



REPORT

Human Resources

To: Mayor and Council
Committee of the Whole

Date: April 26, 2010

From: Joan Burgess
Director of Human Resources

File: 07.1215.14

Subject: Updated Council Remuneration Policy

RECOMMENDATION

THAT Council proceeds with the public process as outlined in this report regarding changes to their remuneration policy.

PURPOSE

The purpose of this report is to provide Council with an updated review of the Council Remuneration Policy and establish a timeline for the public review process.

BACKGROUND

The Council Remuneration Policy ("Policy"), established April 2001, provides the principles and methods used to calculate and determine changes to City Council's remuneration. Article 4 of the Policy requires a full review with a public process every three years. The last full review was completed in 2006. In 2006 a consultant was engaged to review the policy and develop the multi-regression method of setting remuneration that has been used annually since approved in December 2006. The public process established involved advertising review findings and recommendations in the local papers with an invitation for comment during the open delegation session of a Council meeting.

In December 2009 it was agreed that Human Resources would assume responsibility for the administration of the Council Remuneration Policy including review, and recommended changes, and public process.



DISCUSSION

Based on the 2006 review process template, Human Resources initiated the current review in early 2010. It addresses Council's salary level, the formula for annual increases, benefits, timing and the next steps in the Policy update process.

This review compiled data from the Metro Vancouver (the Greater Vancouver Regional District) member municipalities, relevant resource websites and, included discussions with staff at the municipalities. This review also addressed the provision of extended health benefits and a separation allowance as researched in 2009.

The research and data collected assisted with comparison of the following:

- The current annual Mayor and Council indemnity
- The complexity of City issues and operations in each jurisdiction based on population, density and expenditure budget
- The methods used to calculate annual remuneration increases

ANALYSIS

Mayor and Council indemnities remain below the Metro Vancouver average. Relying on Metro Vancouver 2009 survey data and the application of their 4% inflationary factor, the regression analysis calculates Council's annual indemnity for 2010 as follows:

Mayor's Indemnity (2009 Indemnity = \$81,987)

2010 projection

	<u>Salary</u>	<u>4% Inflation</u>	<u>Adjusted Rate</u>
Lower Range	\$73,138	\$2,926	\$76,064
Mid Range/Average	\$83,537	\$3,341	\$86,878
Upper Range	\$93,936	\$3,757	\$97,693

Councillor's Indemnity (2009 Indemnity = \$31,534)

2010 projection

	<u>Salary</u>	<u>4% Inflation</u>	<u>Adjusted Rate</u>
Lower Range	\$27,120	\$1,085	\$28,205
Mid Range	\$32,778	\$1,311	\$34,089
Upper Range	\$38,436	\$1,537	\$39,973



Table – City of New Westminster Council Indemnity

Year	Mayor Annual	Councillor Annual	Adjustment Rational	Policy Public Review
2006	\$71,665	\$24,586	Regression Analysis Developed and Applied	Public Review Completed
2007	\$73,770	\$25,310	Regression Analysis Applied	
2008	\$81,987	\$30,169	Regression Analysis Applied	
2009	\$81,987	\$31,534	Regression Analysis Applied	To be Completed for 2009/2010
2010 proposed	\$86,878	\$34,089	Regression Analysis Applied	

Historically, Council has tried to maintain an annual remuneration rate close to the Metro Vancouver average. The level of expertise for local government services, required by Council members in the City of New Westminster, and the scope of responsibility, is comparable to that of any other municipality. However, while the City of New Westminster may be a smaller municipality, the issues of density, economic development, social issues, redevelopment and growth are more complex than many neighbouring municipalities. This reinforces the logic that compensation should at least meet the Metro Vancouver average.

As research revealed that a number of municipalities provide basic and extended health benefits as well as a retirement allowance to their council members, this was further addressed in the most recent policy review.

Using the current City exempt staff coverage in Medical Services Plan, Extended Health and Dental Care Plan, the cost per Council member would be \$1,739 maximum. Councillors already receiving equal or better benefits from other sources would not qualify for City coverage. Councillors having to pay their own premiums for benefits would be reimbursed up to the exempt staff plan equivalent.

A separation allowance provides payment to municipal elected officials when they no longer hold office. It is generally paid at the termination of their term of elected service and is primarily focused on mitigating the impacts to the individual of transitioning out of elected office back to private life. The practice is to base the calculation of the separation allowance on that used by the City for the calculation of municipal pension contributions on behalf of employees. It is important to note that elected officials are not eligible to be part of the Municipal Pension Plan (MPP) despite their service to the municipality. The contribution the City makes to the Pension Plan is approximately ten percent of an employee's annual salary. It is proposed that the separation allowance be effective December 1, 2008 and be capped at 12 years.



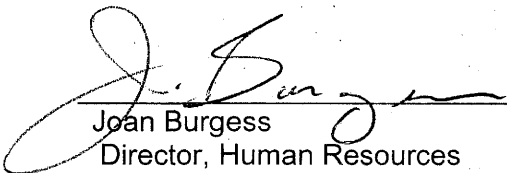
PUBLIC PROCESS

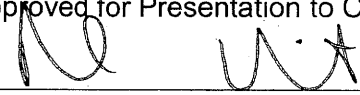
In accordance with the Council Remuneration Policy and the Community Charter, staff propose the following public process and timeline:

Activity	Date
Public Report to Council	April 19, 2010
First Notification in the Local Paper	May 8, 2010
Second Notification in the Local Paper	May 15, 2010
Open Delegation in Regular Council	May 17, 2010

CONCLUSION

In accordance with the established City's Council Remuneration Policy, staff completed the calculations for updating Council indemnities for 2010 resulting in a proposed increase to Council's remuneration. A public process will be implemented to invite feedback on the proposed changes.


Joan Burgess
Director, Human Resources

Approved for Presentation to Council

Paul Daminato
City Administrator

JB:sa
Encl.