

Memo



To: Committee of the Whole
From: **Corporate Services / Finance**
Date: 2019-02-11
Subject: Remuneration Review

Background

Option 1:

As Council's request, Staff would like to start the Council remuneration review process within the next few weeks. The primary step for this is to form the Advisory Group as per Section 6. of Bylaw No. 2050 "Council Remuneration and Expenses".

The advisory group is supposed to consist of two to four members of the Community selected by Council and the Chief Financial Officer. Staff is proposing the following:

February 18 (Gazette date: February 20)	run an advertisement for interested citizens in the local newspaper and on our Facebook site
February 25 (Gazette date: February 27)	run the advertisement for a second week in the local newspaper and on our Facebook site
March 6, 2019	closing date to submit applications
March 13, 2019	Completion of Staff's preselection process for Council based on qualifications for this role
March 19, 2019	pre-selected candidates would be included in the In-Camera agenda package
March 25, 2019	In-Camera meeting of Council on March 25, 2019 to select two to four Advisory Group members.
April / May	Statutorily required reporting period (Audit / Year End Financial Statements / etc)
June / July	Advisory Group review process and reporting back to Council

If the Committee of the Whole agrees with this proposed workplan, then Staff will continue as indicated above.

Option 1 Recommendation:

THAT The Committee of the Whole receives the report and asks Staff to proceed with the proposed workplan.

Option 2:

At the Committee of the Whole on January 14, 2019 staff presented the following option regarding remuneration as part of the report.

- c) *Increasing remuneration amounts to compensate for the elimination of the tax-free allowance. Using a marginal tax rate of 20.06%, the equivalent amounts for 2019 would be \$26,000 for the Mayor and \$19,500 for Councillors. This was the option proposed to the previous Council and rejected in favour of a CPI increase.*

The report also drew attention to the compensation ratio of Councillor to Mayor compensation which was significantly higher than the average for other municipalities of similar size. The ratio of Councillor to Mayor compensation, at 75%, is well outside the 50-60% range of other municipalities. In addition, the Councillor remuneration amounts were higher than in the other municipalities.

	Population	2018 Annual Remuneration		Councillor as % of Mayor
		Mayor	Councillor	
Grand Forks	4049	\$ 23,423	\$ 17,568	75%
Armstrong	4815	22,893	13,027	57%
Castlegar	8039	32,000	16,000	50%
Gibsons	4605	31,485	14,601	46%
Merritt	7139	26,010	15,606	60%
Oliver	4928	27,907	14,883	53%
Osoyoos	5085	27,822	16,957	61%
Peachland	5428	36,111	14,449	40%
Rossland	3729	17,184	8,763	51%
Trail	7709	30,936	15,468	50%

The 2019 remuneration as per Bylaw No. 2050 is currently \$24,000 for the Mayor and \$18,000 for each Councillor.

An increase in remuneration to the 2019 remuneration proposal from staff would have increased the expenses by roughly \$12,000 for the year at that time.

The Committee of the Whole could ask staff to prepare a bylaw that increases the Councillor remuneration amounts for 2019 to \$19,500 and the Mayor's remuneration to \$26,000 to be in line with the previous option with the outgoing Council.

As another alternative, to reduce the 75% ratio to the range of 65% to 60% either some additional increases to the Mayor's remuneration are recommended or a slightly lesser increase to the individual Councillor's remuneration from the overall increase.

Please see the Remuneration Options below:

Remuneration Option	Mayor	Councillor	Percent
A	\$26,000	\$19,500	75%
B	\$29,000	\$19,500	67%
C	\$29,000	\$18,750	65%
D	\$31,000	\$18,750	60%

Option 2 Recommendation:

THAT the Committee of the Whole asks staff to prepare an Amendment Bylaw to Bylaw No. 2050 to include Remuneration Option _____.



If Council chooses the Option 2 recommendation, this Amendment Bylaw could be presented at the February 11, 2019 Regular Meeting (tonight) for first three readings and be adopted on the February 25, 2019 Regular Meeting to allow for a March 1, 2019 remuneration adjustment.

Benefits or Impacts

General

The review process will allow for a transparent way to form a recommendation to Council regarding fair Council remunerations and expenses.

Strategic Impact

-  Possible adjustments to Council remuneration and expenses
-  Public engagement to allow for transparency

Policy/Legislation

Bylaw No. 2050 "Council Remuneration and Expenses"

Attachments

Bylaw No. 2050 "Council Remuneration and Expenses"