

## Report to Corporate Services Committee

**To:** Chair and Members  
Corporate Services Committee

**From:** Anna Lisa Barbon, Deputy City Manager, Finance Supports

**Subject:** Elected Officials and Appointed Citizen Members 2023  
Remuneration

**Date:** July 17, 2023

## Recommendation

That, on the recommendation of the Deputy City Manager, Finance Supports, the report dated July 17, 2023, entitled “Elected Officials and Appointed Citizen Members 2023 Remuneration” BE RECEIVED for information.

## Executive Summary

On April 12, 2022, Municipal Council resolved that for this term of Council, the annual compensation for serving as a Ward Councillor BE SET at the 2020 median full-time employment income for Londoners as determined from the 2021 Census data. Further, the annual adjustment for Council compensation be based on the average variation in median full-time employment income determined from published Census data over the most recent census period (2021 Census data) as opposed to the Labour Index or CPI. The adjustment factor is 3.505%.

Remuneration for the City of London’s appointed citizen members of local boards and commissions, where stipends are paid for 2023, will be adjusted annually as set out in the ‘Remuneration for Elected Officials and Appointed Citizen Members Policy’ adopted by By-law No. CPOL.-70(a)-408. In accordance with this policy, 2023 remuneration for appointed citizen members will increase by 3.6% over 2023 effective January 1, 2023. This reflects the lesser of the Labour Index, or the Consumer Price Index, Ontario.

## Analysis

### 1.0 Background Information

#### 1.1 Background

The ‘Remuneration for Elected Officials and Appointed Citizen Members Policy’ (the Policy) sets out the formula for how the annual remuneration is adjusted for elected officials and appointed citizen members of local boards and commissions whose remuneration is paid by the City of London. As part of the ‘Final Report of the 2016 Council Compensation Review Task Force’ this formula was reviewed, and this approach was recommended to be continued.

Stipends for elected officials (Mayor and Councillors) and appointed citizen members of local boards and commissions are to be adjusted annually on January 1st by the percentage increase reflected in the Labour Index, on the understanding that:

- if such an index reflects a negative percentage, the annual adjustment to the salaries of the elected officials and appointed citizen members will be 0%;
- on the further understanding that if the Labour Index has increased by a percentage greater than the Consumer Price Index, Ontario, the annual percentage increase in the salaries and honorariums of the elected officials and

appointed citizen members will be no greater than the increase in the Consumer Price Index, Ontario; and

- whereby the escalator for annual adjustment purposes shall not be applied in those years where the non-union staff wages are frozen.

In 2021, a Council Compensation Task Force was established which produced a final report that was presented to Council in April 2022. Municipal Council adopted a number of recommendations, noting that one of the recommendations was to set the annual compensation for serving as a Ward Councillor at the 2020 median full-time employment income for Londoners as determined from the 2021 Census data and that the method for annual adjustments be changed.

“...the Municipal Council, at its meeting held on April 12, 2022 resolved:

That the following actions be taken with respect to Council compensation:

- a) consistent with current practice, and effective with the commencement of the next term of Council, the annual compensation for serving as a Ward Councillor BE SET at the 2020 median full-time employment income for Londoners as determined from the 2021 Census data, it being noted that while 2021 data will not be available until July 2022, it will be available well prior to the effective date of adjustment;
- b) the current formula for adjusting Council compensation on annual basis BE AMENDED to be based on the average annual variation in median full-time employment income determined from published Census data over the most recent census period (2021 Census data) as opposed to the Labour Index or CPI; .....

## 1.2 Previous Reports Related to this Matter

- Corporate Services Committee, April 16, 2019, Elected Officials and Appointed Citizen Members 2019 Remuneration, Item # 2.4
- Strategic Priorities and Policy Committee, August 21, 2017, Final Report of the Council Compensation Review Task Force, Item # 3,
- Corporate Services Committee, May 10, 2021, Elected Officials and Appointed Citizen Members 2021 Remuneration, Item # 2.6
- Corporate Services Committee, March 28, 2022, Elected Officials and Appointed Citizen Members 2022 Remuneration, Consent Item # 2.6
- Strategic Priorities and Policy Committee, April 5, 2022, 2021 Council Compensation Review Task Force Final Report, Items for Direction # 4.1

## 2.0 Discussion and Considerations

### 2.1 2023 Council Compensation Adjustment

In accordance with recommendations from the 2021 Council Compensation Task Force, the annual stipend for ward councillors for this term of Council is \$60,800<sup>a</sup> which is based on the median full-time income for Londoners as identified in the 2021 Census. In applying the annual adjustment factor as set out by the Council Compensation Task Force, which was based on the 2021 Census Data when compared to 2016 Census Data, the annual adjustment for Council would be set at 3.505%.

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<sup>a</sup> Statistics Canada. 2023. (table). *Census Profile*. 2021 Census of Population. Statistics Canada Catalogue no. 98-316-X2021001. Ottawa. Released March 29, 2023.

Based on the application of the 2021 Council Compensation Task Force annual adjustment method, the table below outlines the impact of 3.505%.

<b>Elected Official</b>	<b>Remuneration</b>	<b>2023 Remuneration as adjusted</b>
Mayor	\$ 147,165	\$ 152,323
Councillor	\$ 60,800	\$ 62,931

## **2.2 2023 Adjustment Appointed Citizen Members**

For 2023, non-union staff wages are not frozen, so a compensation adjustment for the appointed citizen members of local boards and commissions, where a stipend is paid, will follow the 'Remuneration for Elected Officials and Appointed Citizen Members Policy'.

As at the end of December 2022, the Labour Index increased by 3.6%<sup>b</sup> over the prior year whereas the Consumer Price Index, Ontario increased by 6.7%<sup>c</sup>.

## **2.3 Review of Policy**

Since the methodology for applying annual adjustments to elected officials and appointed citizen members are now different, Civic Administration will be reviewing the existing remuneration policy and will look to bring forward the necessary amendments to committee based on the approved 2021 Council Compensation Task Force methodology.

## **3.0 Financial Impact / Considerations**

The recommended increases for 2023 have been accommodated within the approved 2020-2023 Multi-year Operating Budget. These adjustments to remuneration will be made retroactively.

### **Conclusion**

In accordance with Council direction, Ward Councillors will receive a retroactive adjustment to the median income of Londoners as identified in the 2021 Census back to the commencement of this Council term. Further, the annual adjustment to remuneration of 3.505% will be made retroactively to January 1<sup>st</sup>, 2023. Appointed citizen members to local boards and commissions, where stipends are paid, will receive a 3.6% increase in remuneration effective (retroactively), January 1, 2023.

**Prepared and submitted by:** **Ian Collins, CPA, CMA, Director, Financial Services**

**Recommended by:** **Anna Lisa Barbon, CPA, CGA, Deputy City Manager, Finance Supports**

<sup>b</sup> CANSIM Table 14-10-0213-01 'Fixed weighted index of average hourly earnings for all employees, by industry, monthly for Canada. Release date 2023-04-27

<sup>c</sup> CANSIM Table 18-10-0005-01 'Consumer Price Index, annual average, not seasonally adjusted for Ontario. Release date 2023-01-17