



THE CORPORATION OF THE CITY OF VERNON REPORT TO COUNCIL

SUBMITTED BY: Will Pearce, CAO

COUNCIL MEETING: REG COW I/C

COUNCIL MEETING DATE: August 15, 2022

REPORT DATE: August 8, 2022

FILE: 0570-06

SUBJECT: COUNCIL REMUNERATION

PURPOSE:

To establish a remuneration schedule for the 2022-2026 Council, to be sworn in on November 7, 2022.

RECOMMENDATION:

1. THAT Council receive the report titled "Council Remuneration Committee – Recommendations to Mayor and Council, City of Vernon, June 2022", attached to the report recommendation titled "Council Remuneration" dated August 8, 2022, respectfully submitted by the CAO;
2. AND FURTHER, Council endorse the Council Remuneration Committee recommendations as presented;
3. AND FURTHER, Council endorse the Council Remuneration Committee recommendation to set the Mayor's remuneration (base rate) at \$2.44 per capita effective November 1, 2021 plus COLA (with the most recent 4 Year rolling average annual BC COLA applied in November), City of Vernon population as determined by the current Statistics Canada, Census Profile, City of Vernon (Census subdivision) total population;
4. AND FURTHER, Council endorse the Council Remuneration Committee recommendation to set Councillor remuneration (base rate) at 37% of the current Mayor's salary, effective November 7, 2022;
5. AND FURTHER, that remuneration for Mayor and Councillors be adjusted by the Consumer Price Index for BC, most recent 4 Year rolling average, not seasonally adjusted, August over August, all products in and that such adjustment be made as at November 7 of each year of the 2022-2026 term of Council, commencing November 7, 2022 through to and including November 7, 2025;
6. AND FURTHER, Council endorse the Council Remuneration Committee recommendation that Committee meeting pay continue as per present practice of the current Council Remuneration Policy;
7. AND FURTHER, Council endorse the Council Remuneration Committee recommendation that the Council benefits package continue as per present practice;
8. AND FURTHER, Council authorize an honorarium in the form of a \$250 gift certificate for each Council Remuneration Committee member as appreciation for the committee members' time, thorough review and thoughtful recommendations.

ALTERNATIVES & IMPLICATIONS:

1. THAT Council receive the report titled "Council Remuneration Committee – Recommendations to Mayor and Council, City of Vernon, June 2022" as attached to the report titled Council Remuneration, dated August 8, 2022, respectfully submitted by the CAO and resolve to amend Council remuneration for the 2022-2026 Council, to be sworn in on November 7, 2022, as follows: *(to be cited by Council)*.
2. THAT Council receive the report titled "Council Remuneration Committee – Recommendations to Mayor and Council, City of Vernon, June 2022", as attached to the report titled Council Remuneration, dated August 8, 2022, respectfully submitted by the CAO for information.

ANALYSIS:

A. Committee Recommendations:

Council Remuneration Committee Recommendations to Mayor and Council, City of Vernon, June 2022 attached.

B. Rationale:

1. At the Regular meeting of February 14, 2022 Council unanimously endorsed the following motion:

"THAT Council requests Mayor Cumming and the Chief Administrative Officer to bring forward a recommendation of three members of the public, with at least one member having previous elected municipal government experience, to be considered for appointment to the Citizen Remuneration Review Committee.

AND FURTHER, that Council directs the Citizen Remuneration Review Committee to review Council remuneration as per the Council Remuneration Policy and report back to Council on August 15, 2022 with a recommendation for consideration in the 2023 budget."

This direction is consistent with the current Council Remuneration Policy.
2. A Council Remuneration Committee was formed by Council resolution March 28, 2022. The Committee members were:
 - Glen Benischek, Chief Executive Officer for VantageOne Credit Union
 - Wee Yee, retired engineering executive, President Vernon & Area 2017 55+ BC Games Society, Past President Funtastic
 - Rob Sawatzky, former City of Vernon Mayor
3. The Committee reviewed current remuneration rates for Mayor and Councillors in comparable communities as directed by Council, the current remuneration policy, the July 2018 report to Council for the past Remuneration Committee.
4. The Committee has provided its recommendations in the report titled "Council Remuneration Committee – Recommendations to Mayor and Council, City of Vernon June 2022" attached.
5. The Committee recommends Council remuneration be adjusted by the "BC Cost of Living Index", rolling 4 Year average, each year of the 2022-2026 term.
6. The Committee recommends the continuance of present practice for both the Council Benefits program and Committee meeting pay.

C. Attachments:

1. "Council Remuneration Committee – Recommendations to Mayor and Council, City of Vernon, June 2022"

D. Council's Strategic Plan 2019 – 2022 Goals/Action Items:

N/A

E. Relevant Policy/Bylaws/Resolutions:

1. Provincial legislation provides nominal, generic information on the core responsibilities of a Mayor and Councillor.
2. Position Descriptions for City of Vernon Mayor and Council have been completed as directed by Council and provided to the Remuneration Committee.
3. The existing Council Remuneration Policy was last amended October 14, 2014.

BUDGET/RESOURCE IMPLICATIONS:

Should Council accept the recommendations as presented, Council remuneration for the 2022-2026 term would be adjusted by a rolling 4 Year average of the Consumer Price Index for BC, August over August, all products in, not seasonally adjusted, each year effective November 7, 2022.

The Committee has detailed proposed Mayor salary increments November 2022 through November 2025. Actual salary will be dependent on BC Cost of Living Index and Census Population. The Committee recommends Councillor Remuneration be 37% of the Mayor's rate.

Prepared by:

Approved for submission to Council:

X
Will Pearce, CAO


Will Pearce, CAO

Date: 08. AUGUST. 2022

REVIEWED WITH

- | | | |
|---|---|---|
| <input type="checkbox"/> Corporate Services | <input type="checkbox"/> Operations | <input type="checkbox"/> Current Planning |
| <input type="checkbox"/> Bylaw Compliance | <input type="checkbox"/> Public Works/Airport | <input type="checkbox"/> Long Range Planning & Sustainability |
| <input type="checkbox"/> Real Estate | <input type="checkbox"/> Facilities | <input type="checkbox"/> Building & Licensing |
| <input type="checkbox"/> RCMP | <input type="checkbox"/> Utilities | <input type="checkbox"/> Engineering Development Services |
| <input type="checkbox"/> Fire & Rescue Services | <input type="checkbox"/> Recreation Services | <input type="checkbox"/> Infrastructure Management |
| <input type="checkbox"/> Human Resources | <input type="checkbox"/> Parks | <input type="checkbox"/> Transportation |
| <input type="checkbox"/> Financial Services | | <input type="checkbox"/> Economic Development & Tourism |
| <input type="checkbox"/> COMMITTEE: | | |
| <input type="checkbox"/> OTHER: | | |

Council Remuneration Committee
Recommendations to Mayor and Council

City of Vernon

June 2022

Committee Members:

Glenn Benischek

Wee Yee

Rob Sawatzky

Background

The policy of the City of Vernon council is to appoint a three person committee from the community, that includes at least one member with elected municipal government experience, to review Mayor and Council Remuneration.

At the March 28th, 2022 meeting, the City of Vernon Council passed the motion to appoint the Remuneration Committee which was to be composed of:

Glenn Benischek- CEO for VantageOne Credit Union

Wee Yee -retired engineering executive-Past President Funtastic, and 2017 Vernon and Area 55+ BC Games Society

Rob Sawatzky- past Mayor-City of Vernon

The Committee reviewed the City of Vernon Council Remuneration policy, the July 2018 Report to Council from the Remuneration Committee, and the remuneration information provided from the COV Council 10 Benchmark Communities.

The Committee also reviewed the separate job description documents for the COV Mayor and Councillors . In addition, the Committee also reviewed the available financial information on present COV Mayor and Councillors benefits programs and costs.

As was true for other Remuneration Committee reviews, the information provided by the comparator communities was variable in format, quality, components, and completeness. We worked to remedy those difficulties with information from as many sources as possible to ameliorate those difficulties.

The 10 Benchmark Communities, in descending order by population, were:

Kelowna
Kamloops
Chilliwack
Port Coquitlam
Mission
West Kelowna
Port Moody
Campbell River
Courtenay
Cranbrook

The Committee would like to thank the COV staff, and especially Maria Doyle and Nicola Wood, for their prompt, professional assistance in providing the the Committee with information as requested.

Analysis

The Committee concurs with the 2018 previous report that the mayor's role is a full time position, with additional evening and weekend duties, and also requires significant time and responsibility working with our neighbouring local government partners in the Regional District of North Okanagan.

We continue to feel that the very important, but lesser duties of the councillors is best remunerated at a percentage of the Mayor's salary. We feel that the present recommended ratio of councillor pay relative to the mayor, of 37%, is appropriate and consistent with best practices. It is consistent overall with the relative remunerations of the 2 positions in our comparator communities, despite the diverse methods used to arrive at the councillor's salary in those communities.

Our analysis of the compensation levels in the Benchmark Communities showed that the per capita ratio remunerations recommended to COV Mayor and Council in 2018 by our Committee, resulted in our Mayor and Council being "at market". Some of the Mayors in the smaller cities were paid at a higher ratio, and a couple of the larger cities paid Mayors at a lower per capita rate, but a much larger absolute salary. The cities closest in population to Vernon tended to be closest in total remuneration, but the overall remuneration rates in the 10 communities were useful in our deliberations.

Our recommendation is that the COV Mayor and Council remuneration is appropriate and future increases be applied to the Mayor's salary by using the annual BC Cost of Living (COLA) index.

However, economic conditions are very unstable and uncertain at present, and one role of good government is to reduce the shocks that uncertainty can impose on its citizens. We suggest that the COV Mayor and Council assist with this, by using the average BC COLA of the previous 4 years when applying this annual increase to the Mayor's salary calculation. That will help smooth out the financial implications to our taxpayers, even though the total salary costs of the mayor and council are a tiny percentage of the COV annual budget.

We see that the most recent 2021 census shows Vernon's population at 44,519, which is approximately a 10% increase from our 2018 population numbers.

We continue to recommend that the latest population figure be used as the base number, to be multiplied by the previously recommended per capita salary for November 2021, of \$2.44 plus COLA, with the rolling most recent 4 year average annual BC COLA, applied annually in November, to calculate the Mayor's compensation. The salary in each subsequent year should be the cumulative increases in COLA as recommended.

Benefits

The committee recommends the continuation of present practice.

Committee Meeting Pay

The Committee recommends the continuation of present practice.

Summary

Mayor

- Remuneration increased annually over the 4 year term by applying the average of the previous 4 year annual BC COLA to the base calculation of the Nov 2021 salary, using the most recent census data.
- Continue benefits present practise
- Continue present Council committee remuneration policy

Council

- Remuneration at 37% of Mayor's salary with the same annual BC Cost of Living Index annual increase applied
- Continue benefits package present practise
- Continue present Council Committee remuneration policy