

TO: MEMBERS OF MUNICIPAL COUNCIL

RE: PER DIEM RATES

FILE: 2078

From: Alderman V. V. Stusiak  
Liaison Finance Alderman

SUMMARY

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 existing per diem rate of \$130.00 has remained unchanged since 1981. This report recommends a 15% increase in the per diem for accommodation, meals, and miscellaneous costs from \$130.00 to \$150.00, and a 5% increase in the per diem for loss of wages. Also there is a refinement to the policy on reimbursement for transportation costs.

REPORT

Existing Policy

The present per diem allowance of one hundred and thirty dollars (\$130.00) was approved by Council in 1983 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); and
2. THAT the per diem rate be reviewed 1984 May 01; and
3. THAT the per diem rate of one hundred and thirty dollars (\$130.00) be United States funds when travelling outside Canada; and
4. THAT the 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 delegate's normal occupation. This additional per diem amount to a maximum of ninety-five dollars(\$95.00) per day be approved, and this rate be reviewed 1984 May 01.

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

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.

DISCUSSIONPer Diem

A review of present day costs indicates that the average cost of hotel, meals and miscellaneous expenses would be \$150.00 a day as follows:

Rooms - inclusive of tips and tax	\$ 80	to	\$100
Meals - inclusive of tips and tax	30	to	40
Miscellaneous - taxis, airport bus, valet service, tips, coffee etc.	<u>20</u>	to	<u>30</u>
Total cost per day	\$130	to	\$170

The costs in the United States are approximately the same on a dollar for dollar basis. Rates outside the North American continent would on average be much higher than those stated in this report.

The previous \$130 per diem has not been changed since 1981 and consequently I recommend a change to \$150 a day for the forthcoming year.

Loss of Wages

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 when they represent the municipality beyond its borders. 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 for lost wages so a fixed figure, which would be at the daily average labour rate, would be a minimum suggested amount.

In 1981, Council approved payment for such a loss to a maximum of \$80.00 per day. In 1982, that figure was increased by 12 1/2% to \$90.00 per day, and in 1983, the figure was increased by 5% to \$95.00 per day in recognition of rising wages. The average daily wage of the public administration sector is \$100.00 (1983 December statistic, Ministry of Labour), consequently I recommend a 5% increase in the current per diem for loss of wages to \$100.00 per day.

Transportation

Presently the municipality pays for the cost of economy air passage. I recommend that this policy be broadened to allow an individual to be reimbursed for travel by car, where this is preferred, at the current employee mileage rate, up to the cost of the economy air fare. This policy has not been stated previously and is now included in the recommendations.