

Request for Decision

Shh 526 005

Date March 30, 2022
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Subject Board Remuneration Review Panel Recommendations 2023 - 2026

REQUEST

Establish rates for the Board remuneration bylaw and Board travel and accommodation allowances policy.

OPTIONS

1. THAT the recommendations of the public Board Remuneration Review Panel, as outlined in the March 30, 2022 report from the CFO, be accepted; and further, that a new Board remuneration bylaw and an amendment to the Board travel and accommodation allowances policy reflecting these changes be prepared for Board consideration.
2. THAT a new Board remuneration bylaw and Board travel and accommodation allowances policy be prepared with the following rates:_____.
3. THAT Board Remuneration Bylaw No. 2978, 2020 be amended to include emergency event remuneration of \$175 per week and an emergency event meeting rate of \$110 per meeting to be effective upon adoption.

RECOMMENDATION

Option 1 & 3

BACKGROUND/ANALYSIS

In September 2019, the Board approved recommendations based on best practices from the UBCM Council and Board Remuneration Guide. One recommendation was that a Board Remuneration Panel be assembled for a full review in 2021 with recommendations to be effective for the next Board of Directors following the 2022 local government elections. An independent panel was established to review annual remuneration and meeting rates and travel and accommodation allowances for the RDEK Board for the period January 2023 to October 2026. The members of the Panel were:

Wendy Booth	Murray Floyd
Lee-Ann Crane	Dave Gregory
Greg Deck	Randal Macnair

The panel met on November 19, 2021 and reviewed a comparison of remuneration rates and travel and accommodation allowances paid by other regional districts (attached), and considered various options for adjusting RDEK Director rates.

The discussion resulted in the following comments from the panel:

- 1 For the most part, the stipends being paid to most positions within the Board of Directors are appropriate in comparison to other regional districts.
- 2 The current ratio of stipends, with Electoral Area Directors receiving two times (2X) the stipend of Municipal Directors, does not fully reflect the growing amount of work being demanded of the Electoral Area Directors.
- 3 It is important to provide annual inflationary increases to stipends and the October BC CPI, 12 month average, all items index should continue to be used. The October 2021 CPI rate applied to 2022 remuneration was 2.3% and the Panel recognized that due to inflationary conditions, the CPI rate will be higher in 2023 – 2024 and possibly right up to 2026.
- 4 Board Meeting rates and Standing Committee rates are appropriate and should not be increased for 2023 - 2026.
- 5 The Standing Committee Meeting Chair rate is adequate and should not be increased for 2023 – 2026.
- 6 A new rate should be implemented starting in 2023, for any Community Meeting where the meeting is formal enough to require staff support and the project or proposal has been approved by the Board by resolution or part of the governing process resulting from Board direction.
- 7 There are differing levels of effort required for Public Hearings and it is recommended that the value of the work being done be recognized for the Director, acting as Chair, by establishing a higher rate than the supporting Director attending the meeting, starting in 2023.
- 8 The Director's annual stipend should continue to be paid separate from the rates for attendance at meetings. The panel did not support the suggestion from the UBCM Council and Board Remuneration Guide, that the Board and Standing Committee meetings be combined in the annual stipend.
- 9 The panel did not support adding stipends or allowances to reimburse Directors for the use of personal cell phones, laptops or desk top computers. The panel felt that the previous 1/3 tax free allowance was initially provided to relieve the Directors of these costs and that the adjustment to remuneration provided effective January 1, 2019 (as a result of the Canada Revenue Agency decision to discontinue the tax free allowance) ensured Directors were continuing to receive consideration for these costs.
- 10 The panel did not support adding stipends or allowances to reimburse Directors for increased ICBC insurance premiums for changing from personal to business use or for windshield repair or replacement. The panel felt that the current practice of paying the Canada Revenue Agency vehicle mileage rate (currently \$0.61 per km) adequately reimbursed Directors for these costs.
- 11 The panel considered the stipend amount for the Chair and Vice-Chair and agreed that the Vice-Chair position has higher expectations than before. The panel suggested that a document be prepared, setting expectations for each role, to assist in more accurately determining compensation levels for these leadership roles in the future.

- 12 The current daily meal allowance of \$95 per day is appropriate when compared to other regional districts. However, the rates paid per meal should change to \$25 for breakfast, \$30 for lunch and \$40 for dinner. The \$20 per hour rate for travel time is still appropriate.

EMERGENCY EVENT REMUNERATION

The Panel met again on January 21, 2022 with the Chair, Vice-Chair and staff (including the Manager of Protective Services) attending to discuss the increasing number of emergency events occurring in the East Kootenay and the role of the Policy Group and Directors in affected areas. It was explained that in emergency events, the applicable Director (Electoral Area and Municipal) acts as a spokesperson for the affected region, communicating with residents and property owners and participating in meetings. Meetings can range from one-on-one meetings or phone calls; smaller meetings with emergency staff and regional stakeholders or large public meetings. It was also determined that the Chair (or Vice Chair in his/her absence) are currently being remunerated for the emergency alert under base remuneration but evacuations result in more work which is not currently compensated for.

The Panel agreed it was appropriate to implement remuneration for emergency events corresponding to the level of activation of the Emergency Operations Centre as follows:

Level 1 (minor emergency/minimal coordination) - \$110 public meeting rate only (e.g. for RDEK-organized meetings with affected property owners)

Level 2 (evacuation alert or order) - \$175 per week plus \$110 public meeting rate (e.g. for RDEK-organized meetings with evacuees)

Level 3 (complex/long evacuation) - \$175 per week plus \$110 public meeting rate (e.g. for RDEK-organized meetings)

The emergency event remuneration should be paid for a period of up to 8 weeks. Further compensation after 8 weeks must be approved by the Board. Emergency Management BC has indicated that this would not be considered an eligible expense for task reimbursement.

The panel recommended that the current Board Remuneration Bylaw be amended to provide emergency event remuneration starting in 2022. Wildfires can often impact more than one jurisdiction within the RDEK. It is suggested that both the Electoral Area Director and Municipal Director receive emergency event remuneration if both are involved.

Board Remuneration Review Panel Recommendations 2023 - 2026:

The Board Remuneration Review Panel recommended that the RDEK Board consider the following changes:

1. Increase Electoral Area Director stipend by \$2,000 in 2023 and BC CPI 2024 – 2026.
2. No increase to Municipal Director stipend in 2023 and BC CPI 2024 – 2026.
3. Increase the Chair stipend by BC CPI 2023 – 2026.
4. Increase the Vice-Chair stipend a minimum of 4% in 2023 (or BC CPI if higher) and BC CPI 2024 – 2026.
5. Establish a new Public Hearing Chair rate of \$140 in 2023-2024 and \$145 \$2025 – 2026.

6. Establish a new Community Meetings rate of \$95 in 2023-2024 and \$100 in 2025-2026.
7. Establish a new emergency event rate of \$175 per week plus \$110 per meeting for level 2 or level 3 activations starting in 2023.

The following table shows the effect of the proposed changes:

	2022	2023	2024	2025	2026
Electoral Area Directors Annual Stipend	\$28,894	\$30,894	Increase BC CPI Oct 23	Increase BC CPI Oct 24	Increase BC CPI Oct 25
Municipal Directors Annual Stipend	\$14,448	\$14,448	Increase BC CPI Oct 23	Increase BC CPI Oct 24	Increase BC CPI Oct 25
Chair Annual Stipend – to be paid in addition to regular Director's stipend	\$21,351	Increase BC CPI Oct 22	Increase BC CPI Oct 23	Increase BC CPI Oct 24	Increase BC CPI Oct 25
Vice-Chair Annual Stipend – to be paid in addition to regular Director's stipend	\$ 3,558	\$ 3,700 or BC CPI Oct 22 whichever is higher	Increase BC CPI Oct 23	Increase BC CPI Oct 24	Increase BC CPI Oct 25
Board Meetings	\$ 210	\$ 210	\$210	\$ 210	\$ 210
Standing Committee Meetings (maximum of 3 meetings per day)	\$ 120	\$ 120	\$120	\$ 120	\$ 120
Chair – Standing Committee Meetings – to be paid in addition to meeting rate	\$ 40	\$ 40	\$ 40	\$ 40	\$ 40
Appointed Committee Meetings	\$ 110	\$ 110	\$110	\$ 110	\$ 110
Strategic Planning Sessions	\$ 110	\$ 110	\$110	\$ 110	\$ 110
Public Hearings - Chair	\$ 95	\$ 140	\$140	\$ 145	\$ 145
Public Hearings - Support	\$ 95	\$ 95	\$ 95	\$ 100	\$ 100
Community Meetings	\$ 0	\$ 95	\$ 95	\$ 100	\$ 100
Emergency Event – Weekly	\$ 175	\$ 175	\$175	\$ 175	\$ 175
Emergency Event – Meeting	\$ 110	\$ 110	\$110	\$ 110	\$ 110

* For every 2% increase in BC CPI, the tax impact would be \$0.12 on the average residential assessed at \$462,000.

** Tax impact for the 2023 Electoral Area Director Increase is \$0.23 on the average residential assessed at \$462,000.

*** Tax impact for the 2023 Public Hearing Chair and Community Meetings is a total of \$0.06 on the average residential assessed at \$462,000.

**** Tax impact for the 2022 Emergency Event pay is \$0.05 to \$0.10 on the average residential assessed at \$462,000 (with adoption of amended bylaw 2978).

SPECIFIC CONSIDERATIONS

Financial

Implementation of the changes recommended by the Board Remuneration Review Panel would result in estimated additional costs as shown in the above table.

Financial Plan

The 2022 – 2026 Financial Plan included provisions for most of the above recommendations. Upon approval of the recommendations by Board, any further changes will be made to the next amendment to the 2022 – 2026 Financial Plan to fully recognize costs.

Comparison to Other Regional Districts

Attached is a comparison of remuneration rates at other regional districts, a comparison of travel and expense rates at other regional districts and a copy of the memo that was provided to the Board Remuneration Committee members to provide background for their discussion.

Some regional districts provide annual remuneration that combines the annual stipend and total remuneration for meetings for the year. The attached comparison has estimated what the combined remuneration would be for each regional district.

The Canada Revenue Agency removal of the 1/3 tax free allowance was effective January 1, 2019. Given that this is a fairly recent change, not all of the regional districts in the comparison have adjusted remuneration rates at this time.

Process

On October 4, 2019 the Board directed that a Board remuneration policy be prepared with recommendations from the CFO outlined in the September 25, 2019 report. The policy was delayed but will be presented to Board in fall 2022.