

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 2024
Remuneration

Date: March 25, 2024

Recommendation

That, on the recommendation of the Deputy City Manager, Finance Supports, the report dated March 25, 2024 entitled “Elected Officials and Appointed Citizen Members 2024 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 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. 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 2024, will be adjusted annually as set out in the ‘Remuneration for Elected Officials and Appointed Citizen Members Policy’ adopted by By-law No. CPOL.-70-302. In accordance with this policy, 2024 remuneration for appointed citizen members will increase by 2.36% over 2023 effective January 1, 2024. This reflects the lesser of the Labour Index, or the Consumer Price Index, Ontario.

Finally, on January 23, 2024, Council resolved that the Deputy Mayor and the Budget Chair receive a 12.5% pay increase effective January 2024 applied to the annual base Councillor salary.

Analysis

1.0 Background Information

1.1 Background

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;

Although the 2021 Council Compensation Task Force addressed Council compensation and indexing, the Task Force did not address appointed citizen members. As such, the 'Remuneration for Elected Officials and Appointed Citizen Members Policy' still applies and sets out the formula for how the annual remuneration is adjusted for appointed citizen members of local boards and commissions whose remuneration is paid by the City of London.

Stipends for 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 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 appointed citizen members will be no greater than the increase in the Consumer Price Index, Ontario; and
- the escalator for annual adjustment purposes shall not be applied in those years where the non-union staff wages are frozen.

1.2 Previous Reports Related to this Matter

- Strategic Priorities and Policy Committee, April 5, 2022, 2021 Council Compensation Review Task Force Final Report, Items for Direction # 4.1
- Corporate Services Committee, July 17, 2023, Elected Officials and Appointed Citizen Members 2023 Remuneration, Consent Item # 2.2
- Strategic Priorities and Policy Committee, January 16, 2024, Mayor J. Morgan – Deputy Mayor and Budget Chair Positions, Items for Direction # 4.4

2.0 Discussion and Considerations

2.1 2024 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^a 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%.

Based on the application of the 2021 Council Compensation Task Force annual adjustment method, the table below outlines the impact of the 3.505% on the 2024 remuneration which took effect January 1, 2024.

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

Elected Official	2023 Remuneration	2024 Remuneration as adjusted
Mayor	\$ 152,323	\$ 157,662
Councillor	\$ 62,931	\$ 65,137

2.2 Deputy Mayor and Budget Chair

On January 23, 2024, Municipal Council resolved the following:

That, with respect to the Deputy Mayor and Budget Chair positions, the Civic Administration BE DIRECTED to undertake the necessary actions to implement the following:

- a) *a pay increase of 12.5% to the annual base Councillor salary for the Deputy Mayor position effective January 2024;*
- b) *a pay increase of 12.5% to the annual base Councillor salary for the position of Budget Chair effective January 2024;*

Based on that direction, the impact on the Deputy Mayor and Budget Chair remuneration in 2024 is determined as follows:

Elected Official	2024 Remuneration	2024 Remuneration as amended
Deputy Mayor	\$ 65,137	\$ 73,279
Budget Chair	\$ 65,137	\$ 73,279

In future years, the Deputy Mayor and Budget Chair remuneration will be indexed consistently with the Mayor and Councillors, at 3.505%.

2.3 2024 Adjustment Appointed Citizen Members

For 2024, non-union staff wages are not frozen, so the compensation adjustment for 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 2023, the Labour Index increased by 2.36%^b over the prior year whereas the Consumer Price Index, Ontario increased by 3.79%^c. Appointed Citizen members compensation will be indexed by 2.36%, which is the lower of the Consumer Price Index, Ontario and the Labour Index.

2.4 Review of Policy

As part of Municipal Council's direction to increase the remuneration for the Deputy Mayor, and Budget Chair, Municipal Council directed the following:

- c) *the Governance Working Group BE DIRECTED to review this as part of its larger review of Remuneration for Elected Officials and Appointed Citizen Members Policy on its Deferred Matters list, and provide any recommendations on further changes to the Strategic Priorities and Policy Committee in order to allow for implementation in the 2026-2030 term of Council*

^b Statistics Canada. [Table 14-10-0213-01 Fixed weighted index of average hourly earnings for all employees, by industry, monthly](#). Release date: 2024-02-28

^c Statistics Canada. [Table 18-10-0005-01 Consumer Price Index, annual average, not seasonally adjusted](#). Release date 2024-01-16

3.0 Financial Impact/Considerations

The calculated increases for 2024 have been accommodated within the 2024-2027 Multi-year Operating Budget.

Conclusion

In accordance with Council direction, Ward Councillors and the Mayor received their annual adjustment of 3.505% to their stipend on January 1st, 2024. The increased remuneration for the Deputy Mayor and Budget Chair was implemented in February with a retro back to January 1st, 2024. For appointed citizen members to local boards and commissions, where stipends are paid, a 2.36% increase in remuneration will be applied (retroactively) effective January 1, 2024.

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

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