



Corporate Report

NO: R033

COUNCIL DATE: February 20, 2006

REGULAR

TO: Mayor & Council DATE: February 16th, 2006
FROM: General Manager, Finance, Technology & HR FILE: 0560-01
SUBJECT: Mayor and Council Indemnities - 2006

1.0 RECOMMENDATION

That Council consider an adjustment to Mayor and Council indemnities effective February 1st, 2006.

2.0 BACKGROUND

In 1997 a review of the Mayor and City Council Members compensation was conducted by KPMG. This resulted in the approval of a formal compensation philosophy that included annual adjustments based on a formula. The approval also included a detailed independent review every three to six years to ensure the competitiveness of the plan components and the alignment with the changing business direction.

In 2000, the formula was simplified to include the following:

- Vancouver Consumer Price Index;
- City of Surrey Exempt Employees Increase, and
- City of Surrey Union Employees Increases (Fire & CUPE).

This formula was most recently applied effective January 1st, 2006.

3.0 DISCUSSION

At a recent meeting, Staff reported on its analysis of an informal survey conducted on Mayor and Councillor indemnities for Burnaby, Coquitlam, Richmond and Vancouver. The results of the survey concluded that when compared to Vancouver, the indemnities for Surrey were behind by approximately 6% and the Acting Mayor's Allowance was behind by about \$35.00 per day.

Should Council choose to bring their indemnities in-line with those of Vancouver, the following increases would be required:

	From	To	Change
Mayor	\$93,478	\$99,087	\$5,609
Councillor	\$47,296	\$50,134	\$2,838
Acting Mayor (per day)	\$37.35	\$72.35	\$ 35

The total annual cost of this adjustment is approximately \$40,000 and would be offset in 2006 by one-time expenditure reductions. It would be included as an on-going expenditure increase in the 2007 Five-Year Financial Plan.

4.0 CONCLUSION

A recent informal survey conducted by Staff indicated that Surrey's Mayor and Council indemnities were behind those for Vancouver by approximately 6% and that the Acting Mayor's Allowance was behind by approximately \$35.00 per day. Should Council choose to bring their indemnities in-line with Vancouver, it is recommended that staff increase indemnities effective February 1st as outlined in this report. It is further recommended any increase be funded through one-time expenditure reductions for 2006 and be included in the 2007 Financial Plan as an on-going expenditure increase.

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