Governance Committee
Agenda

Date:	Monday, January 15, 2024
Time:	9:00 am - 1:00 pm
Location:	Electronic meeting, Public venue Islands Trust 200-1627 Fort Street Victoria, BC V8R 1H8

7. BUSINESS - WORK PROGRAM ITEMS

8. BUSINESS - OTHER

9. BUSINESS - NEW

10. WORK PROGRAM

As presented in item 7.1

11. NEXT MEETING

The next meeting will be take place on February 23, 2024.

12. ADJOURNMENT

*Approximate time is provided for the convenience of the public only and is subject to change without notice.

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October 31, 2023

To: Islands Trust Council and Islands Trust Staff

Friends of the Gulf Islands Society is a growing group of BC residents concerned about the distressing direction in which the Islands Trust has been moving over the past several years. The shift towards community needs has now superseded the protection of the natural environment and is continuing in spite of opposition by a number of trustees and several concerned organizations. Additional development and other community objectives are being brought forward for approval without adequate environmental scrutiny that should be central to decisions made by the Islands Trust Council and Local Trust Committees (LTCs). In doing so, we believe the Islands Trust has strayed from its central mission: to achieve the object of the Trust Act, Sec 3. "…to preserve and protect the Trust Area and its unique amenities and environment for the benefit of the residents of the Trust Area and of British Columbia…..".

As noted by Great Northern Management in their 2022 Governance Review of the Trust:

> "Islands Trust lacks both a comprehensive analysis of the Trust Area's capacity to sustain current population and activity, and its ability to accommodate more growth and development, especially in light of climate change and other considerations. These include adequacy of water supply, rising sea levels, wildfire risks, threats to ecosystems, stringent environmental protection regulations, the increasing cost of public services." [1]

According to the Trust's own report, State of the Islands (June 2019), the amount of land converted for human use is past the point needed for ecosystem health on Mayne Island, is reaching that point on Gabriola Island and is approaching that point on several other islands. In complete disregard for State of the Islands report, trustees continue to ignore the precautionary principle[2] when considering development applications or evaluating the cumulative impacts of increasing densities on the health of the ecosystems or from climate change. In failing to observe the findings of their own organization, Trustees stand in contradiction to the Trust Council's Declaration of a Climate Emergency, making a mockery of the Trust's founding mandate.

Below are some examples of recent actions, by the Trust Council and Local Trust Committees (LTCs), that are potentially destructive to the environment. We fear that if this trend is allowed to

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[1] Great Northern Management Consultants, Islands Trust Governance Review, February 2022 Pg 26-27

[2] "precautionary principle" is defined as "When an activity raises threats of harm to human health or the environment, precautionary measures should be taken even if some cause-and-effect relationships are not fully established scientifically." Galiano Island Official Community Plan Pg 3

continue, the Gulf Islands and surrounding waters will be lost as a special habitat as the Provincial legislature intended to preserve in 1974, and their unique marine and terrestrial ecosystems and rural character, will be lost forever.

Recent Actions by Trust Council

During the Islands 2050 public consultation for the Policy Statement review process, the majority of the general public indicated that the environment should be the primary consideration when amending the current Policy Statement. Yet, in March 2021, Council passed a motion that incorporated matters under the authority of the Local Government Act (LGA) into the object of the trust, specifically the protection of healthy and inclusive communities, housing and transportation. Council subsequently voted down a trustee's motion that would have affirmed the protection and preservation of the natural environment as the paramount object of the Islands Trust Act.

During the Policy Statement review process, Islands Trust staff proposed policies such as banning desalination plants and the installation of new private docks and addressed the need for enhanced forest protection, based upon scientific studies warning of potential cumulative damaging impacts. But when confronted with objections from some property owners, Trust Council removed these policies. Trust Council also decided to not include any reference to the precautionary principle in the Policy Statement despite the fact that seven islands' official community plans (OCP) reference it.

At the March 2023 Trust Council Meeting, Council voted against negotiating with the province for more authority over tree cutting to enable Local Trust Committees to enhance their ability to protect the endangered Coastal Douglas Fir ecosystem (CDF).

Recent Actions by Local Trust Committees on Various Islands

Salt Spring Island Local Trust Committee gave first and second reading to version of Draft Bylaw 530 that would have rezoned most residential properties to have a second residence (either a suite or cottage), even in areas with known water shortages, and despite an objection from the Tsawout First Nation that stated in part: "the island does not have the capacity to increase living conditions without threatening the environmental stability of our traditional territory."[3] Currently, the bylaw is being rewritten.

The Vortex oceanfront resort development was approved despite community concerns that the site is of paramount ecological importance and subject to sea level rise and objections from the Lyackson First Nation who asked that the LTC not give any further consideration to the Development Permit Area (DPA) permit until completion of an archeological report.[4]

[3] Tsawout First nation, letter sent to Salt Spring Island Local Trust Committee, August 18, 2023

[4] Lyackson First Nation, sent to Salt Spring Island Local Trust Committee, June 10, 2022 "……that the Salt Spring Island LTC does not further consider the Development Permit Application until the completion of final AIA report for HCA 2018-285 for the Vortex Development, and allow our Coast Salish First Nations sufficient time to review and

Galiano Island

In 2022, the LTC and Trust Executive approved a rezoning in the Community Forest, a groundwater recharge area, for a high-density multi-family development. This rezoning is contrary to the Galiano OCP Land Use Bylaw 215 that identifies: "the importance of forest cover and the retention of unfragmented forest ecosystems." As well, the LTC and Executive failed to find this rezoning inconsistent with Trust Policy Statement 4.4.2 which bars increased development in areas with groundwater supply problems.

In August 2019, the Capital Regional District notified nearby residents of a Level 3 Water Conservation Notice, that read: "The Sticks Allison water system source water resources are reaching critical levels due to historically low aquifer levels". The only flow test conducted on the project's well was during an extreme precipitation event in December 2018. The Regional Hydrologist's report stated that this winter test "...may not reflect well and aquifer response during the summer/dry season."[5] and that "The aquifer productivity is considered low..."[6]

Further, contrary to Galiano's OCP's Wildlife Protection Objectives that identifies the requirement to: "protect wildlife resources and to preserve habitat for wildlife", the LTC, Trust staff and Executive accepted an Ecological Assessment Report with the following limitations: "The Ecological Assessment Report did not include any targeted species-at-risk surveys of the site and the scope of the report did not include any targeted wildlife surveys of the site." [7]

Gabriola Island

In 2018, the LTC approved a rezoning and subdivision creating 27 residential lots in a major aquifer area that supplies water for over 500 wells and is described by a Regional District of Nanaimo report to be in decline[8]. The water report for this subdivision was based primarily on insufficient historical well data of nearby wells as there was only one existing well in the subdivision. The development included the subdivision of 80 acres of forestry zoned land.

A rezoning for a 24-unit multi-family development on 5 acres was approved in 2022 despite a November 2020 report from the Ministry of Forests, Lands, Natural Resource Operations and Rural Development indicating a potential decline in groundwater due to

comment on the scope and methodology of the fieldwork, its described results and analysis, and evaluate potential archaeological impacts by the Vortex Development."

[5] Memorandum: Ministry of Forests, Lands, Natural Resource Operations and Rural Development, Water Protection, Nanaimo re: File: 58000-38-12/20013441 Galiano AQ320, Sylvia Barroso, MSc PGeo, Regional Hydrogeologist, February 22, 2021 Pg 4

[6] Ibid, Pg 2

[7] Ecological Assessment Report for Proposed Affordable Housing Property in the Galiano Community Forest, January 18, 2021 Pg 5

[8] State of our Aquifers: Regional District of Nanaimo Aquifer 709; Prepared for: Regional District of Nanaimo Prepared by: GW Solutions Inc. August 2017

climate change and increased water demand in the area.[9] Also, residents within a 1 km radius reported declining well water. Despite the multi-family development proponent having stated 50% of the lot would remain untouched, the LTC refused to consider motions to include provisions in the newly created housing zone that would limit development to 50% of the lot's area and require rainwater catchment.

The current Trust Policy Statement states islands should be self-sufficient in meeting their own water needs; yet residential development on Gabriola has grown such that the City of Nanaimo and water delivery companies reported to us that over 9 million liters of water were hauled by truck to the island in 2021.

In addition, both Gabriola developments held uninterrupted forest canopy that extended to adjacent lots.

In the above Local Trust Committee examples, staff, LTCs and Executive Committee did not consider the precautionary principle with respect to climate change or the future impacts that increased development would have on groundwater supplies. The focus was instead, on meeting community housing and developers' needs, not the protection of the ecosystem or natural resources as required by the Trust object.

<u>Additional Considerations</u>

The Gulf Islands are experiencing significant residential growth. The 2021 census[10] showed a growth rate of 26.81% from 2016 on the thirteen major islands compared to growth of 3.38% from 2006 to 2016. Building trends are also changing from smaller homes intended for seasonal recreational use to larger homes. Since more than 65% of land within the Trust Area is privately owned, these statistics indicate that there is an increasing potential for risk to biodiversity. From the Trust's State of the Islands report (2019), as of July 2016:

> "Only 22% of the high biodiversity areas of the Islands Trust Area have been protected. For this reason, it is important to support continued land protection efforts and for islanders to carefully maintain habitat on their lands so that we can keep our best ecosystems intact and help sustain the plants and animals that share these beautiful islands."[11]

On a finite land base with finite resources, it is not feasible to indefinitely increase density. Without strong policies, regulation and limits, the impact on our limited fresh water supplies and on the native natural ecosystems will be significant.

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[9] Memorandum: from the Ministry of Ministry of Forests, Lands, Natural Resource Operations and Rural Development, Water Protection, Nanaimo re: File: 58000-38-21/20013567 Gabriola Housing Society, Sylvia Barroso, MSc PGeo, Regional Hydrogeologist, November 30, 2020, Pg 5

[10] Statistics Canadian (2021) https://www12.statcan.gc.ca/census-recensement/2021/dp-pd/prof/search-recherche/lst/results-resultats.cfm?Lang=E&GEOCODE=59

[11] Islands Trust, "State of the Islands Indicator Project: Final Report", December 2019, Pg 18

<u>How an Entity Describes Itself has Consequences</u>

Trust Council has over the years, described itself as a *local government* or a *special purpose local government* rather than a *trust*. The wording of some Trust Policy Statement provisions also lends credence to that perspective. All of this has contributed to confusion by the public and many trustees, about the distinction between a trust and a local government. As a result, public pressure is increasing on Council to provide more housing and community services despite these responsibilities belonging to Regional Districts. We maintain that any provisions within the Local Government Act are secondary to the Trust object when making land use decisions.

During the recent review of the Trust Policy Statement, the decision of Trust Council not to prioritize the environment or make it a paramount factor in its decision making is the last of a long list of compromises which has cast doubt upon the identity and purpose of the Islands Trust as a trust. Current Trust actions render the Trust Area no different from any other area under a local government where land use planning encourages development. The vision of the Trust Act was not to develop these islands in the image of surrounding urban areas; it was to provide a respite from those urban areas for all residents of British Columbia by ensuring development takes place only if natural ecosystems are protected. Long-term planning, using scientific data, and employing the precautionary principle with strong policies and enforceable regulations, are needed to provide the protection that is required by the Trust Act.

<u>Conclusion</u>

The environment, its finite resources and ecosystems, and the character of these islands will continue to be degraded by inappropriate decisions that put unsustainable desires of the community over and above the protection of ecosystems. Building ourselves out of our current social predicaments or relying on technology to overcome the limitations of our natural resources, is not possible. We are asking that the carrying capacity of each island in the Trust Area be determined by scientific studies rather than by the unchecked demand for continual growth at the expense of the environment.

This may prove to be a watershed moment for the Trust. We urge staff and Trust Council to re-think where they are going and change course now. The Trust Policy Statement must be revised both in its form and implementation as it applies to how Local Trust Committee bylaws are assessed for compliance with the Trust object.

We all face the unprecedented challenges of climate change and development pressures. Trustees and residents will need to respect and appreciate First Nations' heritage and culture so we can all benefit from their knowledge gained from countless generations of protecting and preserving the environment upon which all life on and around these islands ultimately depend.

BC Supreme Court Justice Southin in his decision, MacMillan Bloedel v. Galiano, stated the mandate is "no mere piety".[12] We ask Trust Council to heed these words and stop treating the mandate as a mere piety.

Sincerely,

Jennifer Margison, President, Galiano Island

Friends of the Gulf Islands Society

Directors: Maria del Carmen de Menyhart, Galiano Island
Peter Easthope, North Pender Island
Alix Hodson Deggan, Gabriola Island
Kees Langereis, Gabriola Island
Maxine Leichter, Salt Spring Island
Steve Wright, South Pender Island

[12] MacMillan Bloedel Ltd. v. Galiano Island Local Trust Committee, 1995 Can LII 154 (BC CA)

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November 1, 2023

Islands Trust Council; Trustee Gedye, Chair of Governance Committee and Islands Trust Staff
Sent Via Email: execadmin@islandstrust.bc.ca

Dear Elected Trustees, Chair of Governance Committee and Staff Members:

Re: Closed Meeting Decision Reinterpreting the Trust Object of the Islands Trust Act

The Friends of the Gulf Islands Society has questions and concerns about the procedures related to the Trust Council in-camera meeting held on September 26, 2023 and the Rise and Report document that resulted. It is our understanding that the trustees received a presentation on prior legal advice received by Trust Council. Our concerns and questions relate to what happened after Trust Council came out of the closed meeting and the "decision" made in that closed meeting.

Our questions and concerns:

<u>Procedures Related to the In-camera Meeting:</u>

The in-camera meeting motion on September 26, 2023 referenced section 90 (1) (i) of the Community Charter[1] which lists receipt of legal opinions as the reason for a closed meeting. Legal opinions are generally not released to the public, but they may be released if the client (Islands Trust) consents, usually with advice from the legal counsel on potential legal risks from doing so. During the last term, Trust Council received a legal opinion on section 3 of the Act and had legal counsel subsequently draft a modified version dated October 27, 2020 for public release. Consequently, the public has had access to some of that legal advice, albeit modified to some degree.

However, we don't understand why a decision on a subject matter so integral to the entire operation of the Trust had to be made in a closed meeting. Upon ending the closed meeting, the Trust Council did not issue a Rise and Report.

Trust Council could have issued a "Rise and Report" that set a time and/or date for an open meeting to discuss and try to arrive at an interpretation of the Trust Object. The only restriction at that meeting would be for trustees to not refer to any legal opinion as the source of their views. Can you explain why the discussion and decision making had to be held in-camera rather than in an open meeting subject to the restrictions cited above?

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[1] Community Charter Act, [SBC 2003] CHAPTER 26; section 90 (1) A part of a council meeting may be closed to the public if the subject matter being considered relates to or is one or more of the following: (i) the receipt of advice that is subject to solicitor-client privilege, including communications necessary for that purpose.

Making that decision in a closed meeting effectively denies the public the opportunity to hear the views and know the voting record of their elected representatives on an interpretation that fundamentally impacts how purpose of the Act is carried out. It is our view that making such decisions should be done in an open meeting. Deciding behind closed doors runs contrary to the premise of transparency in the exercise of local government powers.

Delay in Issuing the Rise and Report:

After a Trust Council meeting, Executive Committee reviews and approves the release of an Islands Trust Council Highlights press release that provides a high-level recap of major agenda items. The press release is usually released shortly after Executive Committee approval. Executive Committee approved the press release on October 11, 2023 but it has not yet been released. Despite not being released officially, the public (at least those who know to do so) can access it on the Islands Trust website.

One of the sections is entitled "Section 3-Interpretation of the Islands Trust Act". It states Trust Council "reached consensus" on a Section 3 Interpretation of the *Islands Trust Act.* The section includes a hyperlink to another document entitled "Rise and Report-Statement RE: S.3 Mandate" which the public can access.

Neither the Trust Council Highlights nor the Rise and Report Statement have been officially released. Why has there been a delay in releasing both documents?

Rise and Report Document:

The Rise and Report (Report) is a public statement from Trust Council on a matter(s) discussed in a closed meeting. The text of the Report raises questions. The assumption in the following discussion is that page 1 of the Report is background information prepared by staff to accompany the decision of Trust Council found on page 2.

(a) Background section questions (i.e., page 1)
The section gives background information and references the need for a closed meeting due to receipt of information that is subject to solicitor-client privilege. There is one statement that is somewhat ambiguous:

> "*This report is to make public the results of our discussions and share with our constituents <u>how the current Trust Council intends to interpret our mandate</u>, which in turn will help inform our strategic planning*". (*emphasis added*)

How will this "intention" be carried out by Trust Council? Will it be done by incorporating a definition and/or new policy into the Trust Policy Statement, whether as a "directive" or a general policy? Or will the interpretation be applied by Executive Committee in reviewing land use bylaws submitted by Local Trust Committees and by Local Trust Committees when developing land use bylaws, before any change is made to the Trust Policy Statement?

(b) Consensus section questions/comments (i.e., page 2)

The "Report" does not use the term "decision". The heading entitled "CONSENSUS[2]" is followed by three paragraphs which (presumably) is the text of the interpretation agreed to by Trust Council. The

[2] See Black's Law Dictionary, 11th Edition, definition of "consensus" and "consent".

paragraphs refer to “Trust Council’s determination” and “Trust Council’s view” but do not use the term “decision”. The questions that arise:

(1) Is the “Consensus” a decision by trustees through a vote and if so, was it unanimous or not?
(2) If there was no vote, how was it agreed to?
(3) Does the text on page 2 of the Report reflect what trustees voted on?
(4) Was the text of the Consensus drafted by trustees at that meeting or was the text or similar text presented to trustees at the meeting?
(5) The two-page Rise and Report document is not cited as a “draft” document. Will this be the version released to the public in the near future?
(6) There is no indication First Nations were consulted which, if true, conflicts with Trust Council’s Reconciliation Declaration. Were First Nations consulted in arriving at the new interpretation of the Act?

The Report states how Trust Council has interpreted section 3 of the Islands Trust Act, but it does not give the reasoning used to arrive at this new interpretation. Had the discussion been in an open meeting the public would know Trust Council’s reasoning.

Specific comments on three paragraphs:

First paragraph:

The first paragraph refers to the 3 elements of the Object: the “Trust area”, “unique amenities” and “unique environment”. It then goes on to say that when one of the elements (e.g., trust area, amenity, or environment) becomes the priority, the reasons for doing so must be clear and show how the other elements were considered. On the face of it this paragraph reflects what occurs presently with respect to decisions when the Object of the Islands Trust Act (i.e. natural environment protection and preservation) is a primary consideration.

The “trust area” is listed as one of three elements which means it differs from “environment” and “amenities”. The phrase “trust area” is defined in the Islands Trust Act as the geographical boundaries to which the Act applies. Consequently, the elements “environment” and “amenities” are components of the “trust area” which begs the question: what within the “trust area” would be balanced against the “environment” or an “amenity”? Was this discussed in the closed meeting?

Second paragraph:

The second paragraph is problematic for several reasons:

- Interpreting “housing” and “infrastructure” as a unique amenity of the trust area means Trust Council is to preserve and protect “housing”. How would land use regulation preserve and protect the development and maintenance of housing? Isn’t that the responsibility of service providers such as Regional Districts and higher levels of government through funding?
- How is “housing” a “unique amenity” when compared to housing in a rural area outside the trust area? The term “unique” must be given meaning. Also, the Trust Object refers to “preserving” and “protecting” not “providing”. The Islands Trust is not a service provider, but it can facilitate the provision of services by Regional Districts or others through land use regulation that is consistent with the Trust Object.
- It also states land use planning must consider the preservation and protection of the “environment” and “community”. In other words, “community” is neither a “unique amenity” nor a component of “environment”. Where does “community” now fall? As

mentioned above, the "trust area" establishes the geographical area covered by the Islands Trust Act. If "community" is separate from "environment" and "amenities", is it a component of the "trust area"? Earlier Islands Trust documents refer to "rural island communities" more as an amenity.

- In defining "housing" and "infrastructure" as "unique amenities", Trust Council has drifted very far from the original purpose of the Islands Trust Act. Housing and infrastructure are forms of land development, yet the Islands Trust Act was established to preserve and protect the natural environment and attractiveness /draw of the area (i.e., amenities) from overdevelopment. If housing and infrastructure are now amenities, what limits apply to development?

Third paragraph:

The third paragraph adds little beyond what the first paragraph says. The statement "*there must be a careful and reasoned balancing of the importance of preserving and protecting the trust area, and its unique amenities and environment*" is a restatement of the first paragraph. This statement is simply a recognition of the importance of the three elements but with no regulatory emphasis.

It is our view that the November 1986 Trust Council-endorsed document entitled "Position Paper #1 on the Object of the Islands Trust" provides a comprehensive and more meaningful definition of "unique amenities and the environment". The 1986 definition of "unique amenities and environment" is consistent with the Act's original intent. The 1986 definition was relevant then and remains so today. See Appendix 1.

In closing, we are not supportive of the interpretation taken by Trust Council.

We look forward to hearing from you regarding our questions and concerns detailed in this letter.

Sincerely,

Jennifer Margison, President, Galiano Island
Friends of the Gulf Islands Society

Directors:
Maria del Carmen de Menyhart, Galiano Island
Peter Easthope, North Pender Island
Alix Hodson Deggan, Gabriola Island
Kees Langereis, Gabriola Island
Maxine Leichter, Salt Spring Island
Steve Wright, South Pender Island

APPENDIX 1

Extract from the Ministry of Municipal Affairs 1986 Report entitled "*The Object of the Islands Trust: Renewing the Consensus, Position Paper # 1"*, endorsed by Islands Trust Council on September 5, 1986

"*The special amenities and environment of the Trust area "derive from the combination of:*

- *A mild climate;*
- *Approximately 500 islands and the extensive coastline and sheltered waters they provide;*
- *Diverse and unusual natural features, vegetation and wildlife;*
- *Almost a continuous tree cover and large undeveloped areas;*
- *Numerous areas of heritage or archaeological significance;*
- *Abundant and varied recreational opportunities accessible to adjacent major urban centres;*
- *Solitude, scenic beauty and a clean environment;*
- *Compact, marine-oriented settlements;*
- *Tranquil rural areas;*
- *A range of lifestyles;*
- *A unique water suppl situation (i.e. small watersheds, shallow soil and heavy reliance on groundwater source)s;*
- *The self-sufficiency yet interdependence that island living entails*."

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December 11, 2023

Re: Interpretation of the Trust Object

To the Executive Committee and Chair Gedye, Governance Committee

Following the public comment from Friends of the Gulf Islands last week to Trust Council meeting on December 6, 2023, we wish to follow-up with the Executive Committee and the Governance Committee on the matter of the recent interpretation of the Trust Object and the meaning of unique amenities. Specifically:

1. The process engaged in by Trust Council on September 26, 2023 at the Quarterly Trust Council meeting to consider and make a determination of "Consensus" on the interpretation of the Object and the words "unique amenities" in the Object.

2. The absence of any official public release of the document entitled "Islands Trust Statement on the Scope and Meaning of Section 3 of the Islands Trust Act (Object Clause)" agreed to by the Islands Trust Council on September 26, 2023. Few members of the public were aware that they could access this Statement through a hyperlink within an online draft document "Islands Trust Council Highlights September 26-28, 2023" in the October 11, 2023 Executive Committee agenda.https://islandstrust.bc.ca/document/executive-committee-regular-meeting-agenda-50/ That link no longer works.

3. An apparent lack of consideration by Trust Council of the report "The Object Of The Islands Trust: Renewing The Consensus", a report that was endorsed by Trust Council on September 5, 1986, has the logo of the Ministry of Municipal Affairs on the report, and which clearly defines “unique amenities”.

While this report was referenced in an excerpt in our public comment at Trust Council on December 6, I am attaching the full 1986 report. We would like to direct your attention to the following sections of the report:

a. The review of the interpretation of the mandate that resulted in this 1986 report involved "*discussions among the elected trustees of the Islands Trust and the staff within the Ministry of Municipal Affairs ....and staff of other provincial agencies and regional districts having responsibilities within the Trust area*" (P. 2) - a consultation that seems, as far as we know, beyond what was undertaken this September by Trust Council.

b. There are key phrases in this report that should inform the current issue of interpretation of the object such as:
- *In recognition that insufficient direction of development was resulting in cumulative damage* ***to the very amenities*** *that make the area so valuable, the province established a special purpose agency in 1974 to manage the area.* (our emphasis) (P. 2)

- *Each phrase of the statement of the object is quoted separately and a specific interpretation of the statement is provided. (*P. 3)
- *The special amenities and environment of the Trust area derive from the combination of...*
*(*P. 4) is followed by a detailed list which bears no resemblance to the "Consensus" on "unique amenities" in the Statement on the Scope and Meaning of Section 3 of the Islands Trust Act (Object Clause) of September 26, 2023.

Was this report referenced at any time by the Governance Committee and/or in the Trust Council in-camera meeting on the interpretation of the Object on September 26? Was this interpretation brought to Trust Council by the Governance Committee? It would appear that the recent reinterpretation of the Object has little to do with the purpose of the Islands Trust as it is articulated in this 1986 report.

We believe the public is entitled to know much more about the "Consensus" on the Object than has so far been revealed. It is unclear if it was a decision, if it was reached by consensus, or if a vote was taken during the closed meeting.

We believe the public is also entitled to a clearer explanation of the Council's rationale on such an important subject than what was announced in the Statement as the "results of our discussion". It seems Trust Council feels the public does not need to know how this "Consensus" was arrived at, which is quite apart from revealing the content of legal opinions or advice from legal counsel.

Transparency and accountability were words used in the December Trust Council meeting. We ask that these important principles be observed and acted upon in this matter.

Sincerely,

Jennifer Margison, President
Friends of the Gulf Islands Society
Galiano Island

Islands Trust Council Statement on the Scope and Meaning of Section 3 of the Islands Trust Act (Object Clause)

Approved by Islands Trust Council, September 26, 2023

The Islands Trust Act [RSBC 1996] CHAPTER 239, Section 3:

> ***The object of the trust is to preserve and protect the trust area and its unique amenities and environment for the benefit of the residents of the trust area and of British Columbia generally, in cooperation with municipalities, regional districts, improvement districts, First Nations, other persons and organizations and the government of British Columbia.***

BACKGROUND: The 2022 Governance Review emphasized that there was a deep division amongst both Trustees and constituents on the meaning and implementation of our "preserve and protect" mandate. Such division was described as a fundamental existential challenge. The current Governance Committee, appointed in December, 2022, decided that it was a priority to review the mandate and report back to Trust Council on that review. Today's presentation summarized and clarified all previous legal opinions with the intention to assist the current Trust Council to find consensus on which to build our strategic direction. Our strategic planning policy initiatives, project priorities, and efficiency of operations and accountability and performance measures, will follow.

Frequently a mandate is created by an organization but since the Islands Trust was created by Provincial legislation, therefore the mandate is an enacted law: it may be interpreted and such interpretation may be challenged, but it can only be changed by the Legislative Assembly.

Over the years, as various issues have arisen, Islands Trust has asked for and received several legal opinions about how our mandate relates to specific situations. Islands Trust staff have collated those opinions, the Governance Committee has studied and discussed them, and today there has been a presentation and discussion by Trust Council. The legal opinions referred to were in response to specific questions and therefore were and are subject to solicitor-client privilege and as such needed to be discussed in closed meetings.

This report is to make public the results of our discussions and share with our constituents how the current Trust Council intends to interpret our mandate, which in turn will help inform our strategic planning.

The process of creating a strategic plan was another recommendation of the 2022 Governance Review and is another priority of the Governance Committee. That effort has been championed by a sub-committee of the Financial Planning Committee which has been endorsed and encouraged by the Governance Committee, and will be subject to separate and future discussions.

CONSENSUS:

The object of the Islands Trust is to <u>preserve and protect</u> three specific elements***:***

> ***a) the trust area;***
> ***b) its unique amenities; and***
> ***c) [its unique] environment,***

for the benefit of the residents of

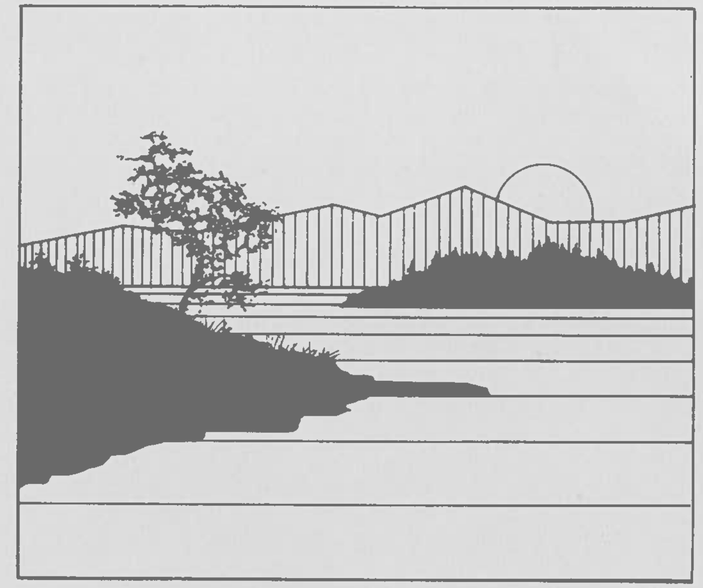
> ***i) the trust area, and***
> ***ii) of British Columbia generally,***

in cooperation with municipalities, regional districts, improvement districts, First Nations, other persons and organizations and the government of British Columbia.

Trust Council's determination is that every decision must include a reasoned recognition of all the elements specified in the mandate. While one element may gain priority, reasons for that decision must be clear and have considered the other elements.

There has been some debate in the past about the meaning of unique amenities. Trust Council's view is that unique amenities are broad-ranging and may include issues such as, but not limited to, housing, livelihoods, infrastructure and tourism. However, land use planning in the Trust Area must always include a focus on preserving and protecting the environment and communities of both local trust areas and the Trust Area generally and in a manner consistent with Reconciliation.

In any given decision-making situation, there must be recognition of the importance of each of the essential elements and where there is competition between those elements there must be a careful and reasoned balancing of the importance of preserving and protecting the Trust Area, and its unique amenities and environment.



The Object Of The Islands Trust: Renewing The Consensus

Islands Trust Position Paper No. 1

Province of
British Columbia
Ministry of
Municipal Affairs

POSITION PAPER

ON

THE OBJECT OF THE ISLANDS TRUST

RENEWING THE CONSENSUS

Islands Trust

Munistry of Municipal Affiars

November, 1986

Position Paper #1

THIS POSITION PAPER
WAS ENDORSED BY THE
ISLANDS TRUST COUNCIL
ON SEPTEMBER 5, 1986

NOTES TO USERS

This is one of a series of position papers produced by the Island Trust. These papers have received the endorsement of the Islands Trust Council (an informal committee consisting of the 26 elected trustees of the Islands Trust). They describe the recommended approaches of the Trust Council regarding a variety of land use and development issues, but have not been adopted as policy by the individual local trust committees.

Under the Islands Trust Act, each local trust committee has the authority to develop land use regulations appropriate for their area. The position papers are used by the local trust committees to assist them in developing appropriate and effective plans and regulations, and in working with other government agencies to resolve land use and development issues.

A list of the position papers produced to date by the Islands Trust is provided below.

No. 1 - The Object of the Islands Trust: Renewing the Consensus

No. 2 - The Regulation of Home Occupations in the Islands Trust Area

No. 3 - The Regulations of Bed and Breakfast Businesses in the Islands Trust Area

INTRODUCTION

The Islands Trust was established by the Islands Trust Act in 1974. The object of the Trust is defined very generally in the legislation (Section 4(1)).

> "It is the object of the Trust to preserve and protect, in cooperation with municipalities and the government of the Province, the trust area and its unique amenities and environment for the benefit of the residents of the trust area and of the Province generally."

The Trust carries out this object through the preparation of official community plans and implementing bylaws under the authority of subsection 4(2)(h) of the Islands Trust Act and Part 29 of the Municipal Act; and through cooperative efforts with other agencies and recommendations to the Lieutenant-Governor in Council. The Islands Trust Act (Section 3) also states that the Trust shall administer a fund to acquire and manage land in the Trust area. However, this section of the Act has not been proclaimed.

Much of the authority needed to achieve the goals given to the Trust by the Legislation rests with other government agencies. The Trust, in turn, can provide assistance to these agencies in various elements of their programs within the Trust area. In recognition of this, the review of the interpretation of the Trust object included input and assistance from staff of all agencies which work with the Trust. In general, the response to the object from staff of other agencies was positive. Useful suggestions for improvement to the wording of the object were provided, and the staff representatives generally viewed the interpretation of the object as compatible with the goals and aims of their own agencies in the Trust area.

The interpretation of the object set out in the following paper provides a framework for the Islands Trust in carrying out its responsibilities for land use planning and regulation and in working with other agencies on matters of mutual interest.

BACKGROUND TO THE TRUST OBJECT

The islands and waters between the mainland of Canada and the southern third of Vancouver Island possess a combination of features which makes them particularly attractive for residence and recreation. This, coupled with the area's nearness to major urban centres, makes the islands and surrounding waters subject to considerable development pressure.

In recognition that insufficient direction of development was resulting in cumulative damage to the very amenities that makes the area so valuable, the Province established a special purpose agency in 1974 to manage the area. This agency is the Islands Trust.

The Trust has been given direct authority with respect to the regulation of land use and development. However, a key feature of the design of the Trust was that it should work in concert with other Provincial and local government agencies to achieve its mandate. By cooperation, it was intended that the powers of those agencies be used to assist in achieving the Trust's purpose. In turn, the Trust would be available to assist in the implementation of Provincial policy in the Trust area.

The object of the Trust is quite generally defined. The Islands Trust Act, Section 4(1), states that:

> "It is the object of the Trust to preserve and protect, in cooperation with municipalities and the government of the Province, the Trust area and its unique amenities and environment for the benefit of the residents of the Trust area and of the Province generally."

THE NEED FOR REVIEW OF THE INTERPRETATION OF THE OBJECT

From the experiences since the Trust has been in operation, the object appears to have been interpreted in a variety of ways. This divergence in perceptions has, in some instances, lessened the effectiveness of the Trust and other Provincial agencies in achieving the Provincial policy of sound management of the islands. To start to remedy this situation, in Summer, 1985, the Trust initiated a review and reinterpretation of its object.

THE PROCESS OF REVIEW

The review involved discussions amongst the elected Trustees of the Islands Trust and the staff within the Ministry of Municipal Affairs who provide planning and administrative services to the Trust program, as well as meetings between these staff and staff of other Provincial agencies and regional districts having responsibilities within the Trust area.

The primary objective of discussions with other agencies was to obtain comments on the interpretation and to ensure that the aims of these agencies for the Trust area are reflected in this document. Useful suggestions for improvement to the wording of the object were provided. Staff of other agencies generally were able to note compatible or complementory relationships between the Trust's object and the goals and objectives of their own agencies within the Trust area. The discussions were also useful in identifying ways of ensuring smoother working relationships and defining areas of cooperation to be pursued in future.

ELEMENTS OF THE OBJECT

This section of this paper provides the interpretation of the Trust object developed by the Islands Trust and reflects the changes suggested by staff of other government agencies.

Each phrase of the statement of the object in the Island Trust Act is quoted separately and a specific interpretation of the statement is provided.

"To preserve and protect ..."

To ensure the continued existence, either at current or enhanced levels of the 'unique amenities and environment' of the Trust area and to guide human activities on land and water accordingly.

The Islands Trust program for management of the Trust area should focus on identifying the unique amenities and environment and protecting these. Appropriate developments can then be guided to areas which can best accommodate them with minimal erosion of unique amenities and environment. Plan and bylaw provisions such as setbacks and parcel size can be used as site specific protection measures where development is permitted.

"... in cooperation with municipalities and the government of the Province ..."

A number of Provincial agencies, regional districts, and municipalities have statutory responsibilities and interests in the Trust area. The Trust is to assist in obtaining mutual recognition of these various interests, and achievement of the goals of these bodies. For this reason, all plan amendments and bylaws prepared by the Trust are referred to other affected government agencies before public hearings are held. The Trust recognizes that it does not have the powers to fulfill its mandate independently and must obtain the assistance of other jurisdictions.

"... the Trust area ..."

The Trust area is defined in Schedule A of the Islands Trust Act as being "all the land, except land situated within a reserve as defined in the Indian Act (Canada), on all the islands situated in the Strait of Georgia, Howe Sound and Haro Strait ..." within the boundaries defined (see map attached). "Land" and "island" are defined in the Act to include private land, Crown land, and land covered by water.

"... and its unique amenities and environment

The special amenities and environment of the Trust area "derive from the combination of:

- a mild climate;
- approximately 500 islands and the extensive coastline and sheltered waters they provide;
- diverse and unusual natural features, vegetation and wildlife;
- almost a continuous tree cover and large undeveloped areas;
- numerous areas of heritage or archaeological significance;
- abundant and varied recreational opportunities accessible to adjacent major urban centres;
- solitude, scenic beauty and a clean environment;
- compact, marine-oriented settlements;
- tranquil rural areas;
- a range of lifestyles;
- a unique water supply situation (ie. small watersheds, shallow soils and heavy reliance on groundwater sources);
- the self-sufficiency yet interdependence that island living entails;

Defining the unique amenities and environment of the Trust area is the focus of the Trust's program. Special areas such as the most outstanding beaches, the most significant landscapes featuring unusual grassland and wildflower areas or attractive open stands of Garry Oak, Arbutus or Douglas Fir, and intertidal and subtidal zones especially rich in a variety of marine life may be of National or Provincial importance and may require special attention (perhaps through preservation as a park or ecological reserve). Areas such as smaller, attractive sand beaches, promontories providing superior views, and major bays providing protection for boats from open water are of regional or local significance and may warrant special zoning or regulation to avoid loss or disturbance.

Residential, commercial or tourism development appropriate to the services and lifestyle of the islands can, in this way, be steered to the most suitable areas.

"... for the benefit of the residents of the Trust area and of the Province generally."

A benefit must be sustained and long-term, and must not be at the expense of the amenities or environment of the islands.

"residents of the Trust area" includes those living on the islands, part-time residents, and absentee land owners. Benefits to the residents derive from:

- maintaining the amenities and environment which attracted them to the islands; and
- compatible and sustainable economic development and an assured sustained yield of the forest, agriculture and marine resources.

The Trust has recognized the importance of public support in achieving its mandate. To gain this support, the Trust involves the public to the greatest exent possible in the development and amendment of plans and bylaws.

Benefits to the Province include:

- development of a sustainable economic base, focused on retirement residence, crafts and creative endeavours, fisheries and mariculture, agriculture, forestry, and tourism, as well as other services;
- continued availability of diverse and valuable recreational resources in close proximity to the majority of the residents of the Province;

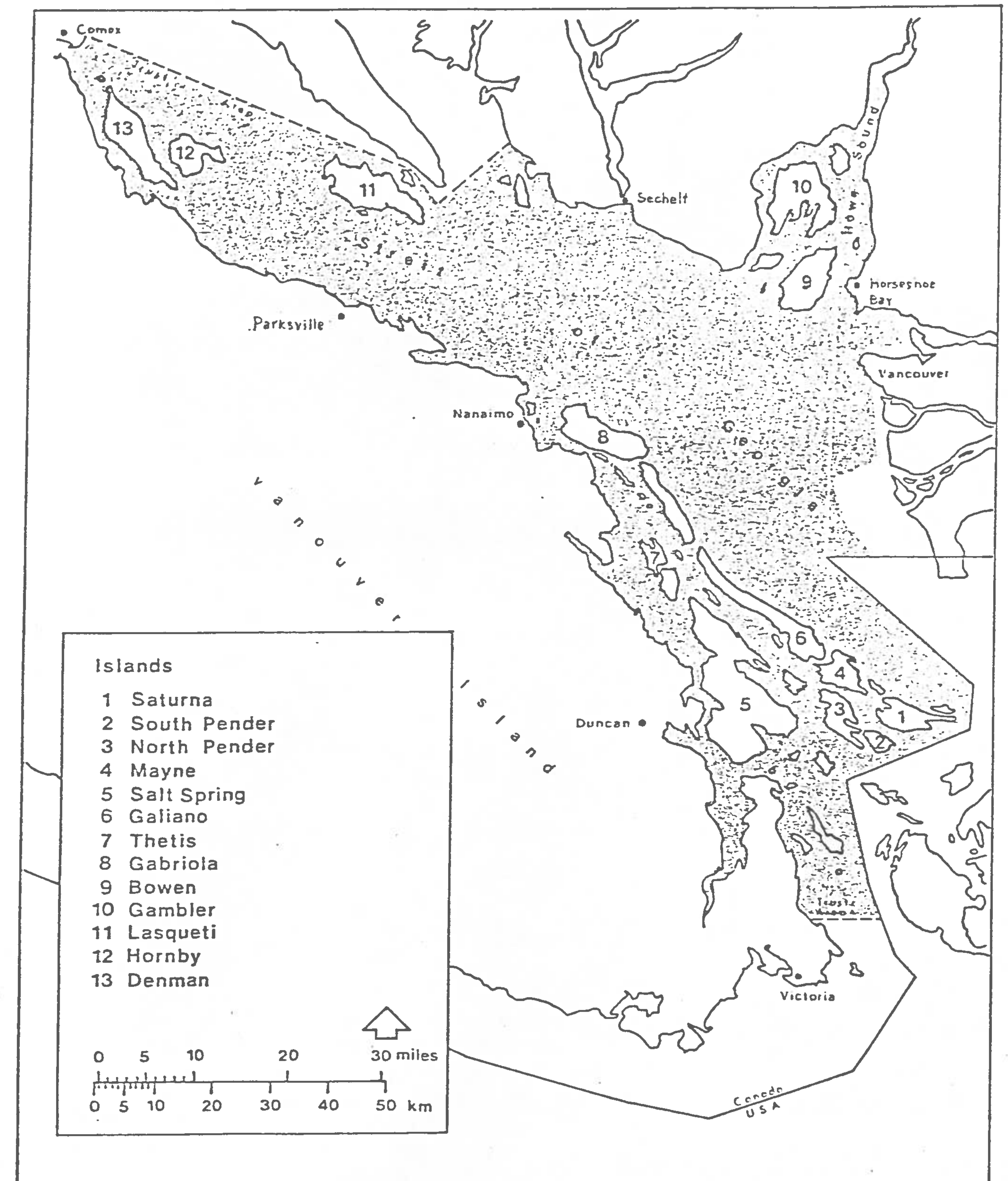
- preservation of a physically, ecologically, and socially diverse area for the continued enjoyment of future generations;
- assistance in the effective implementation of policies of other government agencies aimed at sound management of the islands.

CONCLUSION

The review of the interpretation of its object statement has been of value to the Islands Trust, both in identifying its own role and in learning more about the objectives and programs of other agencies operating in the Trust area. It is hoped that, in addition, staff of agencies involved in the review obtained a better understanding of the programs of the Islands Trust.

The interpretation of the object provided in this paper will be used by the Islands Trust in establishing priorities regarding its legislated responsibilities in the Trust area. In addition, the Trust hopes to build on the useful discussions with staff of other agencies by maintaining closer working relationships with them. One mechanism that the Trust hopes to use in this regard is the development of protocol agreements with other agencies, as such matters as the referral by other agencies of their plans and approvals to the Trust for review and comment.

THE ISLANDS TRUST AREA



Governance Committee
Minutes of a Regular Meeting

Date: **November 9, 2023**
Location: **Electronic meeting**

Members Present: Judith Gedye, Chair, Bowen Island Municipal Trustee
Jamie Harris, Vice-Chair, Salt Spring Island Trustee
Joe Bernardo, Gambier Island Trustee
Lee Middleton, Saturna Island Trustee
Laura Patrick, Salt Spring Island Trustee
Tim Peterson, Lasqueti Island Trustee
Peter Luckham, Thetis Island Trustee and Trust Council Chair (ex-officio)

Member Regrets: Kate-Louise Stamford, Gambier Island Trustee

Staff Present: Russ Hotsenpiller, Chief Administrative Officer (CAO)
David Marlor, Director, Legislative Services
Robert Barlow, Legislative Services Clerk/Recorder

Others Present: One member of the public and Trustee Mairead Boland

1. CALL TO ORDER

Chair Gedye called the meeting to order at 1:00 p.m. and provided a First Nations land acknowledgement and, with gratitude, called Nex̱wlélex̱wm (Bowen Island) home.

2. AGENDA

2.1 New Items and Re-Ordering of the Agenda

No new item was presented for consideration.

2.2 Approval of Agenda

By general consent the Committee approved the agenda as presented.

3. PUBLIC COMMENT PERIOD

No member of the public indicated a wish to speak.

4. DELEGATIONS

None.

5. CORRESPONDENCE

None.

6. ADMINISTRATIVE COORDINATION

6.1 Draft Minutes of Previous Meetings

6.1.1 Draft Governance Committee Minutes of August 31, 2023

By general consent the August 31, 2023 Governance Committee minutes were adopted as presented.

6.2 Resolutions Without Meeting

6.2.1 GC-2023-01 - Change Date of October 16, 2023 Meeting

Presented for information.

6.3 Follow up Action List (FUAL)

Presented for information.

7. BUSINESS - WORK PROGRAM ITEMS

7.1 Referral by Trust Council to Governance Committee of a request to the Minister for a review of Islands Trust - Briefing

CAO Hotsenpiller presented the Briefing. Committee discussion included:

- whether the Governance Committee should be the lead committee in regards to furthering the issue
- the complexities and challenges faced today by Islands Trust are different then when the previous Provincial review was conducted approximately thirty-five years ago
- the Committee may need to understand what aspects (such as the structure, funding, and jurisdiction) of the organization are working well and what aspects could be improved in order to know how to respond appropriately to the request from Trust Council
- the current Trust Council may need to review the Governance Review Report that was presented to the previous term's Trust Council but not thoroughly discussed
- the Province wants to know how the response to the Governance Review is progressing
- it is currently unclear as to the nature of specific issues and therefore it is unclear as to what solutions could be recommended to Trust Council

Trustee Middleton left the meeting at 1:41 p.m.

- Trust Council may need to decide what aspects of the Governance Review Report they consider valid or important or priority to respond to

GC-2023-039
It was Moved and Seconded,
that Governance Committee recommend to Trust Council that it review the Governance Review in 2024 in a specially dedicated session.

CARRIED

GC-2023-040
It was Moved and Seconded,
that Governance Committee request staff to provide an analysis in respect to the Governance Review and report back to the Governance Committee.

CARRIED

7.2 Meeting Procedures – Briefing

Chair Gedye introduced the briefing, the purpose of which was to provide the Governance Committee with an understanding of the current activities by Trust Council and various committees taking place in relation to consideration of improvements to meeting procedures. Committee discussion included various aspects of meeting procedures such as:

- how to get items on committee agendas
- the process to refer items from one committee to another
- the time available to discuss items
- reviewing other local government meetings to identify best practices
- frequency of meetings
- how to manage items for discussion and items for decision such as creating a Committee of the Whole where issues are discussed without a requirement for decisions to be made
- the order of business
- the possibility of a meeting procedures policy or bylaw for all committees
- best practices and training of committee Chairs
- meetings can serve different purposes such as to identify or describe a problem, explore potential solutions, and decide on a course of action
- the complexity of the committee structure of Islands Trust and the number of trustees

Trustee Middleton returned to the meeting at 2:38 p.m.

- the nature of an executive function which may include powers to veto, facilitate and give direction to staff
- the possible creation of the Office of the Secretary (not the same as Corporate Secretary) whose role would be to create agendas and follow meeting procedures

The Committee postponed further discussion of the topic to agenda item 10 Work Program.

Committee recessed at 2:45 p.m. and resumed at 3:00 p.m.

As it was noted that Trustee Luckham, Islands Trust Chair, is an ex officio member of the Committee, which under Trust Council policy is a non-voting member, and who was involved in the motions in agenda item 7.1, the Committee reconsidered the motions without Trustee Luckham's involvement. The motions and results of the vote remained the same.

GC-2023-039
It was MOVED and SECONDED,
that Governance Committee recommend to Trust Council that it review the Governance Review in 2024 in a specially dedicated session.

CARRIED

GC-2023-040
It was MOVED and SECONDED,
that Governance Committee request staff to provide an analysis in respect to the Governance Review and report back to the Governance Committee.

CARRIED

8. BUSINESS – OTHER

8.1 Compensation - Discussion

Committee discussion included:

- trustee compensation is one of the issues that was examined in the Governance Review
- Trust Council is the body authorized to decide trustee compensation
- potential conflict of interest may be mitigated by removing trustees and staff from the review and recommendation process
- a qualified consultant independent from Islands Trust could make objective recommendations

It was MOVED and SECONDED,
that Governance Committee request staff to prepare a report examining the feasibility of engaging an independent consultant to review remuneration values in Trust Council's policy on trustee remuneration.

The motion was withdrawn as the substance of the motion is on Financial Planning Committee's Follow Up Action List.

9. BUSINESS – NEW

None.

10. WORK PROGRAM

The Committee reviewed their work program and discussion included:

- Rise and Report of Trust Council's work on interpretation of Section 3 of the Isl*ands Trust Act* needs to be discussed
- Provincial structural review and management review are connected and can be joined into one activity
- research in regards to the Secretariat to be put into Urgent/High Priority and can include research of hiring in-house legal counsel in the secretariat research
- possibility of a need for a communications strategy to prominently publicize the Trust Council interpretation of Section 3 of the Islan*ds Trust Act* including to the Province, to First Nations, and to various stakeholders

11. NEXT MEETING

11.1 Selection of meeting dates for 2024 - RFD

GC-2023-041
It was MOVED and SECONDED,
that Governance Committee approve the following meeting dates for the 2024 meeting schedule:

- Monday January 15, 2024
- Friday Feb 23, 2024
- Monday May 13, 2024
- Friday July 12, 2024
- Monday September 9, 2024
- Monday November 18, 2024

CARRIED

12. MOTION TO CLOSE THE MEETING

GC-2023-042
It was MOVED and SECONDED,
that the meeting be closed to the public in accordance with the *Community Charter*, Part 4, Division 3, s.90, (1)(i) the receipt of advice that is subject to solicitor-client privilege, including communications necessary for that purpose; and that the recorder and staff attend the meeting.

CARRIED

At 3:37 p.m. the meeting was closed to the public and at 4:19 p.m. the meeting was reopened to the public.

13. RISE AND REPORT

Chair Gedye reported that the Committee will continue the discussion of the topic that was addressed in the in camera meeting at the next scheduled in camera meeting of January 15, 2024.

14. ADJOURNMENT

By general consent the Committee adjourned at 4:20 p.m.

____

Judith Gedye, Chair

Certified Correct:

____

Robert Barlow, Legislative Services Clerk/Recorder

Minutes are not official until adopted at a subsequent meeting.

Follow Up Action Report

Governance Committee

07-Mar-2023

Activity	Responsibility	Dates	Status
1 Trust Council requested the Governance Committee review the current method of appointment and the make-up of membership for Trust Council standing committees.	Russ Hotsenpiller	Target: 09-Nov-2023	In Progress

17-Apr-2023

Activity	Responsibility	Dates	Status

Islands Trust

Follow Up Action Report

Governance Committee

17-Apr-2023

Activity	Responsibility	Dates	Status
1 That the Governance Committee request the Financial Planning Committee and staff to continue developing a corporate planning process and that this work: - 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; and - 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.	Russ Hotsenpiller	Target: 09-Nov-2023	In Progress

Islands Trust

Follow Up Action Report

Governance Committee

17-Apr-2023

Activity	Responsibility	Dates	Status
2 That Chair Gedye, Trustee Bernardo, and Chief Administrative Officer Hotsenpiller are asked to report back with a draft question for legal counsel regarding the scope of application of the open meeting rule to Islands Trust meetings for review and consideration by the Governance Committee. This item was postponed to the November 9, 2023 meeting.	Russ Hotsenpiller	Target: 09-Nov-2023	Completed

31-Jul-2023

Activity	Responsibility	Dates	Status
1 4.2 Summary of Legal Opinion Council Committee Open Meetings - Briefing By general consent, item 4.2 Summary of Legal Opinion Council Committee Open Meetings - Briefing be postponed to the November Governance Committee meeting.	Russ Hotsenpiller	Target: 09-Nov-2023	Completed

09-Nov-2023

Activity	Responsibility	Dates	Status
1 Referral from Trust Council, September 2023: THAT Trust Council request the Governance Committee to recommend and draft a request of the Province to review the Islands Trust.		Target: 15-Dec-2023	In Progress

Follow Up Action Report

Governance Committee

09-Nov-2023

Activity	Responsibility	Dates	Status
2 That Governance Committee recommend to Trust Council that it review the Governance Review in 2024 in a specially dedicated session.	Russ Hotsenpiller	Target: 01-Jun-2024	In Progress
3 That Governance Committee request staff to provide an analysis in respect to the Governance Review and report back to the Governance Committee.	Russ Hotsenpiller	Target: 01-Jun-2024	In Progress

05-Dec-2023

Activity	Responsibility	Dates	Status
1 That Trust Council direct the Governance Committee to shift "Representational differences" from the "NOT IMMEDIATE but IMPORTANT" category and move it to the "URGENT and HIGH PRIORITY".	Alexandra Trifonidis	Target: 03-Jan-2024	Completed
2 That Trust Council direct the Governance Committee to shift "compensation" from the "NOT IMMEDIATE and LOWER PRIORITY" category and move it to the "NOT IMMEDIATE but IMPORTANT"	Alexandra Trifonidis	Target: 03-Jan-2024	Completed

BRIEFING

To:	**Governance Committee**	**For the Meeting of:**	January 15, 2024
From:	**CAO**	**Date Prepared:**	January 3, 2024
SUBJECT:	**Review of Priorities Matrix and Follow Up Action List in 2024 work plan development**		

PURPOSE: To consider development or refinement of the work plan of the Governance Committee for 2024

BACKGROUND: Periodically Governance Committee may wish to review its work planning to ensure it is commensurate with its selected priorities, any previous work items or any direction from Trust Council. Committee often does this as a general practice at the start of each meeting, however, at the start of the year and following the December Trust Council meeting where direction was made to the Governance Committee, this opportunity is provided.

The following information is provided:

1. Priorities Matrix
2. Follow up Action List, including direction from Trust Council

While the priorities matrix identifies work of most importance and ensures that these items will be worked on first, it does not schedule or resource the priorities. Staff resourcing available to the Committee remains a portion of the CAO and Director of Legislative Services time/schedule and some administrative assistance from the Executive Coordinator.

Items for work planning consideration:

1. Corporate Plan (as per FPC subgroup, schedule approved by Trust Council in September)
2. Organization of a session to review and discuss of the Feb 2022 Governance Review by Trust Council, presumably for March 2024
3. Staff reporting on the same Governance Review to inform the March meeting.
4. Items 2 and 3 are in support of refreshing and updating the standing request to the province for a review of the governance and structure of the Islands Trust. This item needs to be scheduled and resourced relative to items 2 and 3 above.
5. Meeting procedures and policies

ATTACHMENT(S): FUAL and Priorities Matrix

FOLLOW-UP: A simple workplan would be developed at the direction of Governance Committee.

Prepared By: **CAO**

Reviewed By/Date: **Monday, January 8, 2024**

15 Recommendations of Governance Review (Feb/22) as categorized by Governance Committee (Feb/23)

Updated January 3, 2024

>>>>>>**URGENCY** >>>>>>>>>

NOT IMMEDIATE but IMPORTANT * Election of Executive Committee * Committees - clear mandates/ size & numbers/ champion proposals to TC * mandate of Conservancy more prominent * Secretariat/hiring in-house legal counsel - needs research * compensation	**URGENT and HIGH PRIORITY** * Strategic/Corporate Planning/Visioning process * Meeting process (bylaw 101 & policies) * Management/structural review * Representational differences
NOT IMMEDIATE and LOWER PRIORITY * info to candidates before election * recording of negative votes (forward to Executive Committee)	**URGENT but LOWER PRIORITY** (NOTE: these items considered urgent but need more preparation of other policies before effective to deal with) * Communications * Advocacy

MATTERS OUTSIDE OUR JURISDICTION WHICH WE CONSIDER URGENT & IMPORTANT

* First Nations representation (possible referral to 1st N cttee if it gets established, otherwise multiple protocol agreements not considered in report)

MATTERS OUTSIDE OUR JURISDICTION WHICH WE CONSIDER NEITHER URGENT NOR A PRIORITY

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

MATTERS WE CONSIDER IMPORTANT BUT NOT URGENT CZ BEING CLOSELY EXAMINED BY OTHER COMMITTEES

* Local planning issues - OCP numbers & updates (Regional Planning Committee)
* Policy Statement (Trust Programs Committee and Executive Committee)

* **REFERRALS FROM TRUST COUNCIL/OTHER COMMITTEES**
* **TC – Sept 26, 2023.**

BRIEFING

To:	**Governance Committee**	**For the Meeting of:**	January 15, 2024
From:	**CAO, Dir of Administration**	**Date Prepared:**	January 8, 2024
SUBJECT:	**Review of Trustee compensation**		

PURPOSE: To consider amendment or updating of trustee compensation including a review of the compensation policy.

BACKGROUND: At the December Trust Council, TC provided the following:

That Trust Council direct the Governance Committee to shift 'compensation' from the 'NOT IMMEDIATE and LOWER PRIORITY' category and move it to the 'NOT IMMEDIATE but IMPORTANT'

Further, FPC, as direction from last term has been working on updating Policy 7.2.1 Trustee Remuneration to be commensurate with the UBCM Elected Official Remuneration Guide. While the review has been undertaken, new policy has not yet been developed. A concordance table and the related briefing that went to the previous FPC is attached to this report for context.

On December 14, Trustee Bernardo requested the following be added to the January 15 Committee agenda:

- "A discussion regarding whether FPC should hand off to GC the work of thinking through potential changes to Policy 7.2.1."
- "The following motion because, regardless of which committee does what, there can be no disputing the need to have an independent consultant review both the current base values in the Policy and staff's proposed textual amendments to the Policy:

  That the Governance Committee request 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."

At the January 15 Governance Committee meeting, Director Mobbs will provide a verbal update on this topic and other staff will be available to assist.

ATTACHMENT(S): FPC_2022-10-27_Trustee Remun Review_BRF_Draft01.pdf
APPENDICES: App A_Assessment of Policy Against Guide.pdf
App B UBCM Council and Board Remuneration Guide.pdf

App C 7.2.1 Trustee Remuneration.pdf

FOLLOW-UP: as directed by Committee

Prepared By: **CAO**

Reviewed By/Date: **Jan 8, 2024.**

Islands Trust

BRIEFING

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 polices 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	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. 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.
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	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. 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.
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	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

	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.
<u>Recommendation(s) on Remuneration Reviews:</u> *Option 1 – Make no change to the policy to address independent reviews or adjust review timing.* *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.*				
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.
<u>Recommendation(s) on Implementation of Adjustments:</u> *Option 1 – No changes to policy.* *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.*				
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.	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) 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) An amount for participation in LTC business and LTC meetings. This	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)		
Recommendation(s) on Setting Remuneration Policy: 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.				
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.			
<u>Recommendation(s) on Setting Expense Reimbursement Policy:</u> *Option 1 – No change to travel policy to address periodic reviews.* *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.*				
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 will 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.
Recommendation(s) on Benefits Coverage: *Option 1 – No change to policy to address alternate benefit coverage.* *Option 2 – That the trustee remuneration policy be amended to exclude coverage of incremental costs associated with family benefit plans.*				
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)
	presentations, and information meetings.			

<u>Recommendation(s) on Communications:</u>
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

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CONTENTS

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.

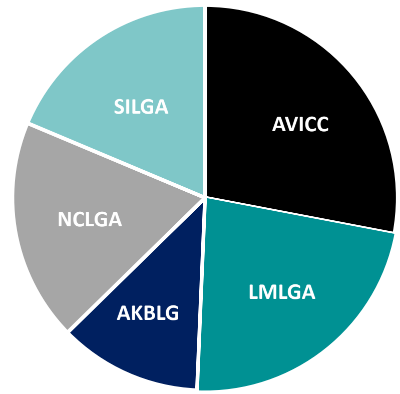
Organization of Guide

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 *Guide* 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.

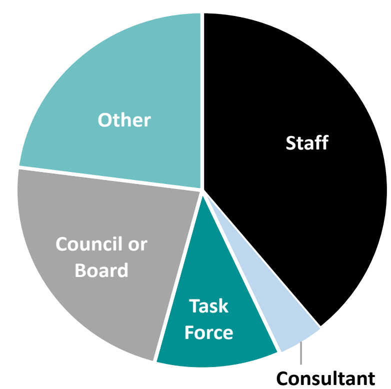
> *Local Government Staff* — According to the survey of local governments that was conducted for the *Guide*, the use of local government staff to review elected official remuneration is the most popular option.[1] Most of the jurisdictions that reported using their own staff, it is worth noting, are 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.

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.



[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.

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.

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.

Figure 2.1
Options to Consider

Options	Pros	Cons
Local Government Staff	> 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	> 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	> 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	> may not understand or be sensitive to local context > may be costly
Independent Task Force	> 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	> 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

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.

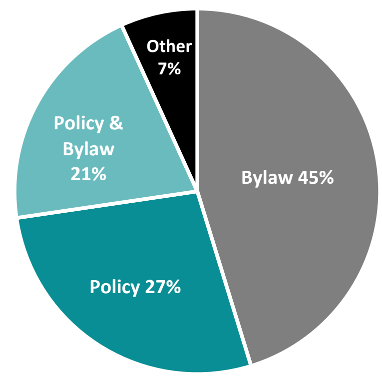
The preferred timing for a review will depend on a number of factors, including local economic conditions, reliance on established policy, the election cycle, and tax system changes over which local governments have no control. Each of these points is considered, as follows:

> *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 that 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 the 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.

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.

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

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, preforming 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	> jobs of local elected officials in similar jurisdictions, while not identical, are comparable ("apples to apples") > large enough comparison set can neutralize outliers	> 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	> attempts to create strong linkage to local community that pays elected body's remuneration > sensitive to local economic conditions	> 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	> remuneration reflects need in both orders of government to attract diversity of people to serve in elected office	> 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	> 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	> 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 $ 100,500 $ 90,000 $ 72,500 $ 93,000 $ 83,000	$ 92,000	→	$ 92,000	40	$ 36,800

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 $ 11,000 $ 12,200 $ 9,000 $ 12,500 $ 15,000 $ 16,500	$ 12,500	→	$ 12,500	2.0 2.5 0.5	$ 25,000	$ 31,250	$ 6,250

* 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

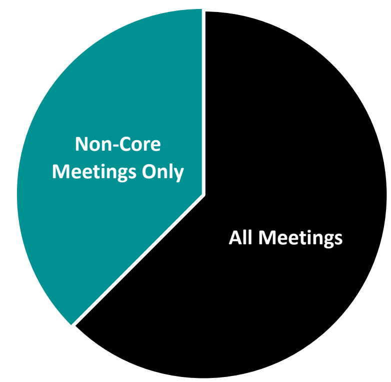
On a municipal council, the expectations on a councillor in terms of workload, time commitment, and responsibilities, are, in general, the same for all councillors. Almost all councils, as a consequence, pay councillors the same base salary without additional payments for committee meetings. Supplemental 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]

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.



[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.

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 will 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.

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[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 will 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

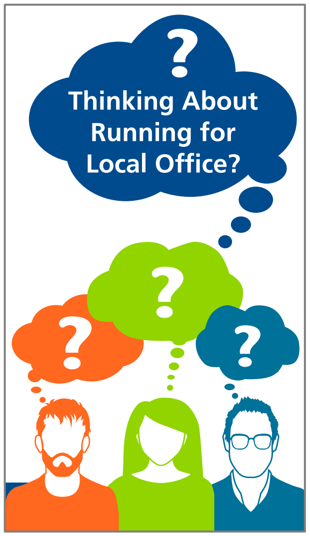
Residents in the community constitute the primary audience for communication efforts on elected official remuneration. Other audiences that may be targeted in communication strategies include ratepayer associations, business associations, and any other defined group that has expressed, or that may express, 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	> Local governments should consider establishing an independent task force to conduct reviews of elected official remuneration.
Section 3: Timing and Frequency	Timing of Reviews	> Local governments should consider conducting remuneration reviews, and reporting the results, at least one year before the next election.
	Frequency of Reviews	> 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	> 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	> 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	> Local governments should consider allowing for immediate implementation of annual cost-of-living adjustments.
Section 4: Setting Remuneration	Bases of Comparison	> Local governments should consider using remuneration paid to elected officials in similar local government jurisdictions as the preferred basis for determining remuneration.
	Comparison Group	> 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	> 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	> 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	> 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	> 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	> 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 will 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	> 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	> Local governments should consider using a range of tools to communicate information, including written materials, presentations, and information meetings.

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 15-16, 2019,
Policy Holder:	Director of Administrative Services

TRUSTEE REMUNERATION

Purpose

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

a) Trustees are elected officials as defined in the *Islands Trust Act*, Sections 6 (local trustees) and 7 (municipal trustees).

Population

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

Folios

a) Folios are individual properties as defined by BC Assessment.

b) 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

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

Benefits

a) Benefits are defined as:

   i. Premiums for Medical Services Plan (MSP)

   ii. Premiums for dental plans available through the Union of BC Municipalities (UBCM)

   iii. Premiums for extended health care 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:

   a) 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) An amount for participation in LTC business and LTC meetings. This amount shall be referred to as the "LTC Local Base Amount".

   c) An amount for the population within a Local Trust Area. This amount shall be referred to as the "Population Amount".

   d) An amount for the number of folios within a Local Trust Area. This amount shall be referred to as the "Folio Amount".

   e) The amounts for each of the above factors are defined in Section C: Implementation.

   f) 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

   a) Members of the Executive Committee receive remuneration for carrying out their duties on the Executive Committee and their duties as chairs of LTCs.

   b) The vice-chairs' remuneration shall be defined as equal to the Salt Spring Trustee Remuneration amount, plus 10%.

   c) The chair's remuneration shall be defined as the vice-chair remuneration, plus 25%.

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 annual amount 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.

2. The defined annual compensation amounts for the first implementation of this policy are the sum of:

   a) Trust Council Base Amount = $3,200.00

   b) LTC Local Base Amount = $4,200.00

   c) Population Amount = $1.30 per person

   d) 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 be incorporated into a Trust Council Trustee Remuneration Bylaw.

4. Overall Review of Trustee Remuneration

   a) 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

   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. 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

   a) 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).

   b) 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. Legislated References

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. **Links to Supporting Forms, Documents, Websites, Related Policies and Procedures – n/a**

BRIEFING

To:	**Governance**	**For the Meeting of:**	January 15, 2024
From:	**CAO**	**Date Prepared:**	January 8, 2024
SUBJECT:	**Development of a review session for Trust Council of the 2022 Governance Report recommendations**		

PURPOSE: To develop a process and an outline for a session at March Trust Council for trustees to review and discuss the 2022 Governance Report.

BACKGROUND:

Referral from Trust Council, September 2023:

THAT Trust Council request the Governance Committee to recommend and draft a request of the Province to review the Islands Trust.

Governance Committee resolutions, November 2023

That Governance Committee recommend to Trust Council that it review the Governance Review in 2024 in a specially dedicated session.

That Governance Committee request staff to provide an analysis in respect to the Governance Review and report back to the Governance Committee.

Key notes:

GC was handed the project of updating the request to the Minister for a review of the Trust. (minutes of September TC). In so doing, discussion at the November Committee meeting indicated that it is unclear whether the recommendations from the 2022 Governance Report are representative of the current situation, there may be a need to discuss with Trust Council how they wish to refine or change the request. What is working well from Trustees perspective and what needs a legislative change? What are ways to focus the request? (notes from November 2023 GC meeting)

As GC considered how to update the request, discussion turned to the value that might be gained by getting specific feedback from Trust Council on the 2022 Governance Report (notes from November 2023 GC meeting).

In support of that direction, Governance Committee should consider a number of key questions prior to developing a session for Trust Council.

Key questions:

1. **What is the best means of engaging trustees in a review of the Governance Report?**
2. **What information should be provided to trustees in advance of the session, what homework should they undertake?**
3. **What is being asked of trustees,**
4. **What is a preferred outcome for this work?**

5. **How should the session be structured and who should facilitate/moderate it?**

Staff can assist with development of a session outline and process once Governance Committee has answered the questions above or provided other direction. A blank session outline is included here in the form that it would be presented to Executive Committee for approval for the March meeting.

ATTACHMENT(S): Session outline

FOLLOW-UP: A complete session outline will be prepared for approval of Executive Committee. Any requests or direction to trustees prior to the session will be communicated by staff.

Prepared By: **CAO**

Reviewed By/Date: January 8, 2024.

March 13, 2024

Islands Trust Council

Review of 2022 Governance Report Recommendations

Background: Trust Council is in the process of requesting the Ministry to undertake a comprehensive review of the governance and structure of the Islands Trust. The 2022 Governance Report recommendations are impactful to the request and the 2022-2026 Trust Council has not had the opportunity to review the recommendations as a deliberate body and to provide direction and feedback to either the Governance Committee or in support of the Provincial request.

Purpose: **To identify which recommendations from the 2022 Governance Report have the support of Trust Council and require actions and/or resource allocations, and more generally, what is working well at the Islands Trust and which areas of governance need improvement or updating.**

Resources: Russ Hotsenpiller, CAO

TIME	TOPIC	WHO
	Pending	Pending

BRIEFING

To:	**Governance Committee**	**For the Meeting of:**	January 15, 2024
From:	**Chair Gedye**	**Date Prepared:**	January 9, 2024
SUBJECT:	**Communications regarding Trust Council's statement regarding Section 3 of the Islands Trust Act**		

PURPOSE: To consider communications or any other issues associated with Trust Councils statement on its interpretation of Section 3 of the Islands Trust Act.

BACKGROUND: see attached

ATTACHMENT(S): Submission by Chair Gedye regarding above.

FOLLOW-UP:

Prepared By: **CAO**

Reviewed By/Date: Jan 9, 2024

First, a reminder of the substance of our deliberations:
LEGISLATION:

The object of the Islands Trust is to preserve and protect [three specific elements]:

a) the trust area;
b) its unique amenities; **and**
c) [its unique] environment,

for the benefit of the residents of

i) the trust area, and
ii) of British Columbia generally,

in cooperation with municipalities, regional districts, improvement districts, First Nations, other persons and organizations and the government of British Columbia.

Our final agreement has been very difficult to find on our website but here it is:
STATEMENT OF CONSENSUS reached at our September meeting:

> "Trust Council's determination is that every decision must include a reasoned recognition of all the elements specified in the mandate. While one element may gain priority, reasons for that decision must be clear and have considered the other elements.
>
> There has been some debate in the past about the meaning of unique amenities. Trust Council's view is that unique amenities are broad-ranging and may include issues such as, but not limited to, housing, livelihoods, infrastructure and tourism. However, land use planning in the Trust Area must always include a focus on preserving and protecting the environment and communities of both local trust areas and the Trust Area generally and in a manner consistent with Reconciliation.
>
> In any given decision-making situation, there must be recognition of the importance of each of the essential elements and where there is competition between those elements there must be a careful and reasoned balancing of the importance of preserving and protecting the Trust Area, and its unique amenities and environment."

PUBLISHED "BUSINESS HIGHLIGHTS" of our September meeting [original in brackets if changed, and italics when the same]:

> "During this meeting, Trust Council also reached a consensus regarding the interpretation of the Islands Trust mandate. Trust Council reached consensus that all [every] decision[s] need to [must] *include a reasoned recognition of all the elements specified in the mandate;* that *while one element may gain priority*, [reasons for that decision must be clear and have considered the other elements]….[However,] land use planning in the Trust Area must [always include a] focus on preserving and protecting [the environment and communities of both local trust areas and the Trust area generally and] *in a manner consistent with Reconciliation*;… *and that unique amenities are broad-ranging and may include issues such as, but not limited to, housing, livelihoods,*

infrastructure and tourism." [NOTE: the last phrase in the "highlights" is out of order from the original and the qualifier "However" … and "the environment and communities" were not included.]

The "highlights" tried to distil three paragraphs into one and that distillation has drawn the most comments (3 delegations, some correspondence, and some letters to editors).

To help clarify, I would suggest that we highlight the first and third paragraphs:

> The legislated mandate is to preserve and protect 3 distinct elements: 1) the trust area, 2) its unique amenities; AND 3) [its unique] environment, for the benefit of…. , and in cooperation with…. With that direction from the legislation we reached consensus that in all our work we "must include a reasoned recognition of all the elements specified in the mandate. While one element may gain priority, reasons for that decision must be clear and have considered the other elements."
>
> Further, " In any given decision-making situation, there must be recognition of the importance of each of the essential elements and where there is competition between those elements there must be a careful and reasoned balancing of the importance of preserving and protecting the Trust Area, and its unique amenities and environment."

And then say that we have listened to some concerned constituents, have had the added benefit of archival material they have provided that was not previously available and we wish an opportunity to clarify the always contentious meaning of "unique amenities".

The quotation in the "highlights" changes the emphasis of the consensus, and while we could tinker with the changes and give explanations, I believe that would exacerbate the current debate. What we did not have as part of our earlier deliberations was the 1986 position paper on the mandate, which has been provided by the Friends of the Gulf Island. That document describes unique amenities in some detail, and it might be helpful to consider that list, and possibly include a similar list, and then clarify what we were referring to in our consensus statement. I am not sure a marked departure was our intent and some further detail would be helpful.

In addition, Clare Frater has provided some resolutions by previous council which add helpful consideration to our discussions.