

ITEM	17
MANAGER'S REPORT NO.	45
COUNCIL MEETING	1981 09 28

RE: COUNCIL INDEMNITIES - 1982
(REPORTS - COUNCIL MEETING 1980 NOVEMBER 17 (ITEM 7c))

MUNICIPAL MANAGER'S RECOMMENDATION:

1. THAT the recommendations of the Municipal Treasurer be adopted.

* * * * *

1981 September 15

File: C65

TO: MUNICIPAL MANAGER
FROM: MUNICIPAL TREASURER
RE: COUNCIL INDEMNITIES - 1982
(REPORTS, COUNCIL MEETING 1980 NOVEMBER 17)

RECOMMENDATIONS

1. THAT a by-law be brought down to establish Council indemnities for 1982 as follows:

Mayor	\$44,247
Aldermen	11,852 each

and
2. THAT the Municipal Manager bring forward a report at the last Council meeting in 1982 September which would project Council indemnities for 1983 utilizing the same formula as described herein.

SUMMARY

Council in November 1980 adopted a formula for determining Council indemnities for 1981 and subsequent years. This report determines Council indemnities for 1982 in accordance with that formula.

REPORT

BACKGROUND

Council on 1980 November 17 adopted the following recommendations as contained in a report on Council indemnities submitted by Ald. Stusiak:

"1. THAT Council indemnities for 1981 and subsequent years be established by using the following procedure:

A. That Council responsibility be determined as being that portion of an annual budget less school tax.

B. That Council gross indemnity for 1981 be measured as .0020 of the 1980 Annual Budget less schools. More specifically:

1980 Gross Budget	\$101,678,871
Less School Levy	<u>39,726,133</u>
1980 Gross Municipal - less School	<u>\$ 61,952,738</u>

1981 Council gross indemnity as .0020 of \$61,952,738 = \$123,905

C. That gross Council indemnity for 1981 of \$123,905 be divided into eleven shares which amount to \$11,264 per share.

D. That the Mayor's indemnity for 1981 be apportioned the proceeds of 3.5 shares - \$11,264 x 3.5 = \$39,424.

E. That 8 Aldermen share for 1981 the proceeds of 7.5 shares - \$11,264 x 7.5 = \$84,480
\$84,480 divided into 8 equal shares is \$10,560 per Alderman.

F. That the Manager bring forward a report at the last Council meeting in 1981 September which would project Council indemnities for 1982 utilizing the same formula as described herein."

The formula uses a percentage of 2/10 of 1% of the budget less school levy to determine the gross annual indemnities. It was determined by examining the relationship that indemnities had to budget over the years 1970 to 1980. The share split was also determined by the trend that existed over that 10 year period. The report submitted by Alderman Stusiak recognized the need for flexibility and stated:

"In the event of unusual variations, the Council of the day can adjust for the variations by changing the formula up or down to cushion the impact of any unusual or temporary circumstances. Council could, if it so chose, also adjust the number of shares and the distribution of same."

In making the 1982 indemnity calculation, no special adjustments have been taken into account. The basis of calculation is exactly the same as 1981, i.e. the gross indemnity is measured as .0020 of the 1981 annual budget less the school levy.

1982 CALCULATION

Following is the calculation of the 1982 indemnities for the Mayor and Aldermen based on the formula adopted by Council in 1981:

A. The budget for which Council is responsible determined in the same manner as for 1981 indemnities is \$69,532,191.

1981 gross annual budget	\$117,358,553
Less: school levy	<u>47,826,362</u>
1981 gross municipal - less school	<u>\$ 69,532,191</u>

The gross annual budget figure shown here is determined in accordance with the reporting methods recommended for municipalities by the Province of B.C. in order to ensure uniform accounting amongst B.C. municipalities. It is the same cost base that was used by Alderman Stusiak in his report that determined the relationship that indemnities had to budget over the years 1970 to 1980.

Because of the strike, the 1981 annual budget figures were not restated in the Province of B.C. recommended format. The result is that the gross expenditure figure used here is not shown in the annual budget. It will, however, be shown in the recast budget.

ITEM	17
MANAGER'S REPORT NO.	45
COUNCIL MEETING	1981 09 28

- B. The gross Council indemnity based on 2/10 of 1% of \$69,532,191 is \$139,064.
- C. The gross indemnity divided by eleven shares equals \$12,642 per share.
- D. The Mayor's indemnity for 1982 calculated on 3.5 shares @ \$12,642 per share equals \$44,247.
- E. The total Alderman indemnity for 1982 calculated on 7.5 shares @ \$12,642 per share equals \$94,815, divided by 8 equal shares equals an indemnity of \$11,852 per Alderman.

INDEMNITY COMPARISON

The 1982 projected indemnities represent an increase of 12.2% over 1981.

	<u>1981</u>	<u>1982</u>	Increase	
			\$	%
Mayor	\$39,424	\$44,247	4,823	12.2
Alderman	10,560	11,852	1,292	12.2

RECOMMENDATIONS

1. THAT a by-law be brought down to establish Council indemnities for 1982 as follows:

Mayor	\$44,247
Aldermen	11,852 each

 and
2. THAT the Municipal Manager bring forward a report at the last Council meeting in 1982 September which would project Council indemnities for 1983 utilizing the same formula as described herein.



Howard Karras
MUNICIPAL TREASURER

