

DATE OF MEETING MAY 17, 2023

AUTHORED BY KAREN ROBERTSON, DEPUTY CITY CLERK

SUBJECT COUNCIL SPENDING & AMENITIES POLICY AMENDMENT

OVERVIEW

Purpose of Report

To apprise Council of the survey results for Council's 2023-2026 remuneration as governed by the Council Spending & Amenities Policy and to bring forward recommended amendments to the conference, training, and development sections of the policy.

Recommendation

That the Finance and Audit Committee recommend that Council endorse the proposed amendments to the Council Spending and Amenities Policy as outlined in Attachment 1 to the 2023-MAY-17 report by the Deputy City Clerk.

BACKGROUND

Council Remuneration for the 2022 – 2026 Term:

On 2016-MAR-21, Council adopted the Council Spending and Amenities Policy which encompasses the process and parameters for Council as it relates to the following:

- Section 1 Policy Application;
- Section 2 Council Remuneration and Code of Conduct Breaches;
- Section 3 Attendance at In-Town and Out-of-Town Meetings;
- Section 4 Training and Development;
- Section 5 Expense Reimbursements;
- Section 6 Legal Fees;
- Section 7 Association Fees, Membership Dues and Publication Subscriptions;
- Section 8 Office Equipment and Furniture; and
- Section 9 Council Initiatives

At the time the policy was first adopted, Council's remuneration was based on the following:

Base Pay Rate - Mayor and Council will be compensated at the median rate of twelve comparable municipalities. Such list of comparable municipalities is the six above and six below the City's population. The list of comparable municipalities will be updated at the beginning of each Council term.

Provisions were also made to provide for acting pay for the Acting Mayor and medical benefits for Council.

On 2018-DEC-17 a report was presented apprising Council of the new federal taxation rules associated with the elimination of the one third (1/3) tax exemption and the removal of the annual CPI increase. As this would have negatively affected Council's pay, Council passed a motion to amend the policy by adding a provision that would compensate for the 1/3 tax exemption. It also included a provision to annually apply the BC Annual Percent Consumer Price Index (CPI) to the prior year's base compensation amount to a maximum of 2% per year. At that same meeting, Council also passed a motion directing that an independent Council remuneration Task Force be established to undertake a review of Council's compensation.

On 2019-DEC-16, Council endorsed a Terms of Reference for the Task Force; however, due to the pandemic this initiative did not proceed.

On 2020-MAY-04, staff provided Council with a further update on the Task Force but because of the pandemic, economic uncertainty, and other Council priorities, Council passed a motion to discontinue and suspend indefinitely the Council Remuneration Task Force initiative and recommended that the Task Force not be established. With that direction, the Council Spending and Amenities Policy continues to govern Council's remuneration.

DISCUSSION

As outlined in section 2.1 of the policy, Staff review the population statistics of all BC Municipalities at the beginning of each Council term for the purposes of establishing 12 comparable municipalities (six above and six below the City's population). Once identified, a survey is conducted on those 12 municipalities to identify what remuneration was paid to the various Councils. The median of those results form the base compensation for Mayor and Council and then the BC CPI (based on the prior year) is applied to the base compensation (see results below). For 2022, the BC CPI was 6.9% but as per the policy, the maximum of 2% was applied. For 2023, the base compensation, including BC CPI for the Mayor is \$129,213 and \$50,997 for Councillors. For 2024 through 2026, the BC CPI (up to 2%) is applied to Mayor and Council's remuneration at the beginning of each year.

Municipality	Mayor	Councillor
New Westminster	\$ 137,645	\$ 52,940
North Vancouver (District)	\$ 129,817	\$ 51,927
Maple Ridge	\$ 124,377	\$ 49,751
Victoria	\$ 118,739	\$ 47,496
Chilliwack	\$ 125,874	\$ 46,165
Kamloops	\$ 104,089	\$ 41,636
Delta	\$ 154,264	\$ 62,788
Saanich	\$ 127,485	\$ 50,243
Langley (District)	\$ 154,557	\$ 57,186
Kelowna	\$ 113,691	\$ 38,639
Abbotsford	\$ 123,500	\$ 49,400
Richmond	\$ 198,904	\$ 90,186
Median	\$ 126,679	\$ 49,997
2% CPI	\$ 2,534	\$ 1,000
2023 Remuneration	\$ 129,213	\$ 50,997
2022 Remuneration	\$ 118,302	\$ 45,670

Conference Attendance (Proposed Amendments):

When reviewing the budget for Council's attendance at the Federation of Canadian Municipalities (FCM); Union of BC Municipalities (UBCM); and Association of Vancouver Island and Coastal Communities (AVICC) conferences for 2023, Staff identified that the expense reimbursement limits outlined in section 5.4 of the policy were not sufficient to cover the rising costs associated with attending those conferences.

The amounts identified in section 5.4 include \$3,000 to attend FCM; \$2,500 to attend UBCM; and \$1,000 to attend AVICC. These amounts are expected to cover all costs associated with attending the conferences including registration fees, hotel costs, and associated travel expenses. As noted in the chart below, the costs to attend UBCM and AVICC for 2022 exceeded the policy limits for 2022. FCM stayed within budget; however, this was because not all Council members attended.

UBCM 2022 FINAL COSTS			
Registration	Hotel	Expenses	Total
\$813.75	\$1,989.40	\$ 447.40	\$ 3,250.55
\$918.75	\$2,225.65	\$ 784.35	\$ 3,928.75
\$813.75	\$1,989.40	\$ 192.40	\$ 2,995.55
\$918.75	\$2,183.65	\$ 617.20	\$ 3,719.60
\$918.75	\$2,009.65	\$ 629.84	\$ 3,558.24
\$813.75	\$1,815.40	\$ 591.07	\$ 3,220.22
\$918.75	\$2,009.65	\$ 645.59	\$ 3,573.99
\$813.75	\$1,668.61	\$ 624.50	\$ 3,106.86
\$ 6,930.00	\$ 15,891.41	\$4,532.35	\$ 27,353.76

Budget for UBCM 2022 is \$2,500 each = \$22,500.	\$27,353.76
Budget for AVICC 2022 is \$1,000 each = \$ 9,000.	(\$11,140.80)
Budget for FCM 2022 is \$3,000 each = \$27,000.	(\$ 6,353.93)
Total conference budget 2022 is	\$58,500.
	\$44,848.49

**Note above: One Councillor did not attend

As section 3.2 of the policy already authorizes which out-of-town conferences Council can attend, and section 5.1 provides authority for Council to claim mileage and per diem reimbursement which is authorized through the Travel Expense Administrative Policy (see Attachment 2), with the rising costs due to inflation, the amounts allocated in section 5.4 puts problematic constraints on the authority provided to Council in section 3.2 and 5.1.

Given registration and travel costs vary from year to year depending on the location of the conference, Staff is proposing that section 5.4 be removed. Instead, Staff would budget for these conferences each year based on the current year's registration fees and location. This would also provide Council with the opportunity to review the conference budget each year during budget deliberations.

The second proposed change is to add the “State of the Island” Economic Summit through the Vancouver Island Economic Alliance (VIEA) to the list of approved yearly conferences. The City is a member of VIEA so this annual conference is particularly valuable as it provides opportunities for key stakeholders to collaborate on broad-based economic activities to improve the region’s capacity for economic vitality. Costs to attend this conference are between \$550 and \$600. The conference is not identified in the policy so costs to attend have currently been coming from the \$1,000 budget outlined in section 5.2 (travel and conference activities). Once this registration fee has been paid, there is little room left for other training and professional development opportunities throughout the year. This budget also must cover the costs associated with Council attending in-town sponsored networking and appreciation events. The result is that Council is often over-budget in this area.

To assist in more accurately reflecting the costs associated with conference attendance and to mirror the reporting of Council’s expenses through the Statement of Financial Information (SOFI) report, Staff recommend the following amendments:

- add the “State of the Island” Economic Summit to the list of approved conferences. As with FCM, UBCM, and AVICC, budgeting would be based on current year’s registration fees. Travel costs are not required as the conference is hosted in Nanaimo;
- allocate a separate budget of \$750 for Council to attend in-town sponsored networking and appreciation events such as the Chamber of Commerce networking lunches, achievement award ceremonies, etc.; and
- allocate \$1,000 for each Council member to cover registration and travel costs to attend misc. training and development activities or conferences related to City business such as those offered by the Local Government Leadership Academy (LGLA) or Planning Institute of B.C.

Other proposed changes to the policy are housekeeping in nature. They include:

- Removing section 8.1. Council members no longer request filing cabinets for home use as they are provided laptops, printers, and smart phones to meet their business needs. Individual filing cabinets are also provided at City Hall if needed.
- Section 9.1 is no longer accurate as the City no longer budgets for Council contingency. The Strategic Infrastructure Reserve Fund can be used for Council initiatives and commitment of funds must be made through a Council resolution.

For those sections within the policy where budgets are not specifically identified, such as the association fees in section 7, or the monthly allowance for internet services under section 8.3, staff typically budget for the current year based on the prior year’s cost, plus 10%.

All proposed changes are identified in the policy attached to the staff report in strikethrough (where provisions are to be removed) and in red (new provisions).

OPTIONS

Option 1:

That the Finance and Audit Committee recommend that Council endorse the proposed amendments to the Council Spending and Amenities Policy as outlined in Attachment 1 to the 2023-MAY-17 report by the Deputy City Clerk.

- This option would reflect the increased costs associated with approved conferences and training opportunities and more accurately reflect the reporting of Council's expenses for the Statement of Financial Information (SOFI) report.
- Council would be able to review the conference budget annually during the budget deliberations.

Option 2:

Council direction is sought.

SUMMARY POINTS

- At the beginning of each Council term, the list of comparable municipalities is updated for the purposes of determining Council's remuneration.
- The Mayor and Council are compensated at the median rate of the twelve comparable municipalities.
- Amendments to the conference section of the policy are recommended to reflect the reporting of Council's expenses more accurately for the Statement of Financial Information (SOFI) report.

ATTACHMENTS:

Attachment 1- Council Spending and Amenities Policy – with proposed amendments
Attachment 2 - Travel Expense Policy

Submitted by:

Karen Robertson, Deputy City Clerk

Concurrence by:

Laura Mercer, Director of Finance
Sheila Gurrie, Director of Legislative Services
Jake Rudolph, CAO