

TO: MEMBERS OF THE MUNICIPAL COUNCIL
RE: PER DIEM RATES

From: Alderman V. V. Stusiak
Liaison Finance Alderman

File: 2078

It is the policy of the Municipal Council to pay the expenses of delegates, whether, members of Council or otherwise, when on instruction of Council they are representing the municipality outside the limits of the municipality.

The present per diem allowance of One Hundred and Thirty Dollars (\$130.00) was approved by Council on 1981 June 29 when Council adopted the following recommendations from the Finance Liaison Alderman.

1. THAT effective immediately the per diem rate be One Hundred and Thirty Dollars (\$130.00).
2. THAT the per diem rate be reviewed 1982 May 01.
3. THAT the per diem rate of One Hundred and Thirty Dollars (\$130.00) be United States funds when travelling outside of Canada.
4. THAT any Municipal Council member or delegate, when travelling on municipal business, may request additional costs when a loss of wages or salary is incurred in the delegates normal occupation. This additional per diem amount to a maximum of Eighty Dollars (\$80.00) per day be approved, and this rate be reviewed 1982 May 01.
5. THAT Municipal Manager submit a report to cover travelling expenses for municipal employees.

The 1981 rate was struck taking into consideration that it would cover the period to 1982 May and was based on what average costs might be during that period, e.g.

Rooms - Inclusive of tips and tax	-	\$70.00 to \$90.00 per day
Meals - Inclusive of tips and tax	-	\$30.00 to \$40.00 per day
Miscellaneous - Taxis, airport bus, valet service, tips, coffee, etc.	-	<u>\$20.00 to \$30.00</u> per day

TOTAL COST PER DAY \$120.00 to \$160.00

While there have been changes in costs during the last year it is considered that the \$130.00 rate should be retained for the forthcoming year, and it is so recommended.

Council should be advised that rates outside of Canada are expressed as payment in United States funds. A review of rates outside of Canada indicates that United States per diem costs would be in approximately the same dollar amounts but would have to be paid in United States funds.

Rates outside of continental North America would on average be much higher than amounts stated in the report.

The authority for Council to approve the per diem expenditure is provided in Section 270 of the Municipal Act which states:

270. The council may, by a vote of at least 2/3 of the council members, expend money to
- (a) help establish, develop, maintain and operate airports, seaplane harbours and aircraft landing areas in or out of the municipality;
 - (b) inquire into railway or harbour improvements;
 - (c) receive and entertain distinguished guests;
 - (d) pay, in addition to payments under section 267, all or some of the expenses necessarily incurred by a member of council when, on instructions of council, he represents the municipality or is engaged, beyond its borders, on its business;

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- (e) pay all or some of the expenses of delegates, whether council members or otherwise, when, on instructions of council, they represent the municipality beyond its borders;
- (f) pay all or some of the expenses necessarily incurred by an employee when, on instructions of council, he is engaged on municipal business;
- (g) honour persons who have, in the opinion of the council, served or brought honour to the municipality.

It will be noted that in Section 270(d) and (e) the Council can provide for all or some of the expenses of Council members and/or delegates. Prior to 1981 per diem allowances were to offset direct costs incurred by the member but made no provision for compensation for a loss of wages by said member or delegate.

It is my opinion that a person serving the interest of the community should be compensated for all costs. If part of that cost is a loss of pay as a result of absence from their normal occupation then this cost should be recognized by the community being served. It would be difficult to cover the total range of possible daily costs of lost wages so a fixed figure, which would be at the daily average labour rate, would be a minimum suggested amount.

In 1981 June, Council approved payment for such a loss to a maximum of \$80.00 per day. Recognizing that wage costs have risen during the past year it is recommended that this figure be increased by 12 1/2% to \$90.00 per day.

This report does not concern itself with Section 270(f) of the Municipal Act which is dealt with separately by the Municipal Manager.

RECOMMENDATIONS:

THAT:

1. Effective immediately the per diem rate be One Hundred and Thirty Dollars (\$130.00);
2. The per diem rate be reviewed 1983 May 01;
3. The per diem rate of One Hundred and Thirty Dollars (\$130.00) be United States funds when travelling outside of Canada.
4. Any Municipal Council member or delegate, when travelling on municipal business, may request additional costs when a loss of wages or salary is incurred in the delegates normal occupation. This additional per diem amount to a maximum of Ninety Dollars (\$90.00) per day be approved, and this rate be reviewed 1983 May 01.

Victor V. Stusiak

Respectfully submitted,
Alderman V. V. Stusiak