standards Regulation* (attached) outlines the requirement that annual financial statements of a municipality must contain notes that set out the salaries and benefits received by councillors and include base pay, bonuses, overtime, lump sum payments, honoraria, any other direct cash remuneration and contributions to benefits.
 - City of Spruce Grove Audited Financial Statements 2020 Note 15 (attached) outlines this disclosure.
 - The disclosure provided does not include honoraria or other benefits received by councillors from those activities not directly reimbursed by the City such as some external boards and committees.

- Other municipalities note in their notes to the financial statements that councillors may serve on a number of other committees and boards which they may receive remuneration or honoraria direct from that organization but is not recorded in the municipal funded salaries and benefits disclosure.
- Council Expense Reports and Gift Disclosure is posted quarterly on the City website as per the Council Code of Conduct Bylaw.
 - Quarterly expense reporting outlines honoraria payments in addition to gifts and other business expenses but does not include external board or committee honoraria.

OPTIONS / ALTERNATIVES:

Option One:

- Councillors provide monthly statements to Administration for all board and committee activities, including external board and committee remuneration and per diems.
- Administration add a section to the quarterly Council public reporting section that incorporates such information.
- The annual financial statements provide a further summation of external board and committee remuneration and honoraria for each Council member.

This option addressed the original motion, however is above and beyond the expectation of the *Alberta Regulation 313/2000 - Supplementary Accounting Principles and Standards Regulation*. It will cause the City Financial statements to report unaudited external financial amounts not governed by the City to be reported.

Option Two (Recommended):

- Councillors provide monthly statements to Administration for all board and committee activities, including external board and committee remuneration and per diems.
- Administration add a section to the quarterly Council public reporting section that incorporates such information.
- The annual financial statements reference a further statement that specifies that councillors may serve on a number of other committees and boards which they may receive remuneration or honoraria direct from that organization but is not recorded in the municipal funded salaries and benefits disclosure.

This option enables transparency in reporting through the established quarterly reporting process in place, but does not encumber the City to report unaudited information in the annual financial statements.

CONSULTATION / ENGAGEMENT:

n/a

IMPLEMENTATION / COMMUNICATION:

n/a

IMPACTS:

Members of Council will have additional reporting requirements.

FINANCIAL IMPLICATIONS:

n/a

STRATEGIC VISION ELEMENT:

n/a

RELATED GOAL:

n/a