
CITY OF KELOWNA

MEMORANDUM

Date: 02 May 2008
File No.: 0540-30
To: City Manager
From: Council Indemnity Committee
Subject: Council Indemnity Committee Recommendations

RECOMMENDATION:

THAT effective January 1st, 2009 and every January 1st thereafter, the Mayor's Indemnity receive an annual adjustment based on the previous year's Consumer Price Index (CPI) published by Statistics Canada (2002=100) for Vancouver;

AND THAT effective January 1st, 2009 the Councillors' indemnity be increased by 1% to 34% of the Mayor's indemnity after adjustment by the CPI;

AND THAT effective January 1st, 2010 the Councillors' indemnity be increased by 1% to 35% of the Mayor's indemnity after adjustment by the CPI;

AND THAT out of region mileage be the same as claimed by staff under Council Policy 164 Travel Expenses – Officers and Employees;

AND THAT the Mayor be budgeted an annual amount not to exceed \$1,500 in any one year, with no provision for carry-over to the next year of any unused funds, for reimbursement of receipted meal expenses with the exception of alcohol incurred in carrying out the duties of Mayor;

AND THAT for clarity the recommendation immediately above is for the Mayor only and not applicable to the Deputy Mayor;

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

AND THAT Council continue to strike a Council Indemnity Committee in the first quarter of the final year of their Council term;

AND THAT Council releases the 2008 Council Indemnity Committee.

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BACKGROUND:

Council struck the 2008 Council Indemnity Committee on March 3, 2008 with a mandate 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 2008 and to report back to Council with their recommendations no later than May 12, 2008. The Committee met 5 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. The Committee looked at this traditional comparison group as well as a new comparison group based on population; Abbotsford; Coquitlam; Delta; Langley Township; Saanich and Victoria (see Tables 1 and 2). Kelowna has one of the higher indemnities for both Mayor and Councillors among both comparison groups.

The Committee found the interviews with each member of Council to be most interesting and beneficial. We believe that the Mayor of the City of Kelowna is a full time position while the position of Councillor is a part-time position. The Committee noted that there is some variation in the number of committees each Councillor is a member of and the amount of time and effort any one particular committee requires. Most Councillors stated they averaged 20 hours per week on City-related activities, and the committee recommends that the Councillors indemnity be increased in 1% increments over the next two years to better reflect the amount of time Councillors spend at their City-related responsibilities and to reflect the lack of non-health and welfare type benefits that are available to Councillors. Benefits such as a clothing allowance, reimbursement of out-of-pocket child care expenses and matching RRSP contributions were considered by the Committee.

It is recommended that the Mayor be given an expense account for meals to a maximum of \$1,500 annually. It is intended that this account be used when the Mayor has meal-time meetings in their official capacity. It is not recommended that the Mayor be issued a City credit card and that instead any expenses be claimed upon the production of receipts and a signed expense claim similar to the one found in Council Policy 287, *Council Reimbursement of Out-of-Pocket Expenses for Attending Functions or Special Training Within the Region*. The Committee recommends that alcohol expense be excluded and that the Deputy Mayor not be able to claim similar expenses.

The Committee notes that any member of Council who is appointed to sit on the Regional District Board, including as an alternate, is eligible to purchase benefits through the Regional District. Therefore, the Committee is of the opinion that no health and welfare benefits from the City of Kelowna are necessary for Mayor and Council. No change is being recommended to the Deputy Mayor's Indemnity of \$350 per month. The Committee found it was difficult to make a recommendation on the Deputy Mayor stipend as the role of Deputy Mayor can vary widely.

LEGAL/STATUTORY AUTHORITY:

Community Charter, section 104(1)(c) states that Council consideration of remuneration, expenses or benefits payable to one of more council members in relation to their duties as council members is an exception from the conflict restrictions contained in the *Community Charter*, sections 100-103.

LEGAL/STATUTORY PROCEDURAL REQUIREMENTS:

Community Charter, section 168 requires the reporting, at least annually, of council remuneration, expenses and contracts.

EXISTING POLICY:

Council Remuneration and Expenses Bylaw No. 7547, as amended;
Council Policy 287, *Council Reimbursement of Out-of-Pocket Expenses for Attending Functions or Special Training Within the Region*; and
Council Policy 337 *Council Authorization to Attend OMMA, UBCM and FCM Conventions*.

FINANCIAL/BUDGETARY CONSIDERATIONS:

Should the recommended increase in the Councilors' indemnity be adopted, there would be a minimum increase in the Mayor and Council budget of \$6,863.84 in 2009 and an additional increase of \$6,863.84 in 2010. It is anticipated that these actual amounts will be higher, as they do not reflect the CPI increase for each of these years.

Should the recommendation to provide the Mayor with meal expense reimbursement be adopted, there would be an annual increase of \$1,500 to the Mayor Office budget to cover the Mayor's expenses account.

Considerations that were not applicable to this report:

INTERNAL CIRCULATION TO:

PERSONNEL IMPLICATIONS:

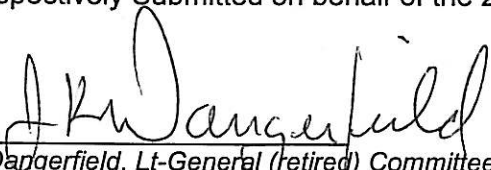
TECHNICAL REQUIREMENTS:

EXTERNAL AGENCY/PUBLIC COMMENTS:

COMMUNICATIONS CONSIDERATIONS:

ALTERNATE RECOMMENDATION:

Respectively Submitted on behalf of the 2008 Council Indemnity Committee by:


J. Dangerfield, Lt-General (retired) Committee Chair

Attach:

Table 1 Council Indemnity Comparative Statistics "Traditional" Group

Table 2 Council Indemnity Comparative Statistics "Population" Group

Table 1: Traditional Comparison Group

Municipality	Population	Mayor	Councillor
Chilliwack	70,522	\$76,491	\$26,101
Coquitlam	121,973	104,156	34,719
Kamloops	82,714	69,514	23,171
Nanaimo	79,626	76,911	25,539
North Vancouver District	86,749	85,000	34,000
Prince George	77,148	86,207	22,194
Victoria	77,369	80,962	19,230
Average of traditional comparative group	85,157	82,798	26,422
Average of traditional comparative group including Kelowna	88,199	83,130	26,658
Kelowna	109,490	85,798	28,313

Table 2: Comparative Population-Based Comparison Group

Municipality	Population	Mayor	Councillor
Abbotsford	127,434	86,600	24,167
Coquitlam	121,973	104,156	34,719
Delta	102,655	75,659	26,503
Langley Township	97,125	73,345	25,463
North Vancouver District	86,749	85,000	34,000
Saanich	110,387	75,660	26,500
Average of population comparative group	107,720	83,084	27,470
Average of population comparative group including Kelowna	107,973	83,536	27,611
Kelowna	109,490	85,798	28,313