

TO:	CHAIR AND MEMBERS CORPORATE SERVICES COMMITTEE MEETING ON APRIL 17, 2018
FROM:	ANNA LISA BARBON MANAGING DIRECTOR, CORPORATE SERVICES AND CITY TREASURER, CHIEF FINANCIAL OFFICER AND CATHARINE SAUNDERS CITY CLERK
SUBJECT:	ELECTED OFFICIALS AND APPOINTED CITIZEN MEMBERS 2018 REMUNERATION

RECOMMENDATION

That, on the recommendation of the Managing Director, Corporate Services and City Treasurer, Chief Financial Officer and the City Clerk, the 2018 remuneration for elected officials and appointed citizen members of local boards and commissions, where stipends are paid, **BE ADJUSTED** by 1.7% over 2017 effective January 1, 2018, in keeping with Council Policy, "Remuneration for Elected Officials and Appointed Citizen Members".

PREVIOUS REPORTS PERTINENT TO THIS MATTER
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Finance and Administration Committee, March 26, 2012, Item #8, Elected Official and Appointed Committee Members 2012 Remuneration.

Corporate Services Committee, April 9, 2013, Item #3, Elected Official and Appointed Committee Members 2013 Remuneration.

Corporate Services Committee, March 25, 2014, Item #3, Elected Officials and Appointed Citizen Members 2014 Remuneration

Corporate Services Committee, March 25, 2014, Item #3, Elected Officials and Appointed Citizen Members 2014 Remuneration

Corporate Services Committee, February 2, 2016, Item #7, Appointed Citizen Members 2015 Remuneration

Corporate Services Committee, March 30, 2016, Item #8, Appointed Citizen Members 2016 Remuneration

Corporate Services Committee, March 28, 2017, Item #8, Appointed Citizen Members 2017 Remuneration

Strategic Priorities and Policy Committee, August 21, 2017, Item # 3, Final Report of the Council Compensation Review Task Force

BACKGROUND

In 2012, City Council amended Council Policy entitled, "Remuneration for Elected Officials and Appointed Citizen Members", to incorporate recommendations of the 2010 Council Compensation Review Task Force. Later in April of 2015, Council deferred adjustments to Council Members' remuneration, requesting the new Council Compensation Task Force review the policy. In August 2017, the Final Report of the 2016 Council Compensation Review Task Force was released. Recommendation # 4 of that report recommended that the current formula for adjusting Council

compensation on an annual basis be continued. Based on that recommendation, Municipal Council, at its meeting held on August 22, 2017 resolved the following:

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

- d) the current formula for adjusting Council compensation on annual basis BE CONTINUED”

This particular Policy provided 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, 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 (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 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.”

For 2018, non-union staff wages are not frozen, so a compensation adjustment for appointed citizen members of local boards and commissions, where a stipend is paid, would be in compliance with the Policy.

As at December of each year, the values of both the monthly Labour Index and the Consumer Price Index increases for the last 5 years, are as follows:

	Labour [A]	CPI, Ontario [B]	Lower of A & B
2017	1.9%	1.7%	1.7%
2016	2.1%	1.8%	1.8%
2015	2.5%	1.2%	1.2%
2014	3.6%	2.4%	2.4%
2013	1.6%	1.0%	1.0%

With respect to Elected Officials, the table below outlines the impact on elected officials’ remuneration for 2018 with a 1.7% increase, in comparison with their 2017 remuneration.

	2017 Remuneration with one-third tax exempt provision	2018 Remuneration with one-third tax exempt provision	2017 Estimated Taxable Equivalent ^{1, 2}	2018 Estimated Taxable Equivalent ^{1, 2}
Mayor	\$ 104,258	\$ 106,030	\$ 130,916	\$ 133,142
Councillor	\$ 33,465	\$ 34,034	\$ 36,262	\$ 36,878

¹ Estimated taxable equivalent based on marginal tax rates per <https://www.taxtips.ca/taxrates/on.htm>

² The taxable equivalent remuneration listed is a calculation to estimate the gross annual remuneration required to result in the same 2017/2018 annual remuneration, if the one-third tax exemption was removed.

It should be noted that consistent with Council direction, elected officials did not receive an increase in 2015, 2016, and 2017 as Council deferred these adjustments.

Financial Impact

The recommended increases for 2018 have been accommodated within the approved 2016-2019 Multi-year Operating Budget.

In accordance with Council Policy, elected officials and appointed citizen members to local boards and commissions, where stipends are paid, will receive a 1.7% increase in remuneration effective (retroactively), January 1, 2018.

PREPARED BY:	RECOMMENDED BY:
IAN COLLINS DIRECTOR, FINANCIAL SERVICES	CATHARINE SAUNDERS CITY CLERK
RECOMMENDED BY:	
ANNA LISA BARBON MANAGING DIRECTOR, CORPORATE SERVICES AND CITY TREASURER, CHIEF FINANCIAL OFFICER	