



# BOARD REPORT

**TO:** Chair and Directors

**File No:** Bylaw No. 5730

**SUBJECT:** Director Remuneration Bylaw No. 5730

**DESCRIPTION:** Report from Jodi Pierce, Manager, Financial Services, dated November 6, 2017.

**RECOMMENDATION #1:** THAT: "Director Remuneration Bylaw No. 5730" be read a first, second and third time this 16<sup>th</sup> day of November, 2017.

**RECOMMENDATION #2:** THAT: "Director Remuneration Bylaw No. 5730" be adopted this 16<sup>th</sup> day of November, 2017.

## SHORT SUMMARY:

At the Committee of the Whole meeting held October 19, 2017, staff were directed to bring forward a remuneration bylaw based upon the recommendation of the Manager, Financial Services from the January 19, 2017 Board meeting. As noted in the Background section, Bylaw No. 5730 has been drafted for consideration of the Board with the updated remuneration proposed to take effect on January 1, 2018.

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<b>VOTING:</b>	Unweighted Corporate	<input type="checkbox"/>	LGA Part 14 (Unweighted)	<input type="checkbox"/>	Weighted Corporate	<input checked="" type="checkbox"/>	Stakeholder (Weighted)	<input type="checkbox"/>
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## BACKGROUND:

At the October 2015 Board meeting, the Board authorized an independent comprehensive review of the Directors Remuneration Bylaw No. 5510. In the spring of 2016, staff undertook an RFP process to hire a consultant to conduct the review. Kathy Sainas of Sainas Consult, Inc. was selected as the preferred candidate and began the review in June 2016. Part of the consultant's review was to consult with the directors, neighbouring Regional Districts and other Regional Districts of similar size and characteristics to the CSR. In September 2016, Kathy Sainas presented her findings and recommended a proposed Director Remuneration Bylaw. The results of that finding included the fact that CSR Directors were, on average, paid higher than seven of the nine comparative Regional Districts.

After receiving the report, Directors were requested to submit their comments and concerns to the Manager, Financial Services for consideration. Many comments were submitted by the Directors; staff reviewed those comments and developed a recommendation to form a basis for a remuneration bylaw for the January 2017 Board meeting. At that meeting, the Board failed to reach consensus and decided to establish a Remuneration Committee consisting of 2 Electoral Area Directors, 2 Municipal Directors and the Manager, Financial Services. A meeting of the Committee was held May 23, 2017 and the committee members reviewed a number of bylaws and other information from 19 other Regional Districts around the Province. Based on a review of this information, it was determined the average CSR Director remuneration is near the 75<sup>th</sup> percentile as compared to those other regional districts and further the average remuneration is \$3,000 higher than the other regional districts. During the committee meeting, consensus was reached on the following issues:

1. Electoral Area Directors should be paid more than Municipal Directors as Municipal Directors also receive a stipend from their local government and also to recognize the workload of the Electoral Area Directors.
2. It was also agreed that the Vice-Chair should receive an annual stipend for the additional workload that is bestowed on that position and the Committee agreed that the Chair stipend should be lessened by the amount of the stipend for the Vice-Chair.

However, after much discussion, the committee was not able to make a recommendation for a draft bylaw and a second meeting was discussed. A subsequent meeting was planned but not scheduled due to staffing issues. At the October 19, 2017 Committee of the Whole meeting, Director Remuneration was discussed and staff were directed to bring a bylaw forward based on the recommendation of the Manager, Financial Services from the January, 2017 Board meeting. Staff have drafted the attached Bylaw 5730 on the basis of the January recommendation with the following changes that had been communicated during the Committee meeting or at the Committee of the Whole meeting:

1. The annual Chair stipend was reduced by \$3,000 to fund an annual stipend for the Vice-Chair.
2. LGLA Conferences were included in specified conferences (formerly Discretionary in the January recommendation)
3. Guiding principles and definitions were included for clarity.

Staff also made the following change which is a departure from the January recommendation for ease of implementation:

Compensation for travel time was changed back to \$.15 per kilometer as opposed to \$15 per hour to the nearest half hour as kilometers are easily obtainable and defensible. Additionally, compensation would be paid to all parties travelling; should directors choose to car-pool, all parties would be compensated (not only the driver as per our existing bylaw).

It is clear that a Remuneration Bylaw will be not be acceptable to everyone, however; it is important to recognize that the remuneration must be fiscally sound, reasonable, and relatively simple to implement. Based on a thorough review of the report received from Sainas Consult, Inc.; a review of bylaws and related information from 19 neighbouring jurisdictions; comments from Directors; consensus from the one Committee meeting; and input from staff in the Finance, Payroll and Corporate Administration departments, staff is recommending the attached draft bylaw be given three readings and adopted at the November 2017 Board meeting. Bylaw No. 5730 would come into effect on January 1, 2018.

## **FINANCIAL:**

Using the 2016 meeting attendance, and applying the attached draft bylaw, the Directors Remuneration would increase on average by 7.33%. This may be slightly inflated as the bylaw contains a provision for discretionary meetings and should the full allowance for meetings not be utilized, the increase would be lesser. The increase for Electoral Area Directors is on average 8.14% to reflect the additional workload within the constituencies. The increase for Municipal Directors is 6.36%, however, that is in large part because the Vice-Chair is currently a Municipal Director. Without consideration of the Vice-chair stipend, the average increase for Municipal Directors would be 2.03%.

**KEY ISSUES/CONCEPTS:**

To develop a thorough, comprehensive remuneration bylaw that is fiscally sound, reasonable, relatively simple to implement while still ensuring fair and reasonable compensation for elected officials in recognition of workload and time requirements.

**IMPLEMENTATION:**

Upon adoption by the Board, staff will ensure that sufficient remuneration is included in the Five Year Financial plan and payroll staff will begin paying remuneration to Directors in accordance with the Bylaw on January 1, 2018.

**DESIRED OUTCOMES:**

That the Board approve the recommendation to provide three readings and adoption of Bylaw No. 5730 to take effect on January 1, 2018. At that time, the existing Director Remuneration Bylaw No. 5510 will be repealed.

**BOARD'S OPTIONS:**

1. *Endorse the Recommendation.*
2. *Deny the Recommendation.*
3. *Defer.*
4. *Any other action deemed appropriate by the Board.*

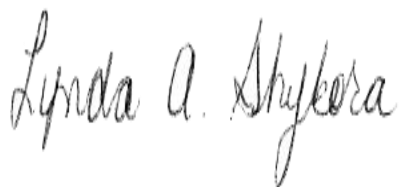
**LIST NAME OF REPORT(S) / DOCUMENT(S) AVAILABLE FROM STAFF:**

1. Director Remuneration Committee Background Materials

**Report Approval Details**

Document Title:	2017-11-16_Board_Fin_Bylaw 5730 Director Remuneration.docx
Attachments:	
Final Approval Date:	Nov 8, 2017

This report and all of its attachments were approved and signed as outlined below:



**Lynda Shykora - Nov 7, 2017 - 4:18 PM**



**Charles Hamilton - Nov 8, 2017 - 8:46 AM**