

TO:	CHAIR AND MEMBERS FINANCE AND ADMINISTRATIVE SERVICES COMMITTEE MEETING ON MARCH 26, 2012
FROM:	MARTIN HAYWARD CITY TREASURER AND CHIEF FINANCIAL OFFICER AND CATHARINE SAUNDERS CITY CLERK
SUBJECT:	ELECTED OFFICIALS AND APPOINTED CITIZEN MEMBERS 2012 REMUNERATION

RECOMMENDATION

That, on the recommendation of the City Treasurer and Chief Financial Officer and the City Clerk, the following actions be taken with respect to the 2012 remuneration for Elected Officials and appointed citizen members of local boards and commissions where stipends are paid:

- a) it **BE NOTED** that the remuneration for 2012 will be adjusted by 3.1% over 2011, in keeping with Council policy 5(32), which provides for the salaries and honorariums of elected officials and appointed citizen members of local boards and commissions where stipends are paid to be adjusted "...annually on January 1st by the percentage increase reflected in the Labour Index (monthly Index, Table 3), 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%; and on the further understanding that if the Labour Index (monthly Index, Table 3) 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 Computer Price Index, Ontario; and
- b) the attached proposed by-law **BE INTRODUCED** at the Municipal Council meeting on April 10, 2012 to amend Council Policy 5(32) entitled "Remuneration for Elected Officials and Appointed Citizen Members" to incorporate the January 24, 2011 direction of Council, arising from the recommendations of the 2010 Council Compensation Review Task Force, whereby the escalator for annual adjustment purposes shall not be applied in those years where the non-union staff wages are frozen, and to correct the policy number reference contained in the by-law.

PREVIOUS REPORTS PERTINENT TO THIS MATTER
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Item #6 – December 10, 2008 - Board of Control - Reduction in Remuneration of 5% for Services as a Member of Council.

Item #10 – January 19, 2011 - Finance and Administration Committee – 10th (Final) Report of the Council Compensation Review Task Force

Item #5 – March 30, 2011 – Finance and Administration Committee - Appointed Committee Members 2011 Remuneration

BACKGROUND

In 2009, City Council took a self imposed 5% one-year reduction in their remuneration. This resulted in an amendment to Council Policy 5(32) entitled "Remuneration for Elected Officials and Appointed Citizen Members so that Council Policy 5(32) was only applicable to Appointed Citizen Members. In 2010, City Council received the 5% reduction back, received the 2008 level remuneration, as well as reinstated the applicability of Council Policy 5(32) to Council Members. In 2011, City Council did not receive an increase due to its approval of a recommendation by the Council Compensation Review Task Force that the escalator for annual adjustment purposes not be applied in those years where the non-union staff wages are frozen, which was the case in 2011. The 2012 increase is, therefore, the first increase since 2008.

The following table outlines:

- the remuneration for Council Members for their services as members of City Council for 2010,
- the remuneration for Council Members for their services as members of City Council for 2011 (noting that no increase was added in 2011), and
- the remuneration for 2012 and tax-equivalent salaries (based on a gross-up of the one-third tax free allowance at an estimated marginal tax rate based upon the remuneration amount), in accordance with Council Policy

	2010	2011	2012	Taxable Equivalent
Councillor	\$31,979	\$31,979	\$32,970	\$ 35,726
Committee Chair	\$33,174	\$33,174	\$34,202	\$ 37,061
Mayor	\$99,629	\$99,629	\$102,717	\$128,980

Also in accordance with Council Policy 5(32) appointed citizen members will receive a 3.1% increase in remuneration effective January 1, 2012.

These values and the percentage increase for the last 3 years are as follows:

	Labour [A]	CPI, Ontario [B]	Lower of A & B
2011	4.0%	3.1%	3.1%
2010	2.3%	2.5%	2.3%
2009	4.3%	0.4%	0.4%

It is necessary to pass a by-law to ensure that the recommendation the Municipal Council adopted from the recommendations of the Council Compensation Review Task Force, whereby the escalator for annual adjustment purposes not be applied in those years where the non-union staff wages are frozen, as adopted by the Municipal Council at its meeting on January 24, 2011, is properly reflected in the Council Policy. Additionally there was an inadvertent error in the policy number reference in the current by-law related to this policy. The attached proposed by-law addresses both of these considerations.

Further, the Municipal Council is reminded that another Council Compensation Review Task Force will be established in January 2013, to provide updated findings prior to Nomination Day, which will also include a review of the existing one-third tax free allowance for Elected Officials. This is also in accordance with the recommendations of the 2010 Council Compensation Review Task Force, as adopted by the Municipal Council on January 24, 2011.

Financial Impact

The recommended increases for 2012 are incorporated in the 2012 operating budget.

Acknowledgements

This report was prepared with the assistance of Linda Rowe, Deputy City Clerk and Jennifer Smout, City Solicitor's Office

PREPARED BY:	RECOMMENDED BY:
MIKE TURNER DEPUTY CITY TREASURER	CATHARINE SAUNDERS CITY CLERK
RECOMMENDED BY:	
MARTIN HAYWARD CITY TREASURER AND CHIEF FINANCIAL OFFICER	

Attach.

Bill No.
2012

By-law No.

A by-law to amend By-law No. A.-6509-114 entitled "A by-law to establish remuneration for members of Council and appointed citizen members for 2010 and to implement a policy for remuneration commencing January 1, 2011" and to amend Council Policy 5(32) entitled "Remuneration for Elected Officials and Appointed Citizen Members"

WHEREAS the Council of The Corporation of the City of London wishes to amend By-law No. A.-6509-114 entitled "A by-law to establish remuneration for members of Council and appointed citizen members for 2010 and to implement a policy for remuneration commencing January 1, 2011" in order to correct the policy number referenced therein; and to amend Council Policy 5(32) entitled "Remuneration for Elected Officials and Appointed Citizen Members" in order to incorporate the January 24, 2011 direction of Council whereby no increase in remuneration of Elected Officials shall be provided in those years where the salaries of non-union staff have been frozen;

AND WHEREAS section 5(3) of the *Municipal Act, 2001*, as amended, provides that a municipal power shall be exercised by by-law;

NOW THEREFORE the Municipal Council of The Corporation of the City of London enacts as follows:

1. By-law No. A.-6509-114 entitled "A by-law to establish remuneration for members of Council and appointed citizen members for 2010 and to implement a policy for remuneration commencing January 1, 2011" is hereby amended in section 2 by deleting the reference to policy 18(27) and by replacing it with reference to policy 5(32);
2. Council Policy 5(32) entitled "Remuneration for Elected Officials and Appointed Citizen Members" is hereby amended by adding the following sentence at the end:

"It shall also be understood that in those years where non-union staff wages are frozen, no increase shall be applied."
3. This by-law comes into force on the date it is passed.

PASSED in Open Council on April 10, 2012

Joe Fontana
Mayor

Catharine Saunders
City Clerk

First Reading – April 10, 2012
Second Reading – April 10, 2012
Third Reading – April 10, 2012