



City of Port Moody

Report/Recommendation to Council

Date: December 5, 2023
Submitted by: General Manager of Corporate Services
Subject: Council Indemnity Review – November 2023

Purpose

This report provides information supporting a remuneration increase for Mayor and Council to be effective January 1, 2023.

Recommended Resolution(s)

THAT, as recommended in the report dated December 5, 2023, from the General Manager of Corporate Services regarding Council Indemnity Review – November 2023, remuneration for Mayor and Council be increased to the following annual amounts effective January 1, 2023:

- **Mayor: \$142,970; and**
- **Council: \$54,720;**

AND THAT staff conduct a further review of benefits, such as acting pay and other elements of compensation, in 2024, to complete the market review;

AND THAT a Corporate Policy titled “Council Remuneration Review” be developed in 2024.

Background

Council remuneration is established by Council resolution. Currently, Council’s general increases are established annually in accordance with the 2005 Council Indemnity Task Force which are recommendations approved at the regular council meeting on May 10, 2005. A memorandum is provided to Council each year reflecting the CPI adjusted increase. The resolution is:

“THAT the annual indemnity be adjusted each year in accordance with the Vancouver Consumer Price Index (CPI).”

Based on Council's direction, the following resolutions have impacted adjustments and reviews, since 2005:

Full Council Compensation Review 2005: Council Indemnity Task Force - At the regular council meeting on May 10, 2005, and subsequent Council resolution, a motion was passed to conduct a review every six years.

Full Council Compensation Review 2013: Compensation Consultant - A compensation consultant was engaged, this resulted in new base pay for Mayor and Council as well as the addition of benefit premium coverage. Approval took place at the December 17, 2013, Council meeting and took effect January 1, 2014.

Financial Services Recommended Change November 2018 - A change in the 2017 federal budget necessitated the need for an adjustment for municipal officers' allowance. The change to the municipal officers' allowance decreased net pay for Mayor and Council, as tax and source deductions were applied to the non-accountable allowance portion of pay. Council approved a change at the November 27, 2018, Council meeting.

Given that a full review has not been undertaken since 2013, staff sought Council direction to undertake a compensation review at the regular meeting of Council on October 17th and the following resolution was passed:

THAT the General Manager of Corporate Services oversee a market review for Council indemnity as recommended in the memo dated October 17, 2023, from the Corporate Services Department – Human Resources Division regarding Council Indemnity.

Discussion

2023 Council Remuneration Review

As referenced in the October 17, 2023, report, based on Council Indemnity Task Force recommendations in 2005, a resolution was passed that an adjustment be made to Council's indemnity rate according to the Vancouver Consumer Price Index each year and, that a market review be conducted a minimum of every six years.

Staff oversaw a market review which included many regional comparators including the following:

- City of Coquitlam
- City of Maple Ridge
- District of North Vancouver
- City of New Westminster
- City of Port Coquitlam
- City of North Vancouver
- District of West Vancouver
- City of Langley
- City of White Rock

Based on completion of an analysis of comparators, the following is a summary of the market data:

MUNICIPALITY	MAYOR	COUNCILLOR	COUNCILLOR VS MAYOR
25 th Percentile	\$138,640	\$49,150	36.6%
Median	\$142,000	\$52,220	38.5%
Average	\$142,970	\$54,720	38.3%
75th Percentile	\$143,590	\$56,540	40.0%
CITY OF PORT MOODY	\$126,360	\$45,851	36.3%

Staff are recommending placement at the average level which results in a change for Council members from \$50,800 to \$54,720 and \$126,360 to \$142,970 for the Mayor. It is important to note that this recommendation is for base salaries only.

Given that a formal compensation review has not taken place since 2013, staff are recommending that any increase be retroactive to January 1, 2023, and that a further review of other benefits such as acting pay and other elements of compensation take place in 2024. This would then conclude a full market review for 2023.

Council Remuneration Review Policy

In 2005, the Council Indemnity Task Force recommended that a remuneration review occur every six years however, a corporate policy establishing how this direction was to be carried out was not determined, at that time. To incorporate the Council remuneration review into a consistent and sustained process, it is recommended that Council direct staff to bring forward a recommended corporate policy. Such a policy would include:

1. That a consistent methodology be undertaken.
2. Human Resources staff oversee a market review every six years.
3. Continued adjustment to the indemnity rate according to the Vancouver Consumer Price Index each year.
4. That base pay, acting pay and other benefits all be included in a market review.
5. That any pay adjustments take effect on January 1 in the six-year anniversary period.

Other Option(s)

Council may endorse the proposed recommendation or amend the proposed recommendation. If Council chooses not to amend the remuneration, a motion requesting that the current rates remain should be considered.

Financial Implications

An approval of the recommended salary changes would result in a 2023 retroactive salary payment totalling \$69,824 and an increase of \$72,617 to the 2024 budget. Below is a financial breakdown of this total:

	Mayor	Councillor	Total
Current	126,360	45,851	401,466
Recommended 2023	142,970	54,720	471,290
2023 Increase	16,610	53,214	69,824
Increase to 2024 Budget	17,274	55,343	72,617
Tax increase to 2024	0.03%	0.11%	0.14%

Communications and Civic Engagement Initiatives

There are no communications or civic engagement initiatives associated with the recommendations in this report.

Council Strategic Plan Goals

Keeping compensation whole by adjusting remuneration for Mayor and Council promotes the strategic plan objective to Lead with Good Governance. Offering fair compensation for Mayor and Council enables the City to attract qualified candidates who will in turn offer service excellence to residents.

The recommendations in this report align with the following Council Strategic Plan Goal(s):

- Strategic Goal 1.1 – Prioritize Core Services
- Strategic Goal 1.3 – Lead with Good Governance

Report Author

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General Manager of Corporate Services

Report Approval Details

Document Title:	Council Indemnity Review – November 2023.docx
Attachments:	
Final Approval Date:	Nov 29, 2023

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

Stephanie Lam, City Clerk and Manager of Legislative Services - Nov 28, 2023

Tim Savoie, City Manager - Nov 29, 2023