



AGENDA

Committee of the Whole Meeting

9:30 AM - Thursday, December 9, 2021

Community Hall -1473 Broughton Blvd Port McNeill, BC V0N 2R0

Please be aware, if you are attending this meeting, our meetings are recorded for future viewing.

We are privileged to gather on the traditional territory of the Kwakwaka'wakw.

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1. CALL TO ORDER	
2. ADOPT AGENDA	
a) Accept or amend agenda as presented.	
3. PETITIONS AND DELEGATIONS	
4. ADOPTION OF MINUTES	
a) Minutes of the November 26, 2021 Budget Planning Committee of the Whole Committee of the Whole - 26 Nov 2021 - Minutes	3 - 4
5. CORRESPONDENCE	
6. TABLE ITEMS	
7. REPORTS	
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c) Statutory Reserves Historical Data RTC Statutory Reserve Funding	11 - 13
8. BYLAWS	
9. OLD BUSINESS	

- a) Continuation of 2022-2026 Budget Planning
[Schedule J - Ideas from Mayor and Council](#)

- 10. **NEW BUSINESS**
- 11. **ITEMS FROM IN-CAMERA TO BE MADE PUBLIC**
- 12. **IN-CAMERA**
- 13. **QUESTIONS FROM THE PUBLIC AND MEDIA**
- 14. **ADJOURNMENT**



MINUTES

Committee of the Whole Meeting

9:30 AM - Friday, November 26, 2021

Community Hall -1473 Broughton Blvd Port McNeill, BC V0N 2R0

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We are privileged to have gathered on the traditional territory of the Kwakwaka'wakw.

PRESENT: Mayor Gabriele Wickstrom, Councillor Ann-Marie Baron, Councillor Derek Koel, and Councillor Ryan Mitchell

MCROSOFT TEAMS: Councillor Shelley Downey

APOLOGIES: Pete Nelson-Smith, Chief Administrative Officer

ALSO PRESENT: Harinder Singh, Chief Financial Officer, and Connor Mork Deputy Corporate Officer

1 CALL TO ORDER

a) Call to Order

45/2021 Moved, seconded, and CARRIED that the November 26th, 2021, Committee of the Whole was called to order at 9:30 AM

2 ADOPT AGENDA

a) Accept or amend agenda as presented.

46/2021 Moved, seconded, and CARRIED that the agenda of the November 26th, 2021 Committee of the Whole be accepted as presented.

3 PETITIONS AND DELEGATIONS

4 ADOPTION OF MINUTES

5 CORRESPONDENCE

6 TABLE ITEMS

7 REPORTS

a) 2022-2026 Budget Planning Process

8 BYLAWS

9 OLD BUSINESS

10 NEW BUSINESS

11 ITEMS FROM IN-CAMERA TO BE MADE PUBLIC

12 IN-CAMERA

13 QUESTIONS FROM THE PUBLIC AND MEDIA

14 ADJOURNMENT

47/2021 Moved, seconded, and CARRIED that the meeting of the
Committee of the Whole adjourn at 11:43 AM

CAO

Mayor

Memorandum



To: Pete Nelson-Smith, CAO
Meeting Date: December 09, 2021
From: Harinder Singh, CFO
Subject: Mayor & Council Remuneration and Expenses

PURPOSE:

Mayor and Councillor compensation and reimbursement of expenditures is set by bylaw No. 651, 2014 (hereinafter referred to as “MC-CRE”).

It is important that we revisit this to ensure that the compensation is reflective of the level of duties and responsibilities of elected officials in present day and time, and how to attract candidates that otherwise might not be able to afford to run.

RATIONALE FOR REVIEW OF MC-CRE:

- 1. It is important to attract diversity in the council, diversity brings new perspective and is good for any organizational set up. Compensation should be sufficient to attract a broad representation of quality candidates.
- 2. While the position of the current Mayor dedicates almost twice the time spent by a current councillor’s, the Mayor’s hourly rate averages 1.5 times lower than a councillor’s remuneration. This was not the intent of existing bylaw. Historic data on compensation is:

	2021	2020	2019	2018
Mayor	20,458.37	18,821.40	18,679.56	16,730.26
Council	10,784.52	10,279.38	9,720.12	9,115.30

The current Mayor has informed that she is averaging approximately 40 hours for performing her duties and responsibilities, ever since her election. The Mayor informed that her predecessors were averaging approximately similar hours. Councillors are averaging 20 hours a week. At this rate the current compensation rate is averaging at:

Mayor \$/hr.	9.84	9.05	8.98	8.04
Council \$/hr.	13.83	13.18	12.46	11.69

- 3. At the time the existing MC-CRE was implemented one-third of the mayor’s and councillors’ salaries was exempt from income tax. However, in the 2017 federal budget, the Federal Income Tax was revised to eliminate this allowance, thereby leaving Council’s remuneration fully taxable starting in January 2019. This change in

tax rule has reduced Council's after-tax income. To account for this loss (based on the 30 percent tax bracket for each member of council), remuneration would need to rise by roughly 14 percent for each council member to offset the reduction in pay. By not revising the compensation, the council's remuneration has in real terms decreased. Councils across Canada are dealing/have dealt with the change in the act. It is time for Town of Port McNeill to address this.

4. Across British Columbia, different municipalities have addressed this differently. Some examples include:
 - a. Link Mayor and Councilor's compensation to the average wage in the province, with capped hours. The average hourly wage rate across province is \$29.42. To calculate Mayor's salary, some larger municipalities use a rate of \$29.42 times 35 to 40 hours a week for the mayor and 15 to 20 hours per week for the councilors. This would equate to \$61,193.60 per year for the Mayor and \$30,596.80 for councilors for a total of \$183,580.80 per year.
 - b. There are other municipalities which have linked the compensation to the average hourly rate paid to the full-time staff of the Town while capping the number of hours.
 - c. In past, Councillor remuneration has been determined by comparing like sized communities with like sized budgets to ensure equity across the province.
5. Large number of municipalities reimburse their Mayor and Councilor's for using personal cell phone for attending to the Town's business. Town does not do that. This could be included in a Council Remuneration Bylaw.

RECOMMENDATION:

1. That an advisory group be formed. The mandate of the advisory group will be to examine the fair and reasonable remuneration levels, an annual adjustment costing formula and the timing and frequency of any subsequent reviews.
2. The advisory group to consist of three members: one person who is a business owner within the Town of Port McNeill, one person who has previously served on council for the town, and one member at large who resides within the town. This group will be moderated by the town's deputy\chief finance officer. If no previous Councillor volunteers to join, then that position be replaced by a resident of town.
3. The advisory group will provide a final report to the Chief Administrative Officer with its recommendations, no later than January 31st, 2022. This report shall then be presented to the Council in February 2022.
4. We are in the midst of developing 2022 – 2026 budget, having direction from the council on or before end of March 2022 would be a desired outcome.



**TOWN OF PORT MCNEILL
BYLAW NO. 651, 2014**

A bylaw to provide Mayor and Councillor compensation and reimbursement of expenditures.

In accordance with the provisions of the Community Charter, the Council of the Town of Port McNeill in open meeting assembled, enacts as follows:

1. Annual Remuneration to Mayor and Councillors:

1.1 Each year when the data is available from CivicInfo BC the Annual Compensation of Mayor and Councillors will be adjusted by the Compensation Formula.

1.2 Any required adjustment will be made retroactive to January 1st of the current year.

1.3.1 The Compensation Formula is defined as:

50th Percentile of the range of Per Capita Compensation Rates paid to Mayor or Councilor as the case may be;

Multiplied by:

The reported CivicInfo population value for the Town of Port McNeill.

1.3.2 50th Percentile Per Capita Compensation Rate is defined as:

The 50th Percentile of the range of Per Capita Rates of each Municipalities, with a population between 2,000 – 4,999 people that has reported the compensation of Mayor and Councillors.

1.3.2.1 Per Capita Rate is defined as:

The Annual Compensation paid to Mayor or Councillor as the case may be divided by the reported CivicInfo population for the municipality.

2. Income Tax Act:

One third (1/3) of the Annual Compensation will be deemed a payment to the recipient for incidental expenses pursuant to the Canada Income Tax Act.

3. Payment Criteria:

The Annual Compensation will be paid in twelve (12) equal Monthly Installments. To receive payment of a Monthly Installment a Mayor or Councillor must not be disqualified from office.

4. Travel Expense Policy:

Mayor and Councillor will receive reimbursement of travel expenditures in accordance to the Town of Port McNeill's Travel Expense Policy.

5. Repeal:

"Council Indemnity & Remuneration Bylaw No. 536, 2001 is hereby repealed.

5. Effective Date:

This Bylaw becomes effective upon final adoption thereof.

6. Citation:

This bylaw may be cited as "Council Indemnity & Remuneration Bylaw No.651, 2014.

Read a first time the 13th day of May, 2014

Read a second time the 13th day of May, 2014

Read a third time the 13th day of May, 2014

Reconsidered, finally passed and adopted the 2nd day of June, 2014

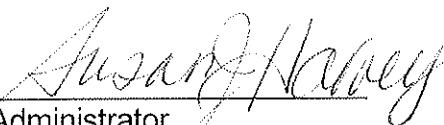


Mayor



Administrator

Certified to be a true and correct copy of Bylaw No. 651, 2014 as adopted.



Administrator

Memorandum



To: Pete Nelson-Smith, CAO
Date: November 25, 2021
From: Harinder Singh
Subject: 2022 Utility Fee Increase

PURPOSE:

To provide Council with the 2022 increases to the Utility Billings fees for Solid Waste, Sewer and Water charges.

BACKGROUND:

Town of Port McNeill has in place three separate Bylaws for the yearly Utility Billings. Per the Bylaws, the increase for the 2022 Utility fees is based the BC Consumer price index (CPI) increase for the year 2020 (0.80%).

Utility Billings are normally prepared in January and offer an early discount of 5% if paid before the end of February, and an additional 25% discount for seniors (65 years or older).

Town is one of few municipalities that accepts property tax and utility fees through credit card. This is an expensive proposition that, in 2021, cost \$40,000 in processing fees.

DIRECTION REQUESTED BY STAFF:

1. Council, by reviewing this report, to provide direction to staff if they can implement the utility increases for the billing of 2022 Utility charges, per existing bylaw.
2. In review of the Statutory Reserve Funding report, does Council wish staff to review the Town's existing utility bylaws to implement increases for 2022, that would include applicable funding towards the Town's reserves?
3. In review of costs associated with credit card payments, does Council wish staff to provide a draft policy to eliminate credit card payments for property taxes and utility taxes?

HISTORICAL DATA:

	2018 Total	2019 Total	2020 Total	2021 Budget	Average
Revenue					
Taxation	1,458,213.00	1,464,334.00	1,498,539.00	1,543,510.03	
PILT	41,761.00	50,989.00	55,678.00	56,618.00	
Sale of Goods & Services	1,632,784.00	1,573,011.00	1,454,628.00	1,466,160.00	
Interest & Investment Income	68,421.00	71,366.64	86,810.00	89,000.00	
Small Communities Grant	466,055.00	480,930.00	495,904.00	480,930.00	
Gas Tax	165,811.00	135,855.00	36,412.00	153,000.00	
Canada Summer Jobs	9,115.00	13,583.00	6,600.00	6,000.00	
Transfer from Reserves				74,000.00	
Total Revenue	3,842,160.00	3,790,068.64	3,634,571.00	3,869,218.03	3,784,004.42
Expenses					
Wages & Benefits	1,217,610.00	1,112,356.00	1,028,205.00	1,196,057.19	
Operating Expenditure	2,572,234.00	1,734,159.00	1,381,171.00	1,537,200.00	
Contract Services	46,133.00	110,434.00	132,645.00	76,650.00	
Interest	77,050.00	72,050.00	72,050.00	135,855.00	
			-		
Total Expenses	3,913,027.00	3,028,999.00	2,614,071.00	2,945,762.19	3,125,464.80
Surplus/Deficit	- 70,867.00	761,069.64	1,020,500.00	923,455.84	658,539.62
Other Cash Items					
Grants	1,015,409.00	152,250.00	978,197.00	3,002,470.00	
Community Forest Partnership		1,001,621.36			
	944,542.00	913,319.64	1,998,697.00	3,925,925.84	

Town is averaging annual revenue of \$3.78 million, with average annual expenditure of \$3.12 million.

RESERVE FUNDS:

Town maintains two reserve funds: statutory and non-statutory. Non-statutory reserves have been set aside for future capital projects, these are not dictated by bylaws, and can be allocated to different projects than originally intended. As of November 14, 2021, the balances in these funds are:

Statutory Reserves:	Amount	Non-Statutory Reserves:	Amount
North Island Community Forest	1,871,069.00	Old School Repairs	200,000.00
Land Acquisitions	279,355.00	Road & Side Walk Maintenance	305,782.00
Public Works Mobile Equipment	135,337.00	General	200,435.00
Fire Department	128,086.00	Beach Drive	133,128.00
Capital Priority	81,215.00	Storm Water	146,646.00
Harbour	255,000.00	Pool	168,200.00
		Covid-19 safe restart	870,035.00
	2,750,062.00		2,024,226.00

Memorandum



To: Pete Nelson-Smith, CAO

Date: November 25, 2021

From: Harinder Singh

Subject: Statutory Reserve Funding

PURPOSE:

To have Council provide direction on increasing statutory reserves in anticipation of future costs.

BACKGROUND:

Town of Port McNeill has in place a Reserve Bylaw for the North Island Community Forest, Capital Priorities, Water Infrastructure, Wastewater Infrastructure, Harbour Infrastructure, Fire Department Capital, Public Works Equipment and Land Reserves.

In 2018 and 2019 Town had retained the services of McElhanney's to provide an assessment of Town's infrastructure. This report and other information identified replacement cost to be \$8 million approximately per 2018 and 2019 estimates. We need to address how are we preparing to fund these improvements? Will we be relying on grants, borrowing money, our surplus or how else?

Further, Port McNeill is one of few municipalities that accepts property tax and utility fees through credit card. This is an expensive proposition that, in 2021, cost \$40,000 in processing fees.

DIRECTION REQUESTED BY STAFF:

1. How do we supplement funds for improvements /replacement of old infrastructure (Treatment plant, storm water). This reserve fund can be funded with:
 - a. an annual utility surcharge of \$50 per account. With an estimated annual billing to 868 accounts @ \$50 per account we will be able set aside \$43,400 annually.
 - b. rather than making every resident pay a surcharge, or increasing utility rates, should we instead stop accepting card payments (for utility and property tax accounts). This will save \$40,000 annually, which can be contributed to the reserve funds listed above.
 - c. Another method of reserve funding.



Idea's from Mayor and the Council - Schedule J

#	Description	Rationale
1	Bike Park or Skateboard Park	Physical, and mental health. Active Communities program
2	Parks Study	Per new OCP
3	Facilities Assessment Study	For the Town to conduct an assessment of all buildngs it owns and find opportunities for consolidation and/or disposition.
4	Hoy Bay Lands	Land survey, topographical survey, creeks, archaeological survey, slope study.
5	Audio, Visual for Community Hall	We moved to Community hall due to Covid-19 and allocated 10% of Covid grant to technology, invest in buying a audio system for better sound, such as microphones.
6	Full Taxation	This applies to Industrial and managed forest lands.
7	Stop the receipt of taxes and utilities through credit cards	This will annually save \$30-35,000 (fees paid to credit card processing company).
8	Downtown Improvement Fund	Help businesses improve through grants.
9	Strategic Plan	What is the state of our equipment & facilities, schedule of preventive maintenance 2-5-7- years
10	Safety Program	Hire a third party to do a safety audit and develop a safety plan
11	Museum	Landscaping, land bridge, IT equipment, hire a person to split time between museum and info. Centre
12	Old School	Present a report on real condition.
13	Long Term Plan	What is our 10 year plan for sidewalks, do we have other locations such as Beach Drive
14	Fire Department 3rd party review	Let a 3rd party come and perform an audit of FD, particularly their equipment. The study to include what is regulation, what should be replaced and when, what can we do to be fully compliant with applicable regulations, tell us about the best practices.
15	Safety Audit	The Town requires a safety program.
16	Marina: Fishing Float, Kayak float	It is recreation, it will promote tourism as well
17	Compensation and medical benefits for Council	Staff has inquired with our health care benefits provider and was advised that extended health benefits can only be made available at the start of the new Council's term. Staff has submitted to the CAO a prposed compensation methodolgy.
18	No increase in taxes	No increase in property taxes. A detailed review of the trial balance and general ledger listing will be requested. Council to advise staff if a detailed trial balance and general ledger listing is to be provided.
19	Do we need to hire a project manager\coordinator in PWD	
20	Remove Pole in Council chambers	
21	Generator for Senior's home	
22	Small pump track for the little ones at Robinson Park.	
23	New Equipment at the parks	
24	Better rocks in the park, current one's are sharp	