

**CORPORATION OF THE COUNTY OF HURON**

**TO:** Warden and Members of County Council  
**FROM:** Michael Blumhagen, Treasurer, and Director of Corporate Services  
**DATE:** 11/21/2018  
**SUBJECT:**

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**RECOMMENDATION:****RECOMMENDED MOTION:****THAT:**

The Council of the Corporation of the County of Huron receives the report by Michael Blumhagen, Treasurer and Director of Corporate Services, titled Councillor Remuneration – 1/3<sup>rd</sup> Tax Exemption, dated November 21, 2018 as presented for information;

**AND FURTHER THAT:**

That the Council of the County of Huron include the revised rates in the remuneration by-law for approval at the November 21, 2018 Council Day 2 meeting.

**BACKGROUND:**

On November 7, 2018, CAO submitted a report to County Council regarding the impact of the elimination of the 1/3<sup>rd</sup> tax impact. That report recommended that Council per diems be increased by 8.36%, Council honorarium be increased by 8.36% and the Warden's honorarium be increased by 40.40% to achieve a net neutral impact.

**COMMENTS:**

The figures provided to the CAO from the Treasurer in the November 7th report only included the impact of income tax. They did not include the impact of CPP on the additional 1/3<sup>rd</sup> income which was an error by the Treasurer and was missed in the original analysis.

CPP is an applicable expense for those Councillors under the age of 70, thus CPP is a deduction for most County Councillors, but not all. However, in the spirit of ensuring Councillors receive the say net pay moving forward, it is important that CPP be factored in as well.

The revised rate with current CPP rates are recommended as follows:

Council Per Diem – 10.98% increase to \$320.98 (from \$289.22)

Council Honorarium – 10.98% increase to \$5,477.98 (from \$4,935.61)

The Warden's overall increase that is required is 17.73% as the change will impact the tax bracket that the Warden's income will be taxed at (based on 3 year average). Therefore, the keeping the per diem amount the same as the rest of Council, will require a greater increase in the Warden's Honorarium of 40.90% to offset.

Therefore, it is recommended that the Warden Honorarium be increased to \$19,992.87 (from \$14,189.89).

**OTHERS CONSULTED:****FINANCIAL IMPACTS**

The expected savings from the change in number of Council meetings is approximately \$43,000. This will offset the impact of the elimination of the 1/3 tax exemption.

**ATTACHMENTS:**

Description	Type	Upload Date	File Name
No Attachments Available			