

**THE COST OF MUNICIPAL ELECTED OFFICIALS
IN THE CAPITAL REGION OF BRITISH COLUMBIA**

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June 1999

ISBN 1-55058-199-6

EXECUTIVE SUMMARY

This report provides an analysis of the costs of elected officials for municipalities and the Capital Regional District in the capital region of British Columbia. Comparisons are also provided with costs of elected officials in two similar sized urban regions, the Halifax Regional Municipality and the City of Surrey, where there are fewer elected officials.

The costs of elected officials by municipality in the capital region range from a low of \$1.95 per capita in Saanich to \$16.95 per capita in the Highlands, with the overall average being \$3.08 per capita. When Capital Regional Districts' costs are added, total costs of the 88 municipal and CRD elected officials are \$3.34 per capita for one elected official for each 3,811 citizens. This amount equals one-third of one percent of total local government expenditures.

Comparisons with municipalities utilizing fewer council members requires inclusion of the cost of staff dedicated to the support of the mayor and council which are not necessary in smaller municipalities. When staff costs are added, the costs of elected officials and cost of councils in the capital region rise to \$4.59 per capita. In the Halifax Regional Municipality there are 24 elected officials, each representing 14,290 citizens. However, because elected officials are paid more and have a larger staff their costs are \$4.62 per capita--virtually identical to the costs incurred in the capital region for its 88 elected officials.

The second comparison is with the City of Surrey where there are 9 elected officials and 39,982 citizens per council member. Surrey councillors and mayor are paid more than in the capital region and they have higher staff costs, but their cost is only \$2.83 per capita, or \$1.80 less per capita than the costs of the 88 elected officials in the capital region. At one-sixth of one percent of total local government expenditures, this cost difference is extremely small.

Councils in the capital region are small, predominantly made up of part-time councillors who do not have high campaign expenditures, and, with the exception of Victoria and Saanich, do not have their own support staff. Smaller municipalities also have higher voter turnout in elections. In contrast, large municipal councils pay councillors much more, election campaigns are more expensive, and they have their own staff. How either a 21 member Halifax-style council and 10 member Surrey kind of council would apply to the capital region is described. Each of these alternatives results in much larger constituencies for elected officials and are anticipated to result in much higher campaign expenditures, encouraging slating and donations from special interests, and likely to lead to lower voter turnout. There would be a significant change in the nature of local government political representation in the region, especially with a system of only 10 councillors and one mayor.

Differences in the costs of different sizes and kinds of councils are such a small percentage of total local government expenditures that they are irrelevant to the issue of

elected official representation for the region. The important concern is whether or not citizens want to maintain a system of small constituencies, low cost elections and part-time "volunteer" council members, and a number of municipalities which have different policies and provide different services, or whether they want to move toward larger constituencies, organized-group-funded higher cost mass-media style elections, and full-time council members with a paid staff. These are questions of fundamental values, not questions of cost, in the organization of local governments in the capital region.

PREFACE

The Cost of Municipal Elected Officials in the Capital Region of British Columbia is the second of three papers on issues relating to local government organization and amalgamation issues in the capital region. The first, *Local Government Service Production in the Capital Region*, was published in April. The paper is based on a survey of municipal administrators in the capital region and it describes how local government services are actually produced in the region. A third paper, forthcoming, will bring together the report on the production of services and costs of municipal elected officials with some financial information on the general issue of amalgamation. It too will provide factual information in light of the interest in that question.

ACKNOWLEDGEMENTS

Data was collected for different municipalities by Todd Pugh, Jennifer Godwin, Tiffany Fawcett, Donna Kenny, Barbara Pearce and Igor Vojnovic. Eric Clemens updated financial data and along with Jim McDavid, Allison Habkirk, Colin Crisp, Mark Sproule-Jones. Administrators for capital region municipalities and the CRD provided helpful comments on an earlier draft. Deborah Fawcett prepared the tables and final manuscript. All conclusions and the final report are the author's responsibility.

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INTRODUCTION

This report provides an analysis of the costs of elected officials for municipalities and the Capital Regional District (CRD) in the capital region of British Columbia. In addition, comparisons will be provided with differently organized urban areas in Canada, which elect fewer elected officials than, are elected within the capital region. When considering the costs of municipal councils, however, it is useful to remember that 95 per cent of local government expenditures are for the production and delivery of services and implementation of regulations. Only 5 percent goes for governance and policy making, of which usually less than one half of one percent goes for the costs of elected officials.

The capital region is very typical of North American urban areas. There are several municipalities, in this case 12, and several other specialized governments, at least one of which is regional. Such systems involve the election of many local government officials. In the capital region this includes 72 municipal councillors, 12 mayors, 4 electoral area representatives to the Capital Regional District (Langford and Sooke Electoral areas on Vancouver Island and 2 more on the Gulf Islands), 30 to four school boards, and 12 to the Islands Trust (2 from each island within the CRD boundaries) for a total of 130. Of these 109 are elected from the Southern Vancouver Island part of the CRD and 21 are from the adjacent gulf islands.

THE COST OF ELECTED MUNICIPAL OFFICIALS

Each of the twelve capital region municipalities has a mayor and 4, 6 or 8 councillors for a total of 84 council members in the region, plus there are 4 electoral area CRD board members, for a total of 88 elected municipal officials. Table 1 presents the makeup and costs of municipal elected officials in the region. A comparison of councillors and population yields the number of citizens per councillor, and a comparison of compensation for councillors, mayors and total local government spending yields information on the costs of elected officials, both per capita and as a percentage of local government expenditures. Figures are provided for each of the 12 municipalities along with municipality totals, the CRD, and the total for all municipalities and the CRD combined.

**Table 1
Capital Region Costs of Municipal councils and CRD Board**

NAME	Population	Council	# of Citizens per Councillor	Total Expenditure	Per Councillor	COMPENSATION			Cost of Council or Board	
						Council	Mayor	Total	Per Capita	% of Budget
Esquimalt	16,677	6	2,780	\$14,554,421	\$6,915	\$41,490	\$20,457	\$61,947	\$3.71	0.43%
Oak Bay	18,173	6	3,029	21,488,144	9,600	57,600	20,500	78,100	4.30	0.36%
Saanich	107,026	8	13,378	80,952,889	18,791	150,328	58,536	208,864	1.95	0.26%
Victoria	76,121	8	9,515	109,122,309	18,544	148,352	53,514	201,866	2.65	0.18%
Central Saanich	15,502	6	2,584	12,150,378	7,000	42,000	14,000	56,000	3.61	0.46%
North Saanich	10,995	6	1,833	7,635,933	7,456	44,736	15,536	60,272	5.48	0.79%
Sidney	11,257	6	1,876	10,503,221	7,945	47,670	16,659	64,329	5.71	0.61%
Colwood	14,758	6	2,460	6,522,935	6,516	39,096	15,048	54,144	3.67	0.83%
Highlands	1,563	6	261	1,033,170	3,500	21,000	5,500	26,500	16.95	2.56%
Langford	19,421	6	3,237	9,077,622	6,285	37,710	8,676	46,386	2.39	0.51%
Metchosin	5,025	4	1,256	2,199,046	7,112	28,448	12,192	40,640	8.09	1.85%
View Royal	7,043	4	1,761	4,872,464	6,000	24,000	10,800	34,800	4.94	0.71%
TOTAL	303,561	72	4,216	\$280,112,532		\$682,430	\$251,418	\$933,848	\$3.08	0.33%
CRD TOTAL	335,369	4+18 Mun.		65,772,283				185,666	0.55	0.28%
REGIONAL TOTAL		88		\$345,884,815				\$1,119,514	\$3.34	0.32%

Council column shows councillors, all also have a mayor.

Regional total includes all municipal councils, mayors and 4 electoral area directors.

Compensation data was obtained from individual municipal budgets and phone interviews.

Population and compensation are BC Statistics estimates for 1998. Municipal and Regional District Budget figures are for 1997 from Municipal Statistics, Schedules 66 & 67.

As might be anticipated, the smaller the municipality the lower the number of citizens per council member and the higher the per capita costs. These costs, however, are low, ranging from \$1.95 per capita in Saanich to \$16.95 in Highlands. As a percentage of total expenditures the range is from .18% in Victoria to 2.56% of expenditures in Highlands. In 10 municipalities, costs of council are less than 1% of the budget. When the costs of all 88 elected officials are combined and compared with the total budgets, including that of the CRD, the per capita costs of mayors, councils and CRD board members were \$3.34 per capita and 0.32% of total local government expenditures.

One reason that costs are so low is that none of the officials receives compensation equivalent to that which a full time appointment would require, although the mayors of

Victoria and Saanich and other growing municipalities are very busy and some council members donate very large amounts of time to city activities. It should be noted that those municipal council members who also sit on the Capital Regional District Board receive an additional \$7,145 annually from the CRD.

Much has been made by the advocates of amalgamation of the potential to save taxpayers money by reducing the number of elected officials. There are two problems in trying to obtain savings through reducing the number of council members. The first is simply that the total amount of money involved is so small that significant savings are not possible. The second is that to reduce the number of elected officials does not save many dollars but it does change the nature of local government elections and the representation that results.

The kinds of decisions councils make must be made somewhere in a local government. Thus in large local governments with small councils one of two things has to happen. Either council members become full time (and are paid accordingly) or a significant number of political and policy decisions are delegated to staff. This staff may work directly for council or be the regular municipal employees.

COST COMPARISONS WITH OTHER JURISDICTIONS

In order to understand the implications of alternatives, two different municipalities of similar size are compared with the capital region in Table 2. One is the new Halifax Regional Municipality. The other is the City of Surrey. When examining larger local governments it is important to look not only at the cost of councillors and mayors, but also at the costs of staff that directly serve them in their political and council duties. This is because as the amount of business increases per council member, staff support is necessary for them to carry out their responsibilities. As shown in Table 2, when special staff costs (all incurred by Saanich or Victoria) are added to the capital region total, council costs per capita are \$4.59 per capita and 0.45% of local government expenditures.

Similar calculations are presented for Halifax and Surrey. The recently amalgamated Halifax Regional Municipality (which at 343,000 is similar in population to the capital region) is comprised of 23 members receiving \$37,945 annually, the mayor receives \$94,881 plus there are 6 full time council and 7 full time mayor's office staff. Thus, even though Halifax has only 24 elected officials compared to the capital region's 88, the higher compensation for the council and mayor and the larger support staff, its per capita costs of \$4.62 are essentially identical to the \$4.59 incurred in the capital region. There are considerable differences in representation, however, with Halifax having 14,290 citizens per council member compared to the capital region's 3,811. Total local government expenditures per council member are also much greater in Halifax at \$18.3 million compared to \$3.9 million in the capital region.

The City of Surrey had a population of 332,836 in 1998 and a council of 8 plus a mayor. This is the *Municipal Act* designated council size for BC cities over 50,000 population.

Surrey councilors receive \$33,196, the Mayor receives \$90,360. and council and mayor staff support totals \$516,555. Surrey costs are only \$2.83 per capita and 0.39% of its budget. The number of citizens per council member, however, is 38,060 and the city expenditure per council member is in excess of \$26 million. Thus, savings over the capital region and Halifax for a reduction in the number of elected officials to 9 from 88 or 24 is about \$1.80 per capita per year.

Table 2
Comparative Costs of Elected Officials

	Surrey	Halifax	Capital Region
POPULATION	332,836	342,966	335,369
ELECTED OFFICIALS	9	24	88
#CITIZENS/OFFICIAL	36,982	14,290	3,811
EXPENDITURES	\$239,772,000	\$438,154,254	\$345,884,815
EXP PER ELECTED OFFICIAL	\$26,641,333	\$18,256,427	\$3,930,509
COUNCIL COMPENSATION	\$265,558	\$872,735	\$695,630
MAYOR COMPENSATION	\$90,360	\$94,881	\$257,018
RD COMPENSATION	\$40,000	\$0	\$185,666
TOTAL COMPENSATION	\$395,918	\$967,616	\$1,138,314
TOTAL SUPPORT	\$546,555	\$618,389	\$402,217
TOTAL COST OF COUNCILS	\$942,473	\$1,586,005	\$1,540,531
COUNCIL COST % EXPENDITURES	0.39%	0.36%	0.45%
COUNCIL COST PER CAPITA	\$2.83	\$4.62	\$4.59

Surrey total expenditures include a population-weighted share of Greater Vancouver Regional District, Greater Vancouver Sewer District and Greater Vancouver Water District operating costs to make the data comparable with Halifax and the CRD.

Greater Vancouver Regional District Compensation Costs for Surrey are estimates. Council members appointed to the Board are paid on a per-meeting basis and Board staff also handles FOI inquiries.

Cost of Elected Officials and Population, data is for Surrey and Victoria are for 1998. Population data for Halifax is for 1995 and cost and expenditure data is for 1997.

Identical data years could alter council costs as a percentage of expenditures for a few hundredths of one percent and per capita costs by a few cents.

KINDS OF COUNCILS

With costs so low and differences in costs among alternatives minimal (Surrey's costs are lower than the capital region by one-sixth of one percent of capital region expenditures), it is useful to examine the three different kinds of local government councils represented by the capital region, Halifax and Surrey.

Councils in the capital region are small, predominantly made up of citizens who receive a small honorarium and are best described as volunteers. Except for Victoria and Saanich, council members and mayors do not have dedicated staff support.

In addition to being part-time, candidates for council and mayor do not require or spend much money to get elected, do not run on "party" slates, and are personally known by a significant proportion of their constituents. In the capital region only the Victoria and Saanich councils have constituent sizes, especially with at-large elections, where significant funds are needed for campaigning and where slating of candidates occurs. Slating tends to occur because media advertising must be purchased and there are economies of scale in campaigning because several candidates can advertise together for the same cost it would be for a single candidate.

Table 3 provides the election expenses for winning candidates in the capital region, Surrey and Vancouver (similar information was not available from Halifax). In the capital region, Victoria, as the central city and city with the largest business community, has the most expensive campaigns. During the 1996 election the winning mayor spent \$54,297 and the average winning council member spent \$11,321 (the highest was \$31,938). In the seven medium sized municipalities the average winning mayor spent \$3,414 and council member \$1342; in the three smallest comparable figures are \$412 and \$566.

Table 3
Elections Campaign Expenditures (1996)

	Winners		
	Mayor	Council	
		<i>Average</i>	<i>Highest</i>
Victoria	\$54,297	\$11,321	\$31,398
Saanich	\$20,448	\$4,147	\$11,929
10-20,000 Population*	\$3,414	\$1,342	\$3,019
Under 10,000 Population**	\$412	\$566	\$2,360
Surrey	\$13,178	\$11,786	\$17,738
Vancouver	\$308,836	\$24,513	\$49,725

*Central Saanich, Colwood, Esquimalt, Langford, North Saanich, Oak Bay, Sidney

**Highlands, Metchosin, View Royal

Averages are for candidates not acclaimed. A winning candidate had the highest expenditures for all offices except the Surrey Mayor campaign where a losing candidate spent \$38,202.

Expenditures for non-winners are not reported as not all candidates file expense reports (winners and those wishing to run again must file reports) and many less serious candidates report no expenditures. Data is from reports filed by candidates and available in municipal hall offices.

Mayor expenditures for the 10-20,000 and under 10,000 population municipalities are averages for the winners.

The second kind of council, as illustrated by Halifax, is one where constituency sizes are kept from getting too large by increasing the size of the council. These councils are usually elected by ward, but constituencies are still sufficiently large that council responsibilities approach full time. The larger constituency leads to the need for some financing for elections and slating of candidates occurs for elections. Because these councils are too large to devote time to small local issues, either those issues are treated in sub-committees (in Halifax three or more council members may constitute a 43,000 population "community council" to deal with zoning and some other kinds of issues in their wards) or delegated to staff. A 23-person council is also a very large council for decision-making and much of the work must be done in committees or subcommittees where there is much less public scrutiny of decisions.

The third kind of council is the small council elected at-large in a large constituency, of which the City of Surrey is an example. These councils tend to require more financing for elections (and slating) and campaigning tends to be mass media oriented. In the last election the winning incumbent mayor's expenditure was \$13,178 (an opponent spent \$38,202) and the average of winning council members was \$11,786. Expenditures for Vancouver, a central city, are also shown in Table 3, with the winning mayor spending \$308,836 and the average of winning council members, \$24,513 (with a high of \$49,725). Most obvious in Surrey (and in Victoria) is that several candidates reported

identical campaign expenditures. This reflects formal slating where the "party" runs the campaign for all of them and they each report an equal share of total spending.

While it may cost more to be elected, small councils for large constituencies are, however, relatively economical to the taxpayer even though members receive significant compensation and there are council and mayor support staff. These council members, however, must limit their agenda to major issues and leave decisions that would be considered by the first two kinds of councils to administrative staff. With this style of municipal council lower level employees, especially in departments such as planning, often have closer relationships to citizens than do the elected officials.

VOTER TURN-OUT

In British Columbia voter turn-out is directly related to the size of the municipality. An analysis of municipal elections between 1986 and 1996 indicates that the smaller the municipality, the larger the number of eligible voters who vote. For municipalities under 1000 population, turn-out averages nearly 70 percent with turn-outs in the 80 percent range common. For municipalities between 1000 and 10,000 population the average is 55%; for 10,000 to 50,000 population, 40 percent; for 50,000 to 100,000 population, 36%, and for municipalities over 100,000, voter turn out averages 31%. The analysis, *Making Local Government Accountability Work in British Columbia*, also concludes that in the larger municipalities, where there is low voter turn-out and the slating of candidates occurs, the mass media advertising used in campaigning does not provide citizens with "party platform" type information to make intelligent choices among slates. In addition, as average voter turn-out declines there is significant distortion in the representativeness of voters with higher socio-economic citizens turning out at about twice the rate as lower socio-economic constituents (Smith and Stewart, 1998).

The traditional wisdom is that those elections characterized by small constituencies, low-cost campaigning, and high voter turn-out for part-time council positions results in council members who represent residents well. They also appear to be quite frugal, especially in responding to requests for grants and benefits to special interests. In contrast, in large constituencies a disproportionate share of voters and council members tend to be of higher socio-economic status than their constituents and often have close relationships to the groups that fund their campaigns. They tend to be more responsive to requests for grants and special programs. Their mass-media campaigning also generates revenue for central city newspapers (and if large enough, TV) in contrast to small constituency campaigns which may generate smaller amounts of funds for neighbourhood oriented newspapers.

ALTERNATIVES APPLIED TO THE CAPITAL REGION

Small councils, small constituencies, and part-time council members are limited to small local governments such as currently exist in the capital region. Once municipalities become larger they move toward one of the other two kinds of council. Where growth occurs within an existing government, such as in Surrey, it is common to just grow while keeping council the same size. Where growth occurs through amalgamation the Halifax model of a large council is more common. Currently, in British Columbia, however, the *Municipal Act* stipulates a council size of 8 for a city over 50,000 population and, under special conditions, allows a council size up to 10 council members plus a mayor. Unless the *Municipal Act* were amended an amalgamation of Victoria area municipalities and unincorporated parts of the CRD on Vancouver Island would lead to a Surrey style council with an average constituency size of 32,000--nearly ten times larger than the current average constituency size.

A 10 person council would allow one representative from the peninsula (North Saanich, Sidney and Central Saanich minus a bit of Central Saanich), one for Sooke, the Langford electoral area, Metchosin, Highlands, and most of Langford; one for the rest of Langford, Colwood and View Royal; one for Esquimalt and Vic-West; two for the rest of Victoria, One for Oak Bay and part of Saanich, and three for Saanich. This would be a radical change in electoral representation to save \$ 1.80 per capita (out of nearly \$1000 per capita expenditures), and if some kind of community council arrangements were maintained the costs for that staff would bring the total costs of council up on par with current costs or the costs of the Halifax model.

If the *Municipal Act* were amended to provide for a larger Halifax style council there would be no cost savings, but constituency size would increase to 15,000 population with a 21 person council. On average the seven municipalities between 10,000 and 20,000 population would have one member each; Metchosin, Highlands and View Royal could have one (but obviously boundaries would have to be rearranged); Sooke and the Langford Electoral area one; Victoria 5 and Saanich 7.

Reducing political representation from 88 to 21 with costs unchanged or from 88 to 10 to save \$1.80 per capita would be a radical change to local government. The nature of local politics would change with candidates needing campaign contributions for mass media advertising instead of relying on being known in their local community. Campaigns would unlikely to be as expensive as Vancouver, where the current mayor spent over \$300,000, or Toronto where Mayor Lastman's campaign for mayor cost \$3 million, but costs would certainly be higher than the \$54,000 spent in the last Victoria mayor's campaign by the winning candidate. Higher election costs change the nature of the political system so that only those candidates with significant interest group financing can afford to be candidates. This in turn results in an increase in influence of well organized groups capable of financing campaigns relative to less wealthy community groups or unorganized residents. The result would be that the representativeness of councils to their citizens and voter turn-out would be expected to decline.

CONCLUSIONS

The differences in the costs of different sizes and kinds of councils are such a small percentage of total local government expenditures that they are irrelevant to the issue of elected official representation for the region. The important concern is whether or not citizens want to maintain a system of small constituencies, low cost elections and part-time "volunteer" council members in a number of municipalities which have different policies and provide different services, supplemented by municipal representation in a regional forum, the CRD, or whether they want to move toward larger constituencies, organized-group-funded higher cost mass-media style elections, and full-time council members with a paid staff. These are questions of fundamental values, not questions of cost, in the organization of local governments in the capital region.

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