



THE CORPORATION OF THE CITY OF COURTENAY

STAFF REPORT

To: Council
From: Chief Administrative Officer
Subject: Council Remuneration Review

File No.: 1900-00
Date: April 25, 2022

PURPOSE:

The purpose of this report is to consider, review and determine an appropriate annual remuneration for Mayor and Council and that remuneration be consistent with market changes for comparator communities.

POLICY ANALYSIS:

City of Courtenay Bylaw 2941 requires "that for the calendar year 2022, and for each calendar year of a local government election, the annual remuneration for Mayor and Councillors will be reviewed through a market review process to be initiated in January of that year."

CAO RECOMMENDATIONS:

THAT based on the April 25, 2022 staff report "Council Remuneration Review" Council approve Option 1 and that Bylaw 2941 be amended to adjust the Mayor's remuneration to \$83,000 and Councillors' remuneration to \$33,200;

AND THAT following the 2022 municipal election, a review of the City of Courtenay Council Remuneration process and policy be undertaken and recommendations for an updated review procedure be considered.

Geoff Garbutt
Chief Administrative Officer

BACKGROUND:

In accordance with City of Courtenay Bylaw 2941, a market remuneration for elected officials is to be completed in January of an election year. Given that 2022 is an election year, Julie Case, Compensation Consultant, was engaged to complete this market review as she has done on two previous occasions on behalf of the City of Courtenay.

The consultant contacted the 13 British Columbia municipal governments of comparable size and submitted a report of her findings. The comparator municipalities are listed below:

1. Campbell River
2. Cranbrook
3. Esquimalt
4. Langford
5. Mission
6. North Cowichan
7. Oak Bay
8. Penticton
9. Port Moody
10. Squamish
11. Vernon
12. West Kelowna
13. White Rock

When considering remuneration for elected officials it is common practice to focus on the market median as well as a consistent distribution between the Mayor and Councillors in British Columbia. In keeping with this practice, the City of Courtenay has taken a two pronged approach. First, for elected officials, the remuneration has been targeted to the market median in comparably sized municipalities in British Columbia. Second, the City has typically had a rate for Councillors of approximately 40-43% of that provided to the Mayor. From 2009 to 2016 Council annual remuneration followed Union contract rates and represented 43% of the Mayor remuneration.

Through the remuneration reviews in 2017 and 2018 this ratio was inadvertently changed to 35% due to a base increase to the Mayor's remuneration (Council remuneration was held) and the adjustments implemented to account for changes in federal taxation for elected officials.

The 2022 Compensation Report confirms that this median approach is taken by the majority of the organizations in the survey and that the rate for Councillor varies from a low of 33% to a high of 50% of the applicable Mayor.

DISCUSSION:

Attachment 1 provides a summary of the remuneration of the 13 comparator communities in British Columbia and includes a breakdown of population, remuneration rates for their Mayor and Councillors as well as the comparison in compensation of Councillor to Mayor.

Annual Mayor Compensation – In keeping with the City's practice, the consultant's review showed that the market median annual salary for Mayor is \$83,000. The City of Courtenay's current annual salary for Mayor is \$72,300 and a market adjustment of \$10,700 has been identified for consideration.

Annual Councillor Remuneration – Through the review process for Councillors, the data collected by the consultant identifies that the City of Courtenay Councillor remuneration is below the market median at \$25,332 and the current remuneration varies from the past practice with value of 35% of the Mayor's rate. The market median salary review supports adding \$5,168 and an additional \$2,700 in order to return to the typical ratio of 40% of the Mayor's rate. The recommended remuneration for Council is a total of \$33,200.

Council Remuneration Review Process and Policy – Currently the Remuneration Bylaw for City Council prescribes that remuneration be reviewed in January of the year prior to the municipal election and sets the remuneration for a fixed amount for the next term of elected Mayor and Council. This approach does not reflect best practice across the province of British Columbia and does not provide annual adjustments for elected officials as is common with most local governments. Additionally, the current remuneration approach does not include supports and benefits that many local governments have included to provide for the potential participation of a wider cross section of the local community as prospective elected

officials. It is recommended that following the election of the Mayor and Council for the City of Courtenay that a comprehensive review of remuneration for elected officials which incorporates emerging and best practice be undertaken for consideration and adoption.

FINANCIAL IMPLICATIONS:

If Option 1 is approved and the remuneration for the Mayor is increased to \$83,000, while the Councillors' remuneration is increased to 40% of the Mayor's at \$33,200; the total incremental cost to the City will be \$61,846 (\$57,908 + \$3,938 CPP, EHT).

If Option 2 is approved and the remuneration for the Mayor is increased to \$83,000, while the Councillors' remuneration is increased to the median at \$30,500 which represents 37% of the Mayor's remuneration; the total incremental cost to the City will be \$44,366 (\$41,708 + \$2,658 CPP, EHT).

Should Council direct that a review of the remuneration policy be undertaken following the 2023 municipal election, professional fees required to support such a review can be accommodated within the 2023 financial plan.

ADMINISTRATIVE IMPLICATIONS:

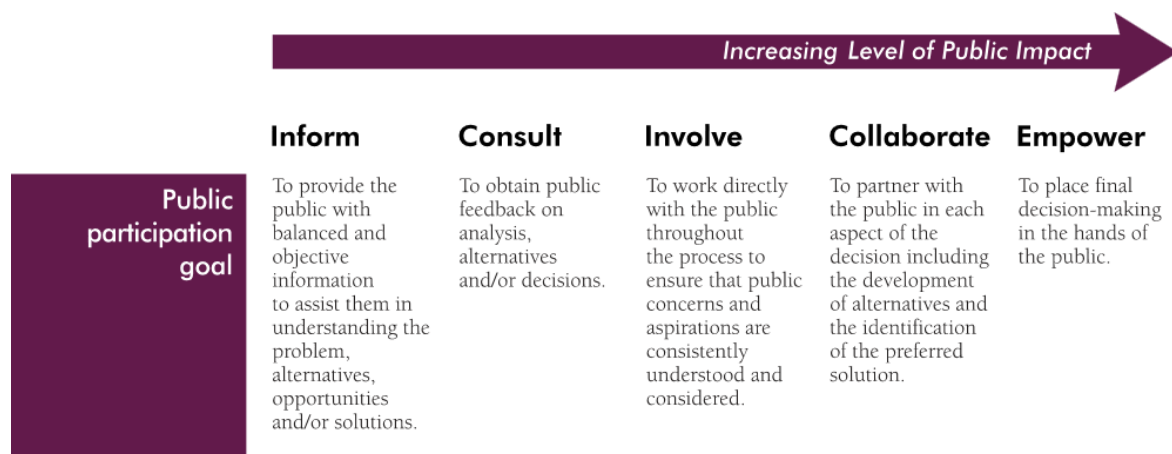
With Council approval of the recommendations, an update to Bylaw 2941 will be required. Minimal staff time is required.

ASSET MANAGEMENT IMPLICATIONS:

There are no asset management implications.

CITIZEN/PUBLIC ENGAGEMENT:

The public will be **informed** of the outcome of Council's consideration of the 2021 Annual Development Cost Charges Reserve Fund Report. This is based on level one of the IAP2 Spectrum of Public Participation adopted as an element of Sound Project Design for the Corporate Workplan.



STRATEGIC PRIORITIES IMPLICATIONS:

2019-2022 Strategic Theme: ● We focus on organizational and governance excellence.

CAO Strategic Plan Item: ● Strategic Plan Implementation and Reporting

- **AREA OF CONTROL:** The policy, works and programming matters that fall within Council's jurisdictional authority to act
- ▲ **AREA OF INFLUENCE:** Matters that fall within shared or agreed jurisdiction between Council and another government or party
- **AREA OF CONCERN:** Matters of interest that are outside Council's jurisdictional authority to act

OPTIONS:

- OPTION 1: THAT Bylaw 2941 be amended to adjust the Mayor's remuneration to \$83,000 and Councillors' remuneration to \$33,200;
- AND THAT following the 2022 municipal election, a review of the City of Courtenay Council Remuneration process and policy be undertaken and recommendations for an updated review procedure be considered.
- OPTION 2: THAT Bylaw 2941 be amended to adjust the Mayor's remuneration to \$83,000 and Councillor's remuneration to \$30,500.
- OPTION 3: THAT Council not approve adjustments to the remuneration of any elected officials in 2022.
- OPTION 4: THAT Council provide other direction to staff for Council Remuneration.

Prepared by:



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Reviewed by:



Geoff Garbutt, M.PI., MCIP, RPP
Chief Administrative Officer

Attachments:

1. *2022 Remuneration Summary of Comparator Municipalities*

Attachment 1

2022 REMUNERATION SUMMARY OF COMPARATOR MUNICIPALITIES

City	BC Stats Population (est.) (thousands)	Mayor –annual remuneration (\$000)	Councillor –annual remuneration (\$000)	Councillor as per cent of Mayor
Courtenay	25.6	*72.3	*25.3	35%
1. Campbell River	32.6	80.2	30.5	38%
2. Cranbrook	20.0	68.9	25.1	36%
3. Esquimalt	17.7	62.0	24.8	40%
4. Langford	35.3	80.6	29.1	36%
5. Mission	38.8	89.0	44.5	50%
6. North Cowichan	29.7	84.8	30.5	36%
7. Oak Bay	18.1	35.4	14.6	41%
8. Penticton	33.8	*83.0	*27.5	33%
9. Port Moody	33.6	115.2	41.8	36%
10. Squamish	19.5	93.5	39.4	42%
11. Vernon	40.1	101.1	37.4	37%
12. West Kelowna	32.7	76.2	25.4	33%
13. White Rock	20.0	107.8	43.1	40%
Summary – not including Courtenay				
P25	20.0	76.2	25.4	36%
Median (P50)	32.6	83.0	30.5	37%
P75	33.8	93.5	39.4	40%
Average	28.6	82.9	31.8	38%

(* indicates 2021 rates)