

AUG 2016

Politician's income opportunities all add up

First in an occasional series on pay in Greater Victoria

What income opportunities does our complex and byzantine governance structure provide for our elected officials?

This is the first in a series of profiles on the pay our local politicians receive for their efforts. Though these jobs are considered by many as part-time and a public service role, particularly in a small city of 80,000, others argue the demands of the system within which politicians work is increasingly demanding.

Coun. Ben Issit is an historian, author, occasional university instructor, community advocate, and considered one of the more left-leaning politicians. He has written two books, *From Victoria to Vladivostok: Canada's Siberian Expedition, 1917-19* and *Militant Minority: British Columbia Workers and the Rise of a New Left, 1948-1972*.

Coun. Issit has been a City of Victoria councillor since 2011 and is currently a CRD director who sits on six committees and boards. Coun. Issit, a vocal supporter of doubling CRD wages last fall, draws an estimated equivalent of \$65,000 annually in local government pay.

As a Victoria city councillor in 2016, Coun. Issit receives \$40,995 annually that's fully taxable. In 2014 expenses of \$3,622, the third highest on council, were incurred and reimbursed (most recent numbers available).

As of Jan. 1, 2016, Coun. Issit started drawing \$17,000 in pay annually from the Capital Regional District (CRD) for attending all board meetings and two standing committees. All CRD board members also sit on the CRHD (Hospital Board) as part of their duties and receive no remuneration unless they are the CRD vice-chair.

A third of the CRD total pay packet - the annual stipend and pay per meeting - is deemed a non-taxable expense allowance by Revenue Canada. However, committees and boards typically already reimburse members for expenses incurred on legitimate business.

If asked to be an alternate director, or if appointed to a local and sub-regional commissions and director appointment to external boards, pay is \$100 a meeting.

As of June 2016, Coun. Issit sat on six boards: the Core Area Liquid Waste Management Committee, Regional Parks Committee, Transportation Select Committee, the Eastside Wastewater Treatment and Resource Recovery Select Committee, the Regional Water Supply Commission and Island Corridor Foundation. Plus, he's an alternate for the Regional Representative to the Treaty Table and the Traffic Safety Commission.

CRD remuneration is now adjusted to the cost of living annually.

Individuals aged 15 and over who worked full year, full time with employment in Victoria earned an average of \$51,160, according to Census information (2011) on the City of Victoria website.

BACKGROUND:

CRD Board and Committee Membership 2016,
<https://www.crd.bc.ca/docs/default-source/legislative-pdf/boardchairappointments.pdf?sfvrsn=6>

CRD Directors Board Remuneration, Staff Report, Sept. 9, 2015.
<https://www.crd.bc.ca/about/document-library/documents/committeedocuments/capitalregionaldistrictboard/20150909>

CITY PROPERTY ASSETS ESTIMATED AT \$900-MILLION

An initial inventory of City of Victoria property assets puts their value at \$900-million in assessed value, **considerable more if sold on the open market.**

The following summarizes the baseline information available now: 461 City-owned parcels, it covers 242.2 ha (15.8% of overall City; does not include rights-of-way), approximately 70 ha of land is not designated for park, and values are based on 2015 data by BC Assessment.

Based on this initial assessment, the City's next step is to compile a land

inventory including land values and uses.

NORTH SAANICH PAYS UP

The Peninsula News Review reports that the **North Saanich's chief administrative officer was voluntarily paid \$26,800 in what the Mayor Alice Finall is calling "compensation for his treatment at the hands of the previous municipal council."** Rob Buchan was the CAO of the District in 2011 when the council in question was elected. The subsequent three-year term saw considerable turmoil at the North Saanich municipal hall - with four employees eventually resigning in 2013 - and mediation between councillors and the District's staff in November, 2012.....<http://www.peninsulanewsreview.com/news/387498151.html>

Meet your Grumpy Taxpayer\$ Board of Directors

MUNICIPAL MATTERS

.... **Nelson Chan has been appointed the new chief financial officer for the CRD.** During the past 14 years he worked at Canada Post, most recently as the director of finance. Mr. Chan has his own website at <https://branded.me/njchan>...Statistics Canada reports the underground economy is about **two per cent of GDP in 2013 or \$45.6-million.** residential construction, retail trade, and accommodation and food services accounted for about half of underground economic activity....The Manning Centre, a politically conservative and libertarian think tank in Canada, reports that **Victoria has taken some cost-savings measures that the City of Victoria says could save millions over the long run.** See the good news story, '[Municipalities should share their nifty cost-sharing initiatives](#)'

SNEAKY HOTEL TAX TO INCREASE 50 PER CENT

When booking online a one-bedroom hotel room with five star amenities – and a bonus, a view of the Victoria's glorious Inner Harbour - a rate of \$229 seemed a good deal. A GST/PST of 12 per cent was expected, but lack of transparency about two per cent hotel tax was annoying.

Well, that unspecified fee - **the hotel tax, the Municipal and Regional District Tax - is set to become three per cent by the start of 2017.**

The City of Victoria is one step closer to increasing its hotel tax from two to three per cent and will likely reap a windfall to bolster the local tourism industry. Currently Victoria is in the midst of a tourism boom and hotel occupancy rates are high.

Increased revenues will go to Tourism Victoria to take the lead on sales and marketing of the Victoria Conference Centre, and the tourism industry making a \$1-million contribution toward the David Foster Harbour Pathway. Tourism Victoria gets \$2.5-million of the fees collected, the Victoria Conference Centre about \$600,000, and the city uses the balance for destination marketing.

Hotel taxes or tourism levies across Canada are common and vary from two to five per cent for larger centres, including a four per cent tourism levy in Alberta.

BACKGROUND: [City of Victoria request to CRD for hotel tax increase](#)

WHAT'S COMING UP

OPEN BOARD MEETING - Donations have ranged from \$25 to \$450. With your help Grumpy\$ has now **reached the 70% mark** of our start-up goal of \$5,000. To make it easier for our supporters we've added a PayPal button at the bottom of this page that accepts all major credit cards. Thank you for your generous support. Join us **Tuesday, Aug. 9 from 12 to 2 pm** for lunch and meeting at location TBA. Partners and interested supporters are welcome to sit in, RSVP to grumpytaxpayers@telus.net ...

Join us and be part of the solution .

Sincerely,

The Grumpy Taxpayer\$ Team