



Audit and Budget Committee

Council Chamber
9909 Franklin Avenue, Fort McMurray

Tuesday, May 20, 2014
4:00 p.m.

Agenda

Call to Order

1. Adoption of the Agenda
2. Minutes of Audit and Budget Committee Meeting - May 6, 2014

New and Unfinished Business

3. Investment Policy – FIN-140
4. Signing Authority - Cheques and Negotiable Instruments
5. Council Compensation Review Committee Bylaw - Bylaw No. 14/022
6. Mayor's Expenses - April 2014

Adjournment

Unapproved Minutes of a Meeting of the Audit and Budget Committee held in the Council Chamber at the Municipal Offices in Fort McMurray, Alberta, on Tuesday, May 06, 2014, commencing at 4:00 p.m.

Present: S. Germain, Chair
M. Blake, Mayor
K. McGrath, Councillor
J. Stroud, Councillor
T. Ault, Councillor
J. Cardinal, Councillor
L. Bussieres, Councillor
A. Vinni, Councillor
G. Boutilier, Councillor
P. Meagher, Councillor

Absent: J. Chadi, Councillor

Administration: M. Ulliac, Interim Chief Administrative Officer
S. Kanzig, Chief Legislative Officer
A. Rogers, Senior Legislative Officer
S. Harper, Legislative Officer

Call to Order

Chair S. Germain called the meeting to order at 4:01 p.m.

1. Adoption of Agenda

Moved by Councillor J. Stroud that the Agenda be adopted as presented.

CARRIED UNANIMOUSLY

2. Minutes of Audit and Budget Committee Meeting - April 22, 2014

Moved by Mayor M. Blake that the Minutes of the Audit and Budget Committee Meeting April 22, 2014 be approved as presented.

CARRIED UNANIMOUSLY

Delegations

3. Oil Sands Community Alliance

Reegan McMullough, Executive Director of the Oil Sands Community Alliance gave a presentation on Municipal Property Assessment and Taxation.

Arrivals

Councillor G. Boutilier entered the meeting at 4:05 p.m.
Deputy Mayor A. Vinni entered the meeting at 4:09 p.m.

Moved by Councillor J. Stroud that the presentation made by the Oil Sands Community Alliance be received as information.
CARRIED UNANIMOUSLY

Exit and Return

Councillor G. Boutilier exited the meeting at 4:30 p.m. and returned at 4:33 p.m.

New and Unfinished Business

4. 2014-2016 Fiscal Management Strategy

Elsie Hutton, Chief Financial Officer; Kola Oladimeji, Director of Finance; and Brian Moore, Director of Assessment and Taxation presented on the proposed 2014-2016 Fiscal Management Strategy.

Exit and Arrival

Councillor G. Boutilier exited the meeting at 4:43 p.m.
Councillor P. Meagher entered the meeting at 5:00 p.m.

Moved by Councillor K. McGrath that the 2014-2016 Fiscal Management Strategy, dated May 6, 2014, be forwarded to Council for consideration as a guide for 2015 budget development to replace the 2013 - 2015 Fiscal Management Strategy.

CARRIED UNANIMOUSLY

5. 2014 Property Tax Rate Bylaw – Discussion

Return

Councillor G. Boutilier re-entered the meeting at 5:13 p.m.

Moved by Councillor J. Stroud that the Property Tax Rate Bylaw 2014 be forwarded to Council for consideration of 2nd and 3rd readings.

CARRIED UNANIMOUSLY

6. 2013 Regional Recreation Corporation and MacDonald Island Park Corporation Year End Report

Mike Cachia, RRC Chair; Tim Reid, RRC Chief Executive Officer; and Nick Sanders, former MIPC Chair presented the Regional Recreation Corporation and the Macdonald Island Park Corporation 2013 financial statements.

Exit and Return

Councillor T. Ault exited the meeting at 5:27 p.m. and returned at 5:29 p.m.
Councillor K. McGrath exited the meeting at 5:33 p.m. and returned at 5:34 p.m.

It was requested that the projected Operating Costs for the proposed Aquatics Facility be provided when discussions regarding the Northside Recreation Centre begin.

Due to the lateness of the meeting, Regional Recreation Corporation Chair Mike Cachia suggested that Council Members would have another opportunity to ask questions about the financial statements at the upcoming Annual General Meeting on May 21, 2014.

Moved by Councillor P. Meagher that the presentation be received as information.

CARRIED UNANIMOUSLY

Adjournment

Moved by Deputy Mayor A. Vinni that the meeting be adjourned.

CARRIED UNANIMOUSLY

The meeting adjourned at 5:43 p.m.

Chair

Chief Legislative Officer

Subject: Investment Policy – FIN-140**APPROVALS:**

Kola Oladimeji, Director
Elsie Hutton, Executive Director
Marcel Ulliach, Interim Chief Administrative Officer

Administrative Recommendation:

THAT the Investment Policy FIN-140, dated May 27, 2014 be recommended for approval to Council.

Summary:

The current Investment Policy (“Policy”) was approved by Council on November 27, 2012, and states that the Policy shall be reviewed every year from its effective date to determine its effectiveness and appropriateness. A revised policy is presented to ensure economic resilience and responsible management of financial resources.

Background:

The investment portfolio priorities remain intact in priority order as follows:

1. Safety – Investments shall be undertaken in a manner that seeks to ensure the preservation of capital.
2. Liquidity – The investment portfolio shall remain sufficiently liquid to meet all operating and capital cash requirements that may be reasonably anticipated.
3. Return – The investments of the Fund shall be structured with the objective of attaining a total return commensurate with the respective portfolio benchmarks as defined in this policy.

The revised policy contains greater clarity relative to credit rating, dollar limit on single security, and security issuer’s category. These revisions reflect investment industry standard and practices. In addition, investment managers utilize the Investment Policy as a guiding document, therefore the language has been updated to provide clarity for the specialized skill set required to manage the investment portfolio on the Municipality’s behalf.

The investment governance structure is added to the policy to ensure that the Municipality’s investments are managed prudently, appropriately and in compliance with the applicable legislation and this policy.

Section 250 of the *Municipal Government Act*, the *Municipal Government Act*, Investment Regulation 66/2000, as amended, and the *Trustee Act*, Chapter T-8 all provide legislative direction regarding how municipalities invest excess funds in Alberta. Individual municipalities may institute a policy that reflects its jurisdiction investment priorities.

On October 12, 2004 Council approved Investment Policy – FIN-140. Since that time the Municipality has experienced extensive growth in its investment portfolio. The portfolio includes funds for capital improvement projects, fiscal stability reserves, scholarships and working capital.

In September 2011, a review of the Municipality's investment performance and management was undertaken by Meyers Norris Penny (MNP). Following this review, two major actions were put in place: an Investment Advisory Committee (IAC) was established, and the first IAC meeting took place on September 13, 2012. IAC has reviewed the proposed amendments to the investment policy and recommends that the Audit and Budget Committee review and forward this revision for Council's consideration.

Rationale for Recommendation(s):

The current Investment Policy ("Policy") was approved by Council on November 27, 2012 and due for review and possible revision annually. Following one full year of monitoring the Investment Policy compliance, Administration recommends minor amendments to the Policy.

The proposed amendments align with the goals of the Municipality to ensure economic resilience through good governance in demonstrating accountability and fiscal responsibility. The Municipal Development Plan commits to a diversified regional economy which will be achieved through responsible management of all municipal resources.

The recommended amendment to the Investment Policy – FIN-140 will streamline and strengthen oversight of the Municipality's investment portfolio.

Administration supports the proposed amendments.

Attachment:

1. Investment Policy – FIN-140

Council Policy

Policy Name: Investment
Department Name: Finance
Policy No.: FIN-140
Effective Date: May 27, 2014

Review Date: May 27, 2015

STATEMENT:

The Regional Municipality of Wood Buffalo (the "Municipality") will invest public funds in a prudent manner that will provide optimum investment returns with the maximum security while meeting cash flow requirements of the Municipality. Investments must conform to the policies and guidelines set forth below, as well as operate within the language and spirit of legislative requirements under the Municipal Government Act (Section 250, Investments) and applicable regulations.

PURPOSE AND OBJECTIVE:

The purpose of this policy is to provide general investment principles, rules, and delegated authority for managing and monitoring the Municipality's surplus cash position, trust and reserve funds (the "Fund"). Adherence to the Investment Policy will ensure compliant and effective investment management and assist in achieving the strategic goals and growth objectives of the Municipality.

PROCEDURES:

1. Definitions

- 1.1. Benchmark – A standard against which the performance of an investment manager can be measured. Generally, broad market stock and bond indexes are used for this purpose.
- 1.2. Bond Rating Service – A corporation whose primary business mandate is to analyze the credit-worthiness of debt securities issued by all levels of government and corporations and make recommendations as to the risk level of such debt.
- 1.3. Diversification – A risk-management technique that mixes a wide variety of investments within a portfolio. The rationale behind this technique contends that a portfolio of different kinds of investments will, on average, yield higher returns and pose a lower risk than any individual investment found within the portfolio. Diversification strives to smooth unsystematic risk events in a portfolio so that the positive performance of some investments will neutralize the negative performance of others. Therefore, the benefits of diversification will hold only if the securities in the portfolio are not perfectly correlated.
- 1.4. Investment Manager – A person or organization that makes investments in portfolios of securities on behalf of clients, in accordance with the investment objectives and parameters defined by these clients. An investment manager may be responsible for all activities associated with the management of client portfolios, from buying and selling securities on a day-to-day basis to portfolio monitoring, settlement of transactions, performance measurement, and regulatory and client reporting.

- 1.5. Liquidity – The ability to convert an investment into cash with minimal risk associated with loss of principal or accrued interest, taking into consideration any costs associated with converting investments into cash.
- 1.6. Market Value – The price at which a security is trading in the open market.
- 1.7. Portfolio – Collection of securities held by an investor.
- 1.8. Rate of Return – The time-weighted, total return on an investment over a specified period. Total return includes the income received during the measurement period plus realized and unrealized capital gains, expressed as a percentage of beginning market value.
- 1.9. Rating Definitions – Ratings in this policy are based on Dominion Bond Rating Service definitions rating scale (DBRS). However, comparable Standard & Poor's (S&P) and Moody's rating scales may apply.

Money Market Ratings:

- 1.9.1. R-1 High - highest credit quality, unquestioned ability to repay current liabilities as they fall due.
- 1.9.2. R-1 Middle - superior credit quality, above average strength in key areas of consideration for debt protection.
- 1.9.3. R-1 Low - satisfactory credit quality, considerations for debt repayment still respectable.

Bond Ratings:

- 1.9.4. AAA - highest credit quality, exceptionally strong protection for the timely payment of principal and interest; establishment of a creditable track record of superior performance.
 - 1.9.5. AA - superior credit quality and protection of interest and principal is considered high; they differ from bonds rated AAA only to a small degree.
 - 1.9.6. A - satisfactory credit quality as protection of interest and principal is still substantial; the degree of strength is less than with AA rated entities.
- 1.10. Securities – Bonds, debentures, trust certificates, guaranteed investment certificates or receipts, certificates of deposit, deposit receipts, bills, notes, and rights or interests in respect of a security.

2. Responsibilities

- 2.1. Council to approve the policy.
- 2.2. Audit and Budget Committee (ABC) to review and accept investment reports provided by Investment Advisory Committee (IAC) annually.
- 2.3. Chief Administrative Officer (CAO) to implement this policy.

- 2.4. Investment Advisory Committee (IAC) to oversee and implement the management process and monitor the Fund in accordance with this policy.
- 2.5. Investment Managers to manage the Fund in accordance with this policy.

3. Guidelines

Governing Legislation:

- 3.1. The investments of the Fund are regulated by the following legislation:
 - 3.1.1. *Municipal Government Act*, RSA 2000, cM-26, s250, as amended, and
 - 3.1.2. *Municipal Government Act*, RSA 2000, Investment Regulation 66/2000, as amended, and
 - 3.1.3. *Trustee Act*, RSA 2000, cT-8, s2 and 3, as amended.

Scope:

- 3.2. This policy applies to all investment activities of the Municipality with regard to the Fund.
- 3.3. The policy does not include Part IX companies' investments, Regional Recreation Corporation or other entities controlled by the Municipality unless expressly identified.

General Objectives:

- 3.4. The primary objectives, in priority order, of investment activities shall be:
 - 3.4.1. Safety - Investments shall be undertaken in a manner that seeks to ensure the preservation of capital.
 - 3.4.2. Liquidity - The investment portfolio shall remain sufficiently liquid to meet all operating and capital cash requirements that may be reasonably anticipated.
 - 3.4.3. Return - The investments of the Fund shall be structured with the objective of attaining a total return commensurate with the respective portfolio benchmarks as defined in this policy.

Standard of Care:

- 3.5. Prudence - In exercising their responsibilities, municipal personnel, the Investment Advisory Committee, custodian, investment managers and any other agent or advisor shall adhere to the following guidelines:
 - 3.5.1. They shall exercise the degree of care, diligence and skill that a person of ordinary prudence would exercise in dealing with the property of another person.
 - 3.5.2. Without limiting the generality of (3.4.1.1), persons who possess, or because of their profession, business or calling, ought to possess, a particular level of knowledge or skill relevant to their responsibilities to the Fund, shall apply that particular knowledge or skill set to the investment activities and administration of the Fund.

Ethics and Conflicts of Interest:

- 3.6. Investment managers shall abide by both the Code of Ethics and Standards of Professional Conduct and the Asset Manager Code of Professional Conduct as established by the Chartered Financial Analyst Institute.
- 3.6.1. Municipal personnel involved in investment activities of the Fund shall refrain from personal activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial investment decisions. Material interests in financial institutions with which they conduct business and any personal financial/investment positions that could be related to the performance of the investment portfolio shall be disclosed to both the Chief Financial Officer and the Chief Administrative Officer.
- 3.6.2. Municipal personnel shall refrain from undertaking any personal investment transactions with the same individual with whom business is conducted on behalf of the Municipality.

Investment Managers Qualification and Selection:

- 3.7. Investment Managers handling the Municipality's investments shall be required to be registered with the Alberta Securities Commission and to maintain good standing membership with the Investment Industry Regulatory Organization of Canada.
- 3.8. The selection of Investment Managers authorized to provide investment services to the Municipality shall be conducted at least every five years.

Safekeeping and Custody:

- 3.9. Fund investments will be held by a third-party custodian selected and approved by the Investment Advisory Committee.

Internal Controls:

- 3.10. The Chief Financial Officer or designate shall establish and maintain a system of internal controls designed to prevent the loss of public funds arising from fraud, employee error, misrepresentation by third parties, unanticipated changes in financial markets and imprudent actions by employees and officers of the Municipality. The system of internal controls, once established, will be reviewed and confirmed by the municipality's auditors.

*Permitted Investments:**Investment Types:*

- 3.11. The Municipality's funds shall be invested in two general types of investments:
- 3.11.1. Short term investments are used to fund general operating requirements of the Municipality and have a maturity date of one year or less.
- 3.11.2. Medium and long-term investments are surplus funds that are not expected to be used within one year and have a maturity date that exceeds one year.

Permitted Investments:

- 3.12. Permissible investments in the Fund will be restricted to fixed income securities that meet the investment parameters defined in this policy.

- 3.13. Categories of investment that are not permissible include, but are not limited to, investments in equities, commodities, precious metals, derivatives, repurchase agreements, asset backed securities, hedge funds, real estate in the form of direct property ownership and collectibles.

Investment Parameters:

- 3.14. Investments must meet the following credit rating limits, issuer limits, term limits and exposure limits.

Short-term Portfolio:

- 3.14.1. The minimum rating for short-term securities is R1 (low).
- 3.14.2. Maximum holdings of the short-term investment portfolio by credit rating are:
- 3.14.2.1. 100% for AAA, AA and A ratings;
- 3.14.3. Maximum holdings of the short-term investment portfolio by issuer:
- 3.14.3.1. 100% for federal issues and guarantees;
- 3.14.3.2. 100% for provincial issues and guarantees;
- 3.14.3.3. 40% for municipal issues; and
- 3.14.3.4. 40% for corporate issues.
- 3.14.4. Maximum term limits for the short term investment portfolio are one year weighted average.
- 3.14.5. Not more than 2% of the cost value of the entire investment portfolio may be invested in a single security with the exception of securities issued by the Government of Canada and guarantees or a provincial government and guarantees with an A-rating or higher at time of purchase. The Municipality will advise the dollar limits associated with the 2% ceiling annually.

Medium and Long-term Portfolio:

- 3.14.6. The minimum rating for the medium and long term securities is single A.
- 3.14.7. Maximum holdings of the medium and long term investment portfolio by credit rating are 100% for AAA, AA and A ratings; and
- 3.14.8. Maximum holdings of the medium and long term portfolio by issuer:
- 3.14.8.1. 100% for federal issues and guarantees;
- 3.14.8.2. 100% for provincial issues and guarantees;
- 3.14.8.3. 40% for municipal issues; and,
- 3.14.8.4. 40% for corporate issues.
- 3.14.9. Maximum term limits for the medium and long term investment portfolio are ten years weighted average.
- 3.14.10. Not more than 2% of the cost value of the entire investment portfolio may be invested in a single security with the exception of securities issued by the Government of Canada and guarantees or a provincial government and guarantees with an A-rating or

higher at time of purchase. The Municipality will advise the dollar limits associated with the 2% ceiling annually.

- 3.14.11. Credit ratings refer to the ratings issued by Dominion Bond Rating Service or an equivalent recognized ratings agency. In the event of one or more ratings differing from the others, the most conservative rating shall prevail.

Compliance Monitoring:

- 3.15. The Chief Administrative Officer or designate shall monitor investment activities to ensure compliance with investment parameters and shall provide quarterly compliance reporting.

Performance Standards:

- 3.16. The following market benchmarks are generally accepted measures for relative performance assessment purposes. However, specialty mandates may require a customized equivalent benchmark to be established by the investment managers and the Municipality.

<u>Category</u>	<u>Performance Benchmarks</u>
Short-term Investments (< 1 year)	FTSE TMX 91 Day Treasury Bill Index
Medium-term Investments (<5 years)	FTSE TMX Government Short-Term Bond Index
Long-term Investments (>5 years)	FTSE TMX Government Mid-Term Bond Index

Reporting:

- 3.17. The Chief Administrative Officer or designate shall prepare an investment report at least annually for the Audit and Budget Committee, and quarterly for the Investment Advisory Committee. The report shall include, at a minimum, the following:

- 3.17.1. Financial market and economic update;
- 3.17.2. Rates of return for the total Fund and individual categories and benchmarks for the prior one month, three months, one year and annualized periods and fiscal year to date; and,
- 3.17.3. Investment exceptions report detailing investment activities that breached an investment parameter, reasons for the breach and action plan.

Investment Governance:

- 3.18. The governance structure established is designed to ensure that the Municipality's investment is managed prudently, appropriately and in compliance with the applicable legislation and this Policy. Three principal levels of responsibility are described as the following:

- 3.18.1. Council shall approve all investment policies;
- 3.18.2. Audit and Budget Committee (the "ABC") shall review and accept investment reports update(s) presented by Investment Advisory Committee annually; and
- 3.18.3. Investment Advisory Committee (IAC) (the "Committee") shall provide oversight to the governance and management of the Municipality's investments, and report to the ABC at least annually.

- 3.19. The Committee (IAC) shall comprise of at least six members of management, and shall include the Chief Administration Officer and or designate - Chief Operating Officer, Chief Financial Officer (“Chairperson”), Director of Finance (“Vice-Chairperson”) and the Treasurer or person acting in a similar capacity who shall act as Secretary to the Committee (“Secretary”).
- 3.20. The Committee (IAC) shall meet at least four times annually.

APPROVAL, MANAGEMENT AND REFERENCES:

This policy shall be reviewed every year from its effective date to determine its effectiveness and appropriateness. This policy may be assessed before that time as necessary to reflect organizational change.

Approving Authority:	Council
Approval Date:	November 27, 2012
Revision Approval Dates:	May 27, 2014
Review Due:	May 27, 2015
Policy Manager:	Chief Financial Officer
Department Contact:	Director of Finance
Legal References:	
Cross References:	

Mayor

Chief Legislative Officer

Date



Revised Investment Policy FIN 140

May 20, 2014

Investment Policy – FIN 140

- Originally approved by Council on October 12, 2004
- Revised and approved by Council on November 27, 2012
- Subject to annual review

Legislation Governing Investments

- *Municipal Government Act, RSA 2000, cM-26, s250, as amended*
- *Municipal Government Act, Investment Regulation, 66/2000, as amended*
- *Trustee Act, RSA 2000, cT-8, s2 and 3, as amended*

Investment Priorities

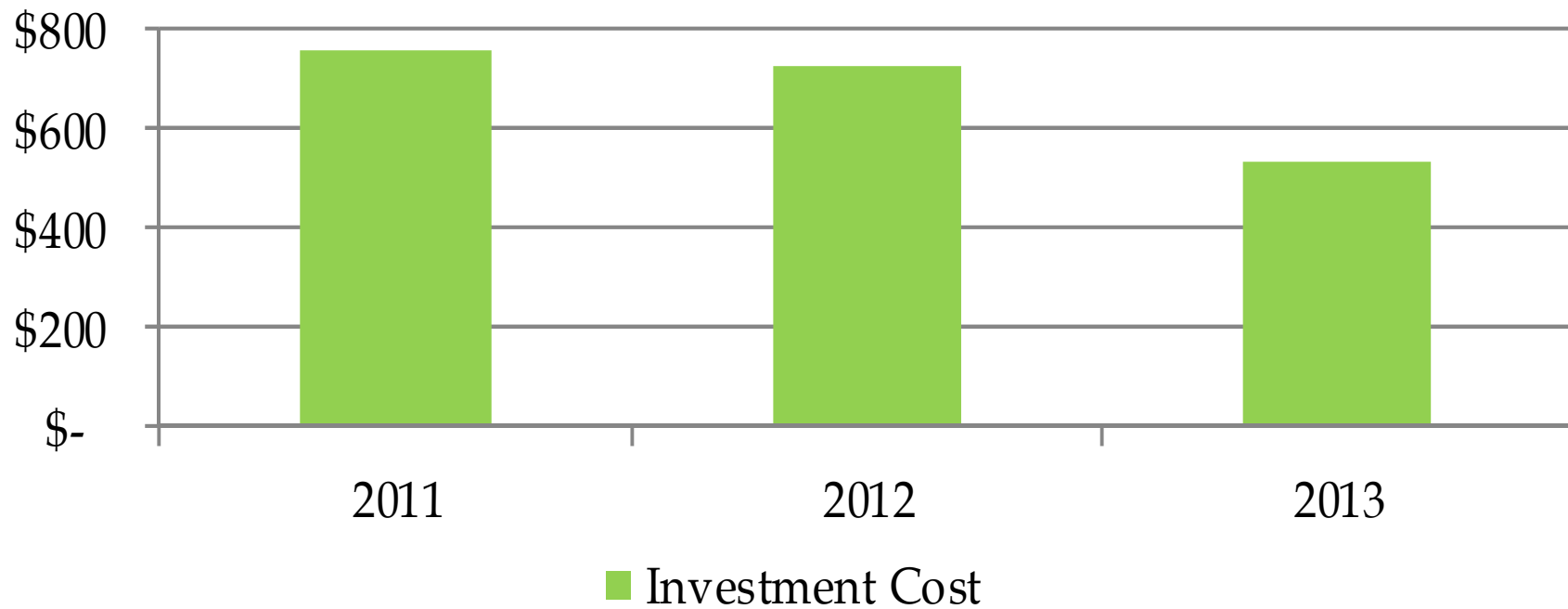
- Safety of Principal
- Liquidity
 - Sufficiently liquid to meet cash requirements of the Municipality
- Return on Investment
 - Reasonable returns commensurate with the portfolio

Highlight of Changes

- Clarity relative to ratings
- Single security maximum limit
- Incorporate governance structure
 - Investment Advisory Committee (IAC) s 3.13
- Streamlining performance benchmarks

Investment Trend

2011-2013





Revised Investment Policy FIN 140

May 20, 2014

Subject: Signing Authority - Cheques & Negotiable Instruments**APPROVALS:**

Kola Oladimeji, Director
Elsie Hutton, Executive Director
Marcel Ulliac, Interim Chief Administrative Officer

Administrative Recommendation:

THAT the Proposed Signing Authority – Cheques and Other Negotiable Instruments, Attachment 1, be recommended for Council approval.

Summary:

As a result of a new Council and changes in Administration there is a need to update the Municipality's signing authority with the Royal Bank of Canada (RBC) to reflect current signatories and update the Master Client Agreement with RBC.

The existing signing authority process for cheques is for any two signatures of Mayor or Acting/Deputy Mayor and Chief Financial Officer, Chief Administrative Officer, Chief Operating Officer, or Director of Finance. With the transition from generating physical cheques to more electronic funds transfers (EFT), greater emphasis is being placed on the signing authorities.

Background:

In accordance with the *Municipal Government Act*, RSA 2000, s.213 (4) and (5), agreements and cheques and other negotiable instruments must be signed or authorized:

- a) by the chief elected official or by another person authorized by council to sign them, and
- b) by a designated officer, or

by a designated officer acting alone if so authorized by council.

Section 213(5) provides for a printed, lithographed or otherwise reproduced if so authorized by council.

Internal Audit has been consulted and concurs with the controls placed relative to signing authority on cheques and negotiable instruments. With the introduction of more EFTs as a replacement for creating physical cheques, signing authorities require an update.

Currently, system-generated cheques contain electronic signatures of the Mayor and the Chief Financial Officer. This practice will continue as numerous other approvals and processes occur prior to the generation of a physical cheque.

With the implementation of SAP, the organization will be transitioning more into the forum of EFT, allowing for greater control versus cheques and cheque processing. Since the EFT process will replace cheques and is a weekly process, the signing authorities for these transfers will be any two of the Interim/Chief Administrative Officer, Chief Operating Officer, the Chief Financial Officer or Director of Finance to allow for timely processing of payments. The use of EFT with in-built security features has been confirmed by Canadian banks as the best way to minimize the risk of fraudulent practices associated with manual cheques.

Since all members of Council will become the Acting Mayor and/or Deputy Mayor due to scheduling, updated signatures will be required for security purposes. This process will be communicated upon approval of signing authority – cheques and other negotiable instruments.

Rationale for Recommendation:

There is need to update the existing Master Client Agreement with RBC to reflect current changes in Council and Administration of the Municipality. In addition, with the transition to more EFT there is a need to clarify the signatories.

Attachment:

1. Proposed Signing Authority – Cheques and Negotiable Instruments dated May 20, 2014.

PROPOSED SIGNING AUTHORITY – CHEQUES AND OTHER NEGOTIABLE INSTRUMENTS

Date: May 20, 2014

1. CHEQUES

Any one of the Mayor, or Acting / Deputy Mayor and any one of the Chief Financial Officer or Director of Finance

2. WIRES/ELECTRONIC FUNDS TRANSFER (EFT)

Any two of the Interim/Chief Administrative Officer, Chief Operating Officer, the Chief Financial Officer or Director of Finance.

3. LOAN AGREEMENTS ETC

Any one of the Mayor, or Acting / Deputy Mayor and any one of the Interim / Chief Administrative Officer, Chief Operating Officer, the Chief Financial Officer or Director of Finance.

4. ESTABLISHING BANK CREDIT

Any one of the Mayor, or Acting / Deputy Mayor and any one of the Interim / Chief Administrative Officer, Chief Operating Officer, the Chief Financial Officer or Director of Finance.

**Subject: Council Compensation Review Committee Bylaw - Bylaw
No. 14/022****APPROVALS:**Surekha Kanzig, Director
Marcel Ulliac, Interim Chief Administrative Officer**Administrative Recommendation:**

THAT the proposed Council Compensation Review Committee Bylaw be recommended to Council for approval of first reading.

Summary:

The Council of the Regional Municipality of Wood Buffalo wishes to establish a Council Compensation Review Committee for the purpose of reviewing and recommending fair, consistent and adequate compensation for Council Members that will attract the widest possible cross section of qualified individuals to serve as Elected Officials. The Municipal Government Act requires the passing of a bylaw to establish a Council Committee.

Background:

Council wishes to conduct an independent review of the existing Elected Officials Compensation, Travel, Expense and Support Policy by establishing a Council Compensation Review Committee (Committee). The volunteer Committee will be composed of five to seven (5 to 7) residents of the Municipality.

The last review of Council compensation was conducted in 2001, becoming effective following the October 2001 general election. Since that review, the strategic, financial and capital planning challenges of the Municipality have become more complex, and there is significant need to advocate for the special needs and interest groups within the Municipality at the local, provincial and federal levels.

The review will take into consideration the cost of living in the region, the vast area served as well as the large variations in programs and services that are required to meet local needs. The review will consider that Council is in a significant leadership role and its decisions have substantial impacts that extend beyond the boundaries of the Regional Municipality of Wood Buffalo.

Rationale for Recommendation:

The Municipal Government Act and Council's Procedure Bylaw provide for the establishment of Council Committees by bylaw. It is recommended that the Council Compensation Review Committee Bylaw No. 14/022 be considered for first reading on May 27, 2014.

Attachment:

1. Bylaw No. 14/022

BYLAW NO. 14/022

BEING A BYLAW OF THE REGIONAL MUNICIPALITY OF WOOD BUFFALO TO ESTABLISH THE COUNCIL COMPENSATION REVIEW COMMITTEE

WHEREAS the *Municipal Government Act*, R.S.A. 2000, c. M-26, as amended, provides that Council may pass Bylaws in relation to the establishment and functions of Council Committees;

WHEREAS the Council of the Regional Municipality of Wood Buffalo wishes to establish the Council Compensation Review Committee for the purpose of reviewing and recommending fair, consistent and adequate compensation for Council Members at a level that will attract the widest possible cross section of qualified individuals to serve as Elected Officials; and

WHEREAS the Council Compensation Review Committee, utilizing research completed by administration, will make recommendations to Council on the existing Elected Officials' Compensation, Travel, Expense and Support Policy and other related Council compensation matters;

NOW THEREFORE the Council of the Regional Municipality of Wood Buffalo, in the Province of Alberta, duly assembled, hereby enacts as follows:

Establishment

1. The Council Compensation Review Committee is hereby established until such time as its final report is presented to the Audit and Budget Committee.

Short Title

2. This Bylaw shall be cited as the "Council Compensation Review Committee Bylaw".

Definitions

3. For the purpose of this Bylaw, the following definitions shall apply:
 - (a) "Acting Mayor" means the Council member appointed by Council to preside at any meeting of Council in the absence or incapacity of both the Mayor and the Deputy Mayor;
 - (b) "Administration" means an individual employed by the Regional Municipality of Wood Buffalo, including any individual employed or contracted by the Municipality, either through a personal services agreement or on a contractual basis through a third-party company or agency;

- (c) “Audit and Budget Committee” means the Audit and Budget Committee as established by the Council Committee Bylaw;
- (d) “Chair” means the presiding officer of the Committee and includes the Acting Chair who has temporarily assumed the duties of the Chair;
- (e) “Committee” means the Council Compensation Review Committee;
- (f) “Council” means the Council of the Regional Municipality of Wood Buffalo;
- (g) “Deputy Mayor” means the Council member who is appointed pursuant to the provisions of the *Municipal Government Act*, as amended, to act as Mayor in the absence or incapacity of the Mayor;
- (h) “Mayor” means the Chief Elected Official of the Municipality elected in accordance with the provisions of the *Municipal Government Act*;
- (i) “Member” means an individual appointed to the Committee pursuant to this Bylaw;
- (j) “Municipality” means the Regional Municipality of Wood Buffalo.

Committee Terms of Reference

- 4. The Committee is established to review the existing Elected Officials Compensation, Travel, Expense and Support Policy, and report and make recommendations to the Audit and Budget Committee on the following:
 - (a) Council Remuneration and Benefits;
 - (b) Council Expenditures;
 - (c) Council Travel;
 - (d) Council Office Support and Technology;
 - (e) Compensation for loss of salary while on Council business;
 - (f) Compensation for the additional responsibilities of the Deputy and Acting Mayor positions;
 - (g) Recognition of increased participation in community and social events;
 - (h) Recognition of time served on Council/acknowledgement of Council members upon the conclusion of their term in municipal office;

- (i) Establishment of a pension plan for long-term serving Council members;
 - (j) Process for the review and approval of the Council expenses; and
 - (k) Acceptance of gifts and hospitality.
5. The Committee will take into consideration the following factors during the review:
- (a) The strategic, financial and capital planning challenges are more complex in the Municipality than in other municipalities;
 - (b) There is significant need to advocate for the special needs and interest groups within the Municipality at the local, provincial and federal levels;
 - (c) Council's decisions have substantial impacts that extend beyond the boundaries of the Municipality;
 - (d) The cost of living in the region;
 - (e) The vast area served;
 - (f) The large variations in programs and services that are required to meet local needs; and
 - (g) Other professional and executive level compensation packages.
6. The Committee shall submit and present to the Audit and Budget Committee, a final report with recommended changes to Council's compensation.

Committee Membership

7. Subject to other provisions in this Bylaw, the Committee shall consist of five to seven (5 to 7) members, who are residents of the Municipality and who are independent of Council. The Members and the Chair shall be appointed by resolution of Council.
8. The Mayor is not a Member by virtue of that office, and current or previous members of Council are not eligible for appointment to the Committee. Current or previous employees of the Municipality are not eligible for appointment to the Committee.
9. Members of the Committee shall be appointed until the Committee presents its final report to the Audit and Budget Committee. In the event any Member is unable or unwilling to continue to serve on the Committee, for whatever reason, then, Council may, by resolution, appoint a replacement.
10. Members of the Committee shall serve without remuneration.

11. Notwithstanding Section 10, Members will be reimbursed for their reasonable out-of-pocket expenses incurred while carrying out the authorized business of the Committee.

Committee Meeting Proceedings

12. A quorum of the Committee is a majority of its Members, including the Chair.
13. Unless a quorum is present within thirty (30) minutes after the time appointed for the meeting, the Committee shall be adjourned, unless all those in attendance agree to extend the waiting time. In such instances, the name of the Members present at the expiration of the thirty (30) minute time limit shall be recorded, and such record shall be appended to the next agenda.
14. The Committee cannot make decisions or give direction unless there is quorum at a duly organized meeting.
15. Any Member who is unable to attend a meeting shall inform the Chair.
16. The duties of the Chair of the Committee will include:
 - (a) Presiding at Committee meetings, including the preservation of order and decorum; and
 - (b) The deciding of all questions of Committee meeting procedure and the provision of reasons for the decision; however, nothing contained herein shall require the Chair to provide written reasons.
17. If the Chair is absent from a meeting, the Committee members in attendance shall select an Acting Chair to preside during the Chair's absence.
18. Committee meetings shall be held in the Regional Municipality of Wood Buffalo, and shall be open to the public unless the Committee is discussing an issue which may be considered in private, in accordance with the *Freedom of Information and Protection of Privacy Act*, RSA 2000, c.F-25, as amended.
19. The Council Compensation Review Committee shall meet as required.
20. A governance process incorporating the following rules is to be established by the Committee:
 - (a) There is no limit to the number of times a member may speak to a question;
 - (b) Informal discussion of a subject is permitted when no motion has been made;
 - (c) The Chair may make motions, participate in debate and vote on all motions

without leaving the chair, and

- (d) Decisions requiring a vote must be reached by majority, that is, more than half the votes.

Sub-Committees

- 21. The Committee may establish, or disband sub-committees, or ad-hoc committees, as may be considered necessary from amongst its existing members.

Committee Support

- 22. The Council and Legislative Services Department of the Municipality will provide support to coordinate and assist the activities of the Committee, including, but not limited to, all research requirements and recording of all Committee proceedings.

Coming into Force

- 23. This Bylaw shall be passed and become effective when it receives third reading and is signed by the Mayor and Chief Legislative Officer.

READ a first time this _____ day of _____, 2014

READ a second time this _____ day of _____, 2014

READ a third and final time this _____ day of _____, 2014

SIGNED and PASSED this _____ day of _____, 2014.

Mayor

Chief Legislative Officer

Subject: Mayor's Expenses – April 2014

APPROVALS:

Surekha Kanzig, Director
Marcel Ulliac, Interim Chief Administrative Officer

Administrative Recommendation:

THAT the Chief Legislative Officer approve the Mayor's Expenses for the period ending May 5, 2014.

Summary:

At the request of the Audit and Budget Committee, the Mayor's Expenses for the period April 5, 2014 – May 5, 2014 are presented for review.

Background:

At the present time the Mayor's Expenses are not covered under the Elected Officials Remuneration, Travel, Expense and Support Policy and until such time as this policy can be reviewed to contemplate adding these expenses, the Audit and Budget Committee has requested to have the Mayor's Expenses brought forward once per month to an Audit and Budget Committee meeting for review in the interest of enhancing accountability and transparency.

Attachments:

1. Mayor's Expenses – April 2014



Cardholder Activity

Name: MELISSA BLAKE

Account Number: **7620

Cycle End Date: 05/05/2014

Trans Date Posting Date	Merchant Name City, State/Prov.	Transaction Total	National	Regional	Source Currency	Currency Amount
		<----- Allocation Amounts ----->			Accounting Code	Allocation Comment
04/10/2014	THICKWOOD LUBE	\$15.00	\$0.71	\$0.00	CAD	15.00
04/11/2014	CENTRE FORT MCMURRAY, AB	\$15.00	\$0.71	\$0.00	252100100200	vehicle wash
04/25/2014	REGIONAL	\$46.43	\$2.21	\$0.00	CAD	46.43
04/28/2014	RECREATION CORPO FORT MCMURRAY, AB	\$46.43	\$2.21	\$0.00	221160100100	Administrative Professional Day - Luncheon

Activity Totals
\$61.43

Purchases
\$61.43

Payments
\$0.00

National Taxes
\$2.92

Regional Taxes
\$0.00

Cardholder Name: _____

Signature: _____

Supervisor Name: _____

Signature: _____