

DISTRICT OF VANDERHOOF
REVIEW OF COUNCIL REMUNERATION

December 2022

December 14, 2022

PRIVATE & CONFIDENTIAL

Ms. Margaret Stewart
Chief Financial Officer
District of Vanderhoof
160 Connaught Street
Vanderhoof, BC
V0J 3A0

Via email: cfo@district.vanderhoof.ca

Dear Ms. Stewart:

Re: Survey of Council Remuneration

We are pleased to present our report on the survey of Mayor and Council remuneration conducted on behalf of the District of Vanderhoof.

We look forward to discussing this report with you. If you have any questions in the meantime, please call.

Yours truly,

SAINAS CONSULT INC.



Katherine M. Sainas

DISTRICT OF VANDERHOOF
REVIEW OF COUNCIL REMUNERATION

DECEMBER 2022

TABLE OF CONTENTS

<u>INTRODUCTION</u>	<u>1</u>
<u>MARKET FINDINGS</u>	<u>3</u>
VEHICLE ALLOWANCE	4
ACTING MAYOR PAY	4
GROUP BENEFITS	4
PENSION, RETIREMENT, OR TRANSITION ALLOWANCE	4
APPROACHES FOR REVIEWING AND ADJUSTING COUNCIL MEMBER SALARIES	4
<u>SUMMARY AND RECOMMENDATIONS</u>	<u>5</u>



INTRODUCTION

Sainas Consult Inc. recently undertook a review of Council remuneration on behalf of the District of Vanderhoof. This review involved a survey of a number of comparison municipalities for the following information pertaining to the Mayor and Councillor remuneration:

- Annual salary;
- Acting Mayor pay;
- Vehicle allowance;
- Incidence and cost-sharing of group benefits;
- Incidence of pension, retirement or transition allowance; and,
- Approaches for reviewing and determining adjustments to pay.

Travel and other expenses were not included in this review.

The targeted comparison municipalities are shown in the table below, along with their 2021 estimated population, land area, 2021 revenues and 2021 consolidated expenses.

Table 1 - Comparison Municipalities

MUNICIPALITY	2021 EST. POPULATION	LAND AREA	2021 REVENUES	2021 CONSOLIDATED EXPENSES
District of Kitimat	8,564	25,854	\$59,441,891	\$38,837,461
City of Revelstoke	8,429	4,028	\$30,331,029	\$24,626,305
City of Merritt	7,606	2,599	\$23,244,589	\$22,428,597
Town of Smithers	5,697	1,583	\$22,488,821	\$15,986,916
City of Armstrong	5,529	523	\$9,023,584	\$7,176,629
Town of Golden	4,185	1,067	\$16,139,184	\$11,825,552
District of Mackenzie	3,692	14,436	\$13,754,190	\$12,035,984
District of Houston	3,273	7,026	\$11,670,732	\$9,214,482
District of Clearwater	2,548	5,396	\$7,289,603	\$6,389,093
25th Percentile	3,692	1,583	\$11,670,732	\$9,214,482
Median	5,529	4,028	\$16,139,184	\$12,035,984
Average	5,503	6,946	\$21,487,069	\$16,502,335
75th Percentile	7,606	7,026	\$23,244,589	\$22,428,597
DISTRICT OF VANDERHOOF	4,703	5,606	\$14,243,234	\$9,284,708

Source: Local Government Division of the Ministry of Municipal Affairs & Housing

The statistics used in this report are defined below:

25th Percentile: This is also referred to as the first quartile. It represents the point below which 25% of the values fall.

Median: This is also referred to as the 50th percentile. When the values in the population are ranked by size, the median represents the point at which equal numbers of values are above and below. It is the “middle” value in the population.

Average: This is the simple average provided for matching positions. Also known as the mean, it is derived from summing all of the values and dividing by number of organizations.

75th Percentile: This is also referred to as the third quartile. It represents the point below which 75% of the values fall.

MARKET FINDINGS

This section contains the market findings. The information collected in the survey pertains to the newly elected Councils at November 2022.

COUNCIL MEMBER 2022 SALARY

Table 2 presents the Mayor and Councillor annual salaries reported by the comparison municipalities.

Table 2 - Mayor and Councillor 2022 Salaries

MUNICIPALITY	MAYOR	COUNCILLOR	COUNCILLOR VS MAYOR
District of Kitimat	\$46,733	\$25,931	55.5%
City of Revelstoke	\$48,000	\$24,000	50.0%
City of Merritt	\$37,423	\$17,794	47.5%
Town of Smithers	\$33,865	\$16,927	50.0%
City of Armstrong	\$27,123	\$15,422	56.9%
Town of Golden	\$29,184	\$16,363	56.1%
District of Mackenzie	\$28,903	\$12,250	42.4%
District of Houston	\$19,044	\$9,522	50.0%
District of Clearwater	\$21,722	\$11,304	52.0%
25th percentile	\$27,018	\$12,250	50.0%
Median	\$29,184	\$16,363	50.0%
Average	\$32,444	\$16,613	51.2%
75th percentile	\$37,423	\$17,794	55.5%
District of Vanderhoof	\$40,833	\$13,612	33.3%

There appears to be a reasonably strong relationship between size of municipality (population and consolidated expenses) and remuneration of Council members.

The District of Vanderhoof Mayor remuneration is higher than the 75th percentile of the market, and is third highest amongst the comparison municipalities. The Councillor remuneration is low relative to the market, and is third lowest amongst the comparison municipalities. The Councillor salary is 33% of the Mayor's, vs the market median of 50%.

ACTING MAYOR PAY

Only two of the comparison municipalities have a policy to provide Acting Mayor pay. One provides an extra \$5.00 per day for absences exceeding 60 days, and the other pro-rates the Mayor's rate for the duration of the acting responsibilities. One of the comparison municipalities has a Deputy Mayor.

The District of Vanderhoof does not provide extra pay for Councillors who act in the Mayor's role during his or her absence.

VEHICLE ALLOWANCE

Vehicle allowances are not provided to the Council members at the comparison municipalities, nor at the District of Vanderhoof.

GROUP BENEFITS

Group benefits are not generally provided to Council members at the District's comparison municipalities. This is consistent with other smaller municipalities across the Province.

Accident insurance is typically provided for business travel amongst the comparison municipalities, but other benefits are not common. One of the municipalities provides life insurance, one provides participation in the employee assistance plan, and two provide extended health and dental. Two municipalities offer group benefits to Council members, but those that participate in the benefits plans are required to pay the premiums.

The District of Vanderhoof provides life and accident insurance and the employee assistance plan services.

PENSION, RETIREMENT, OR TRANSITION ALLOWANCE

None of the municipalities provides pension, retirement or transition allowances, nor does the District of Vanderhoof.

APPROACHES FOR REVIEWING AND ADJUSTING COUNCIL MEMBER SALARIES

About half of the comparison organizations do not have a policy or regular practice of undertaking a comprehensive review of Mayor and Council remuneration. Where a municipality does regularly review Mayor and Council remuneration, the approach is normally to compare with other municipalities that are similar in size and/or region. For this, they typically conduct a market survey of their comparison municipalities in advance of the next election for decision by the current Council.

For adjustments in the years in between the more comprehensive reviews, the municipalities typically make annual adjustments based on changes in the consumer price index. One municipality will not adjust its Council remuneration in 2023.

The District of Vanderhoof has a practice of reviewing Mayor and Council remuneration in election years. Annual increases for Council and staff are based on CPI.

SUMMARY AND RECOMMENDATIONS

Table 3 summarizes the current remuneration for the Mayor and Councillors at the District of Vanderhoof compared with the median (middle) of the market:

Table 3 - District of Vanderhoof Current Salary Compared With the Market Median

	2022 MARKET MEDIAN SALARY	DISTRICT OF VANDERHOOF CURRENT SALARY	VANDERHOOF VS. MARKET MEDIAN
Mayor	\$29,184	\$40,833	140%
Councillor	\$16,363	\$13,612	83%

The District's Mayor salary is considerably above market. Therefore, we recommend no adjustment.

The Councillor salary, however, is significantly below the market median and is one of the lowest amongst the comparison municipalities. We recommend adjusting the 2022 Councillor salary to \$17,000, which would put it line with the market, and result in a 41.6% differential with the Mayor's salary which is also in line with the market.

As most of the comparison municipalities annually adjust their Council remuneration by the percentage CPI change, we recommend the District of Vanderhoof provide an annual adjustment to the Councillor salary. However, we recommend the District consider holding the Mayor's salary at the 2022 rate and revisit it prior to the next election.