

Request for Decision



To: Committee of the Whole

From: **Corporate Officer/Chief Financial Officer**

Date: August 20, 2018

Subject: Proposed Council Members Remuneration and Expenses Bylaw No. 2050

Recommendation: **THAT the Committee of the Whole recommends to Council to consider the appointment of a committee to advise staff of the annual remuneration amounts for 2019 to 2022 to be included in the Council Remuneration and Expenses Bylaw No. 2050.**

THAT the Committee of the Whole recommends to Council to give the first three readings of the proposed Bylaw No. 2050 "Council Remuneration and Expenses Bylaw No. 2050, 2018" at the September 4, 2018, Regular Meeting.

Background

On April 9th, Staff advised Council of changes to Canada Revenue Agency rules which will eliminate the non-taxable portion of municipal officers' remuneration effective January 1, 2019.

The City's existing remuneration bylaw, No. 1743, which has not been amended since its adoption in 2004, should be revised to reflect this change. Staff has also incorporated some additional changes such as benefit eligibility, pre-election remuneration reviews and the removal of verbiage which is addressed in the travel expense allowance policy.

Council Remuneration Policy 305 requires Council to establish a committee to review and make recommendations on remuneration for the next incoming Council during an Election Year. In order to proceed with first three readings of this bylaw, staff will require input from this committee on the amounts to be included in Section 2 of the bylaw.

To facilitate this process, staff has compiled the following data for comparable municipalities in the southern BC interior. These figures, which include both the taxable and non-taxable amounts, are for the year 2017, as this information is not readily available for 2018.

	Population (2016 Census)	2017 Annual Remuneration		Councillor as % of Mayor
		Mayor	Councillor	
Grand Forks	3985	\$ 22,987	\$ 17,240	75%
Armstrong	4815	22,766	13,084	57%
Castlegar	7816	28,000	14,000	50%
Creston	5306	26,494	13,247	50%
Merritt	7113	25,000	15,000	60%
Oliver	4824	27,349	14,586	53%
Osoyoos	4845	27,143	16,543	61%
Peachland	5200	33,311	14,166	43%
Trail	7681	30,330	15,165	50%

The City of Grand Forks 2018 remuneration amounts are \$23,423 and \$17,568 for the Mayor and Councillors respectively. Using the last full year (July 2017 to June 2018) Canadian CPI factor of 2.5%, 2019 remuneration calculated on this basis (and rounded down slightly) would be \$24,000 and \$18,000.

Staff has calculated the amount of remuneration required to equal the same after tax income should Council wish to compensate for the loss of the non-taxable allowance. Using a marginal tax rate of 20.06%, these amounts would be \$26,000 for the Mayor and \$19,500 for Councillors.

The proposed revisions to the remuneration bylaw will allow for the rescission of Council Policies 304 and 305, which will be brought forward at future meeting.

Benefits or Impacts

General

As this is an election year, a decision needs to be made regarding remuneration levels for members of Council for the next four years, pursuant to Council Remuneration Policy No. 305.

Strategic Impact



Community Engagement

- The provisions of Policy 305 require Council to solicit input from members of the community to review and make recommendations regarding Council's remuneration.



Fiscal Responsibility

- The City will incur additional payroll costs in 2019 of approximately \$3,440, including payroll taxes and Worksafe premiums, for a CPI increase of 2.5%. If Council were to increase remuneration to compensate for additional taxes, the City would incur additional expenses of \$15,370 over the 2018 cost.

Policy/Legislation

Council Remuneration and Expenses Bylaw No. 1743, 2004

Council Remuneration Policy No. 305

Minimum Expense, Benefits and Allowance Policy No. 304

Attachments

Draft Council Remuneration and Expenses Bylaw No. 2050, 2018

Council Remuneration Bylaw No. 1743, 2004

City of Grand Forks Council Remuneration Policy No. 305

Recommendation

THAT the Committee of the Whole recommends to Council to consider the appointment of a committee to advise staff of the annual remuneration amounts for 2019 to 2022 to be included in the Council Remuneration and Expenses Bylaw No. 2050.

THAT the Committee of the Whole directs staff to present Bylaw No. 2050 “Council Remuneration and Expenses Bylaw No. 2050, 2018” for first three readings at the September 4, 2018 Regular Meeting of Council.

Options

1. RESOLVED THAT Committee of the Whole accepts the recommendation.
2. RESOLVED THAT Committee of the Whole does not accept the recommendation.
3. RESOLVED THAT Committee of the Whole refers the matter back to staff for further information.