



Council Report

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Date: January 20, 2026
To: Anthony Haddad, City Manager
From: Angela Campbell, General Manager of Corporate Services
Subject: Mayor & Council 2027 Remuneration Review

File No:

Staff Recommendation

THAT Council direct staff to bring forward a Council Remuneration and Expense Bylaw to reflect the following:

- 2027 One-time remuneration adjustment for the Mayor with an increase of 4% plus 2027 BC CPI
- 2027 Remuneration for Council to be changed to reflect compensation as a percentage of the Mayor's remuneration, to be set at 42% in alignment with the comparative median
- For years 2028 and beyond remuneration for Mayor and Council will be increased annually by BC CPI

AND THAT Council direct staff to review Mayor and Council remuneration in 2030 prior to the municipal election.

Strategic priority objective

Vision: Penticton is a connected, resilient and healthy waterfront city focused on safety, livability and vibrancy.

Mission: Penticton will serve its residents, businesses and visitors through organizational excellence, partnership and the provision of effective and community focused services.

Culture: We are committed to open communication, integrity, and professionalism to build public trust through excellence in all that we do. We embrace modernization, innovation and adaptability to meet the evolving needs of our community, fostering a culture of engagement and purpose.

Background

The role of Mayor and Council extends beyond attendance at Council meetings and includes committee meetings, community engagement events, meetings with stakeholders, a range of speaking engagements and over 150 events throughout the community. Mayor and Council responsibilities also includes attending various conferences and advocacy opportunities such as SILGA, LGMA and UBCM.

In November of 2018 Council directed staff to establish an external advisory task force to investigate, review, develop and provide a report for Council remuneration. Subsequent to that report, 11 recommendations were brought forward and adopted by Council at the June 18, 2019 Council meeting with Council Remuneration and Expense Bylaw No. 2019-27 (Attachment A) being adopted on August 20, 2019.

The current Bylaw sees an increase to Council remuneration January of each year equal to CPI from the previous year. During the 2022 budget, Council carried a motion to decline the increase for the 2023 fiscal year.

This Bylaw indicated that a review of the base remuneration for Mayor and Council would take place before the end of 2025.

Analysis

Based on the review of similar sized BC communities undertaken in 2019, Staff reviewed the same municipalities to compare Mayor and Council remuneration as of 2024. Details of the comparison can be found in Attachment B.

The review found that although the remuneration for Mayor was in close alignment with other communities at 4% under the median, the Councillor remuneration was lower on average with both the relationship to median by over 30% and amount per capita. In addition, the relationship of Mayor to Councillor income was much higher than the median at 3.02 versus 2.44. This suggests that not only is Council compensation below the average, but it is also comparatively lower to Mayor compensation than in other municipalities.

Based on the analysis, Staff are proposing that both Mayor and Council remuneration should be increased closer to the median. It was noted that some municipalities reflect Council remuneration as a percentage of the Mayor's compensation to keep them in alignment which Staff is also recommending.

Financial implication

Based on the comparative analysis in Attachment B, Staff took the median 2024 remuneration and forecasted out based on the actual CPI used for 2025 compensation, as well as estimated CPI for the years 2026 (2.2%) and 2027 (2%). The results of that forecasting can be found in Table 1 below:

Table 1 – Forecasted Council Remuneration to Median adjusted for CPI

	2024		2025		2026		2027		
	Actuals	Actuals	Estimated	Actuals	Estimated	Estimated CPI	Estimated	Estimated CPI	% Diff
	Median	Remuneration	Median	Remuneration	Median	Remuneration	Median	Remuneration	
Mayor Compensation	\$ 89,664	\$ 86,150	\$ 91,995	\$ 88,518	\$ 94,019	\$ 90,465	\$ 95,899	\$ 92,275	4%
Council Compensation	\$ 37,298	\$ 28,524	\$ 38,267	\$ 29,308	\$ 39,109	\$ 29,953	\$ 39,891	\$ 30,552	31%
Total Compensation *	\$ 313,450	\$ 257,297	\$ 321,599	\$ 264,369	\$ 328,675	\$ 270,185	\$ 335,248	\$ 275,589	
<i>* 1 mayor, 6 councillors</i>									

This forecasting shows that by 2027, the gap between Council and median compensation will continue to be significant if no correction is made.

Staff is proposing to adjust the mayor’s compensation by 4% in 2027 in addition to CPI to closer align to the comparative median, as seen in Table 2 below.

Table 2: 2027 Mayor and Council Remuneration Methodology

	2027			
	Estimated	Estimated CPI	Est New Method	Median to New
	Median	Remuneration	Remuneration	Method Difference
Mayor Compensation	\$ 95,899	\$ 92,275	\$ 95,899	\$ 3,625
Council Compensation	\$ 39,891	\$ 30,552	\$ 40,278	\$ 9,725
Total Compensation *	\$ 335,248	\$ 275,589	\$ 337,566	\$ 61,977
<i>* 1 mayor, 6 councillors</i>				

In addition, it is being proposed to amend Councillor remuneration to be a percentage of Mayor compensation, similar to other municipalities in BC. Staff are recommending that Council consider this methodology to ensure that Mayor and Council remuneration increase at a comparable amount annually. This would result in Council compensation being 42% of the Mayor’s compensation which would align more closely with the estimated median.

The financial impact of these changes would equate to approximately \$62k in the 2027 fiscal year.

Alternate recommendations

Alternate 1:

THAT Council, after reviewing the base remuneration for Mayor and Council, continue with the current compensation and annual adjustment based on CPI.

Alternate 2:

THAT Council direct staff to bring forward a Council Remuneration and Expense Bylaw to reflect a phased in approach to align remuneration with the median.

Attachments

Attachment A – Council Remuneration and Expense Bylaw No. 2019-27

Attachment B – Range of Base Remuneration for Councils in Similar Sized Communities in BC

Respectfully submitted,

Angela Campbell
General Manager of Corporate Services
Concurrence

City Manager

