



AGENDA
Advisory Committee on Council Remuneration
Tuesday, June 5, 2018, 8:30 a.m.
5th Floor Board Room, City Hall

A. COMMENCEMENT

B. ADOPTION OF AGENDA

C. ADOPTION OF MINUTES

C.1 Minutes of the Advisory Committee on Council Remuneration meeting held May 28, 2018

D. NEW BUSINESS

D.1 Review of the following documents:

- Council Remuneration Survey, Final Report dated November 2, 2017 from Sainas Consult Inc.;
- Draft Committee Report to Council dated May 31, 2018 prepared by Chair, Cori Ramsay;
- Potential Remuneration Options received May 31, 2018 from Committee Member Harvey Smerychynski; and
- Remuneration scenarios requested by the Committee at their meeting held May 28, 2018.

E. INFORMATION ITEMS

E.1 Next Meeting Scheduled: Monday, June 11, 2018 at 9:00 a.m. – 2nd Floor Conference Room

F. ADJOURNMENT

Please confirm your attendance by contacting Leslie Jackson, Legislative Coordinator at
(250) 561-7655 or leslie.jackson@princegeorge.ca

ADVISORY COMMITTEE ON COUNCIL REMUNERATION

Minutes of the City of Prince George Advisory Committee on Council Remuneration meeting, held in the, 5th Floor Board Room, City Hall, 1100 Patricia Boulevard, Prince George, BC, on May 28, 2018 at 9:00 a.m.

PRESENT:

Ms. Cori Ramsay, Chair; Mr. Tim Drummond; Ms. Lee-Ann Mowbray; Ms. Heather Sanford; and Mr. Harvey Smerychynski.

IN ATTENDANCE:

Ms. Rae-Ann Emery, Director of Human Resources/Staff Liaison; Ms. Tami Wicki, Supervisor of Payroll and Benefits/Staff Liaison; Ms. Maureen Connelly, Manager of Legislative Services/Staff Liaison; and Ms. Leslie Jackson, Legislative Coordinator.

A. Commencement

The meeting was called to order at 9:03 a.m.

B. Adoption of Agenda

Moved by Ms. Mowbray, seconded by Mr. Smerychynski, that the agenda for the May 28, 2018 Advisory Committee on Council Remuneration, BE ADOPTED.

Carried Unanimously

C. Adoption of Minutes

C.1 Committee Minutes from the meeting held May 17, 2018

Moved by Ms. Mowbray, seconded by Mr. Smerychynski, that the Advisory Committee on Council Remuneration minutes from the meeting held April 30, 2018, be amended in item D.1 to read:

“The Committee reviewed the City of Prince George Training and Development administrative procedure and discussed that Mayor and Council be eligible for the same provisions as Staff”,

and that the minutes, BE ADOPTED AS AMENDED.

Carried Unanimously

D. New Business

D.1 Continued Review of Council Remuneration Survey – Final Report dated November 2, 2017 from Sainas Consult Inc.

The Committee inquired why the City of Coquitlam is no longer included in the peer municipality group as it was in 2011 and 2014. Ms. Emery noted that as the City of Coquitlam is used in the management salary review, it should not be an issue to refer to this municipality as a peer municipality when reviewing Council remuneration.

A draft report to Council containing recommendations regarding remuneration, per diem, expenses, medical, dental and life insurance benefit, technology allowance, review of peer municipalities and expense claim form, prepared by Ms. Ramsay, was circulated to the Committee for review.

Discussion commenced regarding:

- one-time adjustment to the Mayor and Councillor remuneration to account for the loss of the tax-free allowance as of January 1, 2019;
- adjustment to the Mayor's remuneration to maintain the salary among the average of the peer municipalities outlined in Bylaw No. 8414;
- adjustment to the Councillor remuneration;
- amending the allowable annual expenses to include community events, training and development and membership dues/association fees;
- increasing the monthly rate associated with the Mayor's reimbursement for use of a personal vehicle for the discharge of the duties of the office;
- including the City of Coquitlam on the list of peer municipalities when reviewing Council remuneration; and
- recommendations regarding the Travel Claim Form.

Ms. Connelly, Ms. Emery and Ms. Wicki responded to questions of the Committee.

E. Information Items

E.1 Next Meeting Date

The next scheduled meeting of the Committee is on Tuesday, June 5, 2018 at 9:00 a.m. in the 5th Floor Board Room at City Hall.

F. Adjournment

Moved by Ms. Sanford, seconded by Mr. Drummond, that the Advisory Committee on Council Remuneration meeting BE ADJOURNED.

Carried Unanimously

THE ADVISORY COMMITTEE ON COUNCIL REMUNERATION MEETING ADJOURNED AT 10:17 a.m.

Ms. Cori Ramsay, Chair

Ms. Leslie Jackson,
Legislative Coordinator

CERTIFIED CORRECT

City of Prince George

Review of Council Remuneration

November 2, 2017

Sainas Consult Inc.

Direct 604.221.9155
Cell 604.831.4205
Toll-free fax 1. 866.799.7884
email kathys@sainasconsult.com

November 2, 2017

CONFIDENTIAL

Ms. Rae-Ann Emery
Director, Human Resources
City of Prince George
1100 Patricia Boulevard
Prince George, BC
V2L 3V9

Via email: Rae-Ann.Emery@princegeorge.ca

Dear Ms. Emery:

Re: Survey of Council Remuneration

We are pleased to present our report on the survey of Mayor and Council remuneration conducted on behalf of the City of Prince George.

We look forward to discussing this report with you. If you have any questions in the meantime, please call.

Yours truly,

SAINAS CONSULT INC.



Katherine M. Sainas

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INTRODUCTION

The City of Prince George retained Sainas Consult Inc. to undertake a review of Council remuneration.

The project involved a survey of a number of comparison municipalities for the following information as it pertains to the Mayor and Councillor positions:

- Annual salary;
- Acting Mayor pay;
- Vehicle allowance;
- Technology allowance;
- Incidence and cost-sharing of group benefits;
- Per Diems;
- Any other allowances or benefits; and,
- Approaches for determining adjustments to pay;

The comparison municipalities are shown in the table below, along with 2016 population and 2016 consolidated expenses.

Municipality	2016 Census Population	2016 Consolidated Expenses
City of Kelowna	127,380	260,037,142
Township of Langley	117,285	210,753,000
District of Saanich	114,148	174,538,178
City of Delta	102,238	209,040,298
City of Nanaimo	90,504	154,528,709
City of Kamloops	90,280	182,802,135
District of North Vancouver	85,935	167,823,823
City of Victoria	85,792	188,016,605
City of Chilliwack	83,788	112,203,597
Average	99,706	184,415,943
25th percentile	85,935	167,823,823
Median	90,504	182,802,135
75th percentile	114,148	209,040,298
City of Prince George	74,003	150,792,000

Each of the municipalities was sent a questionnaire seeking the desired information. Where required, we followed up with the participants to ensure the data was current and complete. We then tabulated and analyzed the data, and prepared this report.

The data collected in the survey is current as at September 2017. The municipalities all have the same number of elected officials.

SURVEY FINDINGS

This section contains the results of the survey.

COUNCIL MEMBER 2017 SALARY

The annual 2017 Mayor and Councillor annual salaries are shown in the table below.

Municipality	Mayor	Councillor
City of Kelowna	\$93,663	\$32,782
Township of Langley	\$115,011	\$46,004
District of Saanich	\$101,106	\$40,618
City of Delta	\$118,874	\$50,470
City of Nanaimo	\$95,103	\$35,447
City of Kamloops	\$90,594	\$36,237
District of North Vancouver	\$101,487	\$40,149
City of Victoria	\$100,911	\$40,364
City of Chilliwack	\$96,009	\$35,809
Average	\$101,417	\$39,764
25th percentile	\$95,103	\$35,809
Median	\$100,911	\$40,149
75th percentile	\$101,487	\$40,618
City of Prince George	\$98,826	\$32,936

For all of the municipalities, one-third of Council members' remuneration is deemed as an allowance for expenses and is thus tax-free.

Across the comparison municipalities, Councillors' salaries range from 35% to 42.5% of the Mayors' salaries, with a median of 40%.

We analyzed the data based on size of population. Amongst the comparison group as a whole, there does not appear to be a correlation between population size and Mayor or Councillor salaries.

We created two comparison groups by separating the four Lower Mainland/Fraser Valley municipalities from the other five BC municipalities to determine the extent of regional differences. The following table presents the average population, consolidated expenses, and Mayor and Councillor salaries for each group.

Comparison Group	Average 2016 Census Population	Average 2016 Consolidated Expenses	Average 2017 Mayor Salary	Average 2017 Councillor Salary
Lower Mainland/Fraser Valley	97,312	174,955,180	\$107,845	\$43,108
Other BC	101,621	191,984,554	\$96,275	\$37,090
ALL	99,706	184,415,943	\$101,417	\$39,764
City of Prince George	74,003	150,792,000	\$98,826	\$32,936

ACTING MAYOR PAY

Three municipalities do not have a policy to provide additional pay to Councillors for acting as Mayor.

Four municipalities provide an additional 10% of the Mayor's base pay to Councillors for the period as Acting Mayor.

Two provide additional pay – average of \$675 per month.

The City of Prince George does not provide additional remuneration to Councillors for serving as acting Mayor.

VEHICLE ALLOWANCES

Vehicle or vehicle allowances are provided to the Mayors at four of the comparison municipalities, and they range from a monthly allowance of \$850 to \$1394, with an average of \$1065. Two of the municipalities extend car allowances to Councillors, with an average monthly allowance of \$602.

The City of Prince George provides the Mayor with a monthly vehicle allowance of \$325.

GROUP BENEFITS

The benefits that are provided to staff are typically available to Council members. However, not all municipalities pay the premiums for Council members.

Benefits	Mayor	Councillors
MSP, Extended Health, Dental	4 municipalities pay 100% of the premiums 2 municipalities pay 50% of the premiums 1 municipality requires the Mayor to pay the premiums	3 municipalities pay 100% of the premiums 2 municipalities pay 50% of the premiums 3 municipalities require the Councillors to pay the premiums

Accident insurance is typically fully paid by the municipality.

The City of Prince George offers BC Medical and extended health, including dental, to the Mayor and Councillors. The Mayor's premiums are 100% paid by the City; the Councillors pay their own premiums.

APPROACHES FOR DETERMINING ADJUSTMENTS TO COUNCIL MEMBER SALARIES

Most of the comparison municipalities set their Council remuneration based on a review of other municipalities that are similar in size. For this, they typically conduct a market survey of their comparison municipalities every three to five years, although some do this annually.

For adjustments during the years in between the more comprehensive reviews, the municipalities typically make annual adjustments based on consumer price index increases.

Eight of the comparison municipalities adjusted their Council member remuneration for 2017; one municipality maintained the 2016 rates.

EXPENSES

Typically, Council members are reimbursed for meals, mileage, and other reasonable expenses while engaged in official municipal business. Most have an expense policy that is consistent with the staff policy. Per diems range from \$60 to \$80, with a median of \$70.

The City of Prince George has a per diem of \$75.

TAX-FREE ALLOWANCE

As noted earlier, one-third of the remuneration for elected officials is received as a tax-free allowance for income tax purposes. The allowance is meant to offset the expenses related to carrying out the duties of elected office, and relieves the elected official from having to maintain detailed records of business expenses which would then be deducted from income for tax purposes.

This provision will change in the 2019 tax year, when all remuneration paid to elected officials will be subject to personal income tax.

In our discussions with the comparison organizations, they indicated that they either have not decided how they will address the issue, or have not discussed it yet. Research into the approaches taken by other jurisdictions outside the province suggests that two main options are to:

- Leave the remuneration level as is, and have elected officials itemize and deduct actual business expenses; or,
- Gross up the remuneration to maintain the same level as prior to the tax change.

As any changes will involve tax impacts for the Council members and cost implications for the City, the City of Prince George may wish to wait and see what approach other local government organizations are planning to take.

SUMMARY OF THE MARKET FINDINGS

The salary for the City of Prince George Mayor is close to the middle of the overall comparison market, and competitive when compared with the average Mayor salary at municipalities outside of the Lower Mainland/Fraser Valley.

The Councillor salary, however, is about 20% lower than the average of the Councillor group as a whole, and about 13% lower than the average salary for Councillors outside of the Lower Mainland/Fraser Valley. We note that the ratio of Councillor to Mayor salary at the City of Prince George is approximately 33%, while the average ratio at the comparison municipalities is 39-40%.

The vehicle allowance for the Mayor of Prince George is lower for the than that provided to the other Mayors that receive them; however half do not receive a vehicle allowance.

CITY OF PRINCE GEORGE

Advisory Committee on Council Remuneration

COMMITTEE REPORT TO COUNCIL

Date: June 28, 2018
To: Mayor and Council
From: Advisory Committee on Council Remuneration
Subject: 2018 Council Remuneration Review
Attachments:

1. City of Prince George Review of Council Remuneration – Sainas Consult Inc.
-

Recommendations:

Remuneration:

1. Due to the loss of the tax-free allowance for elected officials, it is recommended that a one-time exemption be made to Mayor and Councillor remuneration so as to remain at the current remuneration level:
 - a. That the 2018 Mayor remuneration be increased one time by 26%;
 - b. That the 2018 Councillor remuneration be increased one time by 14%;
2. That Mayor remuneration before the annual adjustment be increased to...
3. That the 2018 Councillor remuneration remain at one third of Mayor remuneration;
 - a. That effective January 1, 2019, Councillor remuneration be set at 35% of Mayor remuneration;
 - b. That effective January 1, 2020, Councillor remuneration be set at 37.5% of Mayor remuneration;
 - c. That effective January 1, 2021, Councillor remuneration be set at 40% of Mayor remuneration.
4. Acting Mayor Remuneration: if the Mayor goes on short or long term disability, or is unable to fulfill duties for one (1) consecutive month due to illness, that the acting Mayor be paid the Mayor's remuneration.
5. That beginning in 2019 and in each year thereafter, an annual adjustment be applied to Mayor and Councillor remuneration, effective January 1 of that year, which is the lesser of:
 - a. The annual percent wage increase applied to City of Prince George exempt staff salaries;
OR
 - b. The average of the wage settlement for the fourth quarter for the previous year, and the average of the wage settlement for the first, second and third year quarter of the current year for the public administration industry as published by the Public Service Canada.

Per Diem:

6. That the current remuneration cost remain unchanged;

Expenses:

7. That Councillors continue to be eligible for up to \$6000 per year for annual expenses, and that the provisions regarding reimbursement for expenses set out in Section 4.1 of the City of Prince George Council Remuneration Bylaw 8414, 2012 be **amended to include community events, as well as training and development, and membership dues/association fees relevant to, or provided by:**
 - a. Federation of Canadian Municipalities (FMC),
 - b. Federation of Canadian Municipalities Sustainable Communities (FCMSC),
 - c. Union of British Columbia Municipalities (UBCM),
 - d. Local Government Leadership Academy (LGLA), and
 - e. Any other organization which offers seminars for newly elected officials.
8. That members of Council continue to be reimbursed for the personal use of their vehicles for out of town travel undertaken in accordance with Section 4.1 of the City of Prince George Council Remuneration Bylaw 8414, 2012, at the automobile allowance rate set by Canada Revenue Agency.
9. That the Mayor continue to be reimbursed for the use of a personal vehicle for the discharge of the duties of the office under section 4.4 of Bylaw 8414, 2012 and that the monthly rate be increased to **\$1065.**

Medical, dental, and Life Insurance Benefit:

10. That the Mayor continue to receive the same benefit plan coverage as City of Prince George exempt staff.
11. That the existing benefit plan coverage for Councillors set out in Section 5.2 of the Council Remuneration Bylaw 8414, 2012 be continued unchanged.

Technology Allowance:

12. That members of Council continue to be provided, as soon as practical after election, their choice of either:
 - a. A computing device, including technical support provided by the City of Prince George, to be used by the Council member for their current term of office; OR
 - b. A technology allowance equal to the budget allocated by the City of Prince George for a computing device, not including technical support provided by the City of Prince George.

Review:

13. That a review of Mayor and Councillor Remuneration, benefits, and expense reimbursement in comparison to peer municipalities continue to be conducted by an advisory committee comprised of members of the public by the 2nd quarter of the last year of each Council's term.
14. That the peer municipalities to be considered for the review include:
 - a. City of Kelowna;
 - b. District of Saanich;
 - c. Township of Langley;
 - d. Corporation of Delta;
 - e. City of Kamloops;
 - f. District of North Vancouver;

- g. City of Nanaimo;
- h. City of Victoria; and
- i. City of Chilliwack.

Expense Claim Form:

15. That 'Appendix A Travel Claim Form' be removed from Bylaw 8414, 2012 and instead all references (4.5, 4.6, 4.7) direct individuals to the Expense Form in the 'City of Prince George Administrative Procedure: Transportation Program' so that staff may update the expense form annually as required.
 - a. That section 4.5 and 4.6 of the Bylaw 8414, 2012 be amended to instead refer to the 'City of Prince George Administrative Procedure: Transportation Program';
 - b. That section 4.7 of the Bylaw 8414, 2012 be amended to:
 - c. Council members shall submit a quarterly report summarizing related expense activities to be included in a regular Council agenda OR online;
 16. That Triennial review be changed to Quadrennial review.
-

Background:

Council created the Advisory Committee on Council Remuneration (the Committee), and approved the Committee Terms of Reference on April 28, 2014. The City of Prince George Council Remuneration Bylaw 8414, 2012 (the Bylaw) requires that the Committee complete its work by June 30, 2018.

Council appointed Cori Ramsay, Tim Drummond, Lee-Ann Mowbray, Heather Sanford and Harvey Smerychynski from applications submitted, to serve on the committee.

The Committee met on five occasions to review material and discuss the matters referred to it by Council. The Committee predicated its recommendations on the premise that service on Council is primarily public service, and that remuneration, expense allowances, and benefits be reasonable and be consistent with public expectation.

This report contains the findings and recommendations of the Committee.

Discussion

The Committee reviewed the peer municipalities for upcoming changes to the tax allowance; however, none have currently identified the strategy being taken to adjust compensation; the City of Port Coquitlam was reviewed, despite being out of scope of the terms of reference, as the municipality announced the direction they were taking during the Committee's term. Many peer municipalities are waiting to see how other municipalities will react to the change prior to making adjustments, which puts the City of Prince George in the position of being a trend setter for municipalities across the province.

Remuneration:

The Committee reviewed Mayor and Council remuneration from comparator municipalities shown on the table below, derived from Sainas Consult Inc. The table also shows the effect that the Committee recommendations would have on the ranking of Mayor and Councillor remuneration, assuming no significant changes by comparator municipalities.

Municipality	Population (based on 2016 Census)	2017 Mayor Annual Remuneration	Rank		2017 Councillor Annual Remuneration	Rank		Councillor % of Mayor	Annual Adjustment	Acting Mayor
Delta	102,238	\$118,874	1		\$50,470	1		42%	-	10% of Mayor's monthly salary
Langley	117,285	\$115,011	2		\$46,004	2		39.99%		
North Vancouver	85,935	\$101,487	3		\$40,149	5		39.56%		
Saanich	114,148	\$101,106	4		\$40,618	3		40%	-	Difference between the remunera- tion payable to the Mayor and to a Councillor for the period served
Victoria	85,792	\$100,911	5		\$40,364	4		39.99%	CPI	-
Prince George	74,003	\$98,826	6		\$32,936	10		33%	Lesser of Canadian average public administrati on industry wage settlement or City of Prince George administrati on wage increase	-
Chilliwack	83,788	\$96,009	7		\$35,809	7		37.29%		
Nanaimo	90,504	\$95,103	8		\$35,447	8		37%	Median of comparator municipaliti- es	10% of Mayor's base compens- ation
Kelowna	127,380	\$93,663	9		\$32,782	9		34%	CPI	\$350/ month
Kamloops	90,280	\$90,594	10		\$36,237	6		39.99%	CPI	\$20/ day

										in addition to councillor remuneration
Average		\$101,158			\$39,109			38%		

DRAFT

Issues are: Loss of tax exemption, PG well below peer median, councillor-to-mayor ratio, and public perception.

OPTION	MAYOR				COUNCILLOR				C/M RATIO
	Percent Increase	Dollar Increase	Formula	Total	Percent Increase	Dollar Increase	Formula	Total	
1	0%	0		100,308	0%	0		33,442	33.3%
2	2.1%	2,117	$100,308 + 2,117$	102,425	21.9%	7,309	$33,442 + 7,309$	40,751	39.8%
3	22.0%	22,068	$100,308 \times 1.22$	122,376	14.0%	4,682	$33,442 \times 1.14$	38,124	31.2%
4	24.6%	24,651	$(100,308 + 2,117) \times 1.22$	124,959	38.9%	13,014	$(33,442 + 7,309) \times 1.14$	46,456	37.2%
5	24.6%	24,651	$(100,308 + 2,117) \times 1.22$	124,959	30.8%	10,294	$124,959 \times 0.35$	43,736	35.0%
6	9.97%	10,000	$100,308 + 10,000$	110,308	15.4%	5,166	$110,308 \times 0.35$	38,608	35.0%
7	5.0%	5,000	$100,308 + 5,000$	105,308	10.2%	3,415	$105,308 \times 0.35$	36,857	35.0%

Option 1 - No change.

Option 2 - Provide increases for mayor (2,117) and councillors (7,309) to bring their salary to the median for peer communities.

Option 3 - Provide an increase of 22% for the mayor and 14% for councillors to compensate for loss of the federal/provincial tax exemption.

Option 4 - Combination of Options 2 and 3.

Option 5 - Set the mayor's pay using Option 4 and set councillor's pay at 35% of the mayor's pay.

Option 6 - Compromise 1 - Increase the mayor's pay by \$10,000 and set pay for councillors at 35% of the mayor's pay.

Option 7 - Compromise 2 - Increase the mayor's pay by \$5,000 and set pay for councillors at 35% of the mayor's pay.

May 28, 2018 - Scenario Request from Committee for Mayor
Maintain current net and 4.5% increase to bring Mayor's salary up to average

*Based on basic TD1, no additional tax, no additional exemptions (i.e./70+ years means CPP exempt)

Biweekly	Mayor	Mayor	Mayor
	Current Salary (tax deductions)	January 1, 2019 (no tax exemption)	4.5% increase (no tax exemption)
Gross (75 hours)	3,858.00	4,707.00	4,918.82
Taxable Income	2,572.00	4,707.00	4,918.82
Pensionable Earnings	2,572.00	4,707.00	4,918.82
Insurable Earnings	-	-	-
Total tax deduction	471.16	1,213.68	1,299.90
CPP deduction	120.65	226.33	236.82
EI deduction	-	-	-
Net	3,266.19	3,266.99	3,382.10
Calculation	= \$3,858.00 / 75 hours	= \$4,707.00 / 75 hours	= \$4,918.82 / 75 hours
Hourly	\$ 51.44	\$ 62.76	\$ 65.58
Annual Salary (Gross x 26 pay periods)	\$ 100,308.00	\$ 122,382.00	\$ 127,889.32
Hourly Rate Percent Increase	\$ -	22%	4.5%

May 28, 2018 - Scenario Request from Committee for Council
35% increase of the \$127,889 for Mayor

*Based on basic TD1, no additional tax, no additional exemptions (i.e./70+ years means CPP exempt)

	Council		
Biweekly	Current Salary (tax deductions)	35% increase of the \$127,889 for Mayor (1/3 tax exemption)	35% increase of the \$127,889 increase for Mayor (no tax exemption)
Gross (75 hours)	1,286.25	1,721.59	1,721.59
Taxable Income	857.50	1,148.30	1,721.59
Pensionable Earnings	857.50	1,148.30	1,721.59
Insurable Earnings	-	-	-
Total tax deduction	55.08	120.88	239.48
CPP deduction	35.78	50.18	78.56
EI deduction	-	-	-
Net	1,195.39	1,550.53	1,403.55
Calculation	= \$1,285.25 / 75 hours	= \$1,721.59 / 75 hours	= \$1,721.59 / 75 hours
Hourly	\$ 17.15	\$ 22.95	\$ 22.95
Annual Salary (Gross x 26 pay periods)	\$ 33,442.50	\$ 44,761.34	\$ 44,761.34
Hourly Rate Percent Increase	\$ -	35%	35.0%