

CITY OF VICTORIA

Committee of the Whole Report

Date: February 9, 2007 **From:** Mike McCliggott, Director of Finance

Subject: Council Remuneration

Executive Summary

On June 22, 2006, Council received a report from the Finance Department with respect to Council Remuneration.

It was moved that a Citizens Committee be established to review the Mayor and Council Remuneration and that recommendations be made on the appropriate level of compensation and the method of determination. The Citizen Committee would also make any other recommendations they may deem appropriate including transparency and when any changes should take effect.

A presentation was made by the Council Remuneration Committee members at Committee of the Whole on December 14, 2006. The recommended annual wage for Councillors is \$39,104, and for the Mayor \$97,760 with the same expense account reporting as exempt city staff. These salaries should increase annually according to the CPI (Consumer Price Index) and be published in a quarterly report posted on the website. The Committee also recommended Council have two full-time employees to assist with their workload as well as Information Technology support and training.

The Remuneration Committee recommends that these changes be implemented in January 2009 for the next incoming Council.

As a result of this review, I have listed three options for your consideration:

Option 1. That Council approve the recommendations of the Council Remuneration Committee members for implementation in January 2009.

Option 2. That Council approve, effective immediately, increasing the annual remuneration of Mayor and Council to the average of the Municipalities surveyed (i.e. Mayor from \$66,789 to \$74,458 and Councillors from \$21,236 to \$25,878) and implement the recommendations of the Council Remuneration Committee in January 2009.

Option 3. That Council approve continuing with the normal practice of annual remuneration for Mayor and Council being determined by the consumer price index.

Recommendation:

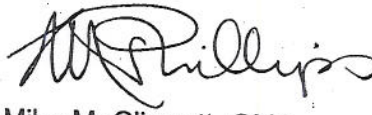
That Council approve one of the options and instruct staff to implement any necessary changes.

TAB 18

Respectfully submitted



Tina M. Phillips
Manager, Revenue



for Mike McCliggott, CMA
Director of Finance

List of Attachments:

1. **Council Remuneration Committee Report**
2. **June 8, 2006 COW Report**
3. **June 22, 2006 COW Report**

6. PRESENTATION

6.1 Council Remuneration Committee

Committee received a presentation from Council Remuneration Committee members Margaret Lucas, John Fryer and Irwin Henderson, with respect to Council remuneration. The Council Remuneration Committee reviewed many topics, including the level of compensation and how to determine it, the one-third tax-free expense allowance, part-time status, Council responsibilities, and hidden benefits.

The Council Remuneration Committee found that the current system is not transparent or accountable. Also, the role of Council is changing as local issues broaden into regional ones. The complex duties of Councillors, their multiple responsibilities and their high workload led to the Council Remuneration Committee's recommendation that Council receive a raise.

The recommended annual wage for Councillors is \$39,104, and for the Mayor \$97,760 with the same expense account reporting as exempt city staff. These salaries should increase annually according to the CPI (Consumer Price Index) and be published in a quarterly report posted on the website. The Committee also recommended Council have two full-time employees to assist with their workload as well as Information Technology support and training.

The Remuneration Committee recommends that these changes be implemented in January 2009 for the next incoming Council.

December 14, 2006

To: Mayor & Council
City of Victoria

From: Citizens' Committee on Council Remuneration

Subject: **Transparent, Accountable, Reasonable:**
Report of the Citizens Committee on Council Remuneration

Attached please find our report to you, in fulfillment of the terms of reference that you assigned to us in August 2006.

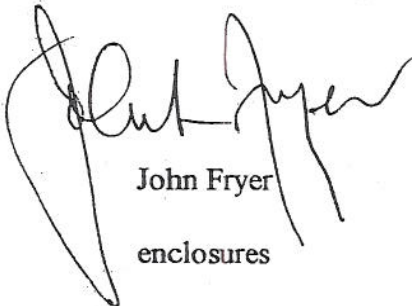
Our volunteer committee is unanimous in presenting it to you. We believe that our recommendations provide a new approach to remuneration that is transparent, accountable and reasonable as required by the terms of reference.

We would like to thank members of the public who provided us with their views and comments via e-mail and at our public meetings, and the mayor, councillors and acting city manager for their information and observations.


Thanks are also due to the city staff who assisted us in our work, especially Mike McCliggott and Susanne Thompson, Dorothy Dodge and other staff in the Finance Department, as well as Leah Wilson and Rob Woodland.

We are grateful for the opportunity to undertake this review on behalf of our fellow citizens. As a result, we have learned a lot about the remuneration packages for elected officials, and gained a respect for the task of being an elected representative in Victoria.

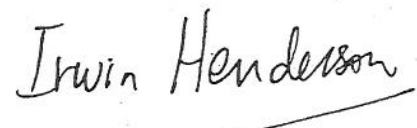
Yours truly,



John Fryer
enclosures



Margaret Lucas



Irwin Henderson

Transparent, Accountable, Reasonable

Report of Citizens' Committee on Council Remuneration

December 14, 2006

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Report Outline

I. Terms of Reference

II. Findings

III. Recommendations

Appendices

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I: Terms of Reference

- Asked to recommend on:
 - level of compensation
 - how to determine it
 - one-third tax-free allowance
 - part-time status
 - administrative support
 - transparency
 - when to take effect

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Guiding Principles

- transparent, accountable, reasonable
- no hidden benefits or convoluted formulas
- cover out-of-pocket expenses
- reflect demanding nature of job
- attract candidates from all walks of life
- set by arms-length process

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Methodology

- **Phase 1 – Information Gathering**
 - interviews with councillors, mayor and city manager
 - staff supplied data
 - time sheets from some councillors
- **Phase 2 – Public Input**
 - terms of reference on city website
 - advertisement, e-notice to community groups
 - public meetings Nov. 8, 2006
- **Phase 3 – Analysis and Reporting**

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II. Findings - Summary

- F1. system not transparent, accountable
- F2. city is complex and roles are changing
- F3. responsibilities/ expectations are growing
- F4. support is minimal
- F5. work load can be managed
- F6. attracting councillors from all walks of life not a current priority

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F1. Present System not Transparent, Accountable

- Advertised salary:
 \$21,943 – councillors
 \$66,013 – mayor
- Includes one-third tax-free expense allowance:
 - value varies with total income/tax-bracket
 - Appendix contains three scenarios

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Also not included are

- 11% in lieu of holiday, sick leave, benefits
 \$1,988 – councillors
 \$6,251 – mayor
- 50 per cent additional pay, 1 month in 8, for
 acting mayor duties
 \$1,350 – councillors only
- free parking at City parkades/meters
 tax-free benefit \$1500

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Also not included cont'd

- payments for duties on outside Boards/
Commissions:
 - CRD salaries (with 1/3 tax-free allowance)
 - Chair – \$25,260
 - CRD Director – \$7,500
- fees per meeting for example CRD etc.
approx. \$80 per meeting is typical

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One-third Tax-free Benefit not Accountable

- One-third tax-free provided in 1947 under Federal Income-tax Act for all elected officials (MP, MLA, local)
- Intended to cover "incidental expenses"
- Gives different benefit, depending on total income/tax bracket
- No requirement for receipts, bills
- Abolished in Vancouver, Toronto, Ottawa, Hamilton; and MLAs in BC, Ontario, Manitoba and Nova Scotia; and federal MPs.

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Present System not clearly Reported

- No remuneration in City's *Annual Report*
- *Public Bodies Report* includes city salary and total expenses
- No explanation or details provided
- Benefits, fees for outside meetings and tax-free allowance not reported

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F2. City is Complex and Changing

- From Small City to Big City
- Cities now recognized as key in citizens' economic, environmental and social quality of life.
- Cities now partners with regional, provincial, federal governments
- Public expectations for more information, accountability, consultation

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F3 Growing Responsibilities

- Budget of \$140m per year = \$2.7 million/week
- = \$1,600 per household and \$15,000 per business annually
- Staff of approx. 1,000 FTEs overall
- Capital City/Metro core: resident pop. = 72,000; daytime downtown = 200,000; metro = 350,000)
- Stewards of a city that "they aren't making any more" (#3 best city in North America, *Conde Nast Traveller*, Nov 06)

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Mayor's Responsibilities

- Chief Executive Officer and Chair of Police Board
- Provide leadership, communicate information
- Establish standing committees
- Representational/protocol/communications role
- Leadership role /consensus builder
- Primary liaison with City Manager/staff
- Oversees implementation of council decisions

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Councillors' Assignments

- Council, Committee of Whole meetings
- Regional Boards/Committees 3 +
- City Department Portfolio(s) 1 – 2
- Advisory Committees 2
- Task Force Assignments 1
- Neighbourhood(s) 1 – 2
- Acting Mayor (1 month in 8) and alternate assignments

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Public Expectations are Growing

- Public expects and appreciates 24/7 accessibility – by phone/e-mail
- “Sacrifice is expected” . . . “must balance family, burn-out and not being re-elected”
- Many evening meetings, and working from home
- Incompatible with holding a regular 9-to-5 job
- Compatible only with flexible other employment

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Mayor & Councillors work load

- Council meetings/assignments +++++
- Other meetings with staff/public +++
- E-mails and phone-calls +++

- Representation & protocol duties ++
- Special projects +
- Research/strategy/policy development +

(+'s indicate time spent)

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F4. Support is Minimal

- No assigned or systematic support for councillors: cubicle, computer, Blackberry, cellphone.
- Culture of "minimal demands" – as befits volunteers not members of the executive
- Training and support for new technology lacking
- Doesn't support a professional or efficient approach to the job.

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F5. Workload can be Managed

- Interviews showed councillor workload has grown to fulltime or more – time-commitments vary
- All blend council and other volunteer work

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Work Load can be Managed cont'd

- Interviews showed ways to increase effectiveness and reduce workload:
 - Reduce paper burden with changes to staff report formats
 - Strive for shorter meetings
 - Work from Strategic Plans and Policies to reduce volume of ad-hoc decisions and allow delegation
 - Training and support for new technology
 - Improved orientation/training for new councillors

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F6. Attracting Councillors from all Walks of Life

- Not a part of the remuneration system
- People run for election for non-monetary reasons
- Not a “career” job –other support/income needed
- But – Victoria successful in attracting a range of highly-qualified people

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Summary of Public Input

- mayor and council shouldn't get increased pay as long as there are homeless on our streets
- mayor and council work very hard and deserve a raise
- elected officials shouldn't vote themselves pay-raises

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III. – Recommendations

A new formula - Transparent, Accountable, Reasonable

- R1 An all inclusive salary for councillors and mayor – linked to Average Full-time Earnings in Victoria and increased annually according to CPI
- R2 Mayor's salary link to councillors'
- R3 A Real Expense Account – transparent and accountable
- R4 Routine Quarterly reporting
- R5 Manage work load for councillors and reduce barriers by Administrative Support
- R6 Coming into effect for next council

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R1 – All Inclusive Salary

To include all the following:

- present Base Salary
- compensation for removal of one-third Tax Free allowance
- acting Mayor payment
- 11% in lieu of benefits
- Committee's recommended increase

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Councillors' Recommended Salary

- Base on Average Annual Full time Earnings in Victoria (2006) = \$52,138
- Councillors work load has grown to full-time
- Job can be managed to 3/4 time with adequate support and workload management

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Councillors' Recommended Salary cont'd

- Recommended salary = .75 of average fulltime earnings = \$39,104
- an increase of approx. 30 per cent which now includes all sources
- Continue annual adjustments in line with Average Fulltime Earnings and/or CPI.

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R2. Mayor's Salary

- Set at fixed ratio of 2.5 x councillors' \$39,104
- Recommended Salary = \$97,760
- an increase of approx. 14% which includes all sources

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R3: Accountable Expenses

- Provide mayor and councillors with same expense account and claims procedures as city management employees
- Retain free parking benefit as long as Revenue Canada continues tax-free status

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R4: Quarterly Reporting - Transparent and Accountable

- Publish mayor and councillor all inclusive salaries and expenses and
- income from outside bodies in Finance Director's Quarterly Report to Council and post on city website
- Continue to publish Mayor and Councillors' salary and expenses in Annual Public Bodies Report
- Publish in City's Annual Report

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R5: Manage Work Load and Reduce Recruitment Barriers

Provide increased support to councillors:

- Dedicate 2 support FTE's for 8 councillors
- IT support at office and home
- Training

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R6 Effective Date

- Mayor and Council deserve a raise now based on workload and responsibilities
- However, it should be set by an arm's length process
- The committee believes that the conflict of interest in council giving itself a raise is inappropriate
- Therefore we recommend this council should adopt the all inclusive salary package to take effect for the next incoming council in January 2009.

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Budget Impact

- Estimated cost of the Committee's recommendations is approximately \$132,000
- this represents approx. 0.001 of the total budget

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Thank You

- Our committee thanks the Mayor and Council, city staff, and members of the public who assisted in our work.
- We believe that our efforts should lead to a better appreciation of the work that the mayor and council do on the taxpayers' behalf, and ensure a transparent, accountable and fair system of remuneration is put in place.

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City of Victoria - Citizen Committee Review of Council Remuneration

Mandate

The mandate of the Citizens' Committee on Council Remuneration shall be to undertake a review of the Mayor and Members of Council's compensation in general, as well as the one-third tax-free portion of Council compensation and to prepare a written report with recommendations to the City Council.

Scope of Review

The Task Force shall,

1. Review and make recommendations on the appropriate level of compensation for Council in the City of Victoria
2. Review and make recommendations on the issue of the one-third tax-free allowance
3. Review and make any other recommendations related to the issue of Council compensation as they deem appropriate.
4. Conduct a review of Mayor and Council compensation in major cities or metropolitan municipalities across Canada for the purpose of a comparative measure
5. Consult with current Members of Council, members of the public, city staff and appropriate community groups
6. Such other investigative or analytical initiatives as may be required in order to submit their report and recommendations in a timely fashion.
7. Review and make recommendations on the workload, part time status, and / or Council administrative support in relation to other core Canadian Municipalities.

Preliminary Principles and Assumptions

In an effort to provide a guiding framework and to ensure transparency, openness, accountability and, reasonableness and appropriateness for this review on Mayor and Council Remuneration the following draft guiding principles and assumptions are being recommended.

- The compensation provided to the Mayor and Members of City Council must be as transparent as possible. There should be no hidden employment benefits or convoluted formulas for establishing or adjusting same. As such, compensation should remain separate and distinct from monies paid for reimbursable expenses. By ensuring that the Councilors' remuneration is as transparent as possible, this information should be available to the citizens of Victoria in a comprehensive yet understandable format.
- Finally, the compensation paid to the Mayor and Members of Victoria City Council should be appropriate to reflect both the demanding nature and responsibilities of that public office, as well as to attract and retain capable candidates from all walks of life. However, such compensation must also be reasonable to the Mayor, Councilors and to the citizens of Victoria.

In addition to these guiding principles, the following preliminary assumptions to further guide them in this project:

- Members of Council should not be out-of-pocket in order to perform the duties of their office

- The level of compensation must reflect both the public expectations of the job of Mayor or Councilor, as well as the statutory responsibilities and other duties associated with local public office
- The amount of compensation for Members of Council, as well as the method to determine same, can influence the ability to attract (and retain) good candidates to municipal government
- Due to the perceived conflict of interest in this statutory process, the level of compensation for Members of Council should be established and adjusted from time to time by an arms-length process.

Committee Structure

The proposed committee structure would be as follows:

- The committee to be comprised of three independent citizens with a diverse background (i.e. community focus, business focus etc.)
- Committee members to be selected by City Council, through a formal application process.
- City staff will support but not participate in the committee deliberations

Recommendations

The intention would be for this committee to complete their deliberations by August 31, 2006 and provide a formal report to City Council in early September. The expected outcomes are as follows:

- Recommendations on the appropriate level of compensation for the Mayor and Council in the City of Victoria and the method of determination.
- Recommendations on the issue of the one-third tax-free allowance
- Recommendations on Council's part time status, as well as Council specific administrative staff supports
- Any other recommendations they may deem appropriate including transparency.
- Recommendation on when this should take effect



Citizens' Committee Review of Council Remuneration

Victoria City Council has established a three-person citizens' committee to review and submit a written report on the mayor and members of council's compensation, the one-third tax-free allowance, and how the compensation level should be set in future.

The committee will compare Victoria with other Canadian cities; consult with councillors, members of the public, city staff and appropriate community groups; and review the workload, part-time status, and the option of providing Councillors with administrative support.

In preparing its recommendations, the committee is guided by the principles that remuneration should:

- be transparent and the amount set through an arms-length process
- reflect the demanding nature of the job
- be sufficient to attract and retain suitable candidates from all walks of life, and
- be reasonable to the mayor, council and citizens of Victoria.

To provide opportunities for public input, the citizen's committee has scheduled day and evening meetings:

3:00 p.m. to 5:00 p.m., Wednesday, November 8, 2006, and
7:00 p.m., Wednesday, November 8, 2006.

These meetings will be held in the Council Ante Chamber at Victoria City Hall. Written or oral submissions will be welcomed from interested members of the public and community groups.

If you are unable to attend, or wish to make a written submission, please do so to the committee's e-mail address: remuneration@victoria.ca

Or by mail to: Council Remuneration Committee c/o Finance Department, City Hall,
1 Centennial Square Victoria, B.C., V8W 1P6

Or by fax: (250) 361-0278

If you have questions about the committee's work, its procedures or mandate, please contact us.

The committee's full terms of reference are available on the City's website or from the City of Victoria Finance Department at the address above.

Members of the committee are: Margaret Lucas, John Fryer and Irwin Henderson.

Appendix -- Summary of public input

I believe in the old adage that you get what you pay for. I think that the Mayor and council's salaries are insultingly low given the amount of hours required and the commitment level demanded. Please count me as a supporter of increased salaries for these dedicated individuals who are representing our community.

although I do not live in Victoria but I trust my suggestions will still be considered.

Any person running for public office should be well aware of the remuneration package that s/he will be entitled to if elected. If this package is not acceptable then s/he should not be running for the office.

Yes!! increases are required but any increase in the remuneration package should not become effective until after the following election. With this policy, then elected members would be able to make recommendation[s] for the remuneration package of the office that s/he holds. However, the citizens still have the final decision as to whether or not a candidate is worthy of the office and its remuneration package.

Until there is a resolution for housing for the "street people", housing for the poor and handicapped and an increase in any housing and/or monies to help all the people who have minimal or nothing to live on, or who have not had any increase to their benefits. For the people who are mentally ill and those with problems with addictions who cannot find a place to go. It is time that you who are in charge should get a 0% increase in your wages for at least 2 years until you are able to develop housing to help these others and programs that might help them and once you are able to make a dent in those who are living on the street and are having so many problems like addictions and mental problems along with just being poor and unable to pay the cost for affordable housing. Once you have started to make headway with these problems, I for one and other would probably agree that an increase to your wages comparable with the cost of living index would be more that acceptable.

Please consider this as a vote of confidence that views you as being able to make a big difference to our poor, and handicapped people in our lovely city.

Thank you for listening to my point of view.

I served for 6 years as a regional director (in the interior) and came to recognize that there is really only one methodology that is acceptable for the establishment of compensation rates for elected officials at any level of government. Only outgoing elected officials prior to a general election - whether at the municipal, provincial or federal level - should be permitted to vote on a change in remuneration. In fact, it should be the last official act of any elected body. If the outgoing body truly believes that an increase is appropriate and defensible, they then put forward the resolution, vote on it, pass it and defend their decision before the electorate at the upcoming election. This would ensure that there was no conflict of interest in the decision making process (because those voting on the increase would not necessarily benefit from it) and it would give the electorate a say in the validity of the decision.

Then, the idea of a citizen's panel such as the one on which you serve would have some merit. It would assist the elected officials in arriving at a defensible position on remuneration and would have tested the proposed increases against similar levels of responsibility within the community. Otherwise the citizen's panel is merely window dressing for what is seen as the opportunism and greed of politicians.

Why has your public discussion been "slow to gather steam" as noted in section 2, page 2 of the T-C? I would hazard a guess that the level of public cynicism around politicians of any stripe has a lot to do with the response. By taking the approach noted above, it would greatly help dispell the old "Norris" cartoon impression of hogs at a trough that present systems of remuneration reinforce. It would also speak volumes about the integrity of council.

I searched the city website but didn't see any terms of reference specific to the expected roles of the mayor and councilors and the time commitment involved. In trying to determine what is fair and commensurate with other jurisdictions, it would be useful to have that information.

I agree that any compensation has to be clearly defined, objective and simple to determine. As a taxpayer however, I want to ensure that my expectations concerning performance, participation and commitment are also met. I don't have research data to determine what other municipalities pay, but in general I would like to see our elected officials compensated in 3 components.

1. Base salary
2. Per diem or per meeting fee to ensure attendance at council and other scheduled meetings.
3. Bonus to reflect achievement of budget targets

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I don't mind paying a premium to elected officials who devote the time and effort to doing a good job and can meet their forecasts and budgets.

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1. Base salary
2. Per diem or per meeting fee to ensure attendance at council and other scheduled meetings
3. Bonus to reflect achievement of budget targets

I don't mind paying a premium to elected officials who devote the time and effort to doing a good job and can meet their forecasts and budgets.

From Public meeting

People are dying in our streets, nothing is happening, and there is frustration with the process. Councillors shouldn't ask for a raise. While a councillor "only" makes \$21,000, how does this compare to a welfare-mom's income of \$490 per month?

This is about an attitude: people who are making money shouldn't tell the destitute that they should get more. But if we could see good intentions, service to the people and some results, then there would be a willingness to pay councillors more.

There is a legacy of neglect that has given rise to cynicism so it will be hard to attract new people to run for council.

It's not the money that draws people to run for office. But, remuneration is of legitimate concern, as are the working conditions. This especially true to attract business-people, as the cost of serving can be high. Generally, councillors don't get paid enough.

This issue could be put on hold, pending amalgamation, when duties and expectations will change.

**Citizen Committee Review of Council Remuneration
Mayor/Councillor interviews Sept 25, 26**

- 1. Introductions**
- 2. Terms of Reference – Approach – Workplan**
- 3. Topics for Discussion**
 - A. – What you do?**
 - formal meetings and assignments**
 - informal meetings – public, groups, staff**
 - projects**
 - vision/strategy/policy development**
 - travel**
 - reading, e-mails, phonecalls**
 - training**
 - vacation & “time off” from city duties**
 - other employment**
 - B. Key changes in role of councillor and “work environment”**
 - C. What you get? pay; expenses; benefits;
 – impact of 30% tax-free benefit**
 - D. Admin support: self; family; staff; computer; office space**
 - E. Attracting/discouraging factors**
 - F. Take-way and return – time breakdown**

Citizen Committee Review of Council Remuneration

Time Commitments

(hrs/day; days/week; weeks/year)

1. **Formal meetings and assignments** _____
2. **Representation/protocol events** _____
3. **Informal meetings – public, groups, staff** _____
4. **Projects** _____
5. **Vision/strategy/policy development** _____
6. **Research/reading** _____
7. **E-mails, phonecalls** _____
7. **Training/development** _____
8. **Other civic duties** _____
9. **Vacation & “time off” from city duties** _____
10. **Other employment/commitments** _____

Council Salaries - Three Scenarios

Scenario #1

Eliminates non-tax salary.

Assumes no other income and only basic exemptions

	Mayor		Councillor	
	Current	Scenario #1	Scenario #1	Difference
Earnings				
Taxable	46,362	66,789	21,236	7,079
Non Taxable	20,427	-	-	(7,079)
	66,789	66,789	21,236	-
Deductions				
Income Tax	8,566	15,012	2,233	1,551
Canada Pension	1,911	1,911	878	353
	10,476	16,923	3,111	1,904
Net Pay	56,313	49,866	18,125	(1,904)

Council Salaries - Three Scenarios

Scenario #2

Eliminates non-tax salary.

Assumes additional income of \$25,000 and only basic exemptions

	Mayor		Councillor	
	Current	Scenario #2	Current	Scenario #2
		Difference		Difference
Earnings				
Taxable	71,362	91,789	39,157	46,236
Non Taxable	20,427	-	7,079	-
	91,789	91,789	46,236	46,236
		-		-
Deductions				
Income Tax	16,463	24,543	6,432	8,605
Canada Pension	1,911	1,911	1,765	1,911
	18,374	26,453	8,198	10,516
		8,080		2,318
Net Pay	73,415	65,336	38,038	35,720
		(8,080)		(2,318)

Council Salaries - Three Scenarios

Scenario #3

Eliminates non-tax salary.
Assumes additional income of \$85,000 and only basic exemptions

	Mayor		Councillor	
	Current	Scenario #3	Current	Scenario #3
		Difference		Difference
Earnings				
Taxable	131,362	151,789	99,157	106,236
Non Taxable	20,427	-	7,079	-
	151,789	151,789	106,236	106,236
Deductions				
Income Tax	40,908	49,984	27,450	30,281
Canada Pension	1,911	1,911	1,911	1,911
	42,819	51,894	29,361	32,192
Net Pay	108,970	99,895	76,876	74,044
		(9,075)		(2,831)

Committee of the Whole Report



Date: June 8, 2006
To: Mayor and Council
From: Mike McCliggott, Director of Finance
Department: Finance
Subject: Council Remuneration

Executive Summary:

1993 was the last time the City conducted a comparative survey on Mayor and Council remuneration. It is my understanding that both the Mayor and Councillor's remuneration were comparative to similar sized Municipalities. The Council of the day also felt it prudent to use 1993 salary as a base and annual increases would be calculated using the annual lift in the consumer price index. This has been endorsed by subsequent Councils and we are still using this method to calculate the annual salary increases.

Given the recent increases awarded to Saanich Mayor and Council, I felt it appropriate to conduct a similar survey to determine how the Victoria Mayor and Council remuneration compared to those in similar sized Municipalities. To ensure consistency, I used the same comparative data that was presented to the Saanich Council.

The attached schedule outlines the remuneration for each of the nine Municipalities surveyed and calculates the average. The amounts shown are the combined annual remuneration and one-third tax exempt allowance for incidental expenses. As you can see, the Victoria Mayor and Council now receive the lowest remuneration of the sampled Municipalities and are significantly below the average. There needs to be an adjustment to bring Victoria's remuneration back in line with similar sized municipalities.

Although using the Consumer Price Index to dictate annual salary increases should be a fair way to determine increases, it needs to be followed up with comparative surveys to ensure that remuneration remains consistent with similar sized Municipalities.

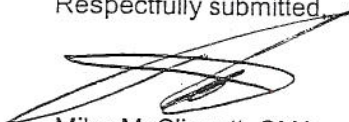
As requested, I have also attached a copy of the remuneration for the Mayor and Councillor's in each of the Canadian Capital Cities.

Recommendation:

That effective June 1, 2006, Council, approve increasing the annual remuneration of the Mayor and Council to the average of the Municipalities surveyed (i.e. Mayor from \$66,789 to \$74,458 and Councillor's from \$21,236 to \$25,878).

That Council approves the practice of using the Consumer Price Index to calculate future increases and instruct Finance Staff to conduct a survey every five years to ensure we maintain relativity with similar sized Municipalities.

Respectfully submitted,


Mike McCliggott, CMA
Director of Finance

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Survey of Council Remuneration

(1)

(1)

Municipality	2006 Population	Effective Date	Mayor	Annual Salary	Councillor
Richmond	181,942	Jan-06		81,128	32,052
Kelowna	109,490	Jan-06		81,000	24,300
North Vancouver	46,759	Jan-05		79,500	27,500
Delta	102,655	Jan-06		75,753	28,853
Saanich	110,387	Jan-06		73,345	25,463
Abbotsford	127,434	Dec-05		72,500	24,167
Nanaimo	79,626	Jan-06		71,810	23,642
Kamloops	82,714	Jan-06		67,675	22,558
Coquitlam	121,973	Jan-06		67,415	24,371
Total				670,126	232,906
Average				74,458	25,878
Victoria Remuneration	77,369			66,789	21,236
Proposed Increase				7,669	4,642
				11.5%	21.9%
(1)	Annual Salary inclusive of the one third tax exempt allowance				

Survey of Mayor and Council Salaries

Capital Cities within Canada

	Effective Date	Mayor	Council
Ontario (Toronto)	January 2, 2003	\$ 139,197.90	\$ 82,097.64
Alberta (Edmonton)	2006	\$ 121,820.71	\$ 63,638.06
Manitoba (Winnipeg)	2005	\$ 103,391.86	\$ 55,147.30
Nova Scotia (Halifax)	January, 2002	\$ 96,693.31	\$ 39,089.90
Quebec (Quebec City)	2006	\$ 95,245.00	\$ 32,000.00
Newfoundland/Labrador (St. John's)	October, 2005	\$ 90,173.00	\$ 32,359.00
Northwest Territories (Yellowknife)	September 22, 2003	\$ 87,880.62	\$ 14,743.58
Saskatchewan (Regina)	2006	\$ 85,126.63	\$ 28,375.54
Yukon (Whitehorse)	November 1, 1997	\$ 66,800.00	\$ 13,363.00
British Columbia (Victoria)	December, 2005	\$ 66,789.14	\$ 21,236.01
New Brunswick (Fredericton)	2006	\$ 47,899.54	\$ 19,433.18
Prince Edward Island (Charlottetown)	2006	\$ 37,395.00	\$ 21,997.00

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