

District of Barriere

REPORT TO COUNCIL

Request for Decision

Date: December 16, 2024	File: 530.20/Rpts
To: Council	From: Chief Administrative Officer
Re: Remuneration Bylaw and related Policies	
Recommendation: THAT Council gives final reading to the Council Remuneration and Expenses Bylaw No. 249. THAT Council rescinds Policy No. 16 – Council Remuneration. THAT Council rescinds Policy No. 19 - Attendance at Out-of-Town Meetings, Seminars, Workshops, and Conventions.	

Purpose

For Council to consider giving final reading to the Council Remuneration and Expenses Bylaw No. 249, and rescinding Policies No. 16 and No. 19.

Update:

At the Regular Meeting on November 18, 2024, Council determined to use the 10-year Consumer Price Index (CPI) average as part of the Bylaw, and subsequently gave first three readings to this Bylaw. The Bylaw is now presented for final reading. If adopted, Policies No. 16 and 19 will need to be rescinded.

Background

General

As part of the overall Responsible Conduct in Local Government program review to strengthen the Districts posture and reduce risk in this area, based on recent challenges in other communities across British Columbia, several of the District policies and bylaws require some form of update or amendment based on current best practices on the topic. Council will also be reviewing changes to Council's Code of Conduct as well as Council's Procedure Bylaw over the coming weeks. Other policies that are connected to these policies are also being reviewed and amendments will be recommended based on current best practices.

Remuneration Policy and Bylaw Changes

The current Council remuneration is based on Council Policy No. 16 from 2012 (see attached).

At this time, the policy includes items that are not according to current legislation (in particular the item on 1/3 tax exemption) and does not include current practices in place regarding benefits plans and eligibility. Staff has addressed these items in the proposed Bylaw.

Staff has also added a clause under Section 4.1 that would allow for an automatic remuneration adjustment for the Acting Mayor if the Mayor is unable to perform their mayoralty duties for more than 2 weeks.

The current policy also includes annual remuneration adjustments based on actual Consumer Price Index (CPI) for BC year over year. This can create budget challenges when trying to work with large increases year over year, and other years with low CPI would only see a marginal adjustment. Based on past research on the topic, a common practice would be to move to a 5-year or 10-year averaged CPI model. This approach would ensure that a) there would most likely be an increase in remuneration; and b) the increases are moderate and don't provide budgetary challenges.

Below is a comparison on the last ten years of CPI increases and what a 5-year or 10-year averaged CPI rate would have meant for the 2024 remuneration increase earlier in the year.

2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
1.0%	1.1%	1.8%	2.1%	2.7%	2.3%	0.8%	2.8%	6.9%	3.9%

As such,

A 10-year average would have been: $25.4\% / 10 = 2.54\%$

A 5-year average would have been: $16.7\% / 5 = 3.34\%$

Staff have included the 10-year average calculation clause in the Bylaw (see Section 5.1); however, Council can adjust this if Council deems that the 5-year average (or another option) is more appropriate.

Staff has also included, under Section 6.3, the option for Council to participate in medical and other benefits plans (as long as the provider allows for this inclusion). Although this was already an accepted expense, this was not codified in any policy or bylaw. Benefits providers may require a minimum number of Council members participating in this program before it becomes active.

In addition, Staff have included related key points from Policy 19, "Council Attendance at Out-of-Town Meetings, Seminars, Workshops, and Conventions" (see attached) within the Bylaw under Sections 6.4.1 to 6.4.4 which will allow Council to rescind that particular Policy. Work is also underway to update Policy 17 "Per Diem, Travel, and Milage Allowance Policy".

Code of Conduct integration to Remuneration Bylaw (Section 7)

As part of the overall Responsible Conduct in Local Government program review based on recent challenges in other communities across British Columbia, several of the District policies and bylaws require some form of update or amendment to strengthen the Districts posture based on current best practices on the topic. Council will also be reviewing changes to Council's Code of Conduct as well as Council's Procedure Bylaw over the coming weeks.

Law firms specializing in municipal governance generally recommend that local governments implement a Bylaw instead of a Policy, and further suggest including this Section 7 in Remuneration Bylaws.

This suggested section is in line with what other local government organizations are exploring and implementing. Staff have included this section in the Bylaw for discussion purposes.

Section 7 of the Bylaw Update, if implemented, would define a reduction in remuneration as a possible sanction if a member of Council has been found to have violated the Council Code of Conduct by a third-party investigation and Council supported the recommendation resulting from the investigation. The process of appointing an investigator, conducting the investigation, and types of appropriate resolution would be captured in the Code of Conduct Update. The current Council Code of Conduct already has a list of possible sanctions as derived from the UBCM Working Group on Responsible Conduct (see attached), which currently does not include remuneration adjustment as one possible option. The proposed update to the Code would include those changes.

In summary, this section defines the following:

- First violation, 10% reduction in compensation
- Second violation, 15% reduction
- Third violation, 25% reduction
 - Each reduction is applied for a 12-month period
- Section 7.4 explains that reductions would be additive if multiple violations occurred within the same 12-month period. (ie, two violations would be a $10+15 = 25\%$ reduction, a third violation would be $10+15+25 = 50\%$ reduction).

Summary

Staff has presented a draft Bylaw that would move Policies No. 16 and No. 19 into a Bylaw, while adding current best practices and codifying other practices in place at the District. Policies No. 16 and No. 19 would need to be rescinded when this Bylaw is adopted.

Benefits or Impact

General

As per general legal opinion, best practices for a municipality are to have a bylaw that governs the remuneration and Council specific expenses.

Finances

Staff annually budgets for remuneration increases as per the current policy. If Council wants to consider a different wage structure or other expenses to be included, this would be the best time to make those amendments. Travel expenses, etc. are included in the annual budget process.

Strategic Impact

N/A

Risk Assessment

Compliance: Council Remuneration Policy (current), Travel and Expense Policy

Risk Impact: Low

Internal Control Process: Staff reviewed bylaw structure and changes with a local government consultant; Staff also reviewed current remuneration values with an HR professional.

Next Steps / Communication

- The Bylaw is presented for final reading at the December 16, 2024, meeting at which time the Remuneration Policy No. 16 and Council Attendance at Out-of-Town Meetings, Seminars, Workshops, and Conventions Policy No. 19 will need to be rescinded.
 - An update to Policy 17 "Per Diem, Travel, and Milage Allowance Policy" will be presented at a future Council meeting for consideration.
 - If Council wants to review remuneration and expenses best practices in the future, it would be recommended to hire a consultant and to establish a 5-member committee of community stakeholders to review best practices and to make a recommendation to Council. The best time for this would be in early 2026 so that changes could be made that would not affect the current Council, but rather take effect when the new term of Council begins.
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Attachments

- Draft Council Remuneration Bylaw No. 249
- Current Council Remuneration Policy No. 16
- Current Council Attendance at Out-of-Town Meetings, Seminars, Workshops, and Conventions Policy No. 19
- Working Group on Responsible Conduct Guide from 2021. The group is working on an updated version based on current challenges across the Province.

Recommendation

THAT Council gives final reading to the Council Remuneration and Expenses Bylaw No. 249.

THAT Council rescinds Policy No. 16 – Council Remuneration.

THAT Council rescinds Policy No. 19 - Attendance at Out-of-Town Meetings, Seminars, Workshops, and Conventions.

Alternative Options

1. Council could choose to make any changes. Third reading would need to be rescinded.
2. Council could choose to retain the current remuneration policy (and other related policies) instead of creating a Bylaw. This is not recommended due to current governance best practices.

Prepared by:

D. Drexler, Chief Administrative Officer

DISTRICT OF BARRIERE
DRAFT - BYLAW NO. 249

A BYLAW TO PROVIDE FOR COUNCIL MEMBERS REMUNERATION AND
EXPENSES

WHEREAS the Council of the District of Barriere wishes to set by bylaw, the remuneration, expenses and benefits for elected officials;

NOW THEREFORE BE IT RESOLVED that the Council for the District of Barriere, in open meeting lawfully assembled, hereby **ENACTS** as follows:

1. Title

1.1 This bylaw may be cited as the "Council Remuneration and Expense Bylaw No. 249".

2. Remuneration paid to the Mayor:

2.1 Effective the date of adoption of this bylaw, the Mayor shall be paid an annual remuneration of \$14,616 for the discharge of the duties of office.

3. Remuneration paid to each Councillor:

3.1 Effective the date of adoption of this bylaw, each Councillor shall be paid an annual remuneration of \$9,384 for the discharge of the duties of office.

4. Remuneration paid to the Acting Mayor:

4.1 Effective the date of adoption, if the Mayor is unable to perform mayoralty duties for more than two (2) weeks, Councillors appointed to the position of Acting Mayor shall be entitled to the same remuneration as the Mayor, pro-rated accordingly, during the period of time served as Acting Mayor.

5. Remuneration

5.1 For the calendar year 2025 and onward, the annual remuneration set out in subsections 2.1 & 3.1 shall be adjusted by the 10-year average, for the periods starting on January 1st and ending on December 31st, of the Statistics Canada All Items Consumer Price Index (CPI) for the Province of British Columbia be applied to the current remuneration amount.

6. Expenses

6.1 Members of Council shall be reimbursed for travel expenses for attending conventions, meetings, conferences, workshops and public events in accordance with this Bylaw, and the District's Travel and Expenses Policy, as amended or replaced from time to time.

- 6.2 Members of Council shall be reimbursed for direct costs, not included in 6.1 above, relating to the performance of municipal duties provided such expenses have been approved by a resolution of Council or by the Chief Administrative Officer prior to being incurred.
- 6.3 Members of Council will be entitled to health care benefits, including extended health and dental, accidental death and dismemberment, and life insurance (if eligible under the providers regulations), with 100% of the premium paid by the District.
- 6.4 Expenses for members of Council for attending Conventions, Seminars, Workshops, and Out-of-Town Meetings shall be provided for in the District's budget and include the following types of expenses:
- i) economy rate air fare (including one checked bag over and above the induced allowance in the airfare cost);
 - ii) conference and convention registration fees;
 - iii) taxi fare, car rental, public transit or car parking (excluding valet);
 - iv) hotel accommodation (single rate);
 - v) meals (excluding alcohol); and
 - vi) incidental expenses.
- 6.4.1. The annual budget approved for Council members' attendance at out-of-town meetings, seminars, workshops and conventions will be divided as evenly as possible between all members of Council.
- 6.4.2. Once a member of Council has expended their equal share of the allocated annual budget (approx. 15% of the total approved allowable expenditures for attendance at out-of-town meetings, seminars, workshops, and conventions), further expenditures of this sort by that member of Council must be approved by Council, either via electronic poll or resolution.
- 6.4.3. By virtue of the position, the Mayor or designate is authorized to attend emergency out-of-town meetings at any time.
- 6.4.4. Council may appoint another member of Council to attend emergency out-of-town meetings, under 6.4.3, in place of the Mayor at any time via a formal resolution.

7. Breach in the Council Code of Ethics and Conduct Bylaw (the "Code of Conduct")

- 7.1 Where a member of Council has been found by a Third-Party Investigator appointed under the Council Code of Ethics and Conduct Bylaw (the "Code of Conduct"), as amended or replaced from time to time, to have breached the Code of Conduct, the remuneration to which the member of Council would otherwise be entitled to under this Bylaw shall be adjusted in accordance with the following:
- 7.1.1 where the member of Council has been found to have breached the Code of Conduct for a first time, the remuneration to which the member of Council would otherwise be entitled to under this Bylaw shall be reduced by 10%, for a period of 12 months from the date of the breach;



DISTRICT OF BARRIERE

COUNCIL POLICY MANUAL

Page 1 of 1
Approval Date: January 23, 2012

NO: 16
DEPARTMENT: FINANCE
SUBJECT: COUNCIL REMUNERATION

The Mayor shall be paid remuneration for the discharge of office equivalent to \$10,643.00 for the period January 1, 2012 to December 31, 2012

Each Councillor shall be paid remuneration for the discharge of office equivalent to \$6,639.00 for the period January 1, 2012 to December 31, 2012.

The remuneration for the Mayor and Councillors shall be increased on January 1st of each year thereafter by an amount equivalent to the percentage increase in the Consumer Price Index for B.C. for the immediate preceding year. If the change in the Consumer Price Index for B.C. for the preceding year is negative, the remuneration for the Mayor and Councillors will remain unchanged for the year thereafter.

Council members' remuneration shall be paid in monthly installments for each year of the term of office for the Mayor and each Councillor.

One-third (1/3rd) of the remuneration paid to Council members shall be deemed to be a tax-free, non accountable allowance for all expenses incidental to the discharge of the duties of the respective offices.



DISTRICT OF BARRIERE

COUNCIL POLICY MANUAL

Page 1 of 1

Approval Date: February 6, 2012

NO: 19

DEPARTMENT: ADMINISTRATION AND FINANCE

SUBJECT: COUNCIL ATTENDANCE AT OUT-OF-TOWN MEETINGS, SEMINARS, WORKSHOPS AND CONVENTIONS

1. Generally the budget approved for Council members' attendance at out-of-town meetings, seminars, workshops and conventions is divided as evenly as possible between all members of Council. However, it is understood that, some members may have more flexibility to attend than others. In fairness therefore, once a member of Council has expended their "fair share" of the budget (approx. 15% of the total approved allowable expenditures for attendance at out-of-town meetings, seminars, workshops, and conventions), further expenditures of this sort by that member of Council must be approved by a Council majority, either via poll or resolution.
2. The Mayor, or his/her delegate, is given blanket authority to attend emergency meetings on behalf of the District.
3. Should the total annual budget for Council members' attendance at out-of-town meetings, seminars, workshops and conventions be depleted, additional funds may be transferred to that line item by resolution of Council or as permitted by Policy No. 18.