
CITY OF KELOWNA

MEMORANDUM

Date: May 16, 2005
File No.: 0540-30

To: Mayor and Council

From: Council Indemnity Committee

Subject: **Council Indemnity Committee Recommendations**

Recommendation:

THAT effective January 1st, 2006 the Mayor's annual indemnity be increased by 2% to \$81,000;

AND THAT effective January 1st, 2006, January 1st, 2007 and January 1st, 2008 the Mayor's indemnity receive an annual adjustment based on the previous year's Consumer Price Index (CPI) published by Statistics Canada (1992=100) for Vancouver;

AND THAT effective January 1st, 2006 the Councillors' indemnity be increased to 30% of the Mayor's indemnity after adjustment by the CPI;

AND THAT effective January 1st, 2007 the Councillors' indemnity be increased to 31.5% of the Mayor's indemnity after adjustment by the CPI;

AND THAT effective January 1st, 2008 the Councillors' indemnity be increased to 33% of the Mayor's indemnity after adjustment by the CPI;

AND THAT out of town mileage be increased from \$0.31/kilometre to \$0.45/kilometre;

AND THAT Council Remuneration and Expense Bylaw, No. 7547 be amended to include the above recommendations;

AND THAT Council releases the 2005 Council Indemnity Committee.

Background:

The Council Indemnity Committee was struck by Council to review Council remuneration, expenses and benefits so that any changes are in place in time for the newly elected Council taking office in December 2005. The Committee began meeting March 22nd, 2005 and met a total of six times. The methodology the Committee followed was a progression of obtain information – review the information – brainstorm – make decision. The Committee examined the history of Council remuneration at the City of Kelowna, looked at Council remuneration information from other local governments in British Columbia, and held discussions with each member of Council to solicit the current Council's views and thoughts on the subject before holding a "brainstorming" session that produced the above recommendations.

Traditionally, past Indemnity Committees have compared Kelowna with the Council indemnity of other similarly-sized communities in BC: Chilliwack; Coquitlam; Kamloops; Nanaimo; District of North Vancouver; Prince George and Victoria. Among this group, Kelowna offers one of the

higher indemnities (see Table 1). Should the Committee's recommendations be adopted then Kelowna would rank first among this group for both Mayor and Councillor indemnity.

Analysis:

On average, Councillors told us they devote 20-25 hours per week as elected officials and have, on average a 75% satisfaction level with their current remuneration. It is recognised that the Mayor of the City of Kelowna is a full-time position while the position of Councillor is part-time. The Committee believes that the remuneration should reflect the full-time status of the Mayor and the part-time status of Councillors. It is apparent that the workload for elected officials has increased dramatically over the past years. Not only is more time being spent on City matters, but these matters are becoming more complex, requiring additional time and effort. However, amongst the traditional comparative group of municipalities, Kelowna is growing at a faster rate. The pace of development in Kelowna is far outstripping these other communities, and this trend, evident in the above statistics, has continued into 2004 and 2005 (see Table 2).

Kelowna is on the verge of becoming a "big city" and this is reflected in the increased workload faced by Councillors. As an aside, the current practice of making Council agenda packages available Friday morning leaves little time for the City's elected officials to have any "down time" over the weekend. While recognising that is outside the mandate of the Committee, the Committee suggests that the City may wish to review the timing of the availability of Council agenda packages.

The City of Kelowna is one of the fastest growing communities in British Columbia, and it is projected that this growth will continue. It is anticipated that as Kelowna grows and matures into a larger municipality the demands on elected officials time will grow as well. In recognition of the above, the Committee is recommending a slight increase in the Mayor's indemnity (2%) effective January 1st, 2006 and a more substantial increase in the Councillor indemnity phased in over the three-year term (2006 - 9%; 2007 - 5%; 2008 - 5% - total 20% over the three years).

In 1994, the indemnity for Councillors was one-third that of the Mayor. Recommendations by previous Council Indemnity Committees have thrown this ratio off. The Committee feels that the one-third ratio is an accurate reflection of the different duties, responsibilities and workload of Mayor and Councillor. Currently, the Councillor indemnity is 28% of that of the Mayor. The Committee recommends that there be a three year phase-in to reach the goal of 33% by 2008:

Recommended Indemnity Levels - 2% increase in Mayor's Indemnity Plus Councillor's at 1/3rd by 2008					
	Mayor's Indemnity	% increase	Councillors' Indemnity	% increase	% of Mayor's Indemnity
2005	79,150		22,284		28.2%
2006	81,000	2%	24,300	9%	30.0%
2007	81,000	0%	25,515	5%	31.5%
2008	81,000	0%	26,730	5%	33.0%
Overall Increase to 2007		2%		20%	

Note – the above increases do not take into account any adjustments to the Mayor's indemnity as a result of the annual CPI adjustment. Actual indemnity amounts will be higher after 2006.

It was noted also during our deliberations that the current out of town travel reimbursement rate of \$0.31/kilometre for elected officials is below the rate paid to staff and the Committee recommends an increase to \$0.45/kilometre to be consistent with the staff rate. Any future changes in the staff rate should trigger a corresponding change in the Council rate as well.

The past few months have been a rewarding and educational experience for each Committee member. We thank City staff for their assistance and advice. With the presentation of this report and its recommendations, the Committee has fulfilled Council's mandate. Consequently we also ask Council to release the Committee.

Respectively, on behalf of the Council Indemnity Committee

Bill Redmond, Chair
Council Indemnity Committee

cc: City Manager
Director of Financial Services
Acting City Clerk

Attach: Table 1 Council Indemnity – Comparative Statistics
Table 2 Kelowna Building Permits Issued 2004-2005

Table 1: Council Indemnity – Comparative Statistics

Municipality	Mayor	Councillor	Population 2002	Population 2003	Number of Building Permits Issued 2002	Number of Building Permits Issued 2003	Value of Building Permits 2002 (Million \$)	Value of Building Permits 2003 (Million \$)
Chilliwack	\$64,194.88	\$21,398.38	66,611	66,618	720	832	62.5	94.5
Coquitlam	69,760.00	20,927.00	120,967	122,696	3,401	3,246	87.5	87.4
Kamloops	63,834.00	21,278.00	81,443	80,416	1,142	1,251	63.8	125.4
Nanaimo	58,127.25	18,600.72	76,787	76,736	1,208	1,194	n/a	n/a
North Vancouver District	59,430.00	24,145.00	85,720	85,839	544	215	80.0	60.4
Prince George	77,654.99	19,992.26	76,008	75,609	546	580	39.3	80.6
Victoria	60,627.57	19,276.85	77,941	76,387	2,827	2,944	145.0	133.1
Average of comparative group	\$64,804.10	\$20,802.60	83,639	83,471	1,484	1,466	79.68	96.9
Kelowna	\$79,150.00	\$22,284.00	101,592	103,421	1,728	2,033	170.0	285.9
Burnaby	\$86,003	\$38,233	205,955	205,261	1,857	1,423	229.1	330.9
Richmond	77,092	30,837	174,617	174,201	1,159	1,638	342.2	290.5
Surrey	90,125	45,600	376,757	390,145	4,207	5,159	820.7	955.5

Sources: Municipal web sites; MCAWS Local Government Statistics 2002 and 2003.

Table 2: Kelowna Building Permits Issued 2004-2005:

Number of Building Permits Issued	Number of Building Permits Issued	Value of Building Permits (Million \$)
2004	2,253	377.068
April 30 2005	728	140.260
April 30 2004	749	114.260

