

Report to Council



Date: March 14, 2022
To: Council
From: City Manager
Subject: Council Remuneration Review
Department: Office of the City Clerk

Recommendation:

THAT Council receives, for information, the report from the Office of the City Clerk dated March 14, 2022 with respect to Council remuneration review options;

AND THAT Council direct staff to bring forward amendments to the Council Remuneration and Expense Bylaw No. 7547 as identified in the report from the Office of the City Clerk regarding Council Remuneration Review Options dated March 14, 2022

Purpose:

To consider options to review Council remuneration, expenses, and benefits and amend Council Remuneration and Expenses Bylaw regarding Council member benefits.

Background:

Council typically considers reviewing Council remuneration options in the first quarter of the final year of its term, with any changes coming into effect in the following Council term. The last comprehensive Council remuneration review happened in 2011. A citizen task force reviewed and made recommendations on the annual indemnity, vehicle allowance, expenses, annual adjustments, and benefits. Council amended several provisions following that review. The Bylaw was last amended in 2018 to reflect changes to federal tax legislation.

Council remuneration is established in Council Remuneration and Expense Bylaw No. 7547 (the Bylaw). Beginning in 2019, the Mayor's annual indemnity was \$107,525.22 and it was \$36,543.33 for Councillors. The indemnity is adjusted annually based on the previous year's Consumer Price Index (CPI) for Vancouver. In 2022, the Mayor's indemnity is \$113,690.61 and it is \$38,638.69 for Councillors.

The Union of BC Municipalities (UBCM) [Council & Board Remuneration Guide](#) outlines options and best practices regarding who should conduct reviews, timing and frequency of reviews, and factors to determine reasonable remuneration. This report references several principles and best practices from

the Guide. Should Council choose to undertake a review of remuneration any changes would come into effect for the 2022-2026 Council term.

Discussion:

A review of Council remuneration typically includes consideration of pay, expenses, and benefits. Council has several options in determining how such a review should be conducted. The most common options are a review by staff, a consultant, or a citizen task force, or keep the current Bylaw provisions in place for another Council term. A consultant or task force generally offer a more independent process and bring in external perspectives. Terms of reference guide the review scope and requirements and staff act as a liaison through the review process. Previous Council Remuneration Task Forces have each created significant governance challenges, and staff are not recommending Council strike a Task Force at this time.

Two core principles of Council remuneration are that remuneration should reflect and compensate elected officials for the time needed to perform their duties, and that it should reduce barriers to participating as an elected official. Municipalities are responsible for increasingly numerous and complex services, and Council members are responsible for setting policies and priorities and making funding decisions around public participation and service delivery. The time required to participate as a member of Council reduces time available for other paid work. Remuneration should be fair and adequate to support the opportunity for diverse representation.

In addition to direct financial compensation, the Bylaw also accounts for expenses and benefits. As with other sectors, benefits for local elected officials have changed over time and now may include parental leave, childcare, RRSP contributions, and education allowances in addition to health coverage. Seven BC municipalities have also introduced a transition allowance or pension to account for time needed to transition to other employment and for reduced earnings and benefits elsewhere.

The Bylaw currently authorizes the City to enter into agreements for benefits with members of Council and their dependents. The optional benefit package currently includes extended health, dental, life, and accidental death and dismemberment insurance coverage. Councillors pay the premiums for their benefit package and the City pays 50% of premiums for the Mayor, should they choose to make use of this option.

Best practices suggest benefits be available to members of Council with all or part of the cost covered by the City. This recognizes that members of Council may have limited opportunities to access benefits through other employment. Staff recommend amending the Bylaw to clarify the current provisions and make benefits available to all members of Council and their dependents, with the cost fully paid for by the City. The annual cost is approximately \$50,000 if all members of Council chose to make use of this provision.

Conclusion:

Council remuneration and benefits should be structured to fairly compensate elected officials for the time needed to do their job and to reduce barriers to those considering running for office. Staff recommend amending the Council Remuneration and Expense Bylaw to provide benefits for all members of Council and their dependents, paid for by the City. The changes will come into effect for

the 2022-2026 Council term. Staff are not recommending a broader review of Council remuneration at this time. Adjustments to pay will follow the existing bylaw and be indexed with inflation.

Internal Circulation:

Financial Services
Human Resources

Considerations applicable to this report:

Existing Policy:

[Council Remuneration and Expense Bylaw No. 7547](#)

[Council Reimbursement of Out-of-Pocket Expenses for Attending Functions or Special Training within the Region Policy No. 287](#)

Financial/Budgetary Considerations:

The annual cost for benefit packages for all of Council is approximately \$50,000 annually. Staff will include this at Final Budget for Council's consideration.

Considerations not applicable to this report:

Legal/Statutory Authority:

Legal/Statutory Procedural Requirements:

External Agency/Public Comments:

Communications Comments:

Submitted by:

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Approved for inclusion: S. Fleming, City Clerk

cc:

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