



REPORT TO COUNCIL

MEETING DATE: November 9, 2020

REPORT NO. 20-197

SUBMITTED BY: Flavia Rossi Donovan
Chief Financial Officer

FILE NO. 3-1-0

SUBJECT: Revised Consumer Price Index Policy

PURPOSE

To present an amendment of the Consumer Price Index (CPI) Policy for Council's consideration.

ANTICIPATED OUTCOMES

That the Consumer Price Index increases on contracts, agreements and fees will be applied every four years. An annual fixed 2% rate will be considered annually.

SUMMARY/BACKGROUND

At the Regular Meeting of Council on March 25, 2019, Council adopted numerous bylaws that included annual Consumer Price Index (CPI) increases. The CPI Policy was approved on April 29, 2019, which set forth that the CPI will annually adjust all contracts, agreements and fees. The CPI increases are based on the British Columbia CPI on September 30th annually and become effective January 1st of the following year.

However, due to the significant CPI variances, as the result of the economic impact of COVID-19, staff is proposing that a fixed 2% annual rate be considered to increase all contracts, agreements and fees annually. The amended CPI Policy also states that every four years the accumulated fixed rate increase is compared to CPI for the same period and adjusted accordingly. If the CPI variance for the four years exceeds the accumulated fixed rate increase, the fees will be updated to reflect the CPI. If the four-year CPI variance is less than the accumulated fixed-rate increase, no change will apply.

The attached policy provides for the Community Services fees and charges to be adjusted on May 1st instead of January 1st in order to align with the seasonal sporting activities.

ALTERNATIVES

1. Council could direct staff not to change the CPI policy.

IMPLICATIONS

(1) Social	N/A
(2) Environmental	N/A
(3) Personnel	The policy will ensure that all staff are utilizing the same increase rate.
(4) Financial	The fixed rate will help in the early preparation of the budget. It will also bring transparency to the process.
(5) Risk Assessment	<u>Compliance:</u> Policy <u>Risk Impact:</u> Low <u>Internal Control Process:</u> The Administration Department has checklists in place to ensure policies are tracked accurately.

GUIDING PRINCIPLES

Trust and Integrity

We will have a reputation for acting with integrity and will earn the trust of our stakeholders by:

- Sharing information in timely and comprehensive ways.

STRATEGIC PRIORITIES

N/A

IMPLEMENTATION/COMMUNICATION

Upon Council approval, staff will post the policy on the City’s website for a 30-day review period. If no responses are received during the notification period, then the policy is considered final and it is added to the City’s Policy Manual. If any responses are received during the review period that warrant reconsideration, then Council is notified and provided with a staff recommendation.

RECOMMENDATION

That Report No. 20-197 from the Chief Financial Officer re: Consumer Price Index Policy be received; further, that the policy attached to this report be approved subject to a successful 30-day review period, thereby authorizing the use of a fixed 2% annual rate to increase applicable fees effective January 1st of the following year, with the exception of Community Services fees and charges which will be made effective May 1st, and adjusting applicable fees, agreements and contracts every four years following a comparison with the BC CPI.

Respectfully submitted,

Flavia Rossi Donovan
Chief Financial Officer

APPROVED FOR AGENDA BY CAO

Attachments

[Amended Consumer Price Index \(CPI\)](#)