RECOMMENDATIONS

1. THAT Council approve the attached Terms of Reference for the 2016 Council Remuneration Citizen Task Force;

2. THAT Council approve a Selection Committee comprising the City Manager, Deputy City Manager and Director, Legislative Services to review applicants and to select the members of the Task Force, in accordance with the selection criteria as contained in the Terms of Reference; and

3. THAT staff be directed to advertise for interested applicants to serve on the Task Force.

SUMMARY OF THE ISSUE

A review of City policies and procedures is being undertaken in 2016. The Council Remuneration and Expense Policy No. 200-2-01 (Attachment A) is being brought forward to establish a review process.

BACKGROUND

The Council Remuneration and Expense Policy No. 200-2-01 was last updated in January, 2012, following a consultant review in 2011 (Attachment B). Prior to that, Council compensation was reviewed by a citizen committee in July 2007.

Schedule 'B' of the Council Remuneration and Expense Policy No 200-2-01 states:

"4. Remuneration Review

The City will undertake a comprehensive formal compensation review every three years. For the non-survey (in between) years, the City will make adjustments based on the average Consumer Price Index for Vancouver."
The following summarizes Mayor and Council remuneration for the 2011-2015 time frame:

<table>
<thead>
<tr>
<th>Year</th>
<th>Mayor</th>
<th>Council</th>
<th>CPI</th>
<th>COMMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>94,500</td>
<td>37,200</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2012</td>
<td>95,200</td>
<td>$37,500</td>
<td>0.7%</td>
<td>Increase established</td>
</tr>
<tr>
<td>2013</td>
<td>95,200</td>
<td>$37,500</td>
<td>0.0%</td>
<td>No change</td>
</tr>
<tr>
<td>2014</td>
<td>95,200</td>
<td>$37,500</td>
<td>1.09%</td>
<td>No increase implemented</td>
</tr>
<tr>
<td>2015</td>
<td>95,200</td>
<td>$37,500</td>
<td>1.74%</td>
<td>No increase implemented</td>
</tr>
</tbody>
</table>

As indicated in Table 1, Mayor and Council remuneration has not been adjusted since the beginning of 2012. Had CPI adjustments occurred since this time, remuneration for Mayor and Council would have been adjusted by 2.83%.

For additional background information, staff have conducted research on a number of comparator municipalities. Table 2 presents the 2015 Mayor and Council remuneration for municipalities of comparable size. The City of Abbotsford ranks eighth in both the Mayor and Council categories.

<table>
<thead>
<tr>
<th>Municipality</th>
<th>Estimated Population</th>
<th>Mayor (Ranking)</th>
<th>Councillor (Ranking)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coquitlam</td>
<td>141,132</td>
<td>$132,258 (1)</td>
<td>$57,562 (3)</td>
</tr>
<tr>
<td>Delta</td>
<td>101,000</td>
<td>$117,841 (4)</td>
<td>$50,117 (4)</td>
</tr>
<tr>
<td>Kelowna</td>
<td>121,422</td>
<td>$90,587 (11)</td>
<td>$32,055 (11)</td>
</tr>
<tr>
<td>Langley Township</td>
<td>114,647</td>
<td>$112,602 (5)</td>
<td>$45,041 (5)</td>
</tr>
<tr>
<td>Maple Ridge</td>
<td>80,434</td>
<td>$92,310 (10)</td>
<td>$37,285 (9)</td>
</tr>
<tr>
<td>Nanaimo</td>
<td>88,869</td>
<td>$95,103 (9)</td>
<td>$35,447 (10)</td>
</tr>
<tr>
<td>New Westminster</td>
<td>69860</td>
<td>$96,871 (7)</td>
<td>$38,154 (7)</td>
</tr>
<tr>
<td>Richmond</td>
<td>205,262</td>
<td>$128,219 (2)</td>
<td>$58,196 (2)</td>
</tr>
<tr>
<td>Saanich</td>
<td>110,767</td>
<td>$97,719 (6)</td>
<td>$38,625 (6)</td>
</tr>
<tr>
<td>Surrey</td>
<td>513,322</td>
<td>$123,000 (3)</td>
<td>$67,700 (1)</td>
</tr>
<tr>
<td>Abbotsford</td>
<td>138,501</td>
<td>$95,200 (8)</td>
<td>$37,500 (8)</td>
</tr>
</tbody>
</table>

**DISCUSSION**

The City of Abbotsford Council Remuneration and Expense Policy establishes the policy framework for Council compensation and other expenses. The policy establishes a baseline compensation of $94,500 for Mayor and $37,200 for Councilors commencing December 1, 2011. As indicated above, Schedule ‘B’ of the policy provides for CPI adjustments on an annual basis and stipulates a comprehensive formal review should occur every three years. At the time of implementing the policy, the Council term was three years which has now been changed to four years.

Compensation for elected officials is intended to recognize the significant time commitment involved to serve the public interest. Elected officials attend many Council, committee, liaison and other meetings. Often these meetings occur during various times of the day, involve preparation time, and sometimes travel. In addition, elected officials attend numerous functions,
receive emails, phone calls, engage in social media, and interact with citizens and stakeholders on a regular basis. The time commitment and the impacts on family life can be very significant.

It is recognized that elected officials do not serve office for financial reasons. Nonetheless, the time and energy required to fulfill responsibilities do impact the incumbent’s income potential from other employment. Elected official compensation provides an offset for lost employment income. It also enables a broader cross section of citizens, from differing income levels and age categories, to run for office.

Establishment of an elected official compensation policy is necessary for good governance. There are various methods to establish an elected official compensation policy which include:

1. In house development of a Policy (ie. Staff review)
2. Consultant review (ie. 2011)
3. Citizens review (ie. 2007)

Given that the most recent review considered by Council was conducted in 2011 by consultants, it is suggested that a citizen review committee would be the appropriate method to undertake the next formal compensation policy review. A proposed Terms of Reference for the Council Remuneration Citizen Task Force is attached to this report (Attachment C). The Terms of Reference provides Task Force guidelines, outlines the diversity of the Task Force composition, and references pertinent legislation, bylaws, and policies to guide the Task Force in its mandate.

The Task Force will function at arm's length and without the involvement of Council. A staff selection panel consisting of the City Manager, Deputy City Manager, and Director of Legislative Services will review and select Task Force members in accordance with the selection criteria.

The Deputy City Manager will serve as the staff liaison to the Task Force. The function of the staff liaison will be to provide guidance and any necessary resources to support the independent work of the Task Force. Because the purpose of the Task Force will be to address matters related to labour, the work of the Task Force will be closed and confidential until the presentation of its findings in September 2016.

FINANCIAL PLAN IMPLICATION

Members of the Task Force shall serve without remuneration; however, with the City Manager's approval, members will be entitled to reimbursement of reasonable expenses.

Lisa Pleadwell
Chief Financial Officer

IMPACTS ON COUNCIL POLICIES, STRATEGIC PLAN AND/OR COUNCIL DIRECTION

A review and update of the Council Remuneration and Expense Policy is in accordance with fiscal discipline and organizational alignment in the Strategic Plan. This review forms a
component of the comprehensive policy review process in 2016. It is also in accordance with the current policy which calls for a comprehensive form review every three years.

SUBSTANTIATION OF RECOMMENDATION

A comprehensive review of the Council Remuneration and Expense Policy is being recommended in accordance with Policy No. 200-2-01. This review is intended to ensure a sound governance policy framework for Council Remuneration is established and maintained. A Citizen Task Force is a common method for municipalities to periodically undertake a remuneration review. The last citizen review occurred in 2007. The Citizen Task Force provides an impartial and objective review process to develop recommendations.

Council does have the option of referring the issue to staff or a consultant to undertake this review. However, given the time lag from the previous Citizen review, the Task Force method is recommended at this time.

Jake Rudolph
Deputy City Manager

ATTACHMENTS

Attachment “A”: Council Remuneration and Expense Policy No. 200-2-01
Attachment “B”: 2011 Consultant Review
Attachment “C”: Proposed Terms of Reference – Council Remuneration Citizen Task Force
PURPOSE:

Members of Council are entitled to remuneration and expenses.

AUTHORITY:

Council

POLICY:

1. Remuneration

(a) Members of Council shall be entitled to the remuneration as contained in Schedule “B”, attached to and forming part of this Policy.

(b) One-third of the remuneration paid to members of Council pursuant to this Policy shall be paid as an allowance for expenses incidental to the discharge of the duties of their offices, and shall be in addition to other expenses specified in this Policy.

(c) All remuneration shall be paid from annual revenue of the City.

(d) The annual remuneration shall be paid pursuant to the provisions and policies of the City's payroll system.

2. Benefits

Members of Council shall be entitled to enroll in basic health and extended health (including dental) for the duration of their elected term.

3. Reimbursement of Additional Expenses

(a) Members of Council, who are appointed as representatives of the Council to outside bodies, shall be reimbursed for expenses, including: accommodation, transportation, car mileage and other allowable expenses, to attend the meetings and business of such bodies conducted outside the City, unless the expenses are paid by the outside bodies.

(b) Members of Council, who attend conventions, conferences, and seminars, as authorized by the Mayor, shall be provided an annual conference allowance of $4,000 for the Mayor and $2,000 for each Councillor for expenses, including: accommodation, transportation, car mileage and other allowable expenses, to be supported by receipts. Meals and incidental expenses shall be reimbursed up to the maximum daily allowance.
(c) Members of Council, who attend community events, as authorized by the Mayor, shall be provided an annual allowance of $2,500 for the Mayor and $1,000 for each Councillor and must be supported by receipts.

4. Maximum Allowance

The maximum allowance to cover travel expenses, including meals, gratuities, local telephone calls, and minor entertainment costs, for trips lasting more than one day away from the City, shall be $90 per day, to be supported by receipts. Receipts are not required for expenses up to $60 per day.

Where meals are included as part of a conference, training seminar, or other business conducted on behalf of the City, which exceed one day, the maximum daily allowance shall be reduced as follows:

   (a) $15.00 if breakfast is included;
   (b) $15.00 if lunch is included; or
   (c) $30.00 if dinner is included.

For travel expenses incurred in the United States, the per diem allowance shall be paid in U.S. funds or the Canadian equivalent.

5. Vehicle Allowance/Use of City Vehicle

The Mayor is eligible for:

   (a) a Vehicle Allowance of $700.00 per month;
   (b) the use of a City Vehicle for civic business use;
   (c) the use of a City Vehicle for civic business and personal use; or
   (d) mileage reimbursement of their personal vehicle on civic business shall be reimbursed at a rate consistent with Canada Customs and Revenue Agency’s current mileage rate per kilometer.

Tax considerations regarding choice of options are the responsibility of the Mayor.
Schedule "A"

1. Accommodation
   Actual cost for single accommodation shall be paid, subject to the provision of a receipt.

2. Transportation
   Actual air fare at economy or lowest available fare, supported by a receipt, or if travel is by personal car, the lesser of economy fare or mileage may be claimed.

3. Other Allowable Expenses
   Other allowable expenses supported by the receipts shall be reimbursed, including:
   1. Airport limousine costs, taxis, or car rentals;
   2. Parking costs;
   3. Long distance telephone calls (details required); and
   4. Extra entertainment costs (names of persons entertained and company name must be provided).

4. Car Mileage
   The use of a Council member's personal vehicle on civic business outside of the City shall be reimbursed at a rate consistent with Canada Customs and Revenue Agency's current mileage rate per kilometer.
1. **Mayor**

   Commencing December 1, 2011, the Mayor of the City of Abbotsford shall receive remuneration in the amount of $94,500 per year pro rated per term of office.

2. **Councillors**

   Commencing December 1, 2011, the Councillors of the City of Abbotsford shall receive remuneration in the amount of $37,200 per year pro rated per term of office.

3. **Deputy Mayor**

   The Deputy Mayor shall receive, in addition to remuneration received as Councillor, 10% of the Mayor's remuneration per year pro rated per term of office.

4. **Remuneration Review**

   The City will undertake a comprehensive formal compensation review every three years. For the non-survey (in-between) years, the City will make adjustments based on the average Consumer Price Index for Vancouver.
City of Abbotsford
Compensation Review for Elected Officials

January 19, 2011

For questions about this report, please contact:

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Compensation Consultant
Tim Dillon & Associates
604.552.4484
juliecase@shaw.ca
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ATTACHMENT 1 – CITY OF ABBOTSFORD COMPENSATION POLICY FOR ELECTED OFFICIALS (DRAFT) .......... 10
INTRODUCTION & BACKGROUND

The City of Abbotsford (the City) wishes to conduct a compensation review to measure the competitiveness of its elected official compensation opportunities. The City has asked for assistance from Tim Dillon & Associates to conduct this review. The City also wishes to develop a formal process and policy for guiding and determining elected official compensation in the future.

METHODOLOGY

We drafted a questionnaire to capture data on base salary, allowances, benefits, and perquisites for the mayor and councilor positions. We emailed the questionnaire to the ten municipalities that make up the City’s existing defined comparator market. We then reviewed the data, identified anomalies, and followed up where necessary.

The following municipalities are currently defined as the City of Abbotsford’s comparator market:

1. Coquitlam
2. Delta
3. Kelowna
4. Langley (Township)
5. Maple Ridge
6. Nanaimo
7. New Westminster
8. Richmond
9. Saanich
10. Surrey

A summary profile of the municipalities is shown in Table 1. The measures of comparison (i.e., annual expenses and population) were collected from government websites (www.cd.gov.bc.ca) to ensure a consistent and reliable comparison of the most recent data available.

All compensation data collected from the comparator market municipalities reflects a common effective date of January 1, 2010.

The data in this report has been rounded and summarized using tables. Averages and medians have been used throughout the report to provide an overview of the data:

- An average is the sum of all data divided by the number of observations included.
- A median value is the number that falls within the middle of a series of observations (e.g., if there are seven data observations and they are ranked in order of highest to lowest, the number or observation that is in the fourth position is the middle value and represents the median value).
- The 25th and 75th percentiles (P25 and P75), also referred to as the first and third quartiles, offer an indication as to the “spread” or range of the data. At the 75th percentile, 75 percent of the observations are at this level or below. Similarly, at the 25th percentile, 25 percent of the observations are at this level or below.
- It is important to note that a minimum number of observations is required to report data and still maintain confidentiality. A minimum of three observations is required to report the average, four to report the median, and five to report the quartiles (i.e., P25 and P75).
- The number of observations indicates the number of organizations that provided data.
### Table 1 – Summary Profile of Comparator Municipalities

<table>
<thead>
<tr>
<th>BC Municipality</th>
<th>BC Stats Population Estimates (2008)</th>
<th>BC Consolidated Expenses as of December 31, 2008 ($ millions)</th>
<th>Number of full-time employees</th>
<th>Number of elected officials</th>
</tr>
</thead>
<tbody>
<tr>
<td>Surrey</td>
<td>433,924</td>
<td>345.7</td>
<td>2,200</td>
<td>9</td>
</tr>
<tr>
<td>Richmond</td>
<td>189,027</td>
<td>230.4</td>
<td>1,243</td>
<td>9</td>
</tr>
<tr>
<td>Kelowna</td>
<td>118,507</td>
<td>164.0</td>
<td>769</td>
<td>9</td>
</tr>
<tr>
<td>Delta</td>
<td>99,508</td>
<td>134.7</td>
<td>860</td>
<td>7</td>
</tr>
<tr>
<td>Coquitlam</td>
<td>121,452</td>
<td>131.2</td>
<td>868</td>
<td>9</td>
</tr>
<tr>
<td><strong>Abbotsford</strong></td>
<td><strong>133,556</strong></td>
<td><strong>126.4</strong></td>
<td><strong>838</strong></td>
<td><strong>9</strong></td>
</tr>
<tr>
<td>Saanich</td>
<td>113,209</td>
<td>110.9</td>
<td>746</td>
<td>9</td>
</tr>
<tr>
<td>New Westminster</td>
<td>63,745</td>
<td>100.4</td>
<td>575</td>
<td>7</td>
</tr>
<tr>
<td>Nanaimo</td>
<td>82,937</td>
<td>98.7</td>
<td>630</td>
<td>9</td>
</tr>
<tr>
<td>Langley Township</td>
<td>101,342</td>
<td>95.0</td>
<td>498</td>
<td>9</td>
</tr>
<tr>
<td>Maple Ridge</td>
<td>73,957</td>
<td>71.1</td>
<td>338</td>
<td>7</td>
</tr>
</tbody>
</table>

**Summary**

*(does not including Abbotsford information)*

<p>| | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>P25</td>
<td>87,100</td>
<td>99.1</td>
<td>590</td>
</tr>
<tr>
<td>P50 (Median)</td>
<td>107,300</td>
<td>121.0</td>
<td>760</td>
</tr>
<tr>
<td>P75</td>
<td>120,700</td>
<td>156.7</td>
<td>870</td>
</tr>
<tr>
<td>Average</td>
<td>139,800</td>
<td>148.2</td>
<td>870</td>
</tr>
</tbody>
</table>
FINDINGS – BASE SALARY COMPENSATION FOR MAYOR & COUNCILORS

Table 2 provides a summary of the base salary findings for the mayor and councilor positions from the ten municipalities. The table also indicates the comparison to the current base salary rates at the City of Abbotsford.

Table 3 summarizes the ratio of annual base salary of the mayor position relative to the councilor position. The table also indicates the current ratio at the City of Abbotsford.

All ten municipalities indicated the base salaries for mayor and councilor positions were one-third tax free. It is our understanding that the City of Abbotsford positions have their base salaries one-third tax free.

Four municipalities do not compensate councilors with an acting mayor allowance. Of the six municipalities that do compensate councilors with an acting mayor allowance, it is done one of two ways: a percentage of the mayor’s base salary added to their own base salary or a lump sum (e.g., monthly or daily rate).

Table 2 – Summary of 2010 Annual Base Salary Findings for Mayor & Councilors

<table>
<thead>
<tr>
<th></th>
<th>Mayor Annual Base Salary ($)</th>
<th>Councilors Annual Base Salary ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>P25</td>
<td>87,400</td>
<td>33,800</td>
</tr>
<tr>
<td>P50 (median)</td>
<td>91,700</td>
<td>36,100</td>
</tr>
<tr>
<td>P75</td>
<td>105,400</td>
<td>49,300</td>
</tr>
<tr>
<td>Average</td>
<td>96,300</td>
<td>40,000</td>
</tr>
<tr>
<td>City of Abbotsford (effective January 2007)</td>
<td>86,600</td>
<td>34,700</td>
</tr>
<tr>
<td>City of Abbotsford current base salaries as percent of median 2010 findings</td>
<td>94%</td>
<td>96%</td>
</tr>
</tbody>
</table>

Table 3 – Summary of Ratio of Base Salary Findings between Mayor & Councilors

<table>
<thead>
<tr>
<th></th>
<th>Ratio of Mayor Base Salary : Councilor Base Salary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minimum</td>
<td>2.0 : 1</td>
</tr>
<tr>
<td>Maximum</td>
<td>3.0 : 1</td>
</tr>
<tr>
<td>P50 (median)</td>
<td>2.5 : 1</td>
</tr>
<tr>
<td>Average</td>
<td>2.5 : 1</td>
</tr>
<tr>
<td>City of Abbotsford</td>
<td>2.5 : 1</td>
</tr>
</tbody>
</table>
FINDINGS - CAR ALLOWANCE FOR MAYOR & COUNCILORS

Five municipalities offer a car allowance to the mayor. Three of these five municipalities extend the car allowance to councilors.

Municipalities that do not offer a car allowance do reimburse for mileage at a rate of $0.52 per kilometre or at a rate set by the Canada Revenue Agency.

Table 4 - Summary of Car Allowance Findings for Mayor & Councilors

<table>
<thead>
<tr>
<th></th>
<th>Mayor</th>
<th>Councilors</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Annual Car Allowance</td>
<td>Annual Car Allowance</td>
</tr>
<tr>
<td>Count</td>
<td>5</td>
<td>3</td>
</tr>
<tr>
<td>50 (median)</td>
<td>$7,500</td>
<td>-</td>
</tr>
<tr>
<td>Average</td>
<td>$8,800</td>
<td>$4,200</td>
</tr>
<tr>
<td>City of Abbotsford</td>
<td>No car allowance provided</td>
<td>No car allowance provided</td>
</tr>
</tbody>
</table>

FINDINGS - BENEFITS & PERQUISITES

It is our understanding that the City of Abbotsford does not offer any benefits or perquisites to its mayor and councilor positions. Table 5 indicates how many of the ten municipalities offer the benefit or perquisite surveyed. We did not collect information on the value of the benefits or perquisites. Typically, the benefit or perquisite offered to the mayor and councilor positions is at the same level as offered to staff.

Table 5 - Summary of Prevalence of Benefits & Perquisites Offered to Mayor & Councilors

<table>
<thead>
<tr>
<th></th>
<th>Mayor</th>
<th>Councilors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pension/RRSP</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Provincial health care</td>
<td>8</td>
<td>8</td>
</tr>
<tr>
<td>Extended health plan</td>
<td>8</td>
<td>8</td>
</tr>
<tr>
<td>Dental care</td>
<td>8</td>
<td>8</td>
</tr>
<tr>
<td>Vision care</td>
<td>8</td>
<td>8</td>
</tr>
<tr>
<td>Short-term disability</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Long-term disability</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Life insurance</td>
<td>8</td>
<td>7</td>
</tr>
<tr>
<td>Parking</td>
<td>8</td>
<td>8</td>
</tr>
</tbody>
</table>

FINDINGS - OTHER ALLOWANCES & EXPENSES

None of the municipalities pay any honorariums, allowances, or stipends for meetings related to their own municipal work (e.g., Council meetings, committee meetings etc.). All lower mainland
municipalities indicated the mayor and/or councilors are paid to attend meetings held by the Metro Vancouver Regional District. The regional district pays the mayor and/or councilors. It is our understanding that the Fraser Valley Regional District pays the mayor and councilors of the City of Abbotsford to attend its meetings.

All municipalities reimburse elected officials for expenses incurred while on official municipal business. Most municipalities have an expense policy that aligns to the staff expense policy. In the case of conferences, most municipalities have a per diem rate.

With regard to community events or special events (e.g., fundraisers, charitable events) that elected officials pay to attend, there are three main ways municipalities handle these costs:

- In some municipalities the one third tax free base salary is expected to cover the cost of these events.
- Some municipalities have a specific annual budget allocated to each elected official that covers the costs of these events (with proof of receipts).
- Some municipalities have an annual budget that collectively covers the costs of these events (with proof of receipts).

**FINDINGS – PROCESS FOR SETTING COMPENSATION FOR MAYOR & COUNCILORS**

The majority of municipalities use a combination of market surveys and average annual adjustments to set their compensation levels for their mayor and councilor positions.

Most survey a number of similar sized municipalities to set the base salary. Those municipalities that do not survey every year typically will review their compensation yearly and make adjustments based on some or all of the following factors:

- Staff (CUPE, IAFF, and/or exempt) adjustments
- Average adjustments given in other municipalities
- CPI (Consumer Price Index)
- The overall economy

While a couple of municipalities have established a formal compensation policy for elected officials, most have not.

**FINDINGS – PAST AND FUTURE ADJUSTMENTS TO COMPENSATION FOR MAYOR & COUNCILORS**

Seven municipalities either froze or adjusted by just one percent, the base salary for their elected officials in 2010. The average for the other three municipalities was 3.4 percent and 3.8 percent for mayor and councilors respectively.

For 2011, five municipalities indicated any adjustment was yet to be determined. One municipality intends to follow the staff increase (4 percent) and one municipality intends to adjust by the CPI. Most municipalities indicated that any adjustments would take place in the first quarter of 2011 with the majority effective the first of January (or retroactive to the first of January). The average adjustment for the five municipalities that have already made adjustments for 2011 is 3.0 percent.
RECOMMENDATIONS

Base Salary

Table 6 presents our recommended base salary for mayor and councilor positions to be implemented December 1, 2011. Our recommendations reflect the 2010 median level of the defined market place plus a three percent adjustment for 2011 (as previously stated, the average of the five municipalities that have already made adjustments for 2011 is three percent).

It is our understanding that the current rates of pay for the City of Abbotsford’s mayor and councilor positions were implemented in January 2007. Therefore, the recommended base salaries for implementation on December 1, 2011 will represent an average annual increase of less than two percent over the nearly five year time period since base salaries were last adjusted.

In the future, we recommend the City of Abbotsford continue to undertake a comprehensive formal compensation review every three years. For the non-survey (in between) years we recommend the City make adjustments based on the average annual Consumer Price Index for Vancouver.

Table 6 – Recommended December 1, 2011 Annual Base Salaries for Mayor & Councilors

<table>
<thead>
<tr>
<th>City of Abbotsford</th>
<th>Mayor</th>
<th>Councilors</th>
</tr>
</thead>
<tbody>
<tr>
<td>December 1, 2011 Recommended Annual Base Salary</td>
<td>$94,500</td>
<td>$37,200</td>
</tr>
<tr>
<td>January 1, 2007 – November 30, 2011 Annual Base Salary</td>
<td>$86,600</td>
<td>$34,700</td>
</tr>
</tbody>
</table>

Benefits

Currently the City of Abbotsford does not offer any benefits to its elected officials. Most of the comparator municipalities offer basic health and extended health (including dental and vision) as minimum benefits. Therefore, we are recommending the City of Abbotsford offer basic health and extended health (including dental) to its elected officials for the duration of their elected term only.

The City’s human resources department has contacted its benefit provider (AON) and obtained 2011 estimated premium rates. The sum of the estimated monthly (exempt) premium rates (and therefore estimated cost to the City) for MSP, extended health, and dental care is $154.00 for a single person.

Vehicle Allowance

We are recommending the City of Abbotsford maintain the current mileage reimbursement. We are not recommending a vehicle allowance since so few municipalities in the comparator group follow this practice. We believe that the current arrangements in place are fair and equitable.

Community / Special Events Allowances

After discussion with Council on the current allowance arrangements in this area, we are recommending an annual fixed allowance of $2,500 for the mayor and $1,000 for each councilor to be used for attendance at community events. This represents no additional cost to the City as costs are currently aggregated for Council on an annual basis. We are recommending formalizing this allowance on a per elected official basis.
Conference Allowance

After discussion with Council, we are recommending an annual conference allowance of $4,000 for the mayor and $2,000 for each councilor to be used for attendance at conferences. Once again, there is no additional cost for this allowance as it is currently part of the budget; however, we are recommending formalizing this allowance on an individual elected official basis.

SUMMARY

The findings summarized in this report clearly indicate there is not a single or even consistent manner in which to determine elected official compensation. We certainly tend to see more consistency across municipalities when determining compensation for exempt staff in BC.

In our experience, a formal documented compensation policy is extremely helpful in communicating an organization's goals and strategies for determining compensation. We have attached a draft compensation policy for elected officials for the City of Abbotsford.
ATTACHMENT 1 - CITY OF ABBOTSFORD COMPENSATION POLICY FOR ELECTED OFFICIALS (DRAFT)

The purpose of this compensation policy is to detail the City of Abbotsford’s goals and principles in regard to elected official’s compensation.

This policy is subject to review and change at least every three years when we will undertake a comprehensive review of elected official’s compensation. We will hire an external consultant to conduct the review and present the findings to council.

Our compensation strategy is to pay fair and equitable salaries to our elected officials: we aim to pay at the middle (i.e., median or 50th percentile) of our defined marketplace. We will review this target level to ensure it remains competitive and valid. This target level may be adjusted as business and market conditions change. Our defined marketplace consists of other similar sized municipalities in the geographic area of British Columbia. This marketplace also serves as the defined marketplace for the exempt staff at the City. The ten municipalities include:

1. Coquitlam
2. Delta
3. Kelowna
4. Langley (Township)
5. Maple Ridge
6. Nanaimo
7. New Westminster
8. Richmond
9. Saanich
10. Surrey

Within the three year cycle, the City will adjust elected official’s compensation on January 1st by the annual CPI for Vancouver (for the previous year).

Councilors designated as acting mayor will receive an additional ten percent in addition to their regular salary.

The mayor will receive an annual fixed allowance of $2,500 and each councilor will receive $1,000 to be used for attendance at community events.

The mayor will receive an annual conference allowance of $4,000 and each councilor will receive $2,000 to be used for attendance at conferences.

Elected officials will be eligible to receive basic health and extended health (including dental) benefits for the duration of their elected term only.
PURPOSE

The purpose of the Council Remuneration Citizen Task Force ("Task Force") is to review the current remuneration and expense policy for the City of Abbotsford ("City") Mayor and Councillors; and to provide recommendations for a remuneration structure for implementation in January 2017.

AUTHORITY

Community Charter, Council

MANDATE

1. The mandate of the Council Remuneration Citizen Task Force is to make the following recommendations:
   (a) annual remuneration;
   (b) annual and monthly expense allowance and indemnities;
   (c) annual adjustment calculations;
   (d) benefits; and
   (e) options for making periodic adjustments to establish compensation.

2. The Task Force will provide a report to the City Manager with its recommendations, no later than August 2016. Recommendations will be presented to Council at a Regular meeting of Council, as soon as possible, following the City Manager’s receipt of the Task Force’s recommendations.

GUIDELINES

1. The Task Force will research and consider all aspects of compensation that it believes is relevant to making its recommendations, but will specifically consider the following matters:

   (a) compensation paid to Councillors must be sufficient to attract individuals from all walks of life to offer to stand for election to municipal public office;
   (b) the functions and responsibilities of Mayor and Councillors, the level of community engagement and the time commitment required of individuals holding municipal public office, including, but not limited to, meetings, events, preparation time, and communication with the public;
   (c) public expectations of the roles and commitment required of Mayor and Councillors; and the City’s corporate objective to be fiscally responsible in allocating City resources;
   (d) alternate formulas to replace the current remuneration structure, taking into consideration costing formulas used by other municipalities;
   (e) the full remuneration package for Mayor and Councillors, including, but not limited to, the tax free expense allowance, travel and other allowable expenses, and any other benefits; and
   (f) the need for a mechanism to make periodic adjustments to compensation.
2. The Task Force is permitted to use a variety of resources and techniques to complete its review, including, but not limited to,

(a) research and review of current trends and approaches used to set Mayor and Councillors remuneration levels;
(b) conducting interview with persons thought to be appropriate;
(c) review of existing and past policies; and
(d) discussions with City staff to gather technical information and data.

MEMBERSHIP

1. Appointment of members to the Council Remuneration Citizen Task Force shall be made by a panel of senior City staff.

2. The appointments to the Task Force will expire once the final recommendations are provided to the City Manager.

3. The Task Force will be composed of up to five (5) voting members selected from the community and appointed by a Senior Management Selection Panel on the basis of their experience and credentials in one (1) or more of the following areas:

(a) management experience of a large or complex organization;
(b) business experience;
(c) legal expertise;
(d) human resources experience; and
(e) Community service or engagement.

4. The Chair of the Task Force will be the appointed by the City Manager.

5. The staff liaison appointed to the Task Force will be the Deputy City Manager. Other staff resources will provide support as required and with the coordination of the Deputy City Manager.

6. From time to time, other City staff may be required to attend to provide technical advice and assistance.

MEETING SCHEDULE

The Chairperson will convene a Task Force meeting upon appointment. The purpose of the inaugural meeting will be to review the Terms of Reference, establish a meeting schedule and establish preliminary research requirements.

POLICY

1. The Task Force will operate in accordance with the Community Charter, the City's Council Procedure Bylaw, 2015, the City's Committee Protocol Policy, and any other applicable enactments, bylaws or policies, as amended or replaced from time to time.

2. Meetings will be held at the call of the Chair.

3. Quorum will be determined in accordance with the City's Committee Protocol Policy. Vacancies (but not absences) are excluded when counting the voting members in order to establish the quorum.
4. Task Force members must avoid conflicts of interest, in accordance with the City’s Committee Protocol Policy and the Community Charter.

CONFIDENTIALITY

Task Force members are expected to maintain confidentiality throughout the term of the Task Force. Discussions and votes that take place at the Task Force meetings are in confidence, and final recommendations will not be publicly discussed until the report is submitted and presented to Council at a Regular meeting of Council.