

ITEM	6
MANAGER'S REPORT NO.	52
COUNCIL MEETING	1982 09 27

Re: COUNCIL INDEMNITIES - 1983
(Item 7c, Council Meeting 1980 November 17)
(Item 17, Manager's Report No. 45, 1981 September 28)

MUNICIPAL MANAGER'S RECOMMENDATION:

1. THAT the recommendation of the Treasurer be adopted.

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1982 September 22

TO: MUNICIPAL MANAGER
FROM: TREASURER
RE: COUNCIL INDEMNITIES - 1983
(REPORTS, COUNCIL MEETING 1980 NOVEMBER 17)

File: C65

RECOMMENDATION

1. THAT this report be received for information purposes.

SUMMARY

Council in 1980 November adopted a formula for determining Council indemnities for 1981 and subsequent years. Using that formula, this report indicates that the indemnities for the Mayor and Aldermen in 1983 would increase by 15.3%.

Direction will be required from the Municipal Council to prepare the necessary by-law.

REPORT

BACKGROUND

Council on 1980 November 17 adopted the following recommendations for calculating Council indemnities:

"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 eight Aldermen share for 1981 the proceeds of 7.5 shares - \$11,264 x 7.5 = \$84,480
\$84,480 divided into eight 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 1980 report 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 1983 indemnity calculation, no special adjustments have been taken into account. The basis of calculation is exactly the same as 1982, i.e. the gross indemnity is measured as .0020 of the 1982 annual budget less the school levy. The school levy of \$57,689,959 is the combination of the local (residential) assessment and Provincial (non-residential) assessment.

1983 CALCULATION

Following is the calculation of the 1983 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 accordance with the formula is \$80,145,953.

1982 gross annual budget	\$137,835,912
Less: school levy	<u>57,689,959</u>
1982 gross municipal - less school	<u><u>\$ 80,145,953</u></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 used to determine the relationship that indemnities had to budget over the years 1970 to 1980.

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- B. The gross Council indemnity based on 2/10 of 1% of \$80,145,953 is \$160,292.
- C. The gross indemnity divided by eleven shares equals \$14,572 per share.
- D. The Mayor's indemnity for 1983 calculated on 3.5 shares @ \$14,572 per share equals \$51,002.
- E. The total Alderman indemnity for 1983 calculated on 7.5 shares @ \$14,572 per share equals \$109,290, divided by eight equal shares equals an indemnity of \$13,661 per Alderman.

INDEMNITY COMPARISON

The 1983 projected indemnities represent an increase of 15.3% over 1982.

	<u>Indemnity</u>		<u>Increase</u>
	<u>1982</u>	<u>1983</u>	
	<u>Actual</u>	<u>Projected</u>	<u>\$</u> <u>%</u>
Mayor	\$44,247	\$51,002	\$6,755 15.3
Aldermen	11,852	13,661	1,809 15.3

COMPENSATION STABILIZATION PROGRAM

To the best of my knowledge, the Mayor and Council are not subject to the Compensation Stabilization Act guidelines.

Submitted for the information of Council.



Howard Karas
TREASURER

