



Islands Trust

Governance Committee Agenda

Date: Tuesday, November 5, 2024
Time: 2:00 pm - 5:00 pm
Location: Electronic Zoom Meeting

	Pages
1. CALL TO ORDER	
2. AGENDA	
2.1 New Items and Re-Ordering of the Agenda	
2.2 Approval of Agenda	
3. PUBLIC COMMENT PERIOD	
4. DELEGATIONS	
5. CORRESPONDENCE	
6. ADMINISTRATIVE COORDINATION	
6.1 Governance Committee September 9, 2024, draft minutes	3 - 6
By general consent , the Governance Committee September 9, 2024, draft minutes be approved a presented.	
6.2 Resolutions Without Meeting	7 - 7
Report attached for information	
6.3 Follow up Action List	8 - 9
For review	
7. BUSINESS - WORK PROGRAM ITEMS	
7.1 Review of Trust Council Policy 7.2.1 Trustee Remuneration - BRF	10 - 68
7.2 Governance Committee 2025/26 Budget Submissions	
7.2.1 Trustee Remuneration Review Business Case - RFD	69 - 75
That Governance Committee approve the Trustee Remuneration Review Business Case and forward to Financial Planning Committee for inclusion in the 2025/26 fiscal year budget.	

7.2.2	Secretariat Business Case - RFD	76 - 81
	That Governance Committee approve the Secretariat Business Case and forward to Financial Planning Committee for inclusion in the 2025/26 fiscal year budget.	
7.2.3	Policy Review Business Case - RFD	82 - 87
	That Governance Committee approve the Policy Review Business Case and forward to Financial Planning Committee for inclusion in the 2025/26 fiscal Year budget.	
8.	BUSINESS - OTHER	
8.1	2025/26 Committee Meeting Dates - RFD	88 - 90
	1. That the Governance Committee adopt the proposed meeting date of January 29, for the remainder of the 2024/25 fiscal year and the proposed meetings dates of April 9, August 13, November 3, and January 28 for the 2025/26 fiscal year.	
	AND;	
	2. That the Governance Committee request staff to schedule all adopted Governance Committee meeting dates as electronic meetings.	
9.	BUSINESS - NEW	
9.1	Review of Governance Committee Mandate - Discussion	91 - 91
10.	WORK PROGRAM	92 - 94
	For review and referral to Trust Council before each quarterly TC meeting	
11.	NEXT MEETING	
	If committee adopts the meeting schedule as presented in item 8.1 the next meeting date will be:	
	Wednesday, January 29, 2025, 10:00 AM - 3:00 PM to be held electronically.	
12.	CLOSED MEETING	
	If desired:	
	That the meeting be closed to the public in accordance with the Community Charter, Part 4, Division 3, s.90, (quote the pertinent section here, for example, (1)(a) personal information about...) and that the recorder and staff [attend/not attend] the meeting.	
13.	RISE AND REPORT	
	If requested	
14.	ADJOURNMENT	
	*Approximate time is provided for the convenience of the public only and is subject to change without notice.	



Governance Committee Minutes of Meeting

Date: September 9, 2024
Location: Electronic Meeting,
physical location to view the livestream of the meeting:
Islands Trust Victoria Office
#200 - 1627 Fort Street
Victoria, BC V8R 1H8

Members Present: Judith Gedye, Chair, Bowen Island Municipal Trustee
Jamie Harris, Vice-Chair, Salt Spring Island Trustee (joined at 9:17 a.m.)
Joe Bernardo, Gambier Island Trustee
Laura Patrick, Salt Spring Island Trustee
Timothy Peterson, Lasqueti Island Trustee (left at 11:07 a.m., returned 11:41 a.m.)
Lee Middleton, Saturna Island Trustee (joined at 9:15 a.m.)
Kate-Louise Stamford, Gambier Island Trustee
Lisa Gauvreau, Galiano Island Trustee, Islands Trust Conservancy (ex-officio)
Peter Luckham, Thetis Island Trustee & Trust Council Chair (ex-officio)

Member Absent: None

Staff Present: Julia Mobbs, Interim Chief Administrative Officer (ICAO)
David Marlor, Director, Legislative and Information Services
Lori Foster, Executive Administrative Assistant/Recorder

Members of the Public Present: None

1. CALL TO ORDER

At 9:01 a.m., Chair Gedye called the meeting to order providing a land acknowledgement that the meeting was being held on the lands of many Coast Salish people.

2. AGENDA

2.1 New Items and Re-Ordering of the Agenda

For consideration to add the following:
9.2 Executive Committee restructuring

2.2 Approval of Agenda

By general consent the agenda was approved as amended.

3. PUBLIC COMMENT PERIOD - None

DRAFT

4. **DELEGATIONS** - None

5. **CORRESPONDENCE** - None

6. **ADMINISTRATIVE COORDINATION**

6.1 **July 12, 2024, Governance Committee draft minutes of a Regular Business Meeting**

By general consent the July 12, 2024, Governance Committee regular meeting minutes were adopted as presented.

6.2 **August 15, 2024, Governance Committee draft minutes of a Special Electronic Meeting**

By general consent the August 15, 2024, Governance Committee special meeting minutes were adopted as presented.

6.3 **Resolutions Without Meeting** - None

6.4 **Follow up Action List**

Flagged for later discussion under item 10. Work Program and Matrix:

- #3 Governance Committee recommend review in dedicated Trust Council session
- #5 Trustee Remuneration/Trustee Compensation Policy

Trustee Middleton joined the meeting at 9:15 a.m.

Trustee Harris joined the meeting at 9:17 a.m.

7. **BUSINESS - WORK PROGRAM ITEMS**

7.1 **Provincial Review: RFD Package for Trust Council - Discussion**

The Governance Committee special meeting of August 15, by resolution, made changes to the draft request for decision and letter which were incorporated and placed on the Executive Committee September 11 agenda for forwarding to Trust Council.

GC-2024-031

It was MOVED and SECONDED,

That the Governance Committee appoint Trustee Patrick the designated spokesperson at Trust Council to present this request for decision regarding the letter to the Province.

CARRIED

7.2 **Recent and Proposed Meeting Procedures Amendments – BRF**

The briefing informed the Governance Committee of changes being presented to Trust Council in September regarding meeting alignment with the fiscal year.

DRAFT

GC-2024-032

It was MOVED and SECONDED,

That Governance Committee recommend to Trust Council that we reconsider the timing of the September Trust Council meeting.

CARRIED

7.3 Representation on the Financial Planning Committee – BRF

Chair Gedye gave notice that the delegate from the Governance Committee to the Financial Planning Committee is, from this point, herself as Chair of the Governance Committee.

Vice-Chair Harris was thanked for his service.

7.4 Governance Committee 2025/26 Budget Requests - RFD

GC-2024-033

It was MOVED and SECONDED,

That Governance Committee request staff to prepare funding requests for the 2025/26 budget for the hiring a consultant to review Trustee Remuneration values.

CARRIED

GC-2024-034

It was MOVED and SECONDED,

That Governance Committee request staff to prepare funding requests for the 2025/26 budget for the review of all Trust Council policies.

CARRIED

GC-2024-035

It was MOVED and SECONDED,

That Governance Committee request staff to prepare funding requests for the 2025/26 budget for investigation of a secretariat staff position for Trust Council.

CARRIED

Trustee Peterson left the meeting at 11:07 a.m.

The meeting recessed for a break at 11:20 a.m. and reconvened at 11:30 a.m.

Trustee Peterson returned to the meeting at 11:41 a.m.

8. BUSINESS – OTHER – None

9. BUSINESS - NEW

9.1 Submission from Trustee Fast: Trustee Leadership Development - RFD

DRAFT

By general consent item “Trustee Leadership Development” be placed on the Governance Committee Matrix outside the Matrix under “Non-Urgent, Important items under close [examination] by other Council Committees.”

9.2 Executive Committee Restructuring

Trustee Luckham spoke to striking an Executive Committee restructuring committee.

By general consent Trustee Luckham will circulate the notes he read to the Governance Committee regarding Executive Committee restructuring to solicit feedback and interest in this work.

10. WORK PROGRAM & MATRIX

By general consent add to Governance Committee’s Matrix, “Review of Trustee Compensation Policy” and “Prepare Trust Council Session for review of Governance Report” as “Urgent, High Priority” items.

11. NEXT MEETING

GC-2024-036

It was MOVED and SECONDED,

That the Governance Committee reschedule the November meeting to be prior to the Executive Committee meeting before December’s Trust Council.

CARRIED

12. CLOSED MEETING - None

13. RISE AND REPORT - None

14. ADJOURNMENT

By general consent the meeting was adjourned at 12:20 p.m.

Judith Gedye, Chair Governance Committee

Certified Correct

Lori Foster, Recorder

Minutes are not official until adopted at a subsequent meeting.

GOVERNANCE COMMITTEE
RESOLUTION WITHOUT MEETING

RESOLUTION WITHOUT MEETING NO. GC-RWM-2024-03

The following matter is considered urgent and necessary in order for the Governance Committee to reschedule its November 18, 2024, regular meeting to meet Executive Committee to Trust Council agenda deadlines.

Trustees were notified, via email, of the call for resolution on October 8, 2024

Trustees were notified, via email, of the call for the vote on October 9, 2024

It was Moved by Trustee Patrick and Seconded by Municipal Trustee Gedye,

That the Governance Committee reschedule its Monday, November 18, 2024, regular business meeting to Tuesday, November 5, 2024, to be held electronically from 2:00 PM to 5:00 PM.

<u>TRUSTEES CONTACTED</u>	<u>DATE VOTE RECEIVED</u>	<u>VOTE</u>
1. Lee Middleton	October 9, 2024	In Favour
2. Laura Patrick	October 9, 2024	In Favour
3. Timothy Peterson	October 9, 2024	In Favour
4. Joe Bernardo	October 9, 2024	In Favour
5. Judith Gedye	October 9, 2024	In Favour
6. Kate-Louise Stamford	October 11, 2024	In Favour

TRUSTEES VOTE NOT AVAILABLE

7. Jamie Harris

FINAL VOTE COUNT (6) IN FAVOUR (0) OPPOSED DECISION **CARRIED**

THE CHAIR DECLARED THE ABOVE RESOLUTION CARRIED PURSUANT TO SECTION 13 OF THE ISLANDS TRUST ACT ON OCTOBER 16, 2024.

CHAIR'S SIGNATURE

RECORDER'S SIGNATURE

Follow Up Action Report

Governance Committee

Director Legislative Services

Progress	Activity	Responsibility	Dates	Status
100%	1 Prepare GC funding requests for the 2025/26 budget for the review of all Trust Council policies.	David Marlor	Meeting: 09-Sep-2024 Target: 05-Nov-2024	Completed
100%	2 Prepare GC funding request for the 2025/26 budget for investigation of a secretariat staff position for Trust Council.	David Marlor	Meeting: 09-Sep-2024 Target: 05-Nov-2024	Completed

Director, Administrative Services

Progress	Activity	Responsibility	Dates	Status
23%	<p>1 That the Governance Committee request the Financial Planning Committee and staff to continue developing a corporate planning process and that this work:</p> <ul style="list-style-type: none"> ·Include a staff analysis of the potential operational implications of instituting a comprehensive corporate planning process, and that such analysis specifically identify the changes to the annual budgeting process that would be required to implement the new process; ·Identify the key differences between the current strategic planning and budgeting processes and the corporate planning process under development; ·Identify such policy changes as may be required to institute a trustee decision-making structure appropriate for a corporate planning process that unites strategic and budgetary planning; ·Include a proposal for trustee training. ·The Executive Committee is requested to follow the SWOT (strengths, weaknesses, opportunities and threats) analysis process in developing the draft strategic plan that is to be submitted to Trust Council this year. 	Julia Mobbs	Meeting: 17-Apr-2023 Target: 16-Dec-2024	In Progress

Follow Up Action Report

Governance Committee

Director, Administrative Services

Progress	Activity	Responsibility	Dates	Status
24%	2 That Governance Committee recommend to Trust Council that it review the Governance Review in 2024 in a specially dedicated session.	Julia Mobbs	Meeting: 09-Nov-2023 Target: 05-Nov-2024	In Progress
100%	3 Re: Trustee Remuneration Policy: Staff to prepare a report that discusses the potential cost and other elements involved in engaging a qualified independent consultant to review policy 7.2.1 and the trustee remuneration values set out in the policy. *(Part of the business case)	Julia Mobbs	Meeting: 15-Jan-2024 Target: 05-Nov-2024	In Progress
50%	4 Re: Trustee Remuneration Policy: that Financial Planning Committee request staff to bring back an amended Trust Remuneration Policy that includes consideration of an independent remuneration review by either task force or consultant once per trustee term, at least one year before the end of term.	Julia Mobbs	Meeting: 29-May-2024 Target: 05-Nov-2024	In Progress
100%	5 Reschedule the November meeting to be prior to the Executive Committee meeting before December's Trust Council.	Julia Mobbs	Meeting: 09-Sep-2024 Target: 05-Nov-2024	Completed
76%	6 That Governance Committee recommend to Trust Council that we reconsider the timing of the September Trust Council meeting.	Julia Mobbs	Meeting: 15-Jul-2024 Target: 04-Dec-2024	In Progress
100%	7 Prepare GC funding request for 2025/26 budget for the hiring a consultant to review Trustee Remuneration values.	Julia Mobbs	Meeting: 09-Sep-2024 Target: 05-Nov-2024	Completed
100%	8 Add to GC Matrix as "Urgent, High Priority" : 1. Review of Trustee Compensation Policy and 2. Prepare Trust Council Session for review of Governance Report.	Julia Mobbs	Meeting: 09-Sep-2024 Target: 11-Sep-2024	Completed

To: Governance Committee **For the Meeting of:** November 5, 2024
From: Administrative Services **Date Prepared:** October 31, 2024
SUBJECT: **Review of Trust Council Policy 7.2.1 – Trustee Remuneration**

1 PURPOSE:

To inform Governance Committee of the work that FPC has undertaken to align [Trust Council Policy 7.2.1 Trustee Remuneration](#) with the [Union of British Columbia Municipalities \(UBCM\) Council and Board Remuneration Guide](#).

2 BACKGROUND:

The Financial Planning Committee (FPC) has completed work to review and update the Trustee Remuneration, as outlined:

On October 12, 2022, the FPC reviewed a briefing on this subject and passed the following resolutions:

That Financial Planning Committee request staff to bring back an amended Trustee Remuneration Policy that includes consideration of an independent remuneration review by either task force or consultant once per trustee term, at least one year before the end of term.

That Financial Planning Committee request staff to bring back an amended Trustee Remuneration Policy that includes consideration of the improvement opportunities identified in Appendix A: Assessment of UBCM elected official and board remuneration guide and Trust Council Policy 7.2.1 Trustee Remuneration.

At its regular meeting on May 29, 2024, the FPC passed the following resolution:

That Financial Planning Committee transfer its work on Policy 7.2.1 Trustee Remuneration to the Governance Committee, as requested by the Governance Committee.

Staff have drafted language amendments to Trust Council Policy 7.2.1 Trustee Remuneration (attached) to address the direction of FPC on the subject.

The proposed amendments align Trust Council Policy 7.2.1 with the UBCM’s Remuneration Guide, and achieve the following:

1. Add a section on the periodic review of the trustee remuneration that would require:
 - a. A review to be undertaken by an independent task force or consultant;
 - b. The review to be once per term and generally at mid-term;

- c. The basis for remuneration rates to be based on rates paid by similar jurisdictions; and
 - d. Any amendments to remuneration rates arising from review would come into effect with the start of the next term of office.
2. Include the potential to review the benefits provided within the periodic review.
 3. Clarify that where family members are added to the Trust's benefit plan, the trustee is responsible for paying any incremental costs of doing so.

Other minor amendments have been made for clarity, but which do not change the substance of the policy.

Materials presented to the FPC are attached to this report as background information for the Governance Committee's consideration.

3 RELEVANT POLICY(S):

Trust Council Bylaw 153 – Trustee Remuneration
Trust Council Policy 7.2.1 Trustee Remuneration

4 ATTACHMENT(S):

- Trust Council Policy 7.2.1 – with proposed amendments
- Background Material Package: 2022 BRF to FPC with related attachments A , B

5 FOLLOW-UP: These policy amendments will travel to Trust Council for approval upon completion of a consultant's review of the remuneration values built into the policy. Trust Council will approve any policy amendments to both values and general process simultaneously.

Prepared By: David Marlor, Director, Legislative and Information Services
Reviewed By/Date: Interim Chief Administrative Officer/October 16, 2024



Policy:	7.2.1
Approved By:	Trust Council
Approval Date:	December 8, 2010
Amendment Date(s):	June 15, 2011; March 11, 2015; June 21, 2017; January 16, 2019, DATE
Policy Holder:	Director of Administrative Services

TRUSTEE REMUNERATION

Purpose

Whereas Trust Council Bylaw 153 Trustee Remuneration establishes the rates and payments of remuneration for trustees, this policy is to ~~To~~ define the process for determining the remuneration and benefits received by trustees, ~~Executive Committee members, and members of Trust Council Committees.~~

A. Definitions

Trustees

Trustees are elected officials as defined in the *Islands Trust Act*, [Section 6 \(local trustees\)](#) and [Section 7 \(municipal trustees\)](#).

Population

Population for local Trust Areas is determined by the most recent census conducted by Statistics Canada.

Folios

1. Folios are individual properties as defined by BC Assessment.
2. The number of folios in each local Trust Area is determined annually by BC Assessment and reported to the Islands Trust.

Trust Council Committees

Trust Council Committees are the ~~standing~~ committees of Council as defined in Trust Council Policy 2.3.1, exclusive of the Executive Committee.

Executive Committee

Executive Committee means the committee referred to in section 20(1) of the *Islands Trust Act*, and is composed of the [Trust Council](#) Chair and Vice-Chairs.

Benefits

1. Benefits are defined as:
 - 1.1 ~~Premiums~~ [Payments](#) for Medical Services Plan [via employer health tax remittances \(MSP\)](#)

Commented [JM1]: Potential to update and include select committees

~~1.2 — Premiums for dental plans available through the Union of BC Municipalities (UBCM)~~

~~1.32 Premiums for an extended health and dental plan are available through the Union of BC Municipalities (UBCM)~~

B. Policy

1. The Islands Trust endeavors to provide trustee remuneration that reflects the relative workload of individual trustees due to their membership on local trust committees (LTC), Trust Council and Trust Council Committees.
2. Trustee Remuneration will be calculated based on the sum of four factors:
 - 2.1 An amount for membership on Trust Council. This amount will be equal to the remuneration paid to municipal trustees and will be referred to as the “Trust Council Base Amount”.
 - 2.2 An amount for participation in LTC business and LTC meetings. This amount shall be referred to as the “LTC Local Base Amount”.
 - 2.3 An amount for the population within a Local Trust Area. This amount shall be referred to as the “Population Amount”.
 - 2.4 An amount for the number of folios within a Local Trust Area. This amount shall be referred to as the “Folio Amount”.
 - 2.5 The amounts for each of the above factors are defined in Section C: Implementation.
 - 2.6 Effective April 1, 2019, an amount for attendance at Trust Council committee meetings (excluding Executive Committee, which is remunerated in accordance with Section 3). Meeting attendance will be remunerated at \$100.00 per meeting attended for committee members, and \$150 per meeting attended for committee Chairs.
3. Additional Remuneration for the Executive Committee
 - 3.1 Members of the Executive Committee receive remuneration for carrying out their duties on the Executive Committee and their duties as chairs of LTCs.
 - 3.2 The vice-chairs’ remuneration shall be defined as equal to the Salt Spring Trustee Remuneration amount, plus 10%.
 - 3.3 The chair’s remuneration shall be defined as the vice-chair remuneration, plus 25%.
4. Payment of Benefit Premiums for Trustees
 - 4.1 Trustees will be offered the opportunity to have benefit premiums paid by the Islands Trust. Payments for trustee benefit premiums may be subject to income tax as defined by the Canadian Revenue Agency.

4.2 Trustees will be offered the opportunity to have benefits coverage extended to their immediate family, and if this option is taken, the trustee will be responsible to cover any incremental costs incurred.

4.23 Trustees who do not subscribe to benefit coverage through Islands Trust will receive an annual amount in lieu as defined in Section C: Implementation.

C. Implementation

1. The implementation of this policy will commence with swearing in of trustees elected in November ~~2011~~2026.
2. The defined annual compensation amounts for the first implementation of this policy are the sum of:
 - 2.1 Trust Council Base Amount = \$3,200.00
 - 2.2 LTC Local Base Amount = \$4,200.00
 - 2.3 Population Amount = \$1.30 per person
 - 2.4 Folio Amount = \$1.30 per folio
3. The defined annual compensation amounts in section C.2 of this policy, and the methodology for making adjustments as defined in sections C.4 and C.5 of this policy, ~~will are be~~ incorporated into a Trust Council Bylaw 153, Trustee Remuneration ~~Bylaw~~.
4. Overall Review of Trustee Remuneration
 - 4.1 The Trustee Remuneration calculations will be reviewed when the results are available from the most recent census. Any adjustments based on changes in population or folios will be implemented on April 1st of the following year.
5. Annual Adjustments for Inflation
 - 5.1 The defined annual compensation amounts in section C.2 of this policy will be adjusted on an annual basis, coinciding with the fiscal year, based on the annual change in the Victoria Consumer Price Index as reported by BC Statistics in December. Adjustments to Trustee Remuneration that result from inflation will be implemented on April 1st of the following year.
6. Payments to Trustees Who Do Not Register for Benefits Through Islands Trust
 - 6.1 Local trustees who do not register for benefits through Islands Trust will receive an annual payment of \$1,000.00, paid evenly over the fiscal year (i.e., \$83.33 per month).

- 6.2 If local trustees take office part way through the fiscal year, this payment will be applied proportionately based on how many months are remaining in the fiscal year.

D. Periodic Review of Trustee Remuneration

1. Approximately half way through a Council term, Trust Council will consider if an independent review of Trustee Remuneration, by either task force or external consultant, is appropriate.
2. Base remuneration rate in similar local governments shall be the basis for determining trustee remuneration.
3. The review of remuneration may include a review of the benefits to ensure the benefits offered reflect changing needs.
4. All changes to base rates resulting from a review of trustee remuneration shall be effective at the beginning of the following term.

D.E. Legislated References

- [Islands Trust Act Section 6: Local Trustees](#)
- [Islands Trust Act Section 7: Municipal Trustees](#)
- [Trust Council Bylaw 153 Trustee Remuneration](#)

• [Annual Budget Document](#)
Islands Trust Act

~~Report on Proposed Trustee Remuneration prepared by Paul McKivett of James R. Craven and Associates dated August 24, 2010~~

~~Trustee Remuneration Committee Report dated August 24, 2010~~

~~RFD on Trustee Remuneration approved by Trust Council September 15, 2010~~

~~Trust Council Policy 2.3.1 – Council Committee System~~

E.F. Links /References to Supporting Forms, Documents, Websites, Related Policies and Procedures

- [Trust Council Policy 2.3.1 – Council Committee System](#)
- [Report on Proposed Trustee Remuneration prepared by Paul McKivett of James R. Craven and Associates dated August 24, 2010](#)
- [Trustee Remuneration Committee Report dated August 24, 2010](#)
- ~~RFD~~ [Request for Decision on Trustee Remuneration approved by Trust Council September 15, 2010](#)

n/a

To: Financial Planning Committee **For the Meeting of:** October 12, 2022
From: Director, Administrative Services **Date Prepared:** September 28, 2022
SUBJECT: Review of Policy 7.2.1 Trustee Remuneration

PURPOSE:

To assess Trust Council’s Policy 7.2.1 *Trustee Remuneration* against the Union of BC Municipalities (UBCM) *Council & Board Remuneration Guide* (“the Guide”) dated September 2019 to determine if best practices are being followed with regard to elected official compensation in the Islands Trust context.

BACKGROUND:

The UBCM has developed a best practice [guide](#) to assist local governments in the development of fair and equitable remuneration policies for elected officials. In recognition of local government autonomy and the need for approaches that reflect local needs and circumstances, the guide offers practical advice based on research findings and the experiences of municipalities and regional districts around the province. The resource provides options that are scalable relative to the varying resources, capacity, and contexts of local governments in British Columbia

At the direction of Financial Planning Committee, staff have conducted a high-level analysis of Trust Council Policy 7.2.1 *Trustee Remuneration* against the Guide and reports findings in the attached Appendix. Recommendations in the UBCM guide have been individually compared to similar clauses in TC’s trustee remuneration policy and been given a rating of ‘adequate’ or ‘improvement opportunity’. Where improvement opportunities have been identified, options for amending TC policy have been provided. Any recommendations made by FPC will be subsequently incorporated into a draft revised policy and forwarded to Trust Council for their consideration. Recommendations on trustee remuneration from an outgoing political body carry a greater unbiased weight than recommendations from an existing body to itself, as such this review has been brought forward for FPC despite the late timing in the term.

ATTACHMENT(S):

- Appendix A: Assessment of Policy 7.2.1 Trustee Remuneration Against UBCM Council & Board Remuneration Guide
- UBCM’s Council & Board Remuneration Guide
- Policy 7.2.1 Trustee Remuneration

FOLLOW-UP: As directed by the Committee.

Prepared By: Director, Administrative Services
Reviewed By/Date: Russ Hotsenpiller, Chief Administrative Officer/October 5, 2022
Director, Legislative Services/October 5, 2022

Appendix A: Assessment of UBCM Elected Official & Board Remuneration Guide and Policy 7.2.1 Trustee Remuneration

	UBCM BEST PRACTICE	ISLANDS TRUST POLICY 7.2.1 (Section Reference)	ASSESSMENT	COMMENTS AND RECOMMENDATION(S)
REMUNERATION REVIEWS – CONDUCTING REVIEWS & TIMING AND FREQUENCY OF REVIEWS				
1	Local governments should consider establishing an independent task force to conduct reviews of elected official remuneration.	Not addressed.	Improvement Opportunity	<p>While no independent task force exists for this purpose, independent reviews of trustee remuneration have taken place. In 2010, consultants were hired to review the existing policy and make recommendations for change, which led to the policy that exists and is in effect today.</p> <p>Internal reviews of trustee remuneration (such as this one) does rely on external and independent data sources, but staff and trustees are not considered independent reviewers themselves. If striking a task force at regular intervals is prohibitive, considerations can be make for periodic external review by either task force or independent consultant.</p>
2	Local governments should consider conducting remuneration reviews, and reporting the results, at least one year before the next election.	The Trustee Remuneration calculations will be reviewed when results are available from the most recent census. (C4a)	Improvement Opportunity	<p>Census is conducted every 5 years, with results available approximately one year post-census surveys. A trustee term is 4 years, which does not align with census updates. The results from the most recent census conducted in 2021 were released in February 2022, which is less than one year before the election in October 2022. This demonstrates that census results may not always be available one year in advance of elections.</p> <p>Also of note is that the current policy language indicates a calculation review, not policy review, which could be interpreted as review of the math as opposed to review of the method.</p>
3	Local governments should consider conducting remuneration reviews once per term.	The Trustee Remuneration calculations will be reviewed when the results are available from the most recent census. (C4a) [Emphasis added]	Improvement Opportunity	<p>In some cases, a full trustee term will be completed with no review given that census information becomes available every 5 years, while a trustee term is four years. This sequence results in one term of every five terms where no review takes place. This is not considered a significant weakness. However, should a review each term be desired to align with best practices, a policy change is permissible. Also of note is that the current policy language indicates a calculation review, not</p>

UBCM BEST PRACTICE	ISLANDS TRUST POLICY 7.2.1 (Section Reference)	ASSESSMENT	COMMENTS AND RECOMMENDATION(S)
			policy review, which could be interpreted as review of the math as opposed to review of the method.
4	Local governments should consider setting out the timing for subsequent reviews in remuneration policies or bylaws.	The Trustee Remuneration calculations will be reviewed when the results are available from the most recent census. (C4a)	Adequate The timing of subsequent reviews is set in the policy as suggested. Note limitations in the sequencing of review in rows 2 and 3 of this table.
<p><i>Recommendation(s) on Remuneration Reviews:</i></p> <p><i>Option 1 – Make no change to the policy to address independent reviews or adjust review timing.</i></p> <p><i>Option 2 - That the trustee remuneration policy be amended to include consideration of an independent remuneration review by either task force or consultant once per trustee term, at least one year before the end of term.</i></p>			
IMPLEMENTATION OF ADJUSTMENTS			
5	Local governments should consider including in their policies or bylaws provision for an automatic cost-of-living adjustment, using the CPI, to elected officials' base remuneration.	Annual Adjustments for Inflation a) The defined annual compensation amounts in section C.2 of this policy will be adjusted on an annual basis, coinciding with the fiscal year, based on the annual change in the Victoria Consumer Price Index as reported by BC Statistics in December. (C5)	Adequate None.
6	Local governments should consider having changes to base levels, determined through remuneration reviews, take effect at the beginning of the following term.	Any adjustments based on changes in population or folios will be implemented on April 1st of the following year. Any adjustments based on changes in population or folios will be implemented on April 1st of the following year. (C4a) The Trustee Remuneration calculations will be reviewed when the results are available	Improvement Opportunity Base level calculations are adjusted with folio updates on an annual basis and census updates every 5 years – updates to remuneration for this data sets occurs when data is available, not at the start of a new term based on a review. This is considered adequate as adjusting for these values only at the start of a term may result in tax spikes at the start of each term which may be difficult to manage. Changes to remuneration from reviews not based on specific data sets (folios and population), would be best applied at the start of the next term to alleviate conflict of interest or perceived/actual bias.

UBCM BEST PRACTICE		ISLANDS TRUST POLICY 7.2.1 (Section Reference)	ASSESSMENT	COMMENTS AND RECOMMENDATION(S)
		from the most recent census. (C4a)		
7	Local governments should consider allowing for immediate implementation of changes to remuneration that are designed to protect elected officials from financial loss that would otherwise occur as a result of tax system shifts.	Not addressed.	Adequate	The nature of the trustee remuneration structure differs from remuneration structures for other elected officials. As such, there is a higher inherent protection from financial loss due to tax system shifts. That is, remuneration does not contain particularly special sums or allowances that are more at risk for immediate or significant tax changes. As such, it is not recommended as necessary to revise the existing policy.
8	Local governments should consider allowing for immediate implementation of annual cost-of-living adjustments.	Adjustments to Trustee Remuneration that result from inflation will be implemented on April 1st of the following year. (C5)	Adequate	Although COLA adjustments for trustees is not implemented in line with calendar years, this adjustment does take place annually, as recommended. As such, it is deemed adequate for the purposes of this review.
<p><i>Recommendation(s) on Implementation of Adjustments:</i></p> <p><i>Option 1 – No changes to policy.</i></p> <p><i>Option 2 – That the trustee remuneration policy be amended to indicate that any base remuneration adjustments as a result of remuneration reviews will take effect at the start of the next term.</i></p>				
SETTING REMUNERATION POLICY				
9	Local governments should consider using base remuneration paid to elected officials in similar local government jurisdictions as the preferred basis for determining remuneration.	Not addressed.	Adequate Improvement Opportunity*	In 2010, an external consultant performed a review of trustee remuneration which included comparison of base remuneration paid to similar special purpose local governments and regional districts as the basis for their recommendations. *No consideration is provided in the current policy to address future periodic reviews of base remuneration against other local government [or Trust-similar] jurisdictions. Thoughts around these periodic reviews are built into recommendations in the earlier section of this table where remuneration reviews are addressed.
10	Local governments should consider establishing comparison groups using population,	Not addressed.	Adequate	The 2010 consultant remuneration review included comparison to other like group and workloads/levels of responsibility.

	UBCM BEST PRACTICE	ISLANDS TRUST POLICY 7.2.1 (Section Reference)	ASSESSMENT	COMMENTS AND RECOMMENDATION(S)
	combined — as deemed necessary — with other factors that influence elected official workload and level of responsibility.			
11	Local governments should consider including at least five jurisdictions (preferably more) in the comparison groups.	Not addressed.	Adequate	The 2010 consultant remuneration review included comparison to San Juan Council, School Districts, and many regional districts.
12	Local governments should consider using simple formulas that make the calculation of remuneration levels as straightforward as possible, easy to explain, and easy to understand.	Policy sections B.2, B.3, and C.2 (excerpts not included due to length. See attached Policy 7.2.1 for text.)	Adequate	Calculations are straightforward to apply and easy to understand.
13	Local governments should consider targeting supplemental payments to non-core meetings, and structuring base remuneration levels to include attendance at board and committee of the whole meetings.	<p>Effective April 1, 2019, an amount for attendance at Trust Council committee meetings (excluding Executive Committee, which is remunerated in accordance with Section 3). Meeting attendance will be remunerated at \$100.00 per meeting attended for committee members, and \$150 per meeting attended for committee Chairs. (B.2.f)</p> <p>An amount for membership on Trust Council. This amount will be equal to the remuneration paid to municipal trustees and will be referred to as the “Trust Council Base Amount”. (B.2.a)</p> <p>An amount for participation in LTC business and LTC meetings. This</p>	Adequate.	Meeting attendance is supplemented.

UBCM BEST PRACTICE		ISLANDS TRUST POLICY 7.2.1 (Section Reference)	ASSESSMENT	COMMENTS AND RECOMMENDATION(S)
		amount shall be referred to as the "LTC Local Base Amount". (B.2.b)		
<p><i>Recommendation(s) on Setting Remuneration Policy:</i> None. The basis for initial setting of remuneration is considered sound. Consideration of remunerations updates and reviews is contemplated in the "Reviewing Remuneration" section of this report set out earlier in the table.</p>				
SETTING AND REVIEWING EXPENSE REIMBURSEMENT POLICY				
14	Local governments should provide clarity in regional district expense policies/bylaws to ensure that municipal expenses incurred by municipal directors are reimbursed by the appropriate municipal governments.	Not addressed.	Adequate	None. This is not applicable to Islands Trust elected officials.
15	Local governments should consider including in their expense policies and/or bylaws the principle that elected officials should not themselves be expected to pay expenses that are incurred in order to perform their roles.	Addressed in TC Policy 7.2.3 Trustee Travel	Adequate	None. This principle is captured in trustee travel and training policies and executed by way of expense reports to Islands Trust.
16	Local governments should recognize that the range of legitimate expenses incurred to perform the roles of mayor and board chair will be greater than that incurred to perform the roles of councillor and board director.	Addressed in TC Policy 7.2.3 Trustee Travel	Adequate	None. This principle is captured in trustee travel and training policies and executed by way of expense reports to Islands Trust.
17	Local governments should ensure that lists of eligible expenses reflect unique local conditions.	Addressed in TC Policy 7.2.3 Trustee Travel	Adequate	Policy includes references to ferries, reservation fees, claiming for use of privately owned boats, private instead of commercial accommodation, etc.
18	Local governments should periodically re-examine decisions	Not addressed.	Improvement Opportunity	Trustee travel policy was approved by Trust Council in June 2014 and has not been reviewed since.

UBCM BEST PRACTICE		ISLANDS TRUST POLICY 7.2.1 (Section Reference)	ASSESSMENT	COMMENTS AND RECOMMENDATION(S)
	on eligibility to ensure that lists of eligible expenses evolve to reflect changing needs and to reduce barriers to participation.			
<p><i>Recommendation(s) on Setting Expense Reimbursement Policy:</i></p> <p><i>Option 1 – No change to travel policy to address periodic reviews.</i></p> <p><i>Option 2- That TC Policy 7.2.3 Trustee Travel be amended to include consideration of review, at either periodic regular intervals, or when specific circumstances deem it necessary.</i></p>				
ELECTED OFFICIAL BENEFITS				
19	Local governments should consider providing access to extended health, dental, vision and insurance to all local elected officials.	B.4. Payment of Benefit Premiums for Trustees a) Trustees will be offered the opportunity to have benefit premiums paid by the Islands Trust. Payments for trustee benefit premiums may be subject to income tax as defined by the Canadian Revenue Agency.	Adequate	Access to extended benefits is provided to all local elected officials (with the exclusion of municipal trustees, who are covered under the Bowen Island municipal plan).
20	Local governments should consider contributing to the cost of benefit premiums on a prorated basis, in accordance with the full- or part-time nature of elected positions.	B.4. Payment of Benefit Premiums for Trustees a) Trustees will be offered the opportunity to have benefit premiums paid by the Islands Trust. Payments for trustee benefit premiums may be subject to income tax as defined by the Canadian Revenue Agency. b) Trustees who do not subscribe to benefit coverage through Islands Trust will receive an	Adequate	TC's remunerations policy does not differentiate between full time and part time, choosing instead to provide benefit coverage to all trustees equally.

UBCM BEST PRACTICE		ISLANDS TRUST POLICY 7.2.1 (Section Reference)	ASSESSMENT	COMMENTS AND RECOMMENDATION(S)
		annual amount as defined in Section C: Implementation.		
21	Local governments should consider extending benefits coverage to family members of elected officials, provided that the elected officials themselves pay the full incremental cost of such coverage.	Not addressed.	Improvement Opportunity	Trustees are currently entitled to enroll in couple/family benefit plans with the full premium paid by Islands Trust. No consideration of recovering the incremental cost is made in TC policy.
22	Local governments should periodically re-examine the benefits provided to ensure that benefits programs reflect changing needs, and reduce barriers to participation.	Not addressed.	Improvement Opportunity	Current TC remuneration policy is silent on review of benefit coverage. Recommendation: Add policy language to include benefit coverage review in line with remuneration review, to ensure coverage remains appropriate.
<p><u>Recommendation(s) on Benefits Coverage:</u></p> <p><i>Option 1 – No change to policy to address alternate benefit coverage.</i></p> <p><i>Option 2 – That the trustee remuneration policy be amended to exclude coverage of incremental costs associated with family benefit plans.</i></p>				
COMMUNICATIONS				
23	Local governments should consider including in their communications programs information on the nature of elected official roles, the purposes of remuneration, principles to guide the setting of remuneration, details on remuneration levels, remuneration reviews, and expenditures made.	Not addressed in policy.	Improvement Opportunity	Current communication programs do not address this suggested best practice.
24	Local governments should consider using a range of tools to communicate information, including written materials,	Not addressed in policy.	Improvement Opportunity	Current communication programs do not address this suggested best practice.

	UBCM BEST PRACTICE	ISLANDS TRUST POLICY 7.2.1 (Section Reference)	ASSESSMENT	COMMENTS AND RECOMMENDATION(S)
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	presentations, and information meetings.			
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Recommendation(s) on Communications:
Option 1 – No change to policy to address communications on the topic.

Option 2 – That the trustee remuneration policy be amended to include development of a communications strategy six months prior to any remuneration review, that includes key message and communications methods to inform about the nature of elected official roles, the purposes of remuneration, principles to guide the setting of remuneration, details on remuneration levels, remuneration reviews, and expenditures made, and that includes a range of communication tools.



UNION OF BC MUNICIPALITIES

COUNCIL & BOARD REMUNERATION GUIDE

FIRST EDITION
SEPTEMBER, 2019

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INTRODUCTION

In British Columbia, local governments are responsible for providing a broad range of local services to address infrastructure needs, regulate land use, move people and goods, tackle challenging social issues, promote active living, protect the natural environment, and deal with a host of other issues. The elected officials that sit on the municipal councils and regional district boards collectively make, and accept responsibility for, the funding, policy, and service delivery decisions that are required in order for local government to work. Local elected officials also have responsibility for ensuring that the councils and regional district boards themselves function effectively as democratic, representative governing bodies.

Effective governance requires the elected officials to make decisions regarding the structure and operation of the governing bodies. One of the more difficult decisions that must be made by the officials involves the setting of their own remuneration.

Local elected officials in BC endorsed a resolution at the 2018 Union of BC Municipalities (UBCM) Convention that tasked UBCM with developing a resource to support local decision makers in the development of remuneration packages that are defensible and fair. This *Council & Board Remuneration Guide* presents best practices for local governments to consider.

Development of Guide

The *Guide* was developed through a five-stage process:

- > *Stage 1: Background Research* — Research was conducted to identify and understand the challenges faced by local governments in setting remuneration levels for council members and board directors. Remuneration approaches for elected officials in other orders of government were briefly explored as part of the research.

- > *Stage 2: Survey* — A survey was sent to every municipality and regional district in the province to understand elected official remuneration policies and practices in place today, to learn about approaches that appear to work well, and to understand lessons learned. A total of 75 local governments responded to the survey, which translates into a response rate of 39%. Included in the list of respondents were eleven of the twenty largest municipalities (by population), five

LOCAL GOVERNMENT AUTONOMY

The best practices set out in the Guide recognize that local governments have autonomy to develop approaches to remuneration that reflect local needs and circumstances. The Guide offers practical advice, based on research findings and the experiences of municipalities and regional districts, for local governments to consider. Each local government will need to determine, based on its own review of the information, its preferred course of action.

of the smallest municipalities, and twelve regional districts. All regions of the province were well represented (see sidebar).

- > *Stage 3: Interviews* — Approximately twenty follow-up interviews were conducted with a subset of the municipalities and regional districts that responded to the survey. Written materials from these local governments were obtained and reviewed; materials from other places identified through the research were also reviewed.
- > *Stage 4: Best Practices* — Based on the background research, survey results, and discussions with individual local governments, a set of best practices was developed for the *Guide*.
- > *Stage 5: Guide* — The UBCM Executive approved the scope and approach for the *Guide*. The final draft, complete with recommended best practices, was reviewed by UBCM's Presidents Committee. Input provided by the Presidents Committee was used to finalize the document.

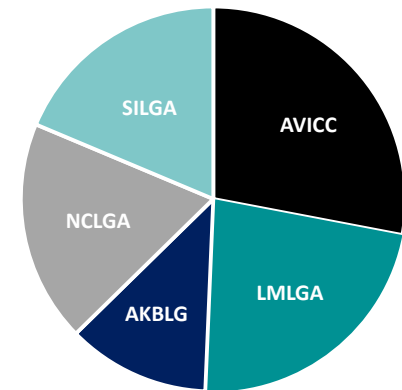
Organization of Guide

The *Council & Board Remuneration Guide* is organized into six separate sections. Section 1 sets the stage by exploring why remuneration for elected officials is important, and why local governments need to review remuneration levels periodically. Sections 2, 3, and 4 then focus on remuneration reviews themselves. Section 2 begins by considering who should conduct such reviews. Three options are identified and assessed. Section 3 addresses the question of "when" — specifically, when to review remuneration, and when to implement the results of a review. The distinction between a full review and an adjustment is explained in this section. Section 4 examines how to conduct a review. The development of comparison groups, the collection of data, and the use of simple formulas are all topics that are addressed the text. Advice on expenses and benefits is also provided. Section 5 addresses the importance of communication. Information to communicate, audiences to reach, and methods of communication to consider are outlined.

Best practices for local governments to consider in addressing remuneration for elected officials are presented throughout the *Guide*. Section 6 brings the practices together into one summary table.

SURVEY OF LOCAL GOVERNMENTS

In total, 75 municipalities and regional districts participated in the survey on elected official remuneration. As illustrated in the accompanying chart, all regions of the province (identified using UBCM Area Associations) were represented.



Use by Local Governments

It is important to emphasize that the *Guide* does not prescribe or suggest specific levels of remuneration or particular expense and benefits packages for local elected officials. The *Guide* is focused, instead, on helping local governments develop approaches that can be used by decision-makers to establish compensation programs that are fair both for elected officials and local taxpayers.

It should be noted, as well, that the *Guide* recognizes the autonomy of local governments in the development of approaches that reflect local needs and circumstances. The *Guide* offers practical advice for local governments to consider, based on research findings and the experiences of municipalities and regional districts around the province. Each local government, however, will need to determine, based on its own review of the information, its preferred course of action.

On a related note, the *Guide* recognizes that there is significant variability among local governments in British Columbia. Considerable differences in population, area, scope of services, size of administration, location, growth rate, local economy, and other factors mean that local governments will need to apply the best practices in ways that respond to local needs and are sensitive to local conditions. To assist local governments in this task, care has been taken to provide advice that can be applied in a variety of local settings.

Key Terms

Certain terms are used repeatedly throughout the *Guide*. Key terms and their meanings are presented in Figure I.1 in alphabetical order.

VARIABILITY AMONG LOCAL GOVERNMENTS

Considerable differences among local governments in population, area, scope of services, size of administration, location, economy, growth rate, and other factors mean that jurisdictions will need to apply the best practices in ways that respond to local needs and are sensitive to local conditions. Care has been taken to provide advice that can be applied in a variety of local settings.

**Figure I.1
Key Terms in the Guide**

Term	Meaning
Benefits	Benefits are the incentives, services and protections provided to local government elected officials during their time in office.
Expenses	Expenses are charges incurred by local government officials in the course of their duties, and are necessary in order to perform their duties.
Local Governments	Local governments include municipalities, governed by councils, and regional districts, governed by boards of directors.
Local Government Elected Officials	Local government elected officials include members of municipal councils, and directors of regional district boards. Members of council include mayors and councillors. Regional district directors include chairs and vice chairs.
Remuneration	In a narrow sense, the term remuneration in the <i>Guide</i> refers specifically to money that is paid to local elected officials as compensation for the duties they perform. Remuneration in this sense includes base salaries, but also supplemental payments that typically take the form of per-meeting stipends. Remuneration is also used in a broader sense to include expenses and benefits packages, in addition to money. The exact usage of the term throughout the text is context-specific.
Remuneration Adjustment	This term refers to increases that are automatically applied, usually on an annual basis, to an elected official's base salary. The level of adjustment is determined by a pre-determined index (e.g., consumer price index), or combination of indices.
Remuneration Review	A remuneration review is a formal assessment of existing remuneration provided to elected officials. In most cases, reviews include a consideration of pay, expenses, and benefits.

SECTION 1

IMPORTANCE OF REMUNERATION

Most people who seek election to a municipal council or regional district board are driven, first and foremost, by a strong sense of public service and a desire to make their communities better. Remuneration is not, in most cases, an important motivating factor. Individuals who do make the commitment to serve as local elected officials, however, should be able to expect fair and reasonable compensation. This section of the *Guide* explains why remuneration is both warranted and important.

FACTORS TO CONSIDER

Time Commitment

Local government elected officials are expected to commit considerable time (and energy) to their roles on municipal councils and regional district boards. In larger municipalities and in some regional districts, the roles of mayor and chair are full-time positions in which incumbents typically work more than full-time hours. Even in places where such positions are part-time in nature, the time requirements can be significant, as they are for councillors and directors. Time must be spent reviewing comprehensive agenda packages, attending council or board meetings and public hearings, engaging with residents, participating in civic events, and handling a variety of other tasks. For elected officials who serve on more than one governing body, on committees and commissions, and as appointees to external agencies and associations, the time commitment is even greater.

Councils and boards need people who are willing and able to commit the time needed to serve. Remuneration reflects and compensates individuals for the time they must spend to do the job.

Employment and Financial Impacts

The time required to serve on a municipal council or regional district board will reduce the amount of time available to spend on other paid work. For individuals who are mid-career, this reality can negatively impact their current employment situation, as well as their total earned income. In some cases the impact may extend to affect future career development and earning potential, since time spent on a council or board translates into less time available to apply to building a career path.

TIME COMMITMENT

“Municipal politics is different than the rest in that Council members are always on the clock. Businesses close at the end of a day, people go home from work and provincial and federal politicians have staff and deputies to assist with their very demanding schedules. City Council members are on their own and take ownership of all issues and concerns from the community. They are never off the clock.”

*Remuneration Task Force
City of Kamloops*

Remuneration for local elected officials will not fully offset the employment and financial impacts experienced in every case. In keeping with the public service motivation of people who choose to run for local office, there is arguably a tacit acceptance by those in office of some level of sacrifice. Remuneration should, however, be fair as well as sufficient in order to mitigate any sacrifice required. Unfair and insufficient remuneration may render elected office off-limits to a variety of prospective candidates.

Responsibility

Municipal councils and regional district boards are responsible for increasingly broad and complex portfolios of local government services. The elected officials who sit on these governing bodies contribute to and accept responsibility for funding, policy, and service delivery decisions that are taken to meet infrastructure needs, promote land use goals, tackle social issues, provide opportunities for sport and recreation, protect sensitive environments, regulate activities, and deal with a host of other issues. These decisions, which even in small jurisdictions can be weighty and contentious, affect the lives of residents and the long-term prosperity of communities. Fair remuneration for persons who are willing to accept such responsibility is warranted.

Representative Government

As representative governing bodies, it is important that municipal councils and regional district boards reflect, to the extent possible, the diversity of the communities they serve. Inadequate remuneration, either in terms of pay and/or benefits, stands as a potential barrier to participation for people who are without other sources of income. Fair remuneration is important in helping to reduce barriers, and in attracting capable people from a variety of backgrounds, demographic groups, socio-economic classes, and employment types.

IMPORTANCE OF REVIEWS

The factors outlined thus far help to explain why remuneration for local government elected officials is both warranted and important. The factors also highlight the need for local governments to regularly review their elected official remuneration programs in order to ensure that they remain fair over time as expectations and circumstances change. Remuneration levels that are left static in the face of changing circumstances, including shifts in the cost-of-living, risk becoming barriers to participation.

GOVERNING BODY DIVERSITY

Municipal councils and regional district boards are representative governing bodies. Their legitimacy is strengthened when they reflect the diversity of the communities they serve. Inadequate remuneration is a potential barrier to participation for individuals who may wish to serve, but who lack other sources of income and/or benefits. In these cases, diversity in the membership of local governing bodies may be difficult to achieve.

SECTION 2

WHO SHOULD CONDUCT REVIEWS?

In an effort to ensure that remuneration levels for local elected officials remain fair over time, local governments undertake remuneration reviews. Reviews are the focus of Sections 2, 3, and 4 of the *Guide*. Section 2 — this section — begins by exploring who should conduct a review.

OPTIONS TO CONSIDER

In some jurisdictions, elected official remuneration is reviewed by the municipal council or regional district board itself, or by a committee of the council or board. In most places, however, reviews are assigned to other parties in order to relieve elected officials from the difficult task of having to develop their own levels and terms of compensation. The three most common options are local government staff, an independent task force, and experienced consultants.

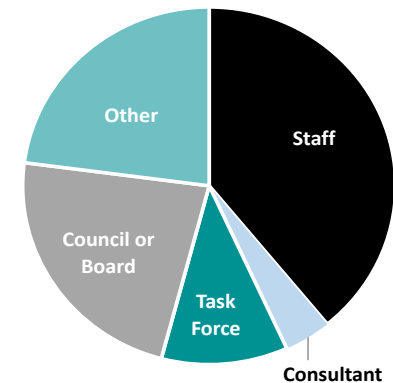
- > *Local Government Staff* — According to the survey of local governments that was conducted for the *Guide*, the use of local government staff to review elected official remuneration is the most popular option.¹ Most of the jurisdictions that reported using their own staff, it is worth noting, are small in size.
- > *Experienced Consultant* — This decision to assign a review to an outside, external consultant is less common, but is used in certain communities. Under the approach, a consultant is hired to conduct the relevant research, examine options, and recommend remuneration and benefit levels.
- > *Independent Task Force* — This option of an independent task force, comprised largely or entirely of local residents, is used by some local governments across the province, including large cities, small villages and towns, and regional districts.² The size and composition of the task force are important points to consider; so, too, is the mandate of the committee, its methodology, and the support it is provided.

¹ In all, 39% of responding local governments reported using local government staff to conduct reviews.

² The body is referred to as a Working Group, Advisory Group, Panel, Task Force, or Committee.

ASSIGNMENT OF REVIEWS

The accompanying chart based on the survey results shows that many jurisdictions today assign local elected official remuneration reviews to local government staff.



Pros & Cons

The choice of option may be informed by past experiences, and by local expectations and views regarding elected official compensation. The choice will also be influenced, however, by an assessment of the pros and cons that are associated with each of the alternatives. Figure 2.1 presents some of the key pros and cons that local governments may wish to consider.

Figure 2.1
Options to Consider

Options	Pros	Cons
Local Government Staff	<ul style="list-style-type: none"> > understand roles, responsibilities, and workload of elected officials > understand local context > easy access to data from other communities, particularly where benchmark group exists > cost effective 	<ul style="list-style-type: none"> > perceived as being less-than-independent from governing body > may be perceived or actual conflict of interest in cases where linkage (formal or informal) between elected official and staff remuneration
Experienced Consultant	<ul style="list-style-type: none"> > independent from elected officials > familiar with use of data and metrics, and with local government practices > option enables decision-makers to point to and rely on expert advice 	<ul style="list-style-type: none"> > may not understand or be sensitive to local context > may be costly
Independent Task Force	<ul style="list-style-type: none"> > independent from elected officials > places in hands of community (members from community) > understands local context > cost effective > different perspectives involved > potential to raise profile of local government, and importance of remuneration 	<ul style="list-style-type: none"> > may lack understanding of the roles, responsibilities, and workload of elected officials > relies on credibility of committee members > governing body may have difficulty rejecting recommendations

INDEPENDENT TASK FORCE

The use of an independent task force provides for a high degree of separation for elected officials from the development of their own remuneration packages.

PREFERRED APPROACH

The independent task force emerges in Figure 2.1 as the preferred option for undertaking elected official remuneration reviews. The task force's independence from decision-makers, as well as staff, enables it to operate in a way that is free of local government involvement and — more importantly — *perceived* to be free of such involvement. This freedom adds to the credibility of recommendations that come forward, and protects elected officials and their staff from conflict of interest issues and other controversies. The independence also allows the task force to speak to the roles, responsibilities and expectations of elected officials, and the importance of appropriate remuneration, in ways that the elected officials and staff would find difficult to do.

It is worth noting that the use of independent task forces and panels to determine elected official remuneration is widespread at the provincial and federal government levels in Canada. These jurisdictions recognize the value of the approach in protecting elected officials from challenges related to conflict of interest that inevitably arise in the development of their own remuneration.

SUCCESS FACTORS

The choice of the independent task force option will not, on its own, guarantee a successful outcome. Careful attention needs to be given to the appointment of members to the task force, the development of task force terms of reference, and the provision of support to the task force's work.

Membership

To the extent possible, diversity in the membership of the task force is important. A common practice is to include, at a minimum, representation from the local business community, as well as the non-profit or public sector. Many governments also find the appointment of an individual with past experience in local government as an elected official or senior staff person to be advantageous. These individuals bring a local government perspective, and can help ensure a clear understanding on the task force of the roles and responsibilities of elected officials. Individuals with human resources experience or a legal background are considered to add value in some places. Citizens-at-large are included on many task forces.

SUCCESS FACTORS

The choice of the independent task force option will not, on its own, guarantee a successful outcome. Careful attention needs to be given to the appointment of members to the task force, the development of task force terms of reference, and the provision of support to the task force's work.

Other considerations related to membership are as follows:

- > *Size* — Some places (e.g., Tofino, Metro Vancouver, Alberni-Clayoquot Regional District) limit the number of members to three; others (e.g., Abbotsford) allow for a maximum of five; still others (e.g., Kamloops) appoint seven. Larger bodies allow for greater diversity and a broader range of perspectives; smaller groups may be more nimble and able to reach consensus more easily. In relatively small jurisdictions, smaller task forces may be more practical to assemble given the smaller number of candidates relative to the situation in larger centres.
- > *Appointment* — In most jurisdictions that use independent task forces, members are appointed by the Chief Administrative Officer of the local government. This approach reinforces the group's independence from the governing body whose remuneration the task force is reviewing.

Terms of Reference

As with any advisory body, formal terms of reference for the task force are important. Task force terms should set out:

- > the purpose of the task force
- > the task force's membership, including number and qualifications of members, and the designation of a chair
- > the method and term of appointment
- > the task force's mandate, or scope of review, including the specific items (e.g., base remuneration, expenses, benefits, annual adjustments) on which the task force is expected to provide recommendations
- > a methodology to guide the task force, including any specific factors, bases of comparison, and criteria for the task force to consider in developing its recommendations
- > expectations regarding consultation, including consultation with the public
- > the expected number of task force meetings, and the meeting procedures to follow
- > support resources available to the task force in conducting its work
- > the task force's reporting schedule

GUIDANCE TO TASK FORCE

Even when task forces are free to choose their own approaches, it is useful for jurisdictions to provide guidance on methodology, and identify specific items for task forces to consider in their work.

The terms of reference for Abbotsford's Council Remuneration Citizen Task Force state that "the Task Force will research and consider all aspects of compensation that it believes are relevant to making its recommendations, but will specifically consider [certain] matters..."

- > policies, bylaws, and other documents of the local government that govern the task force's work and conduct

To underscore the importance of autonomy, some jurisdictions allow their task forces to themselves choose the data, factors, and criteria to use in developing recommendations. Even in these cases, however, jurisdictions will provide guidance on methodology or, more commonly, identify specific items for task forces to consider in addition to any others that the task forces determine to use.

Task Force Support

The primary value of a remuneration task force is its independence from the local government. The elected officials who receive and who are affected by the task force's recommendations benefit from this independence. The task force is not expected, however, to conduct its work completely on its own, without assistance from the organization. Indeed, for the task force to succeed, it must be able to rely on staff to collect and analyze data, organize meetings, conduct research, and draft the task force's report. It is important for local governments to assign a senior manager as a liaison to the task force, and sufficient staff resources to give the task force the support it needs to fulfill its mandate.

Another form of support for the task force is education. To make meaningful recommendations that reflect the duties, workload, and expectations of elected officials, task force members need to have a good understanding of local government, and of the roles and responsibilities of mayors/chairs, and councillors/directors. Local government staff can assist by providing an orientation to task force members at the beginning of their mandate. Alternatively, or in addition, task force members can be given reference materials such as the booklet available online at the Ministry of Municipal Affairs, titled *Thinking About Running for Local Office?*

BEST PRACTICE

- > *Local governments should consider establishing an independent task force to conduct reviews of elected official remuneration.*

TASK FORCE SUPPORT

"The District Chief Administrative Officer and Director of Financial Services shall serve as non-voting resources to the [citizen] Advisory Group."

*Council Remuneration
Advisory Group
District of Tofino*

SECTION 3

TIMING AND FREQUENCY OF REVIEWS

Local governments interviewed for the *Guide* highlighted the need to consider timing and frequency in the review of elected official remuneration. These issues are explored in this section of the text. Also explored is the question of timing as it relates to the implementation of the outcomes of reviews.

TIMING OF REVIEWS

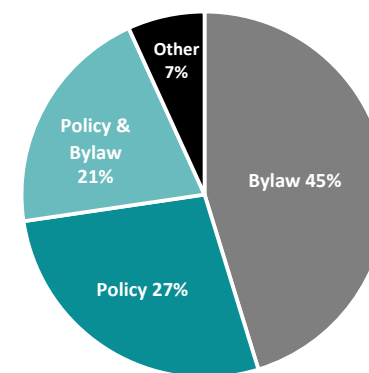
Local governments do not follow a single common practice with respect to the timing of remuneration reviews. An examination of existing approaches over the past decade shows that some councils and boards (e.g., Vancouver) have conducted reviews early in their terms, whereas others (e.g., Comox Valley Regional District, Oak Bay, Esquimalt, Prince George) wait until the final year of their mandate. Some local governments (e.g., Kamloops, Abbotsford, Metro Vancouver) initiate reviews closer to the middle of their terms. In general, most councils and boards that undertake reviews initiate them in the second half of their terms.

The preferred timing for a review will depend on a number of factors, including local economic conditions, reliance on established policy, the election cycle, and tax system changes over which local governments have no control. Each of these points is considered, as follows:

- > *Local Conditions* — In all of their initiatives, remuneration reviews included, councils and boards need to be sensitive to local economic conditions. Elected officials' compensation and benefits, it is important to remember, are paid for by local taxpayers. In times of economic growth and optimism, when local employment is strong and consumer confidence is high, news of a remuneration review for elected officials will be greeted much differently than during periods of economic stress. A council or board would be well-advised, for example, to postpone a review, no matter how warranted one may be, in a single-industry community that is dealing with the loss of a major employer.
- > *Established Policy* — The survey conducted for the *Guide* found that 27% of responding local governments have a formal policy in place on elected official remuneration, 45% have a remuneration bylaw, and 21% have both (see sidebar). Several of these policies and bylaws

ESTABLISHED POLICY

Most local governments that responded to the survey have either a formal policy in place on elected official remuneration, a bylaw, or both. Several policies and some bylaws address the timing and frequency of reviews.



speak to the timing of future remuneration reviews. When such schedules are applied consistently, local governments are perceived to have less discretion over the question of when to review. The issue of timing in these cases tends to attract less attention than it would otherwise.

- > *Election Cycle* — Change to elected officials' remuneration is an item of interest and discussion in many communities across the province. It is important for local governments to recognize remuneration as a legitimate issue for scrutiny and discussion, and to allow opportunities for discussion to occur. It may not be useful, however, for remuneration to dominate public discourse, particularly in the lead-up to an election when other important issues also deserve attention. To avoid this situation, local governments should consider conducting reviews, and reporting results, at least one year before the next election.
- > *Tax System Changes* — Changes to the *Federal Income Tax Act* were introduced by the federal government in 2017 to eliminate a long-standing federal tax exemption for local government elected officials, effective January 1, 2019. This change resulted in substantial changes to the after-tax income for elected officials, and prompted many local governments to adjust elected officials' 2019 pre-tax compensation in order to maintain after-tax 2018 remuneration. The need to review remuneration and change base amounts to maintain after-tax compensation was driven by changes that were beyond local government control. The timing of the review to initiate the changes was also driven by events outside of local government.

BEST PRACTICE

- > *Local governments should consider conducting remuneration reviews, and reporting the results, at least one year before the next election.*

FREQUENCY OF REVIEWS

Regular reviews of elected official remuneration levels should be undertaken in order to ensure that remuneration remains fair over time as job conditions, expectations, and circumstances change.

ELECTION CYCLE

Change to elected officials' remuneration is a legitimate issue for public scrutiny and discussion. To avoid having remuneration dominate public discourse in the lead-up to elections, however, at the expense of other important issues, local governments should consider conducting reviews, and reporting results, at least one year before the next election.

Failure to do so may undervalue the time spent by elected officials, and the level of responsibility associated with the job. Failure could also result in remuneration becoming a barrier to participation, and make it difficult for a diverse range of individuals to stand for election.

As noted earlier, several local governments that responded to the survey have policies or bylaws that set out schedules for formal reviews of base remuneration levels. In some of these documents the frequency of reviews is set out — once-per-term appears to be the most commonly prescribed schedule in these documents. Regular adherence to these schedules ensures that reviews happen on a regular basis, and helps to ensure that remuneration does not become a barrier to elected office. Local governments with policies and/or bylaws that do not identify a specific frequency typically experience longer intervals between reviews.

Relying on policies and bylaws to automatically trigger a review, in keeping with a prescribed frequency, is a useful practice to follow. It relieves councils and boards — as well as their individual members — from having to take the politically-difficult decision to request a review.

BEST PRACTICES

- > *Local governments should consider conducting remuneration reviews once per term.*
- > *Local governments should consider setting out the timing for subsequent reviews in remuneration policies or bylaws.*

Annual Adjustments

Local governments undertake remuneration reviews to assess the fairness of elected officials' pay, expenses, and benefit packages. When done properly, reviews take time, energy, and other resources to complete. A best practice, identified earlier, is to conduct a full review once per term — it is neither necessary nor reasonable to schedule reviews more frequently.

In the years between reviews, it is common for councils and boards with policies and/or bylaws in place to automatically adjust elected official pay to reflect changes in the cost of living. In almost

ANNUAL ADJUSTMENTS

It is common for municipalities and regional districts with policies and/or bylaws in place to automatically adjust remuneration to reflect changes in the cost of living. The year-over-year change to the consumer price index is the default adjustment factor.

every case, the previous year's Consumer Price Index (CPI) for British Columbia, Vancouver, or Victoria is the adjustment factor applied by local governments, depending on their location within the province.³ Automatic adjustments, defined and set out in policies and/or bylaws, ensure that the real value of elected officials' remuneration remains stable between formal reviews, and can help to reduce the need for more significant increases at the time of review. Failure to make annual adjustments may place a burden on future councils and boards to address remuneration levels that have been left to stagnate in the face of regular cost-of-living increases. For these reasons, annual adjustments using a CPI index is a best practice.

BEST PRACTICE

- > *Local governments should consider including in their policies or bylaws provision for an automatic cost-of-living adjustment, using the CPI, to elected officials' base remuneration.*

IMPLEMENTATION OF CHANGES

When considering the issue of timing as it relates to the implementation of changes, it is important to distinguish among the types of changes being put forward. The three key types include: changes to base remuneration that emerge from full reviews; changes that are prompted by shifts in the tax system; and annual adjustments to reflect increases in the cost of living.

- > *Base Remuneration* — Councils and boards have full control over the timing of their remuneration reviews, even in cases where timing is prescribed by policy and/or bylaw. Similarly, councils and boards have full authority to choose when to implement any changes that emerge from reviews. In general, it is preferable to have such changes take effect at the beginning of the following term. This best practice is particularly important to follow when reviews conclude that significant increases to base pay and/or benefit packages are warranted. A decision to implement changes immediately, or even during the existing term, can create perceived conflicts of interest.

³ Other indices include annual increases to general wages in BC, and increases to unionized or exempt staff wages.

IMPLEMENTATION

It is preferable for councils and boards to implement the outcomes of remuneration reviews at the beginning of the following council or board term. A decision to implement changes earlier, during the existing term, can easily create perceived conflicts of interest.

There will be some cases where implementation during the existing council or board term is considered necessary, perceptions of conflict notwithstanding. Consider the situation in which a council or board entered office following an election in which stagnant compensation was portrayed as a barrier to participation. The council or board could decide that implementation of changes that emerged from a review conducted early in the new term is necessary.

- > *Tax System* — Councils and boards have no control over changes to the income tax system — the elimination of the federal tax exemption for local government elected officials that took effect on January 1, 2019, is an example of one such change. In anticipation of this change — it was announced in 2017 — some local governments designed remedies, before the 2018 local general election, to take effect on January 1, 2019, in the new term. Several local governments, however, delayed taking action until after the federal tax change came into force. Immediate implementation of changes designed to protect elected officials from financial loss is considered reasonable and defensible by most.

- > *Annual Adjustments* — As explained earlier, annual adjustments to remuneration are designed to protect base rates from erosion as a result of inflation. These adjustments, which result in nominal rather than real increases, are expected to be implemented immediately.

BEST PRACTICES

- > *Local governments should consider having changes to base levels, determined through remuneration reviews, take effect at the beginning of the following term.*
- > *Local governments should consider allowing for immediate implementation of changes to remuneration that are designed to protect elected officials from financial loss that would otherwise occur as a result of tax system shifts.*
- > *Local governments should consider allowing for immediate implementation of annual cost-of-living adjustments.*

FEDERAL TAX SYSTEM

Local governments have no control over shifts in the federal income tax system. Offsetting changes to base remuneration levels that are designed to protect council and board members from financial loss are reasonable. Local governments should consider implementing such changes immediately.

SECTION 4

SETTING REMUNERATION

On a regular or periodic basis, local governments undertake remuneration reviews to determine the remuneration, expense payments, and benefits to provide to elected officials. The previous two sections of the *Guide* tackled a number of issues related to remuneration reviews, including:

- > who should conduct the reviews
- > when, during an elected body's term of office, reviews should be initiated
- > how frequently reviews should occur
- > when changes to remuneration that result from reviews should be implemented

This section of *Guide* — Section 4 — explores the factors that local governments should consider using in their reviews to determine remuneration levels that are fair and defensible. The text deals separately with the three main components of a complete remuneration package, namely remuneration (i.e., pay), expenses, and benefits.

REMUNERATION

Remuneration consists, first and foremost, of a base amount of pay for mayors, board chairs, councilors, municipal directors, and electoral area directors. Base amounts are intended to reflect the expectations and duties associated with the specific roles, and for that reason are expected to differ by role. Remuneration also includes any payments that are made to elected officials, on top of base pay, for attending different types of meetings, leading committees, sitting as appointees on external bodies, performing the roles of deputy mayor or deputy chair, and undertaking other duties. These supplemental payments, where offered, recognize differences in workload and responsibility among elected officials in the same role.

Bases of Comparison

For many jobs in our economy, wages and salaries are set through a process of comparison — that is, a process that takes into account remuneration associated with other jobs that are deemed to be comparable. The approach to setting remuneration for local elected officials is no different. The most common basis of comparison used by local governments across the province is remuneration paid to

elected officials in other, similar local governments. Some councils and boards, however, look to additional bases for guidance. Four bases to consider, including remuneration paid in similar jurisdictions, are as follows:

- > *Similar Jurisdictions* — Remuneration levels paid to elected officials across a set of other, similar local governments can be used to approximate an "industry rate". The use of comparable remuneration data, as noted, is widespread across municipalities and regional districts, and is considered a defensible approach. The challenge faced by those who use the approach, however, comes in choosing jurisdictions that are truly comparable. Population, the most common factor, goes some way toward establishing similarity, but may not be adequate on its own. Other factors may need to be combined with population to establish a more valid comparison group. Such factors could include location, geographic size, scope of services provided, growth rate, the urban (vs. suburban or rural) nature of a jurisdiction, economic make-up, tax base, average house price, size of operating budget, and number of staff (full-time equivalents).
- > *Local Labour Force* — A few jurisdictions in the province determine remuneration for council and board members using local earnings data collected by Statistics Canada — specifically, the average employment income earned by individuals aged 15 and over, who work year-round and full-time.
- > *Provincial MLAs* — Only one of the local governments in the survey pointed to remuneration paid to Members of the Legislative Assembly as a basis for determining local elected official pay. A few other jurisdictions, however, believe the comparison may be useful.
- > *Local Government Staff* — Changes to staff pay are used in some jurisdictions as an index to adjust council and board pay each year. Base pay for staff, however, is not generally used to help set elected official pay.

Each of the four bases identified here — as well as others not identified — has both strengths and shortcomings. Figure 4.1 highlights some of the pros and cons.

COLLECTING DATA

It is important to ensure that data on other local governments are comparable. Care must be taken to confirm that data have been collected using similar methodologies, and that data sets measure the same factors. Sources of data include CivicStats (accessed through CivicInfo), and Statistics Canada. Direct contact with comparison group local governments may be warranted in some cases to produce "apples to apples" comparisons.

Figure 4.1
Pros and Cons of Alternative Bases

Alternative Bases	Pros	Cons
Similar Jurisdictions	<ul style="list-style-type: none"> > jobs of local elected officials in similar jurisdictions, while not identical, are comparable ("apples to apples") > large enough comparison set can neutralize outliers 	<ul style="list-style-type: none"> > difficult to establish truly comparable set of jurisdictions (may be subject to accusations of "cherry picking") > potential for salary escalation if other places in comparison set initiate significant increases
Local Labour Force	<ul style="list-style-type: none"> > attempts to create strong linkage to local community that pays elected body's remuneration > sensitive to local economic conditions 	<ul style="list-style-type: none"> > jobs of elected officials not comparable to majority of other jobs in the community in terms of time commitment, duties, responsibility > not clear that average salary of entire workforce reflects value of elected officials' work
Provincial MLAs	<ul style="list-style-type: none"> > remuneration reflects need in both orders of government to attract diversity of people to serve in elected office 	<ul style="list-style-type: none"> > role of MLA considerably different than roles of mayor and chair (much different than councillor/director) > invites linkage to full MLA remuneration and benefits package
Local Government Staff	<ul style="list-style-type: none"> > both groups (elected officials and staff) involved in same organization > comparison to staff used in other orders of government to help set elected official remuneration 	<ul style="list-style-type: none"> > roles of staff considerably different than roles of elected officials > perceived conflict on part of elected officials who approve staff salaries > invites linkage to full staff remuneration and benefits package

Arguably, there may be no single best basis of comparison to use in setting council and board remuneration. As suggested in Figure 4.1, however, some bases are better than others.

Remuneration levels paid to elected officials in similar local government jurisdictions represents the preferred basis, and the best practice for local governments.

BEST PRACTICE

- > *Local governments should consider using base remuneration paid to elected officials in similar local government jurisdictions as the preferred basis for determining remuneration.*

Comparison Group

In establishing a valid comparison group of similar jurisdictions, local governments will need to give careful thought to the most important measures to use. Population is a good starting point in every case — it is a useful proxy for elected official workload, and is easy to explain. As well, data on population are easy to obtain. Other measures can be combined with population to make the comparison set more defensible. Factors that influence elected officials' workload and level of responsibility are particularly useful to consider. The list of such factors will vary by jurisdiction, but may include:

- > location
- > geographic size
- > scope of services
- > growth rate
- > operating budget

Finally, local governments will need to give some thought to the number of jurisdictions to include in the comparison set. Larger sets will allow for a more robust comparison, and will make it easier to neutralize the impact of outliers (i.e., jurisdictions that have significantly high or low pay levels, relative to those of other places). If the set is too large, however, it may be difficult to obtain the necessary comparative data, especially in cases where a range of measures, in addition to population, are used. Given these points, a practicable and defensible minimum size is five to seven jurisdictions. The maximum size will depend on the number of factors being considered, and the capacity of the body conducting the remuneration review. Comparison set sizes vary considerably across local

SIZE OF COMPARISON GROUP

The size of comparison groups that are used to help determine elected official remuneration varies considerably across local governments. The City of Prince George uses a peer review group of ten municipalities for the purposes of its quadrennial review. The group includes cities with similar populations — Chilliwack, Kelowna, Saanich, Langley Township, Delta, Kamloops, North Vancouver District, Nanaimo, Victoria, and Coquitlam.

governments. Kamloops has used 14 municipalities; Comox Valley Regional District recently used nine. Metro Vancouver bases the salary of its Chair on the median salary of mayors in 21 municipalities (all Metro municipal jurisdictions).

BEST PRACTICE

- > *Local governments should consider establishing comparison groups using population, combined — as deemed necessary — with other factors that influence elected official workload and level of responsibility.*
- > *Local governments should consider including at least five jurisdictions (preferably more) in the comparison groups.*

Using the Data

Once the remuneration data from comparable jurisdictions have been obtained, local governments need to determine how to best use the data to determine pay levels for the range of elected officials in place. It is useful at this stage to make the exercise as straightforward as possible so that it can be undertaken easily (and relatively quickly), and so that it is easy to explain and understand. Simple formulas can be effective in meeting these goals.

For municipal councils, the following formula-based approach — or variations of it — is used in a number of places:

- > Set the salary for the mayor as the median value of all mayors' salaries from the comparison set of municipalities. Calculate the salary for councillors as a percentage (e.g., 40%) of the mayor's salary to reflect the part-time nature of the councillor position, as well as its lower workload and level of responsibility relative to those of the mayor.

Figure 4.2 illustrates, using hypothetical data from a comparison set of seven municipalities, how this formula works in practice. To be clear, all numbers, including the percentage factor, are hypothetical examples only, presented solely for the purpose of illustration.

SIMPLICITY

When determining how to use comparison data to calculate remuneration levels, it is preferable to apply simple formulas. Formulas allow the exercise to be undertaken easily and relatively quickly. Approaches based on formulas are easy to explain, easy to understand, and defensible.

Figure 4.2
Sample Formula for Municipal Elected Officials

Comparison Set		Subject Municipality		
Mayors	Median Value	Mayor's Salary	%	Councillor Salary
\$ 101,000	\$ 92,000	\$ 92,000	40	\$ 36,800
\$ 92,000				
\$ 100,500				
\$ 90,000				
\$ 72,500				
\$ 93,000				
\$ 83,000				

In applying the formula, local governments should consider the following points:

- > *Percentage Factor* — The percentage factor that is applied to identify an appropriate councillor salary needs to be set after careful consideration of the position's workload, time commitment, and level of responsibility relative to those of the mayor. In municipalities where the mayor's role is full-time (or greater), the difference between the positions may be greater, and the percentage factor may be lower than 40%. Jurisdictions that use this formula (or variations of it) tend to apply percentages that range from 30% to 50%, depending on local conditions. Forty percent is a reasonable starting point.
- > *Median Value* — The median value effectively neutralizes low and high outliers, and is therefore preferable to the average value.
- > *Applying the Outcome* — It is possible, particularly if a new comparison set is used, that the resulting, recommended salaries for mayor and councillor will be lower than the actual salaries being paid. If the difference is significant, local governments may choose to "red circle" existing salaries for a period of time. In the calculated salaries are higher than those being paid, either a one-time adjustment, or a phased increase may be required.

- > *Alternative Percentile* — The median value represents the 50th percentile in the comparison set. Some local governments may determine, based on local circumstances, that remuneration should be set higher — for example, at the 75th percentile. In this situation, careful thought would need to be given to the rationale for such an approach.

While less common among regional districts, formulas may be just as useful in providing a relatively simple, easy to understand, defensible approach. In developing a formula for regional boards, provision needs to be made for a greater number of elected roles. In most cases, four specific roles should be considered, including the chair, vice chair, electoral area director, and municipal director. The distinction between electoral area and municipal directors is particularly important to recognize. Regional districts are the local government for electoral areas, responsible for providing all basic local services. Electoral area directors are accountable directly to their local electors, and are expected to consult directly with electors on local service and other topics. Many electoral area directors represent vast geographic areas, often with numerous small communities or settlements to serve. The time commitment required to provide proper contact and representation can be considerable. Electoral area directors' full local government salary comes from their regional districts.

The role of municipal director is also important and can be demanding. Municipal directors, however, are accountable to their councils and do not face the same expectations as their electoral area counterparts regarding consultation with residents on regional district matters. Residents of municipalities receive most of their local services from their municipal councils. Municipal directors sit on these councils, and are paid separately as council members to perform municipal duties.

A reasonable formula that takes into account the differences between electoral area and municipal directors, as well as the unique duties, expectations, and responsibilities of the chair and vice chair, is as follows:

- > Set the salary for municipal director based on the median value of all municipal directors' salaries from the comparison set of regional districts. Calculate the salary for electoral area director by applying a multiplier (e.g., 2.0). Calculate a stipend for the chair by applying a multiplier (e.g., 2.5) to the municipal director salary. Use a separate multiplier (e.g., 0.5) to determine a stipend for vice chair.

Figure 4.3 illustrates how this formula works in practice, using hypothetical data for a comparison set of seven regional districts. All numbers, including the multipliers, are examples only.

Figure 4.3
Sample Formula for Regional District Elected Officials

Comparison Set		Subject Regional District				
Municipal Director	Median Value	Mun Director Base Salary	X	EA Director Base Salary	Chair Stipend*	Vice Chair Stipend*
\$ 17,000	\$ 12,500	\$ 12,500	2.0	\$ 25,000	\$ 31,250	\$ 6,250
\$ 11,000						
\$ 12,200						
\$ 9,000						
\$ 12,500						
\$ 15,000						
\$ 16,500						

* These stipends would be paid in addition to the base director pay.

The considerations raised for municipal council remuneration formulas regarding percentage factor, median value, applying the outcome, and alternative percentile apply to the regional board formula as well. In addition, it is important in the regional district context to consider the need for supplemental payments, over and above the base salary amounts.

BEST PRACTICE

- > *Local governments should consider using simple formulas that make the calculation of remuneration levels as straightforward as possible, easy to explain, and easy to understand.*

Regional District Supplemental Payments

On a municipal council, the expectations on a councillor in terms of workload, time commitment, and responsibilities, are, in general, the same for all councillors. Almost all councils, as a consequence, pay councillors the same base salary without additional payments for committee meetings. Supplemental fees may be paid in some cases to councillors who participate in external agencies on behalf of council; however, these payments are the exception rather than the rule. Approximately 25% of municipalities that responded to the survey pay stipends to council members for time spent as deputy mayor or acting mayor. In most cases, these stipends tend to be nominal in value.

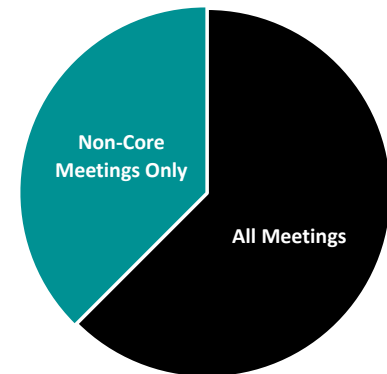
The situation for regional district directors is different. As noted already, the base remuneration for role of electoral area director is typically greater than the base remuneration paid to the municipal director role — the gap is intended to reflect the inherent differences in the roles. Differences in workload, time commitment, and level of responsibility, and level of interest also exist, however, among individual directors. Some directors may represent large jurisdictions that participate in a broad range of regional district services, some of which may have committees or commissions in place. These directors may be compelled to play, or be interested in playing, an especially active role in regional district service governance. Other directors will represent jurisdictions that are less involved in, or reliant on, their regional districts. These directors may not be involved in regional district matters to the same degree as others.

To account for differences among individual directors, regional districts may choose to provide supplemental payments, over and above base remuneration levels. Where provided, payments take the form of per-meeting stipends that are paid to directors who attend specified regional district meetings, as well as external meetings to which directors are sent to represent their local governments. The amounts of the supplemental payments vary; most regional districts, however, pay between \$75 and \$200 per meeting.⁴

⁴ An exception is Metro Vancouver, which pays \$397 to each director for every board, committee and other approved meeting attended. For all Metro Vancouver directors other than the (sole) electoral area director, board chair, board vice chair, committee chairs, and committee vice-chairs, however, the meeting stipend constitutes the entire remuneration (i.e., there is no base amount). Central Coast Regional District and Peace River Regional District also pay higher per-meeting rates in lieu of base salaries for directors.

SUPPLEMENTAL PAYMENTS

Fifteen of the 24 regional districts that pay base remuneration to directors also provide supplemental payments for board, committee of the whole, and all other meetings. Nine of the regional districts provide supplemental payments for non-core meetings only.



The use of supplemental, per-meeting payments is not uniform across regional districts. A review of the 24 regional districts in the province that pay base remuneration to directors shows that, while almost all provide payments to attend meetings of external agencies, 15 of the 24 also provide payments to attend board and committee of the whole meetings. Nine (9) regional districts provide no supplemental payments for these "core" regional district meetings — remuneration for attendance at these meetings is included in the directors' base salaries.⁵

Supplemental payments are intended to reflect workload differences among individual directors. It is not clear that such payments are also intended, however, to provide additional compensation to directors for attending core regional district meetings of the board, including committee of the whole meetings. Indeed, it may be argued that all board members are expected to attend these meetings as a basic requirement of their roles as directors.

In setting regional district board remuneration, careful attention needs to be given to the use of supplemental payments. Regional districts may wish to consider targeting such payments to non-core meetings, and structuring base levels to include attendance at board, committee of the whole, and any other core meetings.

BEST PRACTICE

- > *Local governments should consider targeting supplemental payments to non-core meetings, and structuring base remuneration levels to include attendance at board and committee of the whole meetings.*

Alternate Directors

It is important to note that all regional districts use per-meeting payments to remunerate alternate directors for attendance at all meetings, including core meetings, that the director would normally

⁵ Travel expenses for all meetings are paid (see later).

attend. These payments are the only form of remuneration for alternate directors; alternates do not receive a base salary.

EXPENSES

Local government elected officials regularly incur expenses to travel to meetings, attend conferences and sanctioned events, communicate with residents and the local government office, and deal with the broad variety of other duties associated with the job. It is both important and legitimate that expenses which are incurred by council and board members on the job, and in order to do the job, be reimbursed by the local government. Policies and bylaws on expenses are used to set out the types of expenses that are eligible for reimbursement, the conditions under which reimbursements will be made, and the procedures that must be followed to obtain reimbursement.

A guiding principle for councils and boards on the matter of expenses is as follows:

- > Local elected officials should not themselves be expected to pay expenses that are incurred in order to perform their roles.

A related principle, however, is that compensation paid to elected officials for expenses incurred on the job should not be viewed as an additional source of remuneration. This point requires local governments, first, to identify the specific types of expenses for which elected officials can expect reimbursement.

Eligible Expenses

Local governments have similar, but not identical, lists of expenses that are eligible for reimbursement. In the case of municipalities, expenses that are reimbursed by councils tend to be limited to those that are incurred by members on out-of-town business. Such expenses include:

- > travel by personal automobile (paid as a rate per kilometre) to out-of-town meetings
- > travel by taxi, bus, train, ferry, rental car, or air to out-of-town meetings
- > accommodation
- > conference fees
- > per diem payments for meals and incidentals

GUIDING PRINCIPLES (EXPENSES)

Local elected officials should not themselves be expected to pay expenses that are incurred in order to perform their roles. Compensation paid to elected officials for expenses incurred on the job should not, however, be considered or pursued as an additional source of remuneration.

Some councils also provide funding for a smartphone, tablet, and/or computer (or provide the hardware itself), and the associated communications plan. Some will provide transportation costs within the municipality, including a mileage rate for personal car use, taxi and/or transit fees, and parking. Monthly car allowances for mayors are common; similar allowances for councillors are less common but do exist in some centres.

Regional district boards, similar to councils, reimburse members for smartphones and for attendance at out-of-town meetings. Most regional districts also, however, pay for travel, travel time, meals, and accommodation for attendance regional district board and committee meetings. These additional items reflect the large geographic size of many regional districts, and the need for directors to spend considerable time to travel to core meetings. Monthly transportation allowances provided by some regional districts to electoral area directors also reflect geographic realities.

Most local governments provide additional expense amounts for their mayors or chairs. A monthly car allowance, noted earlier, is standard for mayors and is becoming common for chairs. Hosting allowances are also recognized by several jurisdictions.

Regional district expense policies should anticipate and provide special direction to municipal directors to avoid instance of "double dipping". In some cases, expenses that are incurred by municipal directors can and should be reimbursed by the directors' municipal councils, not charged to the regional district. An example of such an expense is attendance at the UBCM annual conference. Council members who serve as municipal directors attend the annual conference, first and foremost, as representatives of their municipalities.

Local Considerations

Lists of eligible expenses are common across most jurisdictions, as noted earlier. When developing expense policies and bylaws for a specific local government, however, it may be important to explore particular types of expenses that, while less widespread, are appropriate given the local context. Some regional districts (e.g., Squamish Lillooet) provide differential mileage rates to account for travel on unpaved roads. Others (e.g., Cariboo) provide reimbursement to replace car windshields that are damaged during regional district travel on winter roads. Parking in many urban centres is expensive.

FEDERAL TAX SYSTEM

Changes to the Federal Income Tax Act were introduced by the federal government in 2017 to eliminate a long-standing federal tax exemption for local government elected officials, effective January 1, 2019. The exemption was in place to recognize that, in the course of their duties, elected officials incur various expenses for which they may not be reimbursed (e.g., home office costs, meals while meeting with constituents, etc.). This change resulted in substantial changes to the after-tax income for elected officials, and prompted many local governments to adjust elected officials' 2019 pre-tax compensation in order to maintain after-tax 2018 remuneration.

Municipalities and regional districts in these centres may feel it necessary to reimburse parking costs to elected officials.

Evolving Lists

Finally, local governments should not view eligible expense lists as static documents. Indeed, in order to ensure that costs do not become barriers to participation, it is incumbent on local governments to periodically consult elected officials and review eligibility considerations. One potential expense that stands out is childcare. Councils and boards that have, or that seek to attract, young parents as members may find it both fair and necessary to reimburse child care expenses that are incurred to attend council and board meetings.

BEST PRACTICES

- > *Local governments should provide clarity in regional district expense policies/bylaws to ensure that municipal expenses incurred by municipal directors are reimbursed by the appropriate municipal governments.*
- > *Local governments should consider including in their expense policies and/or bylaws the principle that elected officials should not themselves be expected to pay expenses that are incurred in order to perform their roles.*
- > *Local governments should recognize that the range of legitimate expenses incurred to perform the roles of mayor and board chair will be greater than that incurred to perform the roles of councillor and board director.*
- > *Local governments should ensure that lists of eligible expenses reflect unique local conditions.*
- > *Local governments should periodically re-examine decisions on eligibility to ensure that lists of eligible expenses evolve to reflect changing needs and to reduce barriers to participation.*

BENEFITS

Medical services plan premiums, extended health and dental plans, employee and family assistance programs, and life and accidental death insurance are common examples of benefits that local governments may choose to make available to all or some of their elected officials. Current practices across the province vary with respect to the provision of benefits. Some local governments provide full benefits to all elected officials at no cost to the members. In a number of places, benefits are made available only to the mayor, since this position is the only one considered full-time. Councillors and directors in some of these places may opt-in to packages, but only at their own cost, or on a cost-share basis with the municipality. Certain regional districts provide benefit packages at the local government's cost to electoral area directors, but require municipal directors to pay all premiums. Other regional districts pay 50% of the cost of packages for all directors who opt-in. Family members of elected officials are entitled to join benefit programs in some jurisdictions, but must pay the full cost. Almost all local governments provide personal accident insurance to elected officials who are traveling on local government business.

Provision of Benefits

The provision of benefits to elected officials is becoming an increasingly important topic of consideration in local governments, particularly because of the potential barriers — real or perceived — that a lack of benefits pose for some. In an effort to avoid this situation, local governments may wish to consider making benefits available. Eligibility and responsibility for cost are two factors to include in any such consideration.

- > *Eligibility* — There is a strong rationale for providing benefits to mayors, and to other elected officials who occupy what are considered to be full-time positions. Many individuals who may wish to put their names forward for these positions would need, upon election to office, to leave other full-time employment in which they may receive benefits coverage. The prospect of giving up such coverage, and facing four or more years without replacement benefits, would prevent some from running.

The argument for benefits may not be as strong for elected positions that are structured and paid as part-time roles. In these cases, there is an assumption that individuals with access to benefits through their employment will be able to retain at least some access to those benefits

simply because they will not be need to leave their existing employment entirely. This reasoning fails in cases where existing benefits would be lost as a result of an individual being converted to part-time status with their employer after being elected to office.

An additional point in the discussion on eligibility concerns the position of municipal director on regional district boards. Municipal directors are, first and foremost, municipal councillors. The municipalities, as the local governments to which the councillors are elected to serve, should be responsible for addressing the benefits issue with these elected officials. Electoral area directors, by contrast, are directly elected to the regional district boards. Electoral area directors should look to these bodies for benefits.

- > *Responsibility for Cost* — Local governments should consider paying for elected official benefits on a pro-rated basis. Using this approach, municipalities would pay 100% of the benefit premiums for mayors, and 50% of the premiums for councilors. Regional districts would pay 50% of the cost of benefits for electoral area directors. Regional districts could also choose to pay 100% of the cost of premiums for regional district chairs who are deemed to occupy full-time roles, irrespective of whether the chairs are also electoral area or municipal directors.

In all, the principle governing the provision of benefits is that, in an effort to reduce barriers to participation, local governments should make benefits available to their elected officials, and should contribute to the cost of associated premiums on a pro-rated basis, in accordance with the full- or part-time nature of the positions.

Smaller Jurisdictions

Smaller local governments who wish to provide some level of benefits coverage for their elected officials may have concerns regarding the cost of premiums. In an effort to minimize costs, local governments may consider extending existing staff programs to include elected officials, or joining with other local governments to create larger beneficiary pools. To that end, UBCM offers comprehensive group insurance coverage to all local government elected officials in the province. To join the plan, however, at least three officials from a local government must opt-in to the coverage.

Evolving Range of Benefits

Finally, as with expenses, the list of benefits provided to local elected officials will change over time in response to local needs, societal trends, and other forces. In many jurisdictions today, standard benefits such as extended health and dental coverage, counselling services, and accidental death and dismemberment insurance will address needs. Some other local governments, however, may be under pressure to provide some form of parental leave, RRSP contributions, education allowances, and other benefits that prospective candidates for election receive in their existing careers. In the coming years, the number of local governments that will need to consider these types of benefits is likely to increase. And, to the extent that failure to provide them creates barriers to participation, local governments may need to consider taking action.

► Transition Payments

One specific benefit that may receive greater attention in the coming years is a transition allowance for local elected officials who leave office at the end of a term, either through their own choice, or as the result of an unsuccessful re-election bid. This benefit, which may be referred to as a retirement allowance, a separation payment, a pension, deferred remuneration, or a retraining and adjustment payout, is not offered in many jurisdictions today in the province — indeed, there are only eight municipalities that provide the benefit, and all of them are within Metro Vancouver. The benefit is provided to local elected officials on a broader basis, however, in other parts of Canada, namely Quebec and Ontario.

In some of the BC jurisdictions that offer a transition allowance, the benefit is intended as a bridge to help individuals re-enter the workforce, either in a new occupation, or back into a career that may have been placed on hold. In other cases, the benefit is presented in lieu of pension contributions that would have been paid by an employer if the elected officials had been considered employees and eligible for the existing municipal pension plan. Some transition allowances are intended to achieve both purposes. Consider some current examples:

- > The City of Vancouver provides one week of salary for every year of office served (provided that the departing council member served his or her full term). This benefit translates to 1.9% of the member's annual salary, and is intended to help facilitate the member's return to the workforce.

TRANSITION ALLOWANCES

Elected official transition allowances — referred to in some places as retirement allowances, separation payments, pensions, deferred remuneration, or adjustment payouts — are not common in British Columbia's local government system today. Experiences in other provinces and in the Metro Vancouver area, however, suggest that the benefit may become a matter for greater attention, at least for larger cities, in the coming years. The lack of transition and pension-like benefits could be a barrier to participation for different groups of individuals (e.g., mid-career professionals).

- > The City of Port Coquitlam provides one month of salary for every year in office to the departing mayor (persons who served as councillors are not eligible). The benefit payment is capped at six months.
- > The City of New Westminster provides the equivalent of 10% of the annual indemnity for each year of service, to a maximum of 12 years of service. This benefit is a form of pension.
- > The City of Burnaby structures its benefits as an ongoing, annual payment to service council members. The payments reflect the employer contributions to the municipal pension plan that would be made if the council members were eligible for the plan. Payments can be invested by members as annual RRSP contributions.

Transition allowances may be most relevant and defensible in local governments with elected officials in roles that require a *de facto* full-time commitment (even though some roles may be paid at part-time rates). Individuals in these positions place their existing careers and jobs on hold while in office, and may not, as a consequence, be able to participate in a work-related pension or savings program. Individuals in full-time elected positions may also have more difficulty than others in transitioning back into the workforce following their time in elected office.

Experience in Ontario and Quebec supports the view that such benefits may be of most interest to positions that require significant time commitments. In Ontario, the majority of municipalities with populations over 100,000 offer pensions to elected officials, whereas only 7% of centres with populations under 10,000 provide the benefit.⁶ It is generally the case that elected positions in larger centres are more demanding in terms of time than the same positions in smaller centres. In Quebec, the municipal pension plan is made available to all municipalities; however, local governments in centres with populations under 20,000 may choose to provide the benefit to the position of mayor only — the one position that typically requires a greater time commitment than others.

⁶ Metro Vancouver, *Board Remuneration Review Findings and Recommendations*, Board Remuneration Independent Review Panel, April 17, 2019, Page 9.

This *Guide* does not provide advice to local governments on whether or not to provide a transition allowance to departing, or serving, elected officials. The *Guide* recognizes, however, that the lack of such a benefit may discourage some individuals from considering public office, and may become more of a barrier in future years, at least in some centres. Local governments that wish to explore the development of a transition allowance, may want to consider the following questions:

- > Does the lack of a transition benefit stand as a significant barrier to participation? Which groups of individuals may view the benefit as being particularly important?
- > What is the primary purpose of the benefit? Is it to provide a bridge for departing elected officials to re-enter the workforce? Or is it to provide pension contributions in lieu of contributions that elected officials could earn outside of office?
- > What is a reasonable cap on the benefit, expressed either in terms of benefit paid, or eligible service time?
- > Is there any rationale for regional districts to provide the benefit to municipal directors, or should the issue of transition allowance to municipal elected officials be addressed directly by the local governments (i.e., the municipalities) to which the officials are elected?

BEST PRACTICES

- > Local governments should consider providing access to extended health, dental, vision and insurance benefits to all local elected officials.*
- > Local governments should consider contributing to the cost of benefit premiums on a pro-rated basis, in accordance with the full- or part-time nature of elected positions.*
- > Local governments should consider extending benefits coverage to family members of elected officials, provided that the elected officials themselves pay the full incremental cost of such coverage.*
- > Local governments should periodically re-examine the benefits provided to ensure that benefits programs reflect changing needs, and reduce barriers to participation.*

SECTION 5 COMMUNICATION

Local governments in British Columbia have long recognized the importance of strong communication in local governance. Municipalities and regional districts regularly communicate in proactive ways with their communities on a broad range of public policy, service, and governance matters. Remuneration for elected officials is one additional item on which clear communication is necessary. This section of the *Guide* highlights information that is important to communicate, identifies audiences with which to communicate, and provides advice on how to communicate.

As in all communication efforts, information on elected official remuneration is provided, in part, as a way to report on actions and decisions that are underway or that have been taken. Communication is also undertaken, however, to explain why initiatives are important to take, and to promote transparency in local government.

INFORMATION TO COMMUNICATE

The pieces of information that are important to communicate have been identified in the earlier sections of the *Guide*. In all, the key pieces are as follows:

- > *Nature of Elected Official Roles* — The level of knowledge in communities on the roles of local elected officials is not uniformly high across the province. Information to help residents understand the duties and responsibilities of the roles, the expectations on council members and regional board directors, and the time required to perform the jobs properly may provide important context for reviews of remuneration, and may help to pave the way for broad acceptance of their outcomes.
- > *Purpose of Remuneration* — The reasons for providing remuneration to elected officials, and the factors that inform the setting of remuneration levels, are important to communicate. Residents and prospective candidates, in particular, may find it helpful to understand the importance of representative decision-making bodies, and the need to identify and reduce barriers to participation that some groups in the community may encounter.

EXPLAINING IMPORTANCE

The Cariboo Regional District opens its Directors' Remuneration and Expenses Bylaw with a statement of principles. The statement begins as follows:

"It is important for local governments to ensure their elected official positions are compensated fairly and equitably to attract and encourage a variety of citizens from different economic and demographic backgrounds... to run for office and represent their communities..."

- > *Guiding Principles* — The communication of principles to guide council and board decisions on remuneration can help to speak to the purpose of remuneration, and can also minimize any suggestion of arbitrariness in the remuneration levels selected.
- > *Remuneration Details* — Clear and complete listings of base remuneration levels, supplemental payments, the situations in which supplemental payments are made, annual adjustments, eligible expenses and the process for claiming them, and benefit programs are important to communicate. Such details bolster transparency.
- > *Remuneration Reviews* — Where determined, the process and timing of remuneration reviews, along with any guiding principles for reviews to follow, can help to de-politicize the efforts. Details on reviews underway, as well as the results of such reviews, are also important.
- > *Expenditures Made* — Finally, efforts above and beyond basic statutory reporting requirements to make available information on remuneration received and expenses claimed can enhance transparency and build trust.

AUDIENCES TO REACH

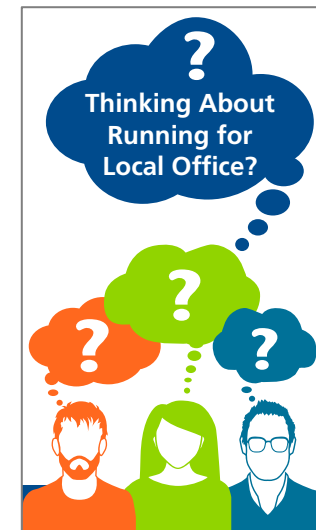
Residents in the community constitute the primary audience for communication efforts on elected official remuneration. Other audiences that may be targeted in communication strategies include ratepayer associations, business associations, and any other defined group that has expressed, or that may express, strong views on remuneration. An additional audience is the pool of prospective candidates for upcoming local government elections. This group should clearly understand the nature and level of the work involved, and the remuneration that is provided for the work.

COMMUNICATION TOOLS

Many local governments regularly make use of a range of different tools to connect with different audiences. For information on remuneration, councils and boards may find a combination of written materials, presentations, and information meetings to be most effective. Consider the following points:

UNDERSTANDING ROLES

Prospective candidates for local government elected office should clearly understand the nature and level of the work involved, and the remuneration that is provided for the work. Resources such as "Thinking About Running for Local Office?" can help.



- > *Written Materials* — Providing information in writing is a useful way to ensure accuracy of message, and to promote transparency. Written materials can also be made available in a number of formats in order to allow for distribution to various audiences. Examples of written materials to provide include:
 - remuneration policies and bylaws, complete with user-friendly introductions to explain the purpose and contents of the documents
 - information pamphlets on the reasons for, importance of, and principles in place to guide elected official remuneration
 - education booklets on the duties and responsibilities of local elected officials, as well as the time commitment involved
 - terms of reference to guide remuneration reviews
 - reports on the outcomes of remuneration reviews
 - regular disclosure of remuneration and expenses paid

Public surveys represent an additional written item that can be used not only to solicit public views on remuneration, but also to communicate the reasons for remuneration, and the existing remuneration, expense, and benefit programs in place.

- > *Presentations* — Public presentations (i.e., at open council and board meetings) of the results of remuneration reviews are effective communication methods, particularly when reviews have been completed by an independent panel, and presentations are made by the panel chair.
- > *Information Meetings* — Information meetings are used in several local governments to help prospective candidates understand the duties and responsibilities of the elected official jobs. Where not already the case, these meetings could include a component on remuneration. The reasons for remuneration, and the principles guiding remuneration, would be important to communicate in addition to the remuneration levels.

PUBLIC INVOLVEMENT

Kamloops' Council Remuneration Task Force solicited input from the public through a carefully-constructed and -implemented engagement program. Five community events were attended by Task Force members. A survey was also provided for all interested residents.

Information meetings can also be used as part of remuneration reviews. Such meetings are held in some centres to educate audiences on elected official remuneration, and to solicit views on appropriate packages to provide.

BEST PRACTICES

- > *Local governments should consider including in their communications programs information on the nature of elected official roles, the purposes of remuneration, principles to guide the setting of remuneration, details on remuneration levels, remuneration reviews, and expenditures made.*
- > *Local governments should consider using a range of tools to communicate information, including written materials, presentations, and information meetings.*

SECTION 6

BEST PRACTICES SUMMARY

This *Guide* has presented a series of best practices to assist local governments in setting elected official remuneration. Figure 6.1 pulls the best practices together into one table.

Figure 6.1
Remuneration Best Practices

Section	Topic	Best Practices
Section 2: Conducting Reviews	Independent Task Force	<ul style="list-style-type: none"> > Local governments should consider establishing an independent task force to conduct reviews of elected official remuneration.
Section 3: Timing and Frequency	Timing of Reviews	<ul style="list-style-type: none"> > Local governments should consider conducting remuneration reviews, and reporting the results, at least one year before the next election.
	Frequency of Reviews	<ul style="list-style-type: none"> > Local governments should consider conducting remuneration reviews once per term. > Local governments should consider setting out the timing for subsequent reviews in remuneration policies or bylaws.
	Annual Adjustment	<ul style="list-style-type: none"> > Local governments should consider including in their policies or bylaws provision for an automatic cost-of-living adjustment, using the CPI, to elected officials' base remuneration.
	Implementation of Changes	<ul style="list-style-type: none"> > Local governments should consider having changes to base levels, determined through remuneration reviews, take effect at the beginning of the following term. > Local governments should consider allowing for immediate implementation of changes to remuneration that are designed to protect elected officials from financial loss that would otherwise occur as a result of tax system shifts.

Section	Topic	Best Practices
Section 3: Timing and Frequency	Implementation of Changes	<ul style="list-style-type: none"> > Local governments should consider allowing for immediate implementation of annual cost-of-living adjustments.
Section 4: Setting Remuneration	Bases of Comparison	<ul style="list-style-type: none"> > Local governments should consider using remuneration paid to elected officials in similar local government jurisdictions as the preferred basis for determining remuneration.
	Comparison Group	<ul style="list-style-type: none"> > Local governments should consider establishing comparison groups using population, combined — as deemed necessary — with other factors that influence elected official workload and level of responsibility. > Local governments should consider including at least five jurisdictions (preferably more) in the comparison groups.
	Using the Data	<ul style="list-style-type: none"> > Local governments should consider using simple formulas that make the calculation of remuneration levels as straightforward as possible, easy to explain, and easy to understand.
	Regional District Supplemental Payments	<ul style="list-style-type: none"> > Local governments should consider targeting supplemental payments to non-core meetings, and structuring base remuneration levels to include attendance at board and committee of the whole meetings.
	Eligible Expenses	<ul style="list-style-type: none"> > Local governments should consider including in their expense policies and/or bylaws the principle that elected officials should not themselves be expected to pay expenses that are incurred in order to perform their roles. > Local governments should recognize that the range of legitimate expenses incurred to perform the roles of mayor and board chair will be greater than that incurred to perform the roles of councillor and board director.

Section	Topic	Best Practices
Section 4: Setting Remuneration	Eligible Expenses	<ul style="list-style-type: none"> > Local governments should provide clarity in regional district expense policies/bylaws to ensure that municipal expenses incurred by municipal directors are reimbursed by the appropriate municipal governments. > Local governments should ensure that lists of eligible expenses reflect unique local conditions. > Local governments should periodically re-examine decisions on eligibility to ensure that lists of eligible expenses evolve to reflect changing needs and to reduce barriers to participation.
	Benefits	<ul style="list-style-type: none"> > Local governments should consider providing access to extended health, dental, vision and insurance to all local elected officials. > Local governments should consider contributing to the cost of benefit premiums on a pro-rated basis, in accordance with the full- or part-time nature of elected positions. > Local governments should consider extending benefits to family members of elected officials, provided that the elected officials themselves pay the full incremental cost of such coverage. > Local governments should periodically re-examine the range of benefits provided to ensure that benefits programs reflect changing needs, and reduce barriers to participation.
Section 5: Communications	Information to Communicate	<ul style="list-style-type: none"> > Local governments should consider including in their communications programs information on the nature of elected official roles, the purposes of remuneration, principles to guide the setting of remuneration, details on remuneration levels, remuneration reviews, and expenditures made.
	Methods of Communication	<ul style="list-style-type: none"> > Local governments should consider using a range of tools to communicate information, including written materials, presentations, and information meetings.



REQUEST FOR DECISION

To: Governance Committee **For the Meeting of:** November 5, 2024
From: Executive Office **Date Prepared:** October 18, 2024
SUBJECT: Trustee Remuneration Review Business Case

RECOMMENDATION:

That Governance Committee approve the Trustee Remuneration Review Business Case and forward to Financial Planning Committee for inclusion in the 2025/26 fiscal year budget.

CHIEF ADMINISTRATIVE OFFICER COMMENTS: Review of trustee remuneration rates is a recommendation in the Governance Review Report from Great Northern Management. It has also been a recommendation found in the UBCM's Remuneration Guide. Staff's review of TC's Trustee Remuneration Policy against the UBCM Guide indicate an improvement opportunity to conduct an independent review of trustee remuneration values on a periodic basis.

1 PURPOSE:

To secure funding to undertake Governance Committee work program item regarding reviewing and recommending updates to the remunerations rates in Trust Council Remuneration Policy and Remuneration bylaw.

2 BACKGROUND:

At its September 9, 2024, regular business meeting, the Governance Committee passed the following resolution:

That Governance Committee request staff to prepare funding requests for the 2025/26 budget for the hiring a consultant to review Trustee Remuneration values.

Staff has prepared the attached business case, and has suggested a funding request of \$8,000 to hire an external consultant to review remuneration values. This work is expected to consist of a benchmarking exercise of current remuneration rates against other jurisdictions, normalized for any differences between those jurisdictions and the Islands Trust. This work was last completed by an external party in 2010. The business case outlines rationale for the work.

3 IMPLICATIONS OF RECOMMENDATION

ORGANIZATIONAL:

There are no organizational implications.

FINANCIAL:

A \$8,000 increase to the Fiscal 2025/26 budget to cover the cost of an independent consultant.

POLICY:

There are no implications to policy from this decisions. Results of a consultants work will influence future amendments to TC's policy on trustee remuneration.

IMPLEMENTATION/COMMUNICATIONS:

Staff will take the business case to Financial Planning Committee who may recommend it for funding or not to Trust Council.

FIRST NATIONS RELATIONS:

There are no First Nations relations implications.

OTHER:

There are no other implications.

4 RELEVANT POLICY(S):

Trust Council policy 7.2.1 Trustee Remuneration

5 ATTACHMENT(S):

Trustee Remuneration Review Business Case.

RESPONSE OPTIONS

Recommendation:

That Governance Committee approve the Trustee Remuneration Review Business Case and forward to Financial Planning Committee for inclusion in the 2025/26 fiscal year budget.

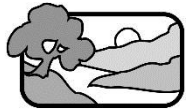
Alternatives:

That Governance Committee amend the business case and request a different amount, and forward to the Financial Planning Committee for inclusion in the 2025/26 fiscal year budget.

That Governance Committee not support funding for an independence consultant to conduct trustee remuneration value work in the 2025/26 budget.

Prepared By: David Marlor, Director, Legislative and Information Services

Reviewed By/Date: Director, Administrative Services



Completion of this form initiates a request to the management team, FPC, and ultimately Trust Council for allocation funding in the next fiscal year budget. The form is to be completed and submitted at the start of the decision making process. The business case forms part of the Annual Budget Process (refer to Islands Trust Council Budget Process Policy 6.3.i).

TO BE COMPLETED BY INITIATOR

Requested by (Committee or Operational Unit): Governance Committee	Budget Source (select all that apply): <input type="checkbox"/> Specific Project Funding (select all that apply) X Third Party Contractors <input type="checkbox"/> Staff Travel Expense <input type="checkbox"/> Staff Overtime Expense <input type="checkbox"/> New Staff Member – Temporary for project <input type="checkbox"/> Computer Hardware/Software <input type="checkbox"/> Furniture & Equipment <input type="checkbox"/> Computer Hardware/Software/Supplies <input type="checkbox"/> New Staff Resources (see Staff Costing Tool) <input type="checkbox"/> Permanent <input type="checkbox"/> Temporary Temp Duration: _____ <input type="checkbox"/> Other – please describe: _____
Department: Executive Office	
Name of Request: Trustee Remuneration Review	
\$ Value of Request (indicate by fiscal year and total if project is multi-year): \$8,000	
Date of Submission to Finance: November 2024	Funding Required for (date range): April 1, 2025 to March 31, 2026

TIE TO ISLANDS TRUST GUIDING DOCUMENTS: *(Indicate how the proposed project/activity/work ties to Trust Council’s strategic plan, Policy Statement directives, Council Bylaws, work programs, the Trust’s object, etc. Provide a copy/paste of the relevant reference, along with hyperlinks to external documents where available.*

- Trust Council’s draft Strategic Plan 2025-2028** (*not yet reviewed by Trust Council*) contains the following:
 1.2.6 Prioritise, analyse, and where appropriate, implement the 15 recommendations of the 2022 Governance Report.
- [Governance Review Report](#) from 2022 recommends that Trustee Remuneration values be examined:
Recommendation #15: So that Trust Council is not the preserve only of those who do not need to earn a living, the significant time and effort required of Trustees must be reasonably compensated, which means an increase in current compensation levels. Currently, much of the time Trustees spend on Trust Council business, including preparation for meetings, participation in some meetings, and travel time, are not compensated at all.

3. [Trust Council Policy 2.3.1 Council Committee System](#) outlines the terms of reference for the Governance Committee and includes responsibility for the following:
"... initially reviewing the Islands Trust Governance Report dated March 8, 2022 and submitting a prioritized list of the recommendations in that Report to Trust Council with advice as to possible actions"
4. Governance Committee's approved work program includes as 5th priority:
Review and update Trust Council's Policy 7.2.1 Trustee Remuneration in line with the UBCM Council and Board Remuneration Guide.
5. Governance Committee's priority matrix includes Trustee remuneration review as Not Immediate but Important.

ISSUE/OPPORTUNITY: *(What issue are you trying to resolve with this initiative, or what opportunity has been identified that would benefit Islands Trust by undertaking this initiative? What are the future needs? What organizational objectives are being addressed? Include background information that decision makers will need to properly assess this request.)*

The primary issue raised in the Governance Review Report is that the levels of trustee compensation provided by current policy/bylaw are not adequate to ensure all demographics of Islands Trust residents may reasonably consider running for the position of Trustee. There are questions as to whether or not the current compensation levels appropriately reflect the level of work and effort required of Islands Trust trustees. Trustees themselves have expressed concern over the compensation levels provided.

Trustee compensation levels were reviewed by an external consultant in 2010, and a methodology created to increase compensation levels on an annual basis which has been applied. However, it has been almost 15 years since an independent review of remuneration values and methodologies for annual increases has been conducted. Currently, Trust Council's remuneration policy does not call for a period review of remuneration values by independent parties.

Staff have performed a review of Trust Council's Trustee Remuneration policy against the UBCM Remuneration Guide from 2018 which suggests regular, periodic, independent third party reviews of remuneration values.

PROJECTED RESULTS/DELIVERABLES: *(How does this address the issue/opportunity described above? Indicate how results of this work will impact decision-making by trustees or staff. Will this work result in better decisions, more efficient decision-making, more efficient completion of work, better public perception, etc. Consider all possible results from undertaking this work.)*

Trust Council's remuneration policy will be updated to include requirements for periodic independent reviews, pending Trust Council approval of amending the policy.

Conducting an independent review will bring trustee remuneration values in line with appropriate values as compared to other jurisdictions, and may increase the number of island residents who consider running for Trustee. Ensuring a review is conducted by an independent third party rather than staff or trustees should enhance confidence in the final recommendations for remuneration levels as no biases will be incorporated into the exercise.

RISK ASSESSMENT: *(List and discuss potential risk factors associated with this work, if identified. List and discuss the options that exist to mitigate identified risks.)*

- Risk that no appropriate consultant can be secured to conduct the review in a timelines needed: this risk is extremely low as there is a plethora of consultants who would be able to conduct this type of work. This risk is mitigated by investigating possible consultants early, even in advance of TC's budget approval in March 2024.

- Risk that consultant fees are higher than the amount estimated by staff, not allowing for the securing of a quality consultant: This risk is low, but can be mitigated by staff conducting a greater market assessment between now and TC's approval of its budget in March 2024 to ensure amounts are appropriate. Any required overages post-budget approval may be handled in line with TC's budget control and adjustment policy, and amounts are not expected to be significant.
- Risk that changes to Trustee Remuneration values, in the year enacted, will result in a taxation spike in the budget: This risk may be mitigated by finding budget savings in other areas in the year new rates are enacted. Clear communication about why changes are needed, if any, may make any significant spikes more palatable to TC and to the public. This kind of risk is already seen across Islands Trust in other areas whereby TC may see taxation spikes from increases levels of projects or salaries, etc. This risk is considered to be minimal and part of conducting sound operations

ALTERNATIVES CONSIDERED: *(What other options/alternative courses of action were considered? List and discuss each alternative separately. Each option must be supported by a succinct and realistic presentation of the benefits, risks, financial implications, resource requirements and other implications to allow for an informed decision among the options. One option should reflect the status quo - i.e. do nothing - and the anticipated results of that action.)*

Option 1: Hire a consultant to review the remuneration rates

Benefits – see Issue/Opportunity section above.

Risks – see Risk Assessment section above.

Financial implications – estimated \$8,000 for the hiring of a consultant.

Resource requirements –staff time to manage contract.

Other implications- None.

Option 2: Undertake Review using Staff resources

Benefits – No cost to hiring consultant. Staff know the operations and duties of trustees, and have the qualifications to conduct this kind of benchmarking exercise.

Risks – Staff may not have easy access to information at other local governments, staff resources would need to be prioritised to ensure this work is completed in timely manner; potential perception of bias if undertaken in-house. Risk that results of this exercise would not be considered reliable as there may be a perceived bias given staff's employment relationship with trustees.

Financial implications – None.

Resource requirements – The finance team along with the support from the legislative services team and admin staff would be best placed to undertake this work should it be conducted in-house.

Other implications- None.

CRITICAL SUCCESS FACTORS: *(What related factors have been identified that are important to the success of completing this work/initiative? Which of these factors are considered critical to the success of this initiative? Discuss outcomes if critical success factors are not met.)*

Timely hiring of independent consultant – critical to ensuring results are free from perceived or actual bias. If not met, results may not be trusted, and therefore funds spent may lose their value.

RECOMMENDED OPTION: *(State your recommendation, referencing the options discussed earlier, and summarise why you chose it over others.)*

Option 1: Hire a consultant to review the remuneration rates

This option ensures independence in the review which is important. It ensures workloads for staff are not elevated. It ensures a more timely completion of the work. It aligns with best practice recommendations, aligns with the Governance Report recommendation, aligns with staff's recommendation to FPC.

COST/BENEFIT ANALYSIS: *(Discuss both quantitative and qualitative considerations of this initiative. Quantitative discussion should include financial costs as well as benefits (savings). Qualitative considerations include non-quantifiable costs and benefits.)*

Financial cost hiring an independent consultant is difficult to weigh against the value that may be provided from the results of the work undertaken. The long term benefits of increasing access to the position of trustee for a larger demographic of people in the Islands could result in a Council made up of voices that represent a larger portion of Islanders. Increasing diversity at decision making tables has great benefit in supporting informed and inclusive decisions, provided the people bringing the diverse opinions can conduct themselves professionally and respectfully with their colleagues of opposing viewpoints. Enhanced compensation for trustees may mean trustees are able to dedicate more time to their elected position which may also enhance good governance and sound decision making. An estimated \$8,000 cost for long-term qualitative benefit appears to be a reasonable investment.

PURCHASING PROCEDURE: *(Describe any purchasing processes that will be needed to support this initiative (ie. Direct Award, RFP, ITQ to qualified vendor) if goods or services need to be procured for the work. If this is for new staff hiring, indicate likely hiring method (ie: external competition, government-restricted internal competition, etc.)*

Trust Council's Procurement Policy dictates that at least three quotes would be obtained from known vendors at work with a value of \$8,000; or, a competitive Invitation to Quote or Request for Proposal may be conducted. Staff would select the option of at least three quotes as the scope, cost, and complexity of work is not so significant that a full RFP is warranted. This option is also faster to administer, reducing the risk that this exercise is not completed by the end of term and incorporated into an amended remuneration policy. Staff are aware of consultants with appropriate qualifications to undertake this work who have expertise in working with public sector organisations on topics such as this.

PROPOSED IMPLEMENTATION STRATEGY: *(What are the specific features of the "roll-out" of the recommended solution? What is the timeline and anticipated date of completion for this initiative?)*

Should TC approve this undertaking, staff will conduct procurement procedures and select an appropriate consultant for the work. Work would be completed and presented to the GC for reflection. GC will direct staff to amend remuneration policy and bylaw with their proposed amendments resulting from the consultants work and present their recommendations to TC. TC may approve the revised policy and bylaw or make their own amendments. Any changes to TC remuneration policy or bylaw for values will take effect at the start of the new term of office in October 2026.

FPC has already proposed amendments to Trust Council for other remuneration policy changes that are not related to remuneration values. These amendments would travel to TC along with the results of GC's work on the values for approval all together. This is the most efficient approach to amending this policy.

STAFF RESOURCING: *(What staff resources will be needed to achieve success on this initiative? Estimate how many hours of staff time will be required, by staff level/role. Comment on the reasonability of expected staff hours when assessed in conjunction with other work underway or planned.)*

Director, Administrative Services or Legislative Services staff will conduct the procurement procedures, and manage the resulting contract. This work can only be conducted when finance team positions are filled which is reasonable to expect by next fiscal. The work will be supported by legislative services staff as needed given this work involves policy and bylaw.

CHANGE MANAGEMENT/COMMUNICATIONS/COLLABORATION: *(Discuss proposed change management requirements, communications needed, involvement with others. Are there any concerns related to these? If so, how will these be addressed? Have other stakeholders been identified?)*

None to consider with the hiring of the contract for the work. Results of the report that may influence changes in remuneration levels will be evaluated for change management considerations at that time.

Requested by Governance Committee:

Prepared by Director, Administrative Services

Reviewed by



REQUEST FOR DECISION

To: Governance Committee **For the Meeting of:** November 5, 2024
From: Legislative & Information Services **Date Prepared:** October 18, 2024
SUBJECT: Secretariat Business Case

RECOMMENDATION:

That Governance Committee approve the Secretariat Business Case and forward to Financial Planning Committee for inclusion in the 2025/26 fiscal year budget.

CHIEF ADMINISTRATIVE OFFICER COMMENTS:

Exploration of a Trust Council secretariat position was a recommendation in the Governance Review Report of 2022. It is included in the Governance Committee work program as Urgent, High Priority. At this juncture, there is not agreed upon interpretation of this recommendation by all trustees and staff.

1 PURPOSE:

To secure funding to undertake the Governance Committee work program item regarding reviewing and recommending a secretariat function for Trust Council.

2 BACKGROUND:

At its September 9, 2024 regular business meeting, the Governance Committee passed the following resolution:

That Governance Committee request staff to prepare funding requests for the 2025/26 budget for investigation of a secretariat staff position for Trust Council.

Staff has prepared the attached business case, and has suggested a funding request of \$15,000. This high value because there has been no scope to this project identified, exploration of this idea could involve significant consultant's time, and legal review of any options considered. Given the unknown expected amount of work involved, and an understanding of the desire for new "out of the box" ideas, staff considered that a consultant is the most appropriate option.

3 IMPLICATIONS OF RECOMMENDATION

ORGANIZATIONAL:

There are no organizational implications.

FINANCIAL:

A \$15,000 increase to the Fiscal 2025/26 budget to cover the cost of a consultant and legal fees.

POLICY:

There are no implications to policy.

IMPLEMENTATION/COMMUNICATIONS:

Staff will take the business case to Financial Planning Committee.

FIRST NATIONS RELATIONS:

There are no First Nations Relations implications.

OTHER:

There are no other implications.

4 RELEVANT POLICY(S):

Section 17 of the *Islands Trust Act*

5 ATTACHMENT:

Secretariat Business Case.

RESPONSE OPTIONS

Recommendation:

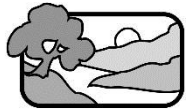
That Governance Committee approve the Secretariat Business Case and forward to Financial Planning Committee for inclusion in the 2025/26 fiscal year budget.

Alternative:

That Governance Committee amend the business case and request a different amount, and forward to the Financial Planning Committee for inclusion in the 2025/26 fiscal year budget.

Prepared By: David Marlor, Director, Legislative and Information Services

Reviewed By/Date:



**Budget Funding Request
Short-Form Business Case**

Islands Trust

Completion of this form initiates a request to the management team, FPC, and ultimately Trust Council for allocation funding in the next fiscal year budget. The form is to be completed and submitted at the start of the decision making process. The business case forms part of the Annual Budget Process (refer to Islands Trust Council Budget Process Policy 6.3.i).

TO BE COMPLETED BY INITIATOR

Requested by (Committee or Operational Unit):

Governance Committee

Department:

Legislative and Information Services

Name of Request:

Trust Council Secretariat

\$ Value of Request (indicate by fiscal year and total if project is multi-year):

\$15,000 (uninformed estimate)

Breakdown of funds:
\$10,000 – consultant
\$5,000 – legal

Budget Source (select all that apply):

- Specific Project Funding** (select all that apply)
 - Third Party Contractors
 - Staff Travel Expense
 - Staff Overtime Expense
 - New Staff Member – Temporary for project
 - Computer Hardware/Software
- Furniture & Equipment**
- Computer Hardware/Software/Supplies**
- New Staff Resources** (see Staff Costing Tool)
 - Permanent**
 - Temporary**
Temp Duration: _____
- Other – please describe:** _____

Date of Submission to Finance:

November 2024 (pending GC review)

Funding Required for (date range):

April 1, 2025 to March 31, 2026

TIE TO ISLANDS TRUST GUIDING DOCUMENTS: (Indicate how the proposed project/activity/work ties to Trust Council's strategic plan, Policy Statement directives, Council Bylaws, work programs, the Trust's object, etc. Provide a copy/paste of the relevant reference, along with hyperlinks to external documents where available.)

Strategic Plan 2025-2028

1.2.6 Prioritise, analyse, and where appropriate, implement the 15 recommendations of the 2022 Governance Report.

ISSUE/OPPORTUNITY: *(What issue are you trying to resolve with this initiative, or what opportunity has been identified that would benefit Islands Trust by undertaking this initiative? What are the future needs? What organizational objectives are being addressed? Include background information that decision makers will need to properly assess this request.)*

The 2022 Governance Report by Great Northern Management Consultants included the following recommendation:

Recommendation #8: The Office of Secretary should be staffed with a full-time incumbent, reporting to Trust Council through the Chair of Trust Council.

In support of the recommendation, Great Northern Management Consultants state:

Section 17(1)(a) of the Islands Trust Act authorises Trust Council to appoint a person to the Office of Secretary. A corporate secretary's duties include ensuring the framework by which the organisation's governing body fulfils its duties and responsibilities is upheld and operates efficiently, including compliance with statutory and regulatory requirements, and in such a manner as to facilitate optimal interface and alignment with management.

It is noted that the manner in which Trust Council organises itself and is supported in terms of developing meeting agendas, organising and conducting meetings, and providing briefing materials needs to be revamped to better foster collaborative decision making. The Corporate Secretary should be the lynchpin between Trust Council and management in the collaborative effort to make this happen.

The principals that underpin the Public Service Act must be followed in a hiring process, for example, the hiring of the Secretary should follow sound merit-based public service principles but the classification and the employment relationship directly to Council should be explored by Council.

Current situation:

Trust Council appoints three officers: by legislation, the Secretary and Treasurer; and by bylaw, the Bylaw Enforcement Officers. These positions are employees of Trust Council who, under the Public Service Act, report to the Chief Administrative Officer. Trust Council may provide direction to these positions.

Trust Council may wish to review the relationship between Trust Council and the office of Secretary, including the role of the position, and the needs of Trust Council.

PROJECTED RESULTS/DELIVERABLES: *(How does this address the issue/opportunity described above? Indicate how results of this work will impact decision-making by trustees or staff. Will this work result in better decisions, more efficient decision-making, more efficient completion of work, better public perception, etc. Consider all possible results from undertaking this work.)*

The intent of the review and subsequent recommended changes is to improve the operation and efficiency of Trust Council operations and meetings.

RISK ASSESSMENT: *(List and discuss potential risk factors associated with this work, if identified. List and discuss the options that exist to mitigate identified risks.)*

- Misunderstanding of the intent of the review, along with what is possible under current legislative framework. To mitigate this, a clear project charter and terms of reference should be developed on the desired outcomes.
- Scope creep – the project is envisioned to work within existing legislation. A project charter should be developed that specifies the scope, and changes to the scope are indicated with subsequent timeline and budget/resource implications addressed.

ALTERNATIVES CONSIDERED: *(What other options/alternative courses of action were considered? List and discuss each alternative separately. Each option must be supported by a succinct and realistic presentation of the benefits, risks, financial implications, resource requirements and other implications to allow for an informed decision among the options. One option should reflect the status quo - i.e. do nothing - and the anticipated results of that action.)*

Option 1: Consultant Undertake Review

Benefits – Third party independent review will remove any concerns around potential bias.

Risks – Third party consultant may not fully understand legislative framework. This would have to be a consideration in selection of a proponent during the tendering process.

Financial implications – Cost of hiring a consultant and legal (\$15,000)

Resource requirements – Administrative staff to develop RFP and manage the contract.

Other implications- None

Option 2: Staff Undertake Review

Benefits – Staff understand legislation and the operation realities of running Trust Council meetings.

Risks – Potential for perception of bias in staff recommendations. Also risk of other competing priorities reducing staff time available to undertake the work.

Financial implications – Costs of legal advice and staff time (\$5,000 legal)

Resource requirements – Management and administrative.

Other implications- None

CRITICAL SUCCESS FACTORS: *(What related factors have been identified that are important to the success of completing this work/initiative? Which of these factors are considered critical to the success of this initiative? Discuss outcomes if critical success factors are not met.)*

- Successful recruitment of a consultant knowledgeable with BC provincial and local government and Islands Trust legislation.
- Clear understanding of the desired outcomes by Trust Council.

RECOMMENDED OPTION: *(State your recommendation, referencing the options discussed earlier, and summarise why you chose it over others.)*

Option 1: Consultant Undertake Review

COST/BENEFIT ANALYSIS: *(Discuss both quantitative and qualitative considerations of this initiative. Quantitative discussion should include financial costs as well as benefits (savings). Qualitative considerations include non-quantifiable costs and benefits.)*

No real benefits identified. This is a political request to review and make changes to how staff support trust Council. Without knowing the outcomes, it is impossible to undertake a cost/benefit analysis.

PURCHASING PROCEDURE: *(Describe any purchasing processes that will be needed to support this initiative (ie. Direct Award, RFP, ITQ to qualified vendor) if goods or services need to be procured for the work. If this is for new staff hiring, indicate likely hiring method (ie: external competition, government-restricted internal competition, etc.)*

As per Trust Council procurement policy.

PROPOSED IMPLEMENTATION STRATEGY: *(What are the specific features of the “roll-out” of the recommended solution? What is the timeline and anticipated date of completion for this initiative?)*

Staff would undertake appropriate process to secure a consultant starting in April 2025.

STAFF RESOURCING: *(What staff resources will be needed to achieve success on this initiative? Estimate how many hours of staff time will be required, by staff level/role. Comment on the reasonability of expected staff hours when assessed in conjunction with other work underway or planned.)*

- Director, Legislative and Information services (Trust Council Secretary)
- Chief Administrative Officer
- Administrative Staff

CHANGE MANAGEMENT/COMMUNICATIONS/COLLABORATION: *(Discuss proposed change management requirements, communications needed, involvement with others. Are there any concerns related to these? If so, how will these be addressed? Have other stakeholders been identified?)*

- None identified.

Requested by Governance Committee

Prepared by David Marlor, Director, Legislative and Information Services/October 18, 2024

Reviewed by



REQUEST FOR DECISION

To: Governance Committee **For the Meeting of:** November 5, 2024
From: Legislative & Information Services **Date Prepared:** October 18, 2024
SUBJECT: Policy Review Business Case

RECOMMENDATION: That Governance Committee approve the Policy Review Business Case and forward to Financial Planning Committee for inclusion in the 2025/26 fiscal Year budget.

CHIEF ADMINISTRATIVE OFFICER COMMENTS: Establishing a review schedule and ensuring policies are up-to-date is a recommendation from Municipal Insurance Association of British Columbia (MIABC) in order to reduce risk to the organization. This project is not listed on the Governance Committee work program.

1 PURPOSE:

To secure funding to undertake Governance Committee work program item regarding reviewing and recommending a policy review structure, update schedule and update priority policies.

2 BACKGROUND:

At its September 9, 2024 regular business meeting, the Governance Committee passed the following resolution:

That Governance Committee request staff to prepare funding requests for the 2025/26 budget for the review of all Trust Council policies

Staff has prepared the attached business case, and has suggested a funding request of \$5,000 to cover legal reviews. Administrative staff assigned to Governance Committee would undertake the work.

3 IMPLICATIONS OF RECOMMENDATION

ORGANIZATIONAL:

There are no organizational implications.

FINANCIAL:

A \$5,000 increase to the Fiscal 2025/26 budget to cover the cost of a consultant and legal fees.

POLICY:

There are no implications to policy.

IMPLEMENTATION/COMMUNICATIONS:

Staff will take the business case to Financial Planning Committee.

FIRST NATIONS RELATIONS:

There are no First Nations Relations implications.

OTHER:

There are no other implications.

4 RELEVANT POLICY(S):

Not applicable.

5 ATTACHMENT(S):

Policy Review Business Case

RESPONSE OPTIONS

Recommendation:

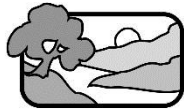
That Governance Committee approve the Policy Review Business Case and forward to Financial Planning Committee for inclusion in the 2025/26 fiscal Year budget.

Alternative:

That Governance Committee amend the business case and request a different amount, and forward to the Financial Planning Committee for inclusion in the 2025/26 fiscal year budget.

Prepared By: David Marlor, Director, Legislative and Information Services

Reviewed By/Date:



Islands Trust

**Budget Funding Request
Short-Form Business Case**

Completion of this form initiates a request to the management team, FPC, and ultimately Trust Council for allocation funding in the next fiscal year budget. The form is to be completed and submitted at the start of the decision making process. The business case forms part of the Annual Budget Process (refer to Islands Trust Council Budget Process Policy 6.3.i).

TO BE COMPLETED BY INITIATOR

<p>Requested by (<i>Committee or Operational Unit</i>):</p> <p>Governance Committee</p>	<p>Budget Source (select all that apply):</p> <p><input type="checkbox"/> Specific Project Funding (select all that apply)</p> <p style="margin-left: 20px;">X Third Party Contractors/Temp Staff</p> <p style="margin-left: 40px;"><input type="checkbox"/> Staff Travel Expense</p> <p style="margin-left: 40px;"><input type="checkbox"/> Staff Overtime Expense</p> <p style="margin-left: 40px;"><input type="checkbox"/> New Staff Member – Temporary for project</p> <p style="margin-left: 40px;"><input type="checkbox"/> Computer Hardware/Software</p> <p><input type="checkbox"/> Furniture & Equipment</p> <p><input type="checkbox"/> Computer Hardware/Software/Supplies</p> <p><input type="checkbox"/> New Staff Resources (see Staff Costing Tool)</p> <p style="margin-left: 40px;"><input type="checkbox"/> Permanent</p> <p style="margin-left: 40px;"><input type="checkbox"/> Temporary</p> <p style="margin-left: 80px;">Temp Duration: _____</p> <p><input type="checkbox"/> Other – please describe: _____</p>
<p>Department:</p> <p>Legislative and Information Services</p>	
<p>Name of Request:</p> <p>Trust Council Policies Review</p>	
<p>\$ Value of Request (<i>indicate by fiscal year and total if project is multi-year</i>):</p> <p>\$5,000</p>	
<p>Date of Submission to Finance:</p> <p>October 2024</p>	<p>Funding Required for (date range):</p> <p>April 1, 2025 to March 31, 2026</p>

TIE TO ISLANDS TRUST GUIDING DOCUMENTS: (*Indicate how the proposed project/activity/work ties to Trust Council’s strategic plan, Policy Statement directives, Council Bylaws, work programs, the Trust’s object, etc. Provide a copy/paste of the relevant reference, along with hyperlinks to external documents where available.*)

Trust Council’s Object – no
 Strategic Plan item – no
 Policy Statement directive – no
 Council bylaw – no
 Work programs – no, however Trust Council has passed a resolution at its September 2023 meetings which lives on their FUAL:
 2023-061
 that Trust Council request staff to review, update and report back to Trust Council with recommendations for amendments to Trust Council policies, and where possible, combine similar policy documents to reduce redundancies.

ISSUE/OPPORTUNITY: *(What issue are you trying to resolve with this initiative, or what opportunity has been identified that would benefit Islands Trust by undertaking this initiative? What are the future needs? What organizational objectives are being addressed? Include background information that decision makers will need to properly assess this request.)*

Background:

Trust Council began developing policies in 1992 following the significant update to the *Islands trust Act*. Policies are intended to provide direction in various areas of the operations of the Islands Trust. There are currently 91 policies divided into the following areas:

- Islands Trust Policy Statement (2 policies)
- Trust Council and its Committees (23 policies)
- Local Trust Committee, Advisory Commissions and advisory Groups (12 policies)
- Land Use Planning, Bylaws and Mapping (14 policies)
- Operations, the Budget Process, Elections and Communications (19 policies)
- Administrative Activities such as finance and Freedom of Information (18 policies)
- Human Resources (2 policies)
- Islands Trust Conservancy Joint Policy (1 policy)

Most, but not all, of these policies have had updates as required over the years, but there has never been a systematic review of the policies. Trust Council has requested a review of its policies as per the resolution in the Guiding Documents section of this business case.

The Municipal Insurance Association of British Columbia (MIABC), to which the Islands Trust joined on January 1, 2024, recommends that local governments develop a plan to systematically review and update their policies at least every five years. This review is not only to ensure existing policies are relevant, but to ensure that policies cover the necessary areas of the organisation's operations to reduce risk to the organisation.

PROJECTED RESULTS/DELIVERABLES: *(How does this address the issue/opportunity described above? Indicate how results of this work will impact decision-making by trustees or staff. Will this work result in better decisions, more efficient decision-making, more efficient completion of work, better public perception, etc. Consider all possible results from undertaking this work.)*

This project would:

- establish a methodology that includes criteria for prioritisation of policies to be reviewed, criteria for new policies and, establishes a schedule for review and update of policies
- prioritise policies for review and update (given there are 91 policies to review)
- undertake review of the prioritised policies, and recommend updates, deletions, to Trust Council
- update prioritised policies by end of term (October 2026)
- identify gaps where policies should be in place but there are no policies covering the issue

RISK ASSESSMENT: *(List and discuss potential risk factors associated with this work, if identified. List and discuss the options that exist to mitigate identified risks.)*

The risk is low in regards to whether or not this project is completed by end of term. The nature of the project is flexible and is intended to establish a framework for maintaining and updating Trust Council policies into the future.

Out of date or lack of policies around real estate management and maintenance could be a risk for the organisation. Mitigation would involve flagging these in the review process and prioritising them for update or development.

ALTERNATIVES CONSIDERED: *(What other options/alternative courses of action were considered? List and discuss each alternative separately. Each option must be supported by a succinct and realistic presentation of the benefits, risks, financial implications, resource requirements and other implications to allow for an informed decision among the options. One option should reflect the status quo - i.e. do nothing - and the anticipated results of that action.)*

Option 1: Undertake the work by staff for Trust Council

Benefits – less expensive to undertaken

Risks – the project would need to be assigned to a committee and given priority

Financial implications – limited to staff time and legal review (\$5,000)

Resource requirements – staff time could be significant given the volume of policies

Other implications – Other projects may be delayed.

Option 2: Not review Trust Council policies

Benefits – allow Trust Council to focus on other projects of importance

Risks – out of date policies could be a risk to the organisation, and lead to poor and out of date procedures

Financial implications – potential savings from changing policy direction could be lost.

Resource requirements – None.

Other implications – None.

CRITICAL SUCCESS FACTORS: *(What related factors have been identified that are important to the success of completing this work/initiative? Which of these factors are considered critical to the success of this initiative? Discuss outcomes if critical success factors are not met.)*

Clear Trust Council policy and program for maintaining and updating Trust Council policies on a regular scheduled basis.

RECOMMENDED OPTION: *(State your recommendation, referencing the options discussed earlier, and summarise why you chose it over others.)*

Option 1. This option provides capacity required to undertake a review of this nature. Given the number of policies, the work will be quite involved.

COST/BENEFIT ANALYSIS: *(Discuss both quantitative and qualitative considerations of this initiative. Quantitative discussion should include financial costs as well as benefits (savings). Qualitative considerations include non-quantifiable costs and benefits.)*

Savings would be mostly intangible. That is, completion of the project would result in lower risk to the organisation, and certainty around procedures. Removal of redundancies, or no longer appropriate policies may result in improved governance efficiencies.

PURCHASING PROCEDURE: *(Describe any purchasing processes that will be needed to support this initiative (ie. Direct Award, RFP, ITQ to qualified vendor) if goods or services need to be procured for the work. If this is for new staff hiring, indicate likely hiring method (ie: external competition, government-restricted internal competition, etc.)*

Legal review as per Trust Council policy.

PROPOSED IMPLEMENTATION STRATEGY: *(What are the specific features of the “roll-out” of the recommended solution? What is the timeline and anticipated date of completion for this initiative?)*

Work would be largely administrative and undertake by administrative staff assigned to Governance committee, with funding for legal support.

STAFF RESOURCING: *(What staff resources will be needed to achieve success on this initiative? Estimate how many hours of staff time will be required, by staff level/role. Comment on the reasonability of expected staff hours when assessed in conjunction with other work underway or planned.)*

Undertaken by administrative staff assigned to Governance Committee. Prioritisation of this project would be required.

CHANGE MANAGEMENT/COMMUNICATIONS/COLLABORATION: *(Discuss proposed change management requirements, communications needed, involvement with others. Are there any concerns related to these? If so, how will these be addressed? Have other stakeholders been identified?)*

Recommendation would be forwarded to Trust Council for adoption.

Requested by Governance Committee

Prepared by David Marlor, Director, Legislative and Information Services.

Reviewed by



REQUEST FOR DECISION

To: Governance Committee **For the Meeting of:** November 5, 2024
From: Executive Office **Date Prepared:** October 18, 2024
SUBJECT: Proposed Governance Committee 2025/2026 Meeting Schedule

RECOMMENDATION:

1. That the Governance Committee adopt the proposed meeting date of January 29, for the remainder of the 2024/25 fiscal year and the proposed meetings dates of April 9, August 13, November 3, and January 28 for the 2025/26 fiscal year.

AND;

2. That the Governance Committee request staff to schedule all adopted Governance Committee meeting dates as electronic meetings.

CHIEF ADMINISTRATIVE OFFICER COMMENTS:

The proposed meeting dates allow for appropriate coordination with Executive Committee and Trust Council meeting dates, and generally allows adequate time for staff and Committee members to perform their duties with appropriate care and due diligence.

1 PURPOSE:

- a) To determine the 2025/26 meeting schedule for the Governance Committee (GC); and
- b) To make decisions around meeting formats (electronic or in-person).

2 BACKGROUND:

Meeting Dates

In previous years, Governance Committee meetings were typically held on Mondays. A proposed change to primarily meet on Wednesdays (with the exception of Monday, November 3) is suggested to accommodate the creation of two new committees (CAO Select and Accessibility) and trustee schedules.

Near the end of each calendar year, Governance Committee determines its meeting dates for the next calendar year by way of resolution. In future, GC will plan its meeting dates on a fiscal year basis rather than calendar year, aligning corporate activities with the corporate year which supports work plans and budgeting activities. As such, meetings dates will be set in January or February for the following fiscal year. This year, GC must set dates for the remainder of the 2024/25 year, as well as 2025/26.

Proposed meetings dates and start times are as follows:

PROPOSED GC DATES	ASSOCIATED EC MEETING DATES & EC AGENDA DEADLINES	TRUST COUNCIL DATES
All meetings are proposed for five hours beginning at 10:00 AM, consistent with all other standing committees of Trust Council.		
Wednesday, January 29, 2025 10:00 AM – 3:00 PM	February 26, 2025 (EC agenda deadline February 21)	March 11-13, 2025
Wednesday, April 9, 2025 10:00 AM – 3:00 PM	June 4, 2024 (EC agenda deadline May 30)	June 17-19, 2025
Wednesday, August 13, 2025 10:00 AM – 3:00 PM	September 3, 2025 (EC agenda deadline August 29)	September 16-18, 2025
Monday, November 3, 2025 10:00 AM – 3:00 PM	November 19, 2025 (EC agenda deadline November 14)	December 2-4, 2025
Wednesday, January 28, 2026 10:00 AM – 3:00 PM	NA	NA

Meeting Format

Staff are requesting that GC determine as early as possible if they wish to continue with electronic meetings for the proposed meeting dates. Early decision making in this regard will help staff with meeting logistics and will inform budget planning for this area.

Electronic meetings create time savings for trustees who do not have to travel, time savings for staff in terms of travel and catering arrangements, generates several thousands of dollars in cost savings to the organization annually, and reduces corporate greenhouse gas emissions in alignment with Islands Trust values. In addition, fully electronic meetings tend to generate higher quality meeting recordings for future public viewings.

Trust Council Bylaw 101 permits Council Committees to conduct fully electronic regular and special meetings. Section 11.11(a) states: *“A regular or special meeting of a Council committee or a special meeting of the Executive Committee may be conducted entirely by means of audio or audio and visual electronic communication facilities if a majority of the members of the committee have agreed by resolution that the meeting may be conducted in this way and provided the Secretary has received sufficient notice and can make the necessary arrangements.”*

3 IMPLICATIONS OF RECOMMENDATION

ORGANIZATIONAL:

Allows for appropriate coordination with Executive Committee and Trust Council meeting dates, and allows adequate time for staff and Committee members to perform their duties with appropriate care and due diligence.

FINANCIAL:

No financial impact associated with setting meeting dates.

Holding meetings electronically generates a few thousand dollars in financial savings as well as reduced greenhouse gas emissions and time savings from reduced travel. The draft 2025/26 budget will reflect GC decisions made related to this topic.

POLICY: None.

IMPLEMENTATION/COMMUNICATIONS:

Communications with meeting administrative staff will circulate internally for purposes of planning. Outlook calendar invitations will be sent to Committee members and Islands Trust website calendar will be updated with adopted meeting dates

FIRST NATIONS: None.

OTHER: None.

4 RELEVANT POLICIES:

[Trust Council Bylaw 101](#)

[Trust Council Policy 2.3.1 Council Committee System](#)

5 ATTACHMENT(S): None.

RESPONSE OPTIONS

Recommendations:

2. That the Governance Committee adopt the proposed meeting date of January 29, for the remainder of the 2024/25 fiscal year and the proposed meetings dates of April 9, August 13, November 3, and January 28 for the 2025/26 fiscal year.

AND;

3. That the Governance Committee request staff to schedule all adopted Governance Committee meeting dates as electronic meetings.

Alternatives:

1. That the Governance Committee adopt the proposed meeting schedule for the 2025/26 calendar year with the following amendments: [as directed].
2. That Governance Committee request staff to schedule only the 2025/26 GC meeting dates of _____, _____, _____ as electronic meetings.
3. That Governance Committee request staff to schedule all the 2025/26 GC meetings as in-person meetings.

Prepared By: Executive Administrative Assistant
Reviewed By: Interim Chief Administrative Officer

Attachment 5: Governance Committee Terms of Reference

The purpose of the Governance Committee is to provide focus upon improvement of governance, to develop and recommend to the Trust Council good governance and management approaches and frameworks, and to lead processes to support and evaluate the effectiveness of Trust Council and its committees.

The Governance Committee provides advice to the Islands Trust Council and management by undertaking the following responsibilities:

1. initially reviewing the Islands Trust Governance Report dated March 8, 2022 and submitting a prioritized list of the recommendations in that Report to Trust Council with advice as to possible actions
2. identifying, evaluating and providing, on an on-going basis, advice to Trust Council on emerging governance and management issues with respect to areas of concern, best practices, and appropriate structures and procedures to allow Trust Council to function most effectively
3. maintaining a committee work program to manage committee initiatives and providing Trust Council with quarterly updates
4. providing recommendations to Trust Council for legislation reform initiatives to improve Trust Council governance and management

The Governance Committee may contract external expertise to provide advice subject to funding by Trust Council and at the discretion of the committee.

The responsibilities stated apply to the following area:
Trust Council Governance and Management

**Islands Trust
Governance Committee
Work Program Matrix**

Updated September 9, 2024

LEGEND:

- Not Started
- In-progress
- ✓ Complete

<p>Not Urgent, Important</p> <ul style="list-style-type: none"> • Election of Executive Committee • Committees Structure: Clear mandates, review of size, champion proposals to Trust Council • Make Mandate of Conservancy More Prominent 	<p>Urgent, High Priority</p> <ul style="list-style-type: none"> ✓ Response to the Province Requesting A Review of Islands Trust ➤ Meeting Process (Bylaw 101 & related policies) ➤ Review of Trustee Compensation Policy ➤ Strategic/Corporate Planning/Visioning process and related operational review <ul style="list-style-type: none"> • Secretariat/hiring in-house legal counsel - needs research • Prepare a Trust Council Session for review of Governance Report
<p>Not Urgent, Lower Priority</p> <ul style="list-style-type: none"> • Information to Trustee Candidates Before Election • Recording of Negative Votes (forward to Executive Committee) 	<p>Urgent, Lower Priority</p> <p><i>These items require preparation of other policies before they can be effectively addressed.</i></p> <ul style="list-style-type: none"> • Communications • Advocacy

Non-Urgent, Important items under close examined by other Council Committees

- Local planning issues: OCP numbers & updates (Regional Planning Committee)
- Policy Statement Update (Trust Programs Committee and Executive Committee)
- Trustee Leadership Development

Matters Outside Our Jurisdictions

Urgent and Important

- First Nations representation (possible referral to First Nations committee if it gets established, otherwise multiple protocol agreements not considered in report)

Not Urgent, Not Priority

- Representation of provincial interest on TC - simple idea, complex in execution, multiple solutions.

Active Projects Report

Governance Committee

1. Review of Governance Report

Responsible

Dates

Activity:

Prepare Trust Council session for review of Governance Report.

Julia Mobbs

Rec'd: 09-Nov-2023
Target: 03-Dec-2024

2. Corporate Planning

Responsible

Dates

Activity:

Continue implementation of enhanced corporate planning processes:
Visioning - complete; Values - skipped; SWOT - complete; Strategic Plan - in progress;
Departmental work plans - upcoming; incorporating work plans into the financial plan - upcoming.

Julia Mobbs

Rec'd: 17-Apr-2023
Target: 03-Dec-2024

3. Meeting process (Bylaw 101 and policies)

Responsible

Dates

Activity:

Review and recommend amendments to the Trust Council Meeting Procedure Bylaws 101 and related policies to address the concerns raised by Great Northern Management Consultants in the 2022 Governance Review Report of the Islands Trust.

David Marlor

Rec'd: 17-Apr-2023
Target: 04-Dec-2024

Active Projects Report

Governance Committee

4. <i>Secretariat and/or in-house legal counsel</i>	Responsible	Dates
<p>Activity:</p> <p>Consider opportunities to hire a Trust Council secretariat or in-house legal counsel, and any associated implications to the Islands Trust.</p> <hr/>	<p>David Marlor</p>	<p>Rec'd: 11-Apr-2023 Target: 03-Dec-2024</p>
5. <i>Policy 7.2.1 Trustee Remuneration - Review and Update</i>	Responsible	Dates
<p>Activity:</p> <p>Review and update Trust Council's Policy 7.2.1 Trustee Remuneration in line with the UBCM Council and Board Remuneration Guide.</p> <hr/>	<p>Julia Mobbs</p>	<p>Rec'd: 12-Jan-2024 Target: 19-Mar-2025</p>