



Corporate Services Committee Meeting Agenda

Wednesday, April 11, 2018
Board Room
175 Ingram Street, Duncan, BC

4:00 PM

1. APPROVAL OF AGENDA

2. ADOPTION OF MINUTES

M1. Corporate Services Committee Meeting of February 14, 2018

Recommendation That the minutes of the Corporate Services Committee meeting of February 14, 2018 be adopted.

3. BUSINESS ARISING FROM THE MINUTES

4. PUBLIC INPUT PERIOD

The purpose of the Public Input Period is to provide the public with an opportunity to comment on an agenda item before the Board / Committee / Commission considers the item. The Public Input Period Procedure Policy provides for the public input period to proceed in a timely fashion. Public Input Period items cannot include matters which are, or have been, the subject of a Public Hearing.

5. DELEGATIONS

6. CORRESPONDENCE

7. INFORMATION

8. REPORTS

R1. Report from the Human Resources Division Re: Directors Remuneration Review

Recommendation For information.

9. UNFINISHED BUSINESS

10. NEW BUSINESS

11. QUESTION PERIOD

Questions shall be addressed to the Chair and must be truly questions and not statements of opinions. Questioners are not permitted to make a speech.

12. CLOSED SESSION

Motion that the meeting be closed to the public in accordance with the *Community Charter* Part 4, Division 3, Section 90, subsections as noted in accordance with each agenda item.

13. ADJOURNMENT

Minutes of the Corporate Services Committee Meeting held on Wednesday, February 14, 2018 in the Board Room, 175 Ingram Street, Duncan BC at 3:08 PM.

PRESENT: Chair B. Day
Director S. Acton
Director K. Davis
Director M. Dorey <after 3:56 PM>
Director L. Iannidinardo
Director S. Jackson
Director K. Kuhn
Director J. Lefebure
Director K. Marsh
Director M. Marcotte
Director I. Morrison
Director A. Nicholson
Director A. Stone
Director T. Walker

ALSO PRESENT: B. Carruthers, Chief Administrative Officer
J. Barry, Corporate Secretary
M. Kueber, General Manager, Corporate Services
R. Blackwell, General Manager, Land Use Services
J. Elzinga, General Manager, Community Services
S. Moss, Manager, Finance
K. Miller, Manager, Environmental Services
A. Jeffery, Procurement Officer
B. Suderman, Planner III
T. Daly, Recording Secretary

ABSENT: Director M. Clement

CLOSED SESSION

It was moved and seconded that the Closed Session agenda be approved.

MOTION CARRIED

3:08 PM **It was moved and seconded that the meeting be closed to the public in accordance with the *Community Charter* Part 4, Division 3, Section 90 (1)(c) Employee Relations; and the October 11, 2017 Closed Session Regular Corporate Services Committee minutes.**

MOTION CARRIED

RISE FROM CLOSED SESSION

3:59 PM **It was moved and seconded that the Committee rise without report, and return to the Open portion of the meeting.**

MOTION CARRIED

3:59 PM It was moved and seconded that the Committee recess until 4:30 PM.

MOTION CARRIED

4:32 PM The meeting resumed at 4:32 PM.

APPROVAL OF AGENDA

It was moved and seconded that the agenda be approved.

MOTION CARRIED

ADOPTION OF MINUTES

M1 Regular Corporate Services Committee meeting of October 11, 2017

It was moved and seconded that the minutes of the Regular Corporate Services Committee meeting of October 11, 2017 be adopted.

MOTION CARRIED

M2 Special Corporate Services Committee meeting of November 30, 2017

It was moved and seconded that the minutes of the Special Corporate Services Committee meeting of November 30, 2017 be adopted.

MOTION CARRIED

CORRESPONDENCE

C1 Two-Year Pilot Project Re: AVICC Regional Community Benefit Hub

It was moved and seconded that the Association of Vancouver Island Coastal Communities Regional Community Benefit Hub correspondence be referred to staff to explore the feasibility and next steps for the Cowichan Valley Regional District to join the "Social Procurement Hub" as a founding member.

MOTION CARRIED

REPORTS

R1 Report from the Manager, Finance Re: CVRD 2017 Audit Plan

It was moved and seconded that it be recommended to the Board that the 2017 Audit Planning Communication Report, as submitted by the audit firm BDO Canada LLP be received.

MOTION CARRIED

R2 Report from the Corporate Secretary Re: Election Candidate Nomination Process

It was moved and seconded that it be recommended to the Board that a bylaw be prepared to amend Election and Assent Voting Procedures Bylaw No. 4126

to include a requirement that a candidate must be nominated by 10 eligible electors from the appropriate electoral area.

MOTION DEFEATED

R3 Report from the Chief Administrative Officer Re: Proposed Services for 2018 Public Approval

It was moved and seconded that discussion of the various proposed services for 2018 public approval be referred to the February 28, 2018 Regional Services Committee meeting.

MOTION CARRIED

R4 Report from the Senior Planner, Community Planning Re: Affordable Housing - Cowichan Housing Association's Proposal to Establish a Regional Service

Referred to the February 28, 2018 Regional Services Committee discussion regarding various proposed services for 2018 public approval.

R5 Report from the Corporate Secretary Re: Options and Timing for Seeking Public Approval - Regional Grant-in-Aid Service Establishment Proposal

Referred to the February 28, 2018 Regional Services Committee discussion regarding various proposed services for 2018 public approval.

ADJOURNMENT

5:29 PM **It was moved and seconded that the meeting be adjourned.**

MOTION CARRIED

The meeting adjourned at 5:29 PM.

Chair

Recording Secretary

Dated: _____



STAFF REPORT TO COMMITTEE

DATE OF REPORT March 28, 2018
MEETING TYPE & DATE Corporate Services Committee of April 11, 2018
FROM: Human Resources Division
Corporate Services Department
SUBJECT: Directors Remuneration Review
FILE:

PURPOSE/INTRODUCTION

The purpose of this report is to review Board member remuneration in comparison to other British Columbia Regional Districts.

RECOMMENDED RESOLUTIONS

For information.

BACKGROUND

Adjustment and administration of Board remuneration is governed by Chairperson, Directors and Alternate Directors Remuneration Bylaw No. 2063. This bylaw sets out that the Board's remuneration shall be incremented by the same salary adjustment figure as CUPE employees receive. Since then, adjustments to the Board's remuneration and benefits have been as follows;

Year	Annual Increase	Base Salary Adjustment
2010	3.5 %	
2011	3.5%	
2012	2.5%	
2013	2.5%	Review initiated
2014	1.3%	Review completed
2015	1% January, 1% July	Board Chair 9.84% EA Directors 16.5%
2016	1% January, 1% July	
2017	1.99%	
2018	1.99%	

In 2013, a Board compensation review revealed that relative to other regional districts, the Board chair was paid *well below* the median, while municipal directors were paid *well above* the median, and electoral area directors *at* the median.

Adjustments following from that review were implemented for January 1, 2015. In addition to the 1% (January 1) and 1% (July 1) adjustments matching the CUPE settlement, Board Chair

remuneration was increased by \$2,238.75 representing a 9.84% increase and Electoral Area Directors remuneration was adjusted by \$4,022 representing a 16.5% increase.

ANALYSIS

Two different sets of comparators were used for this compensation analysis.

Group 1 was for 20+ BC Regional Districts (count depended on the role)

Group 2 was for a select group of Regional Districts that have been identified as being desirable comparators in past reviews and consists of; Capital RD, Fraser Valley RD, Comox RD, Nanaimo RD and Central Okanagan RD.

All comparisons were based on 2017 data. The following table summarizes the comparison for each of the Board positions – Chair, Electoral Area Director and Municipal Director. Source documents are attached for reference.

Group	Board Chair		Electoral Area Director		Municipal Director	
	1	2	1	2	1	2
Number of Comparators	24	5	23	5	22	5
CVRD Remuneration	\$26,270	\$26,270	\$30,086	\$30,086	\$17,210	\$17,210
Mean	\$21,179	\$30,000	\$20,269	\$27,593	\$11,549	\$13,626
Median	\$20,069	\$29,604	\$16,406	\$24,190	\$11,582	\$13,205
CVRD as a percentile of the Group	68 th	23 rd	81 st	71 st	95 th	99 th

The figures used for this comparison are straight remuneration and expense amounts from a survey from that was shared with the CVRD in the fall of 2017, and additional data from the CivicInfoBC database. In reality, each regional district has different policies for reimbursing their elected officials for things outside base salary and expenses. The take home pay of elected officials across the province on Statement of Financial Information (SOFI) reports is highly variable as a result and difficult to use for direct comparison. As there is no single consolidated SOFI for this parameter, the process of surveying each Regional District’s SOFI report for the information would be a highly time consuming task to perform internally. Should the Board wish to undertake a more complex analysis, I would recommend engaging a consultant.

Recently the Board received an update on *Income Tax Act* changes taking effect in 2019 and their impact on take home pay for elected officials. This report is attached for convenience. Information is not yet available regarding whether BC Local Governments will be making remuneration changes for elected officials in response to the new legislation, and if so, how widely adopted those changes are.

FINANCIAL CONSIDERATIONS

None at this time.

COMMUNICATION CONSIDERATIONS

N/A

STRATEGIC/BUSINESS PLAN CONSIDERATIONS

This recommendation supports the Strategic Focus Area of Sound Fiscal Management.

Referred to (upon completion):

- Community Services (*Island Savings Centre, Cowichan Lake Recreation, South Cowichan Recreation, Arts & Culture, Public Safety, Facilities & Transit*)
- Corporate Services (*Finance, Human Resources, Legislative Services, Information Technology, Procurement*)
- Engineering Services (*Environmental Services, Recycling & Waste Management, Water Management*)
- Land Use Services (*Community Planning, Development Services, Inspection & Enforcement, Economic Development, Parks & Trails*)
- Strategic Services

Prepared by:



Barbra Mohan, MBA, CPHR
Manager

Reviewed by:

Not Applicable
Not Applicable



Mark Kueber, CPA, CGA
General Manager

ATTACHMENTS:

- Attachment A – 2017 Regional District Elected Officials Remuneration Survey
- Attachment B – 2018-2020 Directors Remuneration Grid
- Attachment C - Staff Report *Income Tax Act* Changes Impacting Elected Officials in 2019

2017 Regional District Elected Officials Remuneration Survey*

Regional District	Board Chair	Electoral Area Director	Municipal Director
Alberni-Clayoquot	\$ 6,328	\$ 10,351	\$ 5,736
Bulkley-Nechako	\$ 12,576	\$ 14,019	\$ 8,657
Capital	\$ 42,737	\$ 49,472	\$ 17,298
Cariboo	\$ 25,245	\$ 10,098	\$ 10,098
Central Coast	\$ 4,800	\$ 1,800	
Central Kootenay	\$ 31,764	\$ 33,396	\$ 12,948
Central Okanagan	\$ 36,000	\$ 14,000	\$ 14,000
Columbia Shuswap	\$ 24,102	\$ 16,406	\$ 11,622
Comox Valley	\$ 29,604	\$ 31,128	\$ 12,072
East Kootenay	\$ 18,000	\$ 22,359	\$ 11,180
Cowichan Valley RD	\$ 25,000	\$ 29,030	\$ 16,606
Fraser Valley	\$ 26,940	\$ 19,177	\$ 11,557
Fraser-Fort George	\$ 14,500	\$ 16,500	\$ 10,500
Kitimat-Stikine	\$ 4,161	\$ 10,925	\$ 5,722
Mount Waddington	\$ 16,257	\$ 9,379	\$ 7,499
Nanaimo	\$ 19,500	\$ 24,190	\$ 13,205
North Okanagan	\$ 15,600		\$ 7,068
Okanagan-Similkameen	\$ 30,963	\$ 14,220	\$ 6,092
Peace River	\$ 22,200	\$ 15,600	
Powell River	\$ 8,232	\$ 13,339	\$ 8,173
Skeena-Queen Charlotte	\$ 32,212	\$ 45,646	\$ 28,513
Squamish-Lillooet	\$ 10,724	\$ 25,000	\$ 12,500
Strathcona	\$ 20,637	\$ 32,325	\$ 12,425
Sunshine Coast	\$ 36,383	\$ 12,911	\$ 11,607
Thompson-Nicola	\$ 18,830	\$ 23,954	\$ 15,600
Group 1 Count	24	23	22
CVRD	\$ 26,270	\$ 30,086	\$ 17,210
Mean	\$ 21,179	\$ 20,269	\$ 11,549
Median	\$ 20,069	\$ 16,406	\$ 11,582
CVRD Percentile Rank	68%	81%	95%
Group 2 Count	5	5	5
CVRD	\$ 26,270	\$ 30,086	\$ 17,210
Mean	\$ 30,956	\$ 27,953	\$ 13,626
Median	\$ 29,604	\$ 24,190	\$ 13,205
CVRD Percentile Rank	23%	71%	99%

*Based on an email survey in 2017 in which we participated and received results, as well as information compiled from CivicInfo BC.

Note: When a salary range was reported, the top figure in the range was used in this table and the resulting analysis.

Attachment B

Directors' Remuneration Grid

YEAR	Adjustment	Chair	Municipal	Electoral Area
2018	1.99%	\$ 26,792.87	\$ 17,552.22	\$ 30,684.50
2019	1.99%	\$ 27,326.05	\$ 17,901.51	\$ 31,295.12
2020	1.99%	\$ 27,869.84	\$ 18,257.75	\$ 31,917.89



STAFF REPORT TO THE BOARD

DATE OF REPORT February 20, 2018

MEETING TYPE & DATE Board Meeting of February 28, 2018

FROM: Human Resources Division
Corporate Services Department

SUBJECT: *Income Tax Act* Changes Impacting Elected Officials in 2019

FILE:

PURPOSE/INTRODUCTION

The purpose of this report is to provide the Board with information regarding changes to the taxation of elected officials' income that will take effect in 2019.

RECOMMENDED RESOLUTION

For information.

BACKGROUND

At least as far back as 1979 (possibly earlier), the bylaw governing elected official remuneration at the CVRD has included the language;

"One third (1/3) of the annual remuneration shall be considered as an allowance for expenses incidental to the discharge of the Director's duties of office".

(For your reference, Attachment A is an updated remuneration schedule, which includes the adjustment to remuneration resulting from the CUPE Local 358 contract settlement.)

For as long as the bylaw has been adopted, Canada's *Income Tax Act* has allowed for the one third (1/3) expense allowance for elected officials to be non-taxable. To qualify, the expense allowance had to be "non-accountable", meaning defined broadly and not requiring individual supporting receipts for each expense. Both the CVRD bylaw and the *Income Tax Act* do not specify what the nature of the expenses are – they may include travel, meals, accommodation – but are not restricted to those.

There are some provisions in the *Income Tax Act* for what happens when the expense allowance represents more than 50% of an elected official's remuneration, whereby the amount over 50% is included as taxable income, but since the CVRD has only ever had the language above, it does not apply.

In addition to the one third (1/3) of Directors' remuneration that is considered an expense allowance, Directors have also always been able to claim their "accountable expenses". Currently they are covered by two policies; the Business Expenses Policy and the Car Allowance for Elected Officials Policy, which provides additional expense reimbursement for mileage when using a personal vehicle, accommodation, air travel, meals and incidentals, and taxis. These policies are included for your information as Attachments B and C. (In fact, per diems for meals are technically not "accountable expenses" in the Business Expenses Policy).

In 2017, the federal government announced that beginning in 2019, non-accountable expense allowances in elected officials' remuneration (i.e. one-third of CVRD Director's remuneration) would be subject to income tax. The reason given was that ordinary taxpaying Canadians who incur non-accountable expenses (i.e. not claimable from their employer with a receipt) in the course of their

employment, do not have the benefit of claiming those expenses as non-taxed income and so the ability of elected officials to do so represented an unfair benefit.

ANALYSIS

Given that the amount of income tax is unique to their situation, it is impossible for the CVRD to know the financial impact of this change for each Director. Using 2018 figures, the range of impact is between \$33.75 and \$187.61 per pay period.

This table gives an example of the impact based on the basic tax brackets and using 2018 tax rates and expense allowance amounts.

Position	2018 Annual Expense Allowance Portion of Remuneration	15% on the first \$46,605	20.5% \$46,605-\$93,208	26% \$93,208-\$144,489	29% \$144,489-\$205,842	33% on income over \$205,842
Board Chair	\$ 14,781.69	\$ 2,217.25	\$ 3,030.25	\$ 3,843.24	\$ 4,286.69	\$ 4,877.96
Municipal Director	\$ 5,850.74	\$ 877.61	\$ 1,199.40	\$ 1,521.19	\$ 1,696.71	\$ 1,930.74
EA Director	\$ 10,228.17	\$ 1,534.22	\$ 2,096.77	\$ 2,659.32	\$ 2,966.17	\$ 3,375.30

This legislation change will be administered by payroll beginning in 2019, at which point Directors may notice a change to their net income.

FINANCIAL CONSIDERATIONS

This legislative change has no significant financial impacts for the CVRD.

COMMUNICATION CONSIDERATIONS

This report for the Board's information represents the extent of the communication planned on this change. After elections in the fall of 2018, we can redistribute this report otherwise communicate to the new Board before the first pay period of 2019.

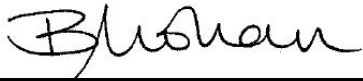
STRATEGIC/BUSINESS PLAN CONSIDERATIONS

Referred to (upon completion):

- Community Services (*Island Savings Centre, Cowichan Lake Recreation, South Cowichan Recreation, Arts & Culture, Public Safety, Facilities & Transit*)
- Corporate Services (*Finance, Human Resources, Legislative Services, Information Technology, Procurement*)
- Engineering Services (*Environmental Services, Water Management, Recycling & Waste Management*)
- Land Use Services (*Community Planning, Development Services, Inspection & Enforcement, Economic Development, Parks & Trails*)
- Strategic Services

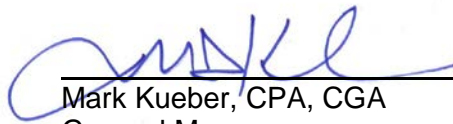
Prepared by:

Reviewed by:



Barbra Mohan, MBA, CPHR
Manager

Not Applicable
Not Applicable



Mark Kueber, CPA, CGA
General Manager

Reviewed for Form and Content and Approved for Submission to the Board:
Chief Administrative Officer's Comments / Concurrence



Brian Carruthers
Chief Administrative Officer

ATTACHMENTS:

- Attachment A – CVRD Remuneration Schedule for Elected Officials
- Attachment B – Business Expenses Policy
- Attachment C – Car Allowance for Elected Officials Policy

		YEAR	REMUNERATION	EXPENSE ALLOWANCE	TOTAL	BIWEEKLY
Municipal	1.99%	01-Jan-17	11473.17	5736.58	17209.75	\$661.91
	1.99%	01-Jan-18	11701.48	5850.74	17552.22	\$675.09
	1.99%	01-Jan-19	17901.51	0.00	17901.51	\$688.52
	1.99%	01-Jan-20	18257.75	0.00	18257.75	\$702.22
Electoral	1.99%	01-Jan-17	20057.19	10028.60	30085.79	\$1,157.15
	1.99%	01-Jan-18	20456.33	10228.17	30684.50	\$1,180.17
	1.99%	01-Jan-19	31295.12	0.00	31295.12	\$1,203.66
	1.99%	01-Jan-20	31917.89	0.00	31917.89	\$1,227.61
Chair	1.99%	01-Jan-17	28986.57	14493.27	43479.85	\$1,672.30
	1.99%	01-Jan-18	29563.40	14781.69	44345.10	\$1,705.58
	1.99%	01-Jan-19	27326.05+		0.00	\$0.00
	1.99%	01-Jan-20	27869.84+		0.00	\$0.00

This amount differs because the bylaw reads that starting Jan 1, 2015 the director will get \$25,000 plus the remuneration for either the Electoral or Municipal remuneration.

In 2017 and 2018 the chair was municipal

ALTERNATE DIRECTOR

		YEAR	REMUNERATION	EXPENSE ALLOWANCE	TOTAL
1.99%		01-Jan-17	85.31	42.65	\$127.96
1.99%		01-Jan-18	87.01	43.50	\$130.51
1.99%		01-Jan-19	133.11	0.00	\$133.11
1.99%		01-Jan-20	135.76	0.00	\$135.76

TREATY ADVISORY

		YEAR	REMUNERATION	EXPENSE ALLOWANCE	TOTAL
1.99%		01-Jan-17	197.91	98.95	\$296.86
1.99%		01-Jan-18	201.85	100.92	\$302.77
1.99%		01-Jan-19	\$308.80	0.00	\$308.80
1.99%		01-Jan-20	\$314.95	0.00	\$314.95



BUSINESS EXPENSES POLICY

Applicability: All CVRD

Effective Date: June 13, 2012

PURPOSE:

To establish a policy regarding reimbursement for business expenses.

POLICY:

You will be reimbursed for legitimate business expenses that you incur in the course of performing your job. When spending the CVRD's money, we urge you to think about it as your own, and please use moderation.

1. Mileage

- a.** If you are required to use your vehicle on approved CVRD business, you will be reimbursed for business mileage at the current cents-per-kilometre rate.
- b.** Reimbursement will be at the current rate established and updated by the Canada Revenue Agency, and deemed to be a reasonable non-taxable allowance. [CVRD Mileage Claim Form](#)
- c.** Reimbursement will not include the distance for your normal commute, i.e. the distance you normally drive each way between your residence and your workplace.

2. Accommodation

- a.** We will reimburse you for a standard room plus tax for out-of-town travel.
- b.** We will not cover personal purchases, such as mini-bar items, room service, movies, haircuts, and other personal services while you are away.
- c.** If you choose to stay at a relative's or friend's house to minimize costs, the CVRD will provide you with \$35.00 per night.

3. Air travel

- a.** CVRD employees are required to fly economy class for business travel.

4. Meal, Gratuity, and Incidental Expenses

- a.** If you are required to travel overnight, you will receive up to \$75.00 per diem for expenses not covered by your event. Meal, gratuity, and incidental per diems are as follows:
 - i.** Breakfast \$15.00
 - ii.** Lunch \$20.00
 - iii.** Dinner \$25.00
 - iv.** Incidental (if staying overnight) \$15.00

business use and that for driving to and from work.) Most insurance policies allow for 2000-2500 km of 'business use' per year at no additional cost.

- b.** It is your responsibility to check with your insurance provider regarding what is and is not included, and to determine if additional premiums are required so that you have appropriate insurance coverage.

9. Change in Driver's License Class Required by Job

- a.** If your job requires a change in Class (e.g., driving a truck or bus) to your Driver's License from the standard operating class, the CVRD will reimburse you for the cost of the required medical exam, when supported by appropriate receipts.

Approved by: CVRD Board Approval date: June 13, 2012



CAR ALLOWANCE FOR ELECTED OFFICIALS POLICY

Applicability: Board of Directors

Effective Date: September 13, 2017

PURPOSE:

To define the conditions of remuneration for use of private vehicles for business purposes by Directors of the Board.

POLICY:

A Director or Alternate Director required to use their private vehicle for attendance at the following shall be reimbursed at the current mileage rate:

1. A Board, Commission, Select Committee, Standing Committee, or Sub-Committee meeting (regular or special);
2. A meeting of a non-CVRD organization to which the Director has been appointed to by the Board;
3. A Public Hearing to which the Director has been delegated by the Board to attend;
4. A non-committee meeting that has been approved by the Board;
5. Attendance at UBCM / AVICC conventions or seminars;
6. A conference, seminar, or workshop with prior approval by the Board, or is in compliance with the Conference and Seminars for Directors Policy;
7. A special purpose that has received prior approval by the Board;
8. A meeting scheduled in advance with staff; or
9. A scheduled public meeting where issues will be discussed that may result in the issue being considered at a future date by a Committee, Commission, or the Board.

Submitted claims shall be reviewed by the CAO. Any dispute shall be taken before the Chairperson of the Board for final decision.

Approved by: CVRD Board Approval Date: September 13, 2017
--