

TO: CITY MANAGER

2000 September 27

FROM: DIRECTOR FINANCE

File: C58-1

SUBJECT: 2000 COUNCIL INDEMNITIES

PURPOSE: To set Council indemnities in accordance with the formula set by the Council Indemnity Advisory Committee

RECOMMENDATIONS:

1. THAT Council indemnities for 2000 be set as detailed in the report; and
2. THAT the City Solicitor bring down a bylaw to establish the new indemnities effective 2000 January 01, and
3. THAT the Executive Committee of Council recommend members for the Council Indemnity Advisory Committee to review the level of Council's indemnities in light of current economic conditions and indemnity levels of other local governments.

REPORT

2000 Indemnities

In 1992, Council established a Council Indemnity Advisory Committee comprised of five representatives from the local community. Their mandate was to review and report on Council indemnities. The Committee established a formula to calculate the increase in the 1992 indemnities and Council endorsed the continuation of the formula for establishing the 1993 to 1999 indemnities. The formula has again been used to establish the 2000 indemnities.

Using the formula, the percentage increase for 2000 is calculated as:

1999 Consumer Price Index Increase - Vancouver	1.5%
1999 Industrial Aggregate wage increase - B.C.	1.9%
1999 Canadian Union of Public Employees, Local 23 increase	1.0%
Average of the above three indicators	1.5%

This increase would result in the following recommended indemnities:

	<u>1999</u>	<u>2000</u>
Mayor	\$74,035	\$75,146
Each Councillor	25,717	26,103

The following is a comparison between the recommended indemnities and the indemnities for B.C. municipalities with populations over 90,000. The relative ranking of the municipalities surveyed is shown in brackets.

	<u>Councillor</u>		<u>Mayor</u>		<u>Population</u> <small>(1998 est.)</small>	
Vancouver *	\$42,271	(1)	\$95,956	(1)	552,481	(1)
Surrey	38,758	(2)	76,716	(2)	332,244	(2)
Richmond	28,361	(3)	70,903	(4)	161,957	(4)
Burnaby	26,103	(4)	75,146	(3)	189,183	(3)
Coquitlam	20,927	(5)	69,760	(5)	110,423	(6)
Delta	20,458	(6)	61,644	(7)	101,018	(7)
Abbotsford	20,160	(7)	60,480	(8)	113,375	(5)
Kelowna	19,521	(8)	69,438	(6)	97,200	(8)

* total indemnity is taxable

The recommended indemnities are:

	<u>Total</u> <u>Indemnity</u>	Expense Allowance <u>Portion</u> <small>(1/3)</small>	Balance of <u>Indemnity</u> <small>(2/3)</small>
Mayor	\$75,146	\$25,049	\$50,097
Each Councillor	26,103	8,701	17,402

Council Indemnity Advisory Committee

As stated earlier, the 1992 Council Indemnity Advisory Committee consisting of five members of the business community established the current formula for determining adjustments to the indemnity levels. Since that time many B.C. communities have adjusted their indemnities not only on the basis of inflation levels but to additionally reflect the changing nature, scope and complexity of issues being dealt with by municipal councils.

The current formula has served well but it is prudent to periodically review the structure to ensure indemnity levels are fair and equitable within the changes experienced by local governments.

It is recommended that the Executive Committee of Council review the matter and recommend members for the Council Indemnity Advisory Committee to review the level of Council's indemnities in light of current economic conditions and indemnity levels of other local governments and within the Terms of Reference as shown in Appendix I.



Rick Earle
DIRECTOR FINANCE

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COUNCIL INDEMNITY ADVISORY COMMITTEE 2000

TERMS OF REFERENCE

- A. To review and report on the matter of Council indemnities, using as research material information available from all or any of the following sources:
 - 1. Union of British Columbia Municipalities (U.B.C.M.)
 - 2. Greater Vancouver Regional District (G.V.R.D.)
 - 3. Municipalities of similar size
 - 4. Private sector sources
 - 5. Questionnaires circulated to Council members
 - 6. Interviews with Council members and/or Executive Committee of Council.
- B. To examine all forms of compensation including fringe benefit packages that may be available to Municipal Council members.
- C. To make recommendations, in the final report to Council, on a fair and suitable indemnity for the Mayor and Councillors for the 2000 calendar year.
- D. To complete the task and report to Council within 90 days from the date the Committee first meets.
- E. To make use of adequate Municipal staff resources, including clerical support, that may be necessary in order for the Committee to complete its task.