

DATE OF MEETING NOVEMBER 19, 2025

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**SUBJECT COUNCIL SPENDING AND AMENITIES POLICY UPDATE**

## **OVERVIEW**

### **Purpose of Report**

To provide Council with information relating to possible updates to COU-200 Council Spending and Amenities Policy.

### **Recommendation**

That the Finance and Audit Committee recommend that Council direct Staff to proceed with one of the presented options to update the Council Spending and Amenities Policy.

## **BACKGROUND**

Council remuneration is guided by the “Council Spending and Amenities Policy (Attachment A) dated 2023-JUN-05.

The purpose of the Council Spending and Amenities Policy is to establish governance and control parameters regarding expenditures for and by elected officials. The Policy is intended to:

- Provide a consistent oversight process for expenditures for and by elected officials;
- Protect the interest of taxpayers by ensuring the City obtains the best value for its money.

At the 2023-JUN-05 Council meeting, Council approved the following Finance and Audit Committee recommendations:

*That Council remuneration be reviewed in the third year of Council’s term (2025), and that any changes begin in the next Council’s term commencing 2026.*

*That Council direct Staff to prepare a report, with options, for potentially increasing the maximum Consumer Price Index percentage rate that is annually applied to the Mayor and Council’s base rate of pay as outlined in Section 2.1 of the Council Spending and Amenities Policy.*

Under the Current Council Spending and Amenities Policy, Council remuneration consists of the following:

2. Council Remuneration

- 2.1. **Base Pay Rate** - Mayor and Council will be compensated at the median rate of twelve comparable municipalities. Such list of comparable municipalities are 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.

Council's base salaries be adjusted to compensate net pay for the 1/3 tax exemption effective 2019-JAN-01.

Annually, the BC Annual Percent Consumer Price Index will be applied to Mayor and Council's base rate of pay based on the prior year's base compensation amount, to a maximum of 2% per year.

- 2.2 **Acting Pay Rate** – The Acting Mayor will be provided acting pay at a rate of 10% of the Mayor's base compensation.

Additionally, at the 2024-APR-08 Council Meeting, Council approved the following motions:

*That Council direct Staff to bring a report to the Advisory Committee on Accessibility and Inclusion exploring options for reimbursement for dependent expenses incurred by City of Nanaimo appointed committee members to attend scheduled committee meetings*

*That Council direct Staff to include background information and a decision point in the 2025 Council Remuneration discussion related to the reimbursement of dependent care costs for members to attend official City of Nanaimo meetings.*

Currently there are no provisions within the Council Spending and Amenities Policy that allow for reimbursement of dependent care costs.

This report will outline information relating to Council members' remuneration and reimbursement only. A report will be going to the Advisory Committee on Accessibility and Inclusion in early 2026 to discuss reimbursement for non-Council Committee members. ]

## DISCUSSION

### Council Remuneration – Best Practices

In 2019, the Union of British Columbia Municipalities (UBCM) issued a Council & Board Remuneration Guide (ATTACHMENT B). Best practices outlined in this guide relating to remuneration rates are:

### **Conducting Reviews:**

- *Local governments should consider establishing an independent task force to conduct reviews of elected official remuneration.*

On 2018-DEC-17 a staff report on Council remuneration was presented with Council endorsing the following:

1. Adjusting base Council salaries to compensate for new federal taxation rules that would have negatively affected Council's pay due to the elimination of the one third (1/3) tax exemption that Council had previously received.
2. Adding 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. This practice had previously been eliminated with the adoption of the Council Spending and Amenities Policy in 2016.
3. 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.

Currently, City Staff undertake the review of Council remuneration. This is a cost-effective method however, Staff could be perceived as being less-than-independent.

### **Timing and Frequency:**

- *Local governments should consider conducting remuneration reviews, and reporting the results, at least one year before the next election.*
- *Local governments should consider conducting remuneration reviews once per term.*
- *Local governments should consider setting out the timing for subsequent reviews in remuneration policies or bylaws.*
- *Local governments should consider including in their policies or bylaws provision for an automatic cost-of-living adjustment, using the CPI, to elected officials' base remuneration.*
- *Local governments should consider having changes to base levels, determined through remuneration reviews, take effect at the beginning of the following term.*

These are all current practice as outlined in the City's Council Spending and Amenities Policy.

**Setting Remuneration:**

- *Local governments should consider using base remuneration paid to elected officials in similar local government jurisdictions as the preferred basis for determining remuneration.*
- *Local governments should consider establishing comparison groups using population, combined — as deemed necessary — with other factors that influence elected official workload and level of responsibility.*
- *Local governments should consider including at least five jurisdictions (preferably more) in the comparison groups.*
- *Local governments should consider using simple formulas that make the calculation of remuneration levels as straightforward as possible, easy to explain, and easy to understand.*

These are all current practice as outlined in the City’s Council Spending and Amenities Policy.

**Council Base Remuneration**

As per the Council Spending and Amenities Policy, Staff undertook a survey of twelve (12) comparable municipalities in the summer of 2025 (ATTACHMENT C). Based on these results, the Council remuneration rates for 2025 are as follows:

<b>Municipality</b>	<b>Mayor</b>	<b>Councillor</b>
New Westminster	\$ 152,973	\$ 58,836
North Vancouver (District)	\$ 162,091	\$ 64,836
Maple Ridge	\$ 142,149	\$ 56,859
Victoria	\$ 283,067	\$ 53,076
Chilliwack	\$ 139,807	\$ 51,275
Kamloops	\$ 139,502	\$ 55,801
Delta	\$ 187,998	\$ 79,999
Saanich	\$ 151,337	\$ 61,446
Langley (District)	\$ 158,410	\$ 58,612
Kelowna	\$ 145,200	\$ 58,080
Coquitlam	\$ 212,500	\$ 84,700
Abbotsford	\$ 147,250	\$ 58,900
Median of above	\$ 152,155	\$ 58,724
Add: 10% Acting Pay	\$ -	\$ 1,902
<b>Median Salaries - 2025</b>	<b>\$ 152,155</b>	<b>\$ 60,626</b>

Unless other direction is given, the remuneration increases for Mayor and Council will take effect after the 2026 municipal election. Under the current Policy, the maximum budget increase for 2026 wages, excluding benefits, would be \$12,936 and this includes a 2% BC CPI increase.

	START: 2025-JAN-01				START: 2025-NOV-01 - NEW Council		
	Mayor	Councillor	Total		Mayor	Councillor	Total
2025 Current Salary	\$ -	\$ -		2025 Current Salary: Jan - Oct	\$ 112,460	\$ 44,380	
2025 Median Salary - Full Yr	\$ 152,155	\$ 60,626		2025 Median Salary: Nov-Dec	\$ 25,360	\$ 10,104	
2% CPI BC Cap Increase	\$ 3,043	\$ 1,213		2% CPI BC Cap Increase	\$ 2,756	\$ 1,090	
2026 Salaries - Maximum	\$ 155,198	\$ 61,839		2026 Salaries - Maximum	\$ 140,576	\$ 55,574	
2026 Salaries - Budgeted	\$ 137,648	\$ 54,323		2026 Salaries - Budgeted	\$ 137,648	\$ 54,323	
2026 Budget Increase	\$ 17,550	\$ 7,516		2026 Budget Increase	\$ 2,928	\$ 1,251	
No. of Members	1	8		No. of Members	1	8	
<b>Estimated 2026 Increase</b>	<b>\$ 17,550</b>	<b>\$ 60,128</b>	<b>\$ 77,678</b>	<b>Estimated 2026 Increase</b>	<b>\$ 2,928</b>	<b>\$ 10,008</b>	<b>\$ 12,936</b>

### Annual Adjustments

In the 2019 UBCM Council & Board Remuneration Guide, best practice is that local governments consider including in their policies or bylaws provision for an automatic cost-of-living adjustment, using CPI, to elected officials' base remuneration.

Effective 2019-JAN-01, the City implemented the provision in the COU-200 Council Spending and Amenities Policy to annually revise the base compensation for Mayor and Council by applying the BC Annual Percent CPI to the prior year's base remuneration amount, to a maximum of 2% per year.

Per the UBCM guide, on between review years, it is common for councils and boards with policies and/or bylaws in place to automatically adjust elected officials' pay to reflect changes in the cost of living. In almost every case the previous year's CPI for BC, Vancouver or Victoria is the adjustment factor that is applied. Other indices, it states, include annual increases to general wages in BC and increases to unionized or exempt staff wages.

Based on the 12 comparable municipalities Staff surveyed, eight (8) of them used some sort of CPI adjustment in the years outside of the review year. While Nanaimo applies the BC Annual Percentage CPI to a maximum of 2% per year, most of the municipalities surveyed did not have a cap on CPI. ATTACHMENT D summarizes the survey results pertaining to annual adjustments.

Historical, BC CPI (Annual Percentage Change) rates:

Year	BC CPI Rate	Nanaimo Rate Used
2024	2.6	2.0
2023	3.9	2.0
2022	6.9	Review Yr
2021	2.8	2.0
2020	0.8	0.8

### Cost implication examples:

For 2025, if the BC CPI 2% cap was not in place the increased cost to the City would have been \$3,287. Alternatively, if the annual BC CPI was at 6.9% like in 2022, the cost increase would have been \$26,850. The annual average CPI change since 2000 is 2.02%. (See ATTACHMENT D for cost calculations).

### **Dependant Care Reimbursement**

Currently the City does not offer reimbursement for dependant care expenses for Council or Committee members. However, Council has asked staff to gather background information and present potential options for consideration.

A “caregiver policy for members of Council” generally aims to support Council members who are also caregivers, ensuring they can fulfill their duties without undue hardship.

In the 2019 UBCM Council & Board Remuneration Guide, childcare expenses were listed as an emerging expense to be looked at to ensure that costs do not become barriers to participate in local government. The recommended best practices in that guide suggest that local governments should periodically re-examine decision on eligibility to ensure that the list of eligible expenses evolve to reflect changing needs and to reduce barriers to participation.

In 2022, UBCM published a Policy Briefing Note on Childcare Expense Policy for City Councillors in Northwestern British Columbia (ATTACHMENT E). The document explores the suggestion that of the lack of childcare expense policies available to many city councillors acts as a significant barrier to women’s political participation within municipal institutions. According to the briefing note, women continue to be underrepresented at all levels of Canadian government and face a variety of systemic barriers to their meaningful participation. It states that if municipalities wish to decrease barriers to diverse women’s participation and representation, they should investigate how they can go about covering childcare-related expenses through the development of an adequate childcare policy.

The briefing note identifies several municipalities that currently have a childcare or caregiver policy. Staff undertook a review of municipalities that reimburse Council members for caregiver or dependant care expenses and these are summarized in ATTACHMENT F.

There are very few municipalities in BC that provide reimbursement for dependant/child care costs to members of Council and only three (3) of the City’s twelve (12) comparable municipalities have a policy. With the ones that do provide reimbursement, there is a varied approach in doing so. In addition, there were six (6) municipalities from across Canada that had specific policies for dependant or child care reimbursement. Again, like the BC policies, there was no consistent method followed.

Cost implications, depending on the method chosen and how many Council members used the policy, could range from \$0 to \$14,920 per Council member for dependant care reimbursement if Council chose to cover attendance at Council and Committee meetings. If Council wanted to pursue a policy, they could choose to have a cap on the amount paid for reimbursement (by meeting or per annum) to limit the cost impact to the City. Based on the Province childcare maximum reimbursement of \$60 per day, the cost to the City would be estimated between \$0 and \$5,700. (See ATTACHMENT F for cost calculations).

## **Potential Options for Consideration**

### **Option #1 - Status Quo**

- a. Increase Mayor and Council salaries to median rates based on the 2025 Remuneration survey as per the current Council Spending and Amenities Policy effective 2026-NOV-01.
- b. Continue 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 as per the current Council Spending and Amenities Policy.
- c. Provide no reimbursement for Dependant Care expenses to Mayor and Council.
  - The advantages of this option:
    - The only impact to the budget is the salary adjustment based on the 2025 compensation survey that was completed per the existing policy.
  - The disadvantages of this option:
    - Council member remuneration may not keep exact pace with inflationary changes.
    - Not providing dependent care reimbursement could be perceived as a barrier for women entering into municipal government.
  - Financial Implications:
    - Based on the results of the Council Remuneration Survey, the maximum budget impact for Council salary increases, excluding benefits, will be \$12,936 for 2026 based on a 2026-NOV-01 start date. This will be funded from property taxation.

### **Option #2 – Annual Increases Based on BC CPI**

- a. Increase Mayor and Council salaries to median rates based on the 2025 Remuneration survey as per the current Council Spending and Amenities Policy effective 2026-NOV-01.
- b. Eliminate the maximum 2% BC CPI cap for annual adjustments to Mayor and Council salaries and update the Council Spending and Amenities Policy to reflect annual increases for Mayor and Council salaries to be the BC CPI.
- c. Provide no reimbursement for Dependant/Child Care expenses to Mayor and Council
  - The advantages of this option:
    - Council member remuneration will keep pace with inflationary changes.
  - The disadvantages of this option:
    - The maximum budget impact will not be known and could be prone to fluctuating swings in CPI BC rates.
    - Not providing dependent care reimbursement could be perceived as a barrier for women entering into municipal government.
  - Financial Implications:
    - If the CPI for BC is 2% for 2025, based on the results of the Council Remuneration Survey, the budget impact for Council salary increases, excluding benefits, will be \$12,936 for 2026 based on a 2026-NOV-01 start date. However, if the CPI for BC is greater than 2%, the budget increase will be higher. This will be funded from property taxation.

Option #3 – Annual Increases Based on BC CPI Capped at 3%

- a. Increase Mayor and Council salaries to median rates based on the 2025 Remuneration survey as per the current Council Spending and Amenities Policy effective 2026-NOV-01.
- b. Increase the maximum BC CPI cap to 3% for annual adjustments to Mayor and Council salaries and update the Council Spending and Amenities Policy to reflect this change.
- c. Provide no reimbursement for Dependant/Child Care expenses to Mayor and Council
  - The advantages of this option:
    - Council member remuneration will likely keep pace with inflationary changes.
  - The disadvantages of this option:
    - The maximum budget impact will not be known and could be prone to fluctuating swings in CPI BC rates.
    - Not providing dependent care reimbursement could be perceived as a barrier for women entering into municipal government.
  - Financial Implications:
    - If the CPI for BC is 3% for 2025, based on the results of the Council Remuneration Survey, the maximum budget impact for Council salary increases, excluding benefits, will be \$18,675 for 2026 based on a 2026-NOV-01 start date. This will be funded from property taxation.

Option #4 – Annual Increases Based on BC CPI and to Implement a Dependant Care Policy.

- a. Increase Mayor and Council salaries to median rates based on the 2025 Remuneration survey as per the current Council Spending and Amenities Policy effective 2026-NOV-01.
- b. Eliminate the maximum 2% BC CPI cap for annual adjustments to Mayor and Council salaries and update the Council Spending and Amenities Policy to reflect annual increases for Mayor and Council salaries to be the BC CPI.
- c. Direct staff to return to the Finance and Audit Committee with a Dependent Care Policy to provide guidance on reimbursing Council members at \$60 per meeting for dependent care costs to attend Council and Committee meetings.
  - The advantages of this option:
    - Council member remuneration will keep pace with inflationary changes.
    - By providing dependent care reimbursement the City would potentially remove barriers for women entering into municipal government.
    - Providing a set reimbursement rate per meeting provides simplicity to the administrative process while still providing benefit.
  - The disadvantages of this option:
    - The maximum budget impact will not be known in advance each year. The increase could be prone to fluctuating swings in CPI BC rates and the number of Council members accessing the dependent care reimbursement benefit.
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  - Financial Implications:
    - If the CPI for BC is 2% for 2025, based on the results of the Council Remuneration Survey, the budget impact for Council salary increases, excluding benefits, will be \$12,936 for 2026 based on a 2026-NOV-01 start date. If the CPI for BC is greater than 2%, the budget increase will be higher.
    - Additional upwards pressure will be put on the property tax increase if Council chooses to reimburse dependent care costs. This amount will vary depending how many members of Council access the benefit. The annual cost impact

could range from \$0 to \$5,700 per Council member depending on what select committee(s) they are on.

- These increases will be funded from property taxation.

**Option #5 – Annual Increases Based on BC CPI Capped at 3% and Implement a Dependant Care Policy.**

- a. Increase Mayor and Council salaries to median rates based on the 2025 Remuneration survey as per the current Council Spending and Amenities Policy effective 2026-NOV-01.
- b. Increase the maximum BC CPI cap to 3% for annual adjustments to Mayor and Council salaries and update the Council Spending and Amenities Policy to this change.
- c. Direct staff to return to the Finance and Audit Committee with a Dependent Care Policy to provide guidance on reimbursing Council members at \$60 per meeting for dependent care costs to attend Council and Committee meetings.
  - The advantages of this option:
    - Council member remuneration will likely keep pace with inflationary changes.
    - By providing dependent care reimbursement could be seen to be removing barriers for women entering into municipal government.
    - Providing a set reimbursement rate per meeting provides simplicity to the administrative process while still providing benefit.
  - The disadvantages of this option:
    - The budget impact will result in an increase if CPI is between 2% and 3%. As well, there will be an increase if Council members take advantage of the dependent care reimbursement option.
  - Financial Implications:
    - If the CPI for BC is 3% for 2025, based on the results of the Council Remuneration Survey, the maximum budget impact for Mayor and Council salary increases, excluding benefits, will be \$18,675 for 2026 based on a 2026-NOV-01 start date.
    - Additional upwards pressure will be put on the property tax increase if Council chooses to reimburse dependent care costs. This amount will vary depending how many members of Council access the policy. The annual cost impact could range from \$0 to \$5,700 per Council member depending on what select committee(s) they are on.
    - These increases will be funded from property taxation. |

**OPTIONS**

1. | That the Finance and Audit Committee direct staff to proceed with the option to:
  - a. Increase Mayor and Council salaries to median rates based on the 2025 Remuneration survey as per the current Council Spending and Amenities Policy effective 2026-NOV-01.
  - b. Increase the maximum BC CPI cap to 3% for annual adjustments to Mayor and Council salaries and update the Council Spending and Amenities Policy to reflect this change.
  - c. Direct staff to return to the Finance and Audit Committee with a Dependent Care Policy to provide guidance on reimbursing Council members \$60 per meeting for dependent care costs to attend Council and Committee meetings.

- The advantages of this option:
  - Council member remuneration will likely keep pace with inflationary changes.
  - By providing dependent care reimbursement the City would potentially remove barriers for women entering into municipal government.
  - Providing a set reimbursement rate per meeting provides simplicity to the administrative process while still providing benefit.
- The disadvantages of this option:
  - The budget impact will result in an increase if CPI is between 2% and 3%. As well, there will be an increase if Council members take advantage of the dependent care reimbursement option.
- Financial Implications:
  - If the CPI for BC is 3% for 2025, based on the results of the Council Remuneration Survey, the maximum budget impact for Mayor and Council salary increases, excluding benefits, will be \$18,675 for 2026 based on a 2026-NOV-01 start date.
  - Additional upwards pressure will be put on the property tax increase if Council chooses to reimburse dependent care costs. This amount will vary depending how many members of Council access the policy. The annual cost impact could range from \$0 to \$5,700 per Council member depending on what select committee(s) they are on.
  - These increases will be funded from property taxation.

2. That the Finance and Audit Committed provide alternative direction.

### **SUMMARY POINTS**

- At the 2023-JUN-05 Council meeting, Council approved motions for Staff to perform a Council remuneration review in 2025 and present options on increasing the maximum CPI BC cap on Council remuneration.
- At the 2024-APR-08 Council meeting, Council approved a motion for Staff to provide background and decision points related to the reimbursement of dependent care costs for Council members.
- Staff undertook the Council Remuneration Survey the summer of 2025.
- The survey results in a potential maximum budget increase of \$12,936 for wages for Council remuneration based on the median of the twelve (12) comparable municipalities based on a 2026-NOV-01 start date.
- Currently, outside of the survey years, Council remuneration is increased by the CPI for BC to a maximum of 2%. The survey results showed eight (8) of the twelve (12) comparable municipalities used CPI in between review years but none had a maximum cap on the percentage increase.
- Currently the City of Nanaimo does not have a dependent care reimbursement policy for Council members. A review of municipalities across BC and Canada showed that there are a few municipalities that do have a policy but there wasn't a consistent calculation methodology used.

**ATTACHMENTS:**

- ATTACHMENT A: COU-200 Council Spending and Amenities Policy
- ATTACHMENT B: UBCM: Council & Board Remuneration Guide
- ATTACHMENT C: 2025 Council Remuneration Survey Results - Remuneration
- ATTACHMENT D: 2025 Council Remuneration Survey Results – Annual Pay Adjustment
- ATTACHMENT E: UBCM: Policy Briefing Note: Childcare Expense Policy for City Councillors in Northwestern British Columbia
- ATTACHMENT F: 2025 Council Remuneration Survey Results – Child Care Reimbursement |

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