



CORPORATION OF THE TOWNSHIP OF ESQUIMALT

Municipal Hall
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Legislation Details (With Text)

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Title:	Council Remuneration: Elimination of 1/3 Tax Free Allowance - Information from Other Municipalities, Staff Report ADM-19-006				
Sponsors:					
Indexes:					
Code sections:					
Attachments:	1. Council Policy ADMIN-58, 2. Council Policy ADMIN-62, 3. Council Remuneration Bylaw, 2014, No. 2836 (repealed), 4. Council Remuneration Bylaw, 2018, No. 2941, 5. Elected Officials Compensation Review Report, 6. Spreadsheet - Council remuneration re elimination of tax free allowance, 7. Staff Report ADM-18-014, 8. Staff Report ADM-18-016, 9. Staff Report ADM-18-022, 10. Staff Report ADM-18-024 with recommended changes to policies, 11. Staff Report ADM-18-034				

Date	Ver.	Action By	Action	Result
3/4/2019	1	Council		

REQUEST FOR DECISION

DATE: February 21, 2019

Report No. ADM-19-006

TO: Laurie Hurst, Chief Administrative Officer

FROM: Vicki Gannon, Director of Human Resources

SUBJECT:

Council Remuneration: Elimination of 1/3 Tax Free Allowance - Information from Other Municipalities

RECOMMENDATION:

That Council receive Staff Report ADM-19-006 for information and provide staff with further direction regarding Council remuneration.

RELEVANT POLICY:

Council Policy ADMIN-58 Independent Review and Market Analysis of Council Remuneration
Council Policy ADMIN-62 Remuneration for Elected Officials
Council Remuneration Bylaw, 2014, No. 2836 (repealed)
Council Remuneration Bylaw, 2018, No. 2941

STRATEGIC RELEVANCE:

This Report is not directly related to any specific Council priority.

BACKGROUND:

At a Special Meeting of Council on May 22, 2018 a motion was carried unanimously that the remuneration for the Mayor be the median rate of \$57,600, as identified by the independent consultant's study of ten comparable municipalities, and the remuneration for Councillors be set at 40% of the Mayor's remuneration, as per Council Remuneration Bylaw. It was further moved unanimously that Council defer any revisions to Council Policies ADMIN-58 and ADMIN-62 and the Council Remuneration Bylaw until staff provide additional information to Council, including tax implications and options to account for the elimination of the 1/3 tax free allowance. Attached are the two staff reports regarding this (ADM-18-014 and ADM-18-016), together with the independent consultant's final report entitled *Elected Officials Compensation Review*.

At the July 9, 2018 Council meeting, a motion was moved unanimously to direct staff to revise Council Remuneration Bylaw, 2014, No. 2836, and related Council Policies, effective November 1, 2018, based on Staff Report ADM-18-022, which is attached. Council also agreed that any remuneration to account for the elimination of the 1/3 tax free allowance be deferred until after the inauguration of the New Council.

At the Council meeting on August 27, 2018, Council gave Council Remuneration Bylaw, 2018, No. 2941 first, second and third reading, with adoption on September 17, 2018, and Council Remuneration Bylaw, 2014, No. 2836 was repealed. In addition, amendments to Council Policies ADMIN-58 and ADMIN-62 were approved unanimously as per the recommended changes as attached to Staff Report ADM-18-024. The staff report, together with the recommended changes are attached.

At the December 10, 2018 COW meeting, staff provided information, as per Staff Report ADM-18-034 (attached), to determine if Council wanted to utilize Canada Revenue Agency's T2200 form (Declaration of Conditions of Employment) as a means to offset the elimination of the tax free allowance. At that meeting staff were directed to provide Council with information as to what other municipalities in the region were doing to account for the elimination of the 1/3 tax free allowance.

As per Council's request at the December 10, 2018 meeting, attached is a spreadsheet outlining information from the 10 municipalities that were outlined by Mayor and Council to be "comparable municipalities", and were used in the independent consultant's report, together with information from 8 other municipalities in the region. The information includes:

- the amount and dates of salary increases;
- any other changes to remuneration as a result of the elimination of the tax free allowance; and,
- other benefits provided to Mayor and Council.

As outlined in the spreadsheet, there has not been a consistent approach to deal with the elimination of the tax free allowance, and this is still under review in some municipalities.

ISSUES:

1. Rationale for Selected Option

This report is for information.

2. Organizational Implications

There are no organization implications.

3. Financial Implications

There are no financial implications at this time.

4. Sustainability & Environmental Implications

There are no sustainability or environmental implications.

5. Communication & Engagement

If there is direction from Council to change the remuneration including any benefits for Mayor and Council, the Director of Human Resources will prepare revisions to Council Remuneration Bylaw, 2018, No. 2941, and any related policies for Council's approval, and will ensure updated copies are posted on the Township's website once approved.

ALTERNATIVES:

1. That Council receive Staff Report ADM-19-006 for information and provide staff with further direction regarding Council remuneration.
2. That Council request further information from staff.