Appendix A – Summary of Best Practices

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Section 2 - Who Should Conduct Reviews (pgs.7 to 11)

Options

- · local government staff, experienced consultant, or independent task force
- consider resource availability, independence, costs, and credibility

<u>Best Practice</u> – consider establishing an independent task force to conduct reviews

Success factors

- Membership that offers diversity while keeping to a practical number;
- terms of reference offers guidance on methodology and items to consider;
- sufficient support resources to manage meetings and assist in the work

Section 3 - Timing and Frequency of Reviews (pgs. 12 to 16)

Timing of reviews

- · Local conditions considered, including economic;
- Establish policy that reduces discretionary action;
- Election cycle timing to allow opportunity for scrutiny and discussion;
- Tax system changes that may result in financial loss (2018).

Best Practice – conduct reviews and report results in a non-election year

Frequency of reviews

- Regular reviews ensure fair remuneration over time and encourage diversity;
- Policies can provide consistency in practice, including frequency & timing.

Best Practices - consider conducting reviews once per term; set timing through policy

Annual Adjustments

- Only conduct formal reviews of pay, expenses and benefits once per term;
- In-between, policy to automatically adjust remuneration to reflect cost of living.

<u>Best Practice</u> – enact in policy, automatic cost of living adjustment to base remuneration

Implementation of changes

- Base remuneration under full authority of Board to determine when/if to review and when changes implemented;
- Tax system changes resulting in financial loss is considered reasonable adjustment and time sensitive:
- Annual adjustments designed to be nominal (not real) protect base rates in-between full remuneration reviews.

<u>Best Practices –</u> have results of a full remuneration review take effect the following term; consider annual changes for cost of living adjustments or tax system changes.

Section 4 - Setting Remuneration (pgs. 17-35)

Remuneration

 Includes detail discussion on the bases of comparison, comparative groups, use of the data, and supplemental payments.

<u>Best Practices</u> – compare at least five similar jurisdictions, include workload and level of responsibility, use simple formulas for remuneration levels that are easy to understand; and consider supplemental payments to non-core meetings.

Expenses

• Includes consideration of eligible expenses, local considerations and evolving eligible expenses to ensure barriers to participation are limited

<u>Best Practices</u> – ensure consideration of expenses reflect roles and local conditions and remain flexible to changing needs.

Benefits

• consider the provision of benefits based on eligibility, cost apportionment, size of local government and evolving range of benefits over time.

<u>Best Practices</u> – consider providing elected officials and families access to benefits with a clear pro-rated or full incremental cost of coverage that changes over time.

Please note:

pages 40-42 of the UBCM Council & Board Remuneration Guide provides a full summary of best practices.