

A further amendment to Bylaw 1770.02 was made to include public transit ticket fares.

ALTERNATIVES

1. Amend Bylaw 1770 to implement 2019 adjustments effective January 1, 2019 to offset the impact to net remuneration for the loss of the one-third tax-free allowance for Board remuneration.
2. Provide alternate direction to staff.

FINANCIAL IMPLICATIONS

The tax impact to each Board member of the discontinuation of the one-third tax-free exemption varies depending on their own income and tax situation. As well, additional Canada Pension Plan premiums and the loss of the GST rebate on the tax-free allowance must be considered in the calculation of the cost for amending the remuneration. However, assuming the RDN remuneration is the Directors' sole source of income and using combined Canada and BC marginal tax rates, the RDN Board remuneration would require an increase of approximately \$57,000, or 10% of the projected 2019 Board remuneration budget, effective January 1, 2019 to offset the loss of the tax exemption and to maintain net remuneration. This adjustment would be included in the 2019 RDN budget and form part of the requisition.

STRATEGIC PLAN IMPLICATIONS

The Board's Strategic Plan recognizes 'Governance' in its core focus area and to 'Be Fair and Equitable' in relation to sharing costs in its Governing Principles. A review of the impact of income tax act changes on elected official remuneration is consistent with the Board Strategic Plan.



Phyllis Carlyle
Chief Administrative Officer
pcarlyle@rdn.bc.ca

Reviewed by:

- J. Beauchamp, Director of Finance
- D. Wells, General Manager, Corporate Services

Attachments

1. Proposed Bylaw No. 1770.02, A Bylaw to Amend Board Remuneration, Expenses and Benefits
2. Bylaw 1770, Consolidated to 1770.01 for convenience