

## COLUMBIA SHUSWAP REGIONAL DISTRICT

Minutes of a Directors' Remuneration Review Committee meeting held August 15, 2018  
in the Board Room of the Regional District Office, Salmon Arm, BC

Note: The following minutes are subject to correction  
when endorsed by the Committee at the next Board meeting.

### **PRESENT**

Chair:	R. Martin	Electoral Area 'E'
Directors:	C. Moss	Town of Golden
	K. Flynn	City of Salmon Arm
	P. Demenok	Electoral Area 'C'
Staff:	J. Pierce	Manager, Financial Services
	C. Hamilton**	Chief Administrative Officer
	L. Shykora**	Deputy Manager, Corporate Administration
	L. Gervais**	Payroll Administrator/HR Assistant

\*\*Attended part of the meeting only

### **CALL TO ORDER**

The Chair called the meeting to order at 3:15 pm.

### **BUSINESS GENERAL**

The purpose of the Meeting is to review Director Remuneration Rates (as described in the agenda notice).

The Manager, Financial Services distributed a package of information containing:

1. Current Bylaw No. 5510
2. Proposed Bylaw No. 5730 (defeated at November 2017 CSRD Board meeting)
3. 2018 Appointments to Committees, Boards, and External Agencies
4. 2017 Summary of Meeting Attendance per Statement of Financial Information report
5. 2017 Meeting Attendance applied to proposed Bylaw No. 5730
6. 2017 Meeting Attendance applied to proposed Bylaw No. 5730 (with top-up to account for loss of 1/3 tax-free allowance beginning Jan. 1, 2019)
7. Summary of other Regional District comments on tax-free allowance.

The Manager, Financial Services is seeking direction from the Committee, to the Board as the issue of Director Remuneration has been before the Board on numerous occasions without resolve. Additionally, the Federal Government has indicated that the existing provision of providing one-third (1/3) of the remuneration tax-free will be eliminated beginning January 1, 2019 and that legislation should be addressed in any discussion regarding Director

Remuneration. As a background to the discussion, the existing Bylaw No. 5510 dates back to 2008, with cost of living increases based on the Consumer Price Index (CPI) regularly applied. There has been one amendment to the Bylaw that was approved in 2015 and allowed for the payment of more than one Committee meeting fee per day when multiple meetings were held on the same day.

Item 4 in the package prepared by the Manager, Financial Services summarizes the remuneration paid in 2017 in accordance with the current Bylaw 5510 and is based on attendance that was paid in 2017 and agrees to the information reported in the annual Statement of Financial Information (SOFI). The Manager, Financial Services identified some of the inherent difficulties with the existing bylaw and reiterated that she stands by the format within the defeated Bylaw No. 5730. This summary forms the basis for the Items 5 and 6 of the information provided.

With respect to the elimination of tax-free allowance, under the proposed legislation, the full amount of remuneration becomes taxable. The Manager, Financial Services said it is impossible to determine the actual effects of this legislation for each director as their personal circumstances will differ widely, however, ignoring all other sources of income and using the lowest applicable tax rate, staff identified that there would be an estimated decrease of net income by 7.72%. Ms. Pierce indicated that other local governments are dealing with the elimination of the 1/3 allowance in a number of ways including issuing a T2200 Declaration of Conditions of Employment form; grossing up remuneration rates; and, in some cases, doing nothing at all. None of the member municipalities of the CSRD have addressed this issue at the time of this meeting.

There was considerable discussion on a number of items including:

- the application of the proposed Bylaw;
- possibly one gross salary that would encompass all meetings, conferences, etc. with deductions for non-attendance;
- remuneration based on budget and services;
- workload and responsibilities of Electoral Area Directors;
- attendance at Federation of Canadian Municipalities conferences;
- use of the T2200 form; and,
- the guiding principles of the proposed Bylaw.

After much discussion, Chair Martin asked for a motion to support document 6 which includes a 7.72% top-up to the gross remuneration and meeting fee pay. At that time it was determined consensus within the Committee could be reached with five (5) minor changes to the proposed bylaw, as follows:

- Remuneration for travel time to be increase from 0.15/km to 0.20/km
- FCM attendance limited to the Board Chair and three Electoral Area Directors annually
- Discretionary meeting attendance limit dropped from \$2,500 to \$1,500
- Travel days to conferences paid at the same rate as the conference days
- Bylaw to be reviewed every four (4) years.

**Moved by** Director Flynn, **Seconded** by Director Demenok:

THAT: The Manager, Financial Services re-draft the proposed Bylaw 5730 in accordance with Item 6 and the above changes be presented for consideration at the September 2018 Regular Board meeting;

AND THAT: the draft Bylaw be distributed to the Board at least one week prior to the September Board meeting.

**CARRIED**

### **ADJOURNMENT**

There being no further business, the meeting adjourned at 5:45 pm.

CERTIFIED CORRECT

---

CHAIR

---

CHIEF ADMINISTRATIVE OFFICER