

Subject: Comments to the Task Force on Council Remuneration

Date: Tue, 07 Jun 2005 20:06:36 -0700

From: Corrie Kost <kost@triumf.ca>

To: councilremuneration@dnv.org


CC: fonvca@fonvca.org

Dear Task Force Members,

Attached is my input on this matter. Should you have any question please do not hesitate to contact me on the points I discussed.

Yours truly,

Corrie Kost

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Corrie Kost < kost@triumf.ca >

June 7th 2005

To: Task Force on Council Remuneration

This is my response to an invitation from the Council Remuneration Task Force to comment on:

- a) The appropriate remuneration levels for our elected officials and
- b) an approach that can be used on an on-going basis to review and set future remunerations.

To open this discussion one should first address the often expressed philosophical stance that such positions should be viewed as service positions to our community and therefore should be offered little or no remuneration. I do not accept such a stance because to do so would be undemocratic as it would deprive people from many sectors of our community from running for office. Without any remuneration local governance could not be reflective of our society since the cost would be prohibitive for many of our residents.

There was a time when only the independently wealthy, usually with property, could serve on council. The idea being that people with money knew best what was good for them. Unfortunately, the “them” was often not us!

Thus we embark on the reply to (a) – not whether elected officials should be paid, but rather on how much, and on what basis, they should be paid. I believe that the better the system of remuneration the greater will be the number of skilled people that will run for office and ultimately the effectiveness of local governance.

Councillors are currently paid about \$24,000/year and since 1/3 is not taxable it translates to an effective wage of about \$26,500. For the Mayor the numbers are about \$58,000 and an effective \$64,000. The 1/3 tax-free allowance amounts to about a 10% Federal subsidy of their wages and it would be counter-productive to do away with that as it would have to be made up with a local tax increase. I thus urge that the 1/3 tax-free allowance be retained – a choice which is at the discretion of council.

There are some who argue that their own pay has not changed significantly in the last 10 years so why should those of our elected officials? Frankly though, this is not typical – on average wages have kept up with inflation for those living in the District. Another indicator, the DNV “Municipal Taxes” component, rose from \$495/capita in 1994 to \$618/capita – an increase of 25%. Over that approximate same period of time (actually 1996-2005) the Mayor and council salaries have been frozen.

Another factor to consider is the work load and expertise required to do a reasonable job. As a long term council watcher, who reads much of the same material week after week that councillors have to digest, I feel that the task has become increasingly complex. Not only that, but I feel the District is approaching a financial crisis – and the appropriate response, often mimicked by the business world, is to put more money into management – in this case council. I thus view any increase in council’s remuneration as a sound business decision. Also, to ensure the continued trend to a more open, accessible local government, which has the greatest day to day impact on our lives, will require more time and dedication from our council. There are no free rides in this world and we, the public, must pay for this one way or another. I prefer to pay for more time from our elected officials – ie. councillors, rather than for more bureaucrats. Council is the only body dedicated to represent the public interest.

I believe the workload of councillors is not what it used to be. Some say that the extra workload was self-inflicted. I don’t agree. With increased focus on local decision making comes a greater reliance on the integrity and effectiveness of our leaders in municipal government. Money may not buy integrity but we all know that the lack of it often leads to corruption. The adage “pay now or pay later” comes to mind.

On the other hand there are countless people who have volunteered their time for the good of the community without any remuneration. But there are some differences in asking this of councillors – they carry a heavy burden of making important decisions that effect other people’s lives. They

have responsibilities and sworn duties to uphold – come what may. Volunteers do not.

There is however a concern that merits consideration – that if we make the indemnity too large some members of council may view this as a permanent career. Since I believe that it is healthier for the public interest that there be a regular turn-over of council membership the solution may be to have a limit, say two, to the number of consecutive terms that could be served as a councillor (excluding the Mayor's position).

Although one should temper any recommendations with what is happening in adjacent municipalities I feel we should not be overly constrained by such considerations. For example, the cost of living in the DNV is higher than for most Lower Mainland municipalities and thus it is reasonable to have compensation based on the average earnings of DNV residents who are employed full-time. At this time I do not consider the task of being a councillor a full time job – although I admire those who put in the extra effort!

It should be noted that if some councillors feel that the indemnity is too generous to accept I am sure they can clear their conscience and compensate the public good in some way. The converse however, is somewhat problematic.

So here are my recommendations:

- That the current ratio of pay between Mayor and a member of council be maintained at about 40%.
- That the Mayor's salary be increased by 5% over the inflation that has taken place since that salary was last increased (about 20% from 1996 to 2005).
- That such remuneration annually be adjusted for inflation.
- That this subject be reviewed by a similar Task Force approximately every 6 years.

As to how/when the change in remuneration should be implemented – there is strong consensus – with which I agree – that the change apply, not to the current council, but to the new council elected in November 2005.

On a final and somewhat lighter note, with such a significantly higher salary in the District, Councilors in the City of North Vancouver may want to reconsider their stance on amalgamation!

Yours truly,

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