



Date: 06/04/2023

To: Chair and Directors, Cariboo Regional District Board

And To: Brian Carruthers, Interim Chief Administrative Officer

From: Kevin Erickson, Chief Financial Officer

Date of Meeting: Cariboo Regional District Board_Apr14_2023

File: 1700-01

Short Summary:

Report on the Financial Implications of Changes to Board Remuneration Amounts

Voting:

Corporate Vote - Unweighted

Memorandum:

At its March 24, 2023 meeting the Board endorsed the following resolution from the March 23, 2023, Committee of the Whole meeting :

That the memorandum from Alice Johnston, Manager of Corporate Services/Deputy CAO, dated March 15, 2023, regarding the Board's remuneration bylaw, be received. Further, that staff prepare a report for the April 14, 2023, Board meeting that addresses the financial implications of:

- *an increase to the EA Director annual base remuneration to \$28,900*
- *basing mileage and meal allowances to Federal limits; and*
- *removal of the limit on the travel time provision under Schedule C of the Director's Remuneration and Expense Bylaw*

The following is an analysis of each item put forward for discussion.

Basic Remuneration:

The increase in the annual base remuneration will impact two services in so much as basic remuneration is paid out of Electoral Administration while the additional amounts for holding a Chair position are paid out of the Governance Service.

As indicated in the adjusted remuneration report, raising the base remuneration to \$28,900 from the current \$14,422.72 will result in an overall increase of \$279,602.44: \$191,727.12 charged to Electoral Administration and \$87,875.32 charged to the Governance function.

Increasing overall Director Remuneration, before travel and meeting attendance, from \$301,838.94 to \$581,441.38 annually.

Area Name	Monthly Remuneration 2023	Bi-Weekly Remuneration 2023	Monthly Office Allowance	Bi-Weekly Office Allowance	Chairman Vice-Chair CRD	Vice-Chair CRD	Chairman CCRHD	Vice-Chair CCRHD	Finance Audit	Policy Committee	Emergency Preparedness Committee	Broadband Management Portfolio	Solid Waste Committee	Heritage Committee	First Nation Relations	Treaty Advisory Portfolio	Communications Portfolio	Total	Yearly	EA Admin	Governance	
A (Hospital Vice-Chair)	1,076.89	497.03	125.00	57.69	372.77	124.26												678.98	\$17,653.48	\$14,422.72	\$3,230.76	
B	1,076.89	497.03	125.00	57.69														554.72	\$14,422.72	\$14,422.72	\$0.00	
C (CRD Vice-Chair)	1,076.89	497.03	125.00	57.69														1,176.01	\$30,576.26	\$14,422.72	\$16,153.54	
D	1,076.89	497.03	125.00	57.69														124.26	803.24	\$20,884.18	\$14,422.72	\$6,461.46
E	1,076.89	497.03	125.00	57.69														554.72	\$14,422.72	\$14,422.72	\$0.00	
F	1,076.89	497.03	125.00	57.69														124.26	678.98	\$17,653.42	\$14,422.72	\$3,230.70
G (Hospital Chair)	1,076.89	497.03	125.00	57.69														124.26	1,051.75	\$27,345.44	\$14,422.72	\$12,922.72
H (CRD Chair)	1,076.89	497.03	125.00	57.69														746.55	1,424.52	\$37,037.59	\$14,422.72	\$22,614.87
I	1,076.89	497.03	125.00	57.69														124.26	678.98	\$17,653.42	\$14,422.72	\$3,230.70
J	1,076.89	497.03	125.00	57.69															124.26	678.98	\$17,653.42	\$14,422.72
K	1,076.89	497.03	125.00	57.69														554.72	\$14,422.72	\$14,422.72	\$0.00	
L	1,076.89	497.03	125.00	57.69														554.72	\$14,422.72	\$14,422.72	\$0.00	
Municipal Directors																						
WL	1,076.89	497.03	125.00	57.69														554.72	\$14,422.72	\$14,422.72	\$0.00	
Quies	1,076.89	497.03	125.00	57.69														554.72	\$14,422.72	\$14,422.72	\$0.00	
OHM	1,076.89	497.03	125.00	57.69														554.72	\$14,422.72	\$14,422.72	\$0.00	
Wells	1,076.89	497.03	125.00	57.69														554.72	\$14,422.72	\$14,422.72	\$0.00	

		Annual Stipend	\$28,900.00																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																														
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The increase of \$191,727.12 in Electoral Area Admin represents a 7% increase to the 2023 requisition and will result in the tax rate increasing from \$23.51 per 100 thousand to \$25.18 per \$100 thousand.

For Governance the increase of \$87,875.32 equals an increase of 30.7% to the 2023 requisition that will result in the tax rate increasing from \$1.68 per \$100 thousand to \$2.20 per \$100 thousand.

Mileage and Meal Allowances:

Meal Allowances:

Currently the Cariboo Regional District's per diem rates are:

Breakfast \$20.00

Lunch \$25.00

Dinner \$45.00

Incidentals \$10.00

The current Federal Rates are:

Breakfast \$22.80 Lunch \$23.05 Dinner \$56.60 Incidentals \$17.50

In 2023 for Staff and Directors, the CRD paid out \$ 9,635.00 in per diems. The breakdown is 76 breakfasts, 70 lunches 123 dinners and 83 incidentals.

As indicated in the chart below by using the Federal rates the CRD would have experienced an increase cost of \$2,126.60 over what was paid out in 2022:

		Breakfast	Lunch	Dinner	Incidentals		Total
		76	70	123	83		
	Fed	\$1,732.80	\$1,613.50	\$6,961.80	\$1,452.50		\$11,760.60
	CRD	\$1,520.00	\$1,750.00	\$5,535.00	\$830.00		\$9,635.00
	Difference	\$212.80	-\$136.50	\$1,426.80	\$622.50		\$2,125.60

Mileage:

The current policy is to base mileage on the amount paid to the BC public service by the Province of BC. Up until April 1, 2023, the rate being used was \$0.57 per kilometer. On April 1, 2023, the rate was increased to \$0.61 per kilometer. For 2023 the federal rate is \$0.68 per kilometer.

In 2022 Directors and Staff claimed a total of 230,640 kilometers of personal vehicle use for a cost of \$131,464.74. The chart below shows the difference in cost that would have occurred had the new provincial rate of \$0.61 or the Federal rate of \$0.68 been in effect in 2022.

Row Labels	2022 kilometers Claimed	2022 Amount @ \$0.57	Current Provincial Amount @ \$0.61	Current Federal Amount @ \$0.68
Administration	27,035	\$15,409.67	\$16,491.05	\$18,383.47
Building Inspection	3,025	\$1,724.25	\$1,845.25	\$2,057.00
Bylaw Enforcement	8,458	\$4,821.30	\$5,159.64	\$5,751.73
Community/Recreation Services	11,130	\$6,344.36	\$6,789.58	\$7,568.71
Emergency Planning	6,021	\$3,431.79	\$3,672.62	\$4,094.07
Environmental Services	6,841	\$3,899.17	\$4,172.80	\$4,651.64
Governance	81,108	\$46,231.76	\$49,476.09	\$55,153.68
Library Services	11,325	\$6,455.38	\$6,908.39	\$7,701.16
Planning	3,668	\$2,090.55	\$2,237.26	\$2,493.99
Protective Services	32,192	\$18,349.69	\$19,637.39	\$21,890.86
Solid Waste Management	39,837	\$22,706.82	\$24,300.28	\$27,088.84
Grand Total	230,640	\$131,464.74	\$140,690.34	\$156,835.13
Increase over 2022 cost			\$9,225.60	\$25,370.39
Increase from Provincial Rate of \$0.61				\$16,144.79

As it stands, current policy means the CRD will reimburse mileage at the new provincial rate going forward. Based on 2022 mileage claims this will result in an increased cost of \$9,225.50. The chart also gives an indication of how the rate increase will impact the different departments and the size of the degree of difference between the new provincial rate and the 2023 federal rate – an additional cost of \$16,144.79.

Travel Time Remuneration:

The removal of the limit on travel time seems to be a mis-interpretation of Clause 3 in Schedule C of the Director Remuneration bylaw. The restriction on travel time only applies to “Commercial Travel”. The clause is designed to limit the amount paid when travelling by air, hence the clarification that “...travel time by personal vehicle to the airport is calculated on a per hour basis rather than a per kilometer basis.” As the use of a personal vehicle to attend a meeting cannot be considered commercial travel, the restriction in Clause 3 does not apply.

Also raised, was the issue regarding amount paid per 100 kilometers. The \$20 per 100 kilometers has been in effect since 2004. Although the activities remunerated have varied, the amount paid per 100 kilometers has not. It was put forward that some adjustment might be in order to reflect the passage of time.

The table below provides an indication of what the Travel Time rate would be had it been increased by the change in British Columbia CPI over the years.

	Current Travel rate of \$ 20.00 per 100 Kilometers						
		BC CPI		% Change		Adjusted Travel Rate	
	Jan-04	102.3				\$20.00	
	Jan-05	104.4		2.05%		\$20.41	
	Jan-06	106.4		1.92%		\$20.80	
	Jan-07	108.3		1.79%		\$21.17	
	Jan-08	110.1		1.66%		\$21.52	
	Jan-09	112.5		2.18%		\$21.99	
	Jan-10	112.4		-0.09%		\$21.97	
	Jan-11	114.1		1.51%		\$22.31	
	Jan-12	116.7		2.28%		\$22.82	
	Jan-13	117.8		0.94%		\$23.03	
	Jan-14	117.7		-0.08%		\$23.01	
	Jan-15	119.0		1.10%		\$23.26	
	Jan-16	120.4		1.18%		\$23.54	
	Jan-17	122.7		1.91%		\$23.99	
	Jan-18	125.2		2.04%		\$24.48	
	Jan-19	128.6		2.72%		\$25.14	
	Jan-20	131.6		2.37%		\$25.74	
	Jan-21	132.6		0.68%		\$25.91	
	Jan-22	136.6		3.07%		\$26.71	
	Jan-23	146.2		7.01%		\$28.58	

Attachments:

1. Analysis on Changes to Board Remuneration April 14, 2023
2. 2023 BC Public Service Vehicle Allowance
3. 2023 CRD Kilometer Allowance
4. 2023 CRA Meal Allowance

Financial Implications:

For discussion

Policy Implications:

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Alignment with Strategic Plan:

- ☐ **Communication:** Facilitate communication strategies throughout the entire Cariboo Regional District that meet the needs of residents, community stakeholders, and other levels of government.
- ☐ **Planning:** Intentionally plan services and activities of the CRD to prepare for future needs of residents and community stakeholders.

- ☑ **Economic Sustainability:** Foster an environment to ensure the economic sustainability of CRD communities and the region.
- ☑ **Governance:** Ensure that CRD governance policy and practices are intentional, transparent, and respectful.

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CAO Comments:

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Options:

1. Receipt

Recommendation:

That the agenda item summary from Kevin Erickson, Chief Financial Officer, dated April 6, 2023, regarding financial implications of changes to Board Remuneration Amounts, be received.

Further action at the discretion of the Board.