

TO:	CHAIR AND MEMBERS CORPORATE SERVICES COMMITTEE MEETING ON APRIL 16, 2019
FROM:	ANNA LISA BARBON MANAGING DIRECTOR, CORPORATE SERVICES AND CITY TREASURER, CHIEF FINANCIAL OFFICER AND CATHY SAUNDERS CITY CLERK
SUBJECT:	ELECTED OFFICIALS AND APPOINTED CITIZEN MEMBERS 2019 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 2.3% over 2018 effective January 1, 2019, in keeping with Council Policy, "Remuneration for Elected Officials and Appointed Citizen Members" adopted by By-law No. CPOL.-70(a)-408.

PREVIOUS REPORTS PERTINENT TO THIS MATTER
--

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

Corporate Services Committee, April 17, 2018, Consent Item # 2.1, Appointed Citizen Members 2019 Remuneration

Corporate Services Committee, October 9, 2018, Consent Item # 2.4, Elected Officials Remuneration – One Third Non Taxable Allowance

BACKGROUND

In August 2017, the Final Report of the 2016 Council Compensation Review Task Force was released which most notably recommended increasing the annual stipend of a Ward Councillor to \$51,181 which was the median employment income in 2015 for full-year full-time worker, commencing this term of Council. Further, recommendation # 4 of that report recommended that the current formula for adjusting Council compensation on an annual basis be continued as set out in the "Remuneration for Elected Officials and Appointed Citizen Members" Council policy.

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 that 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 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 2019, non-union staff wages are not frozen, so a compensation adjustment for elected officials and 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
2018	3.2% ¹	2.3%	2.3%
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%

Note: Stats Canada data was revised in mid-2018 within the framework of their annual review of the program which includes classifications and indices. CANSIM Table 281-0039 has now been replaced by CANSIM Table 14-10-0213-01 for the labour index based on the 'Fixed weighted index of average hourly earnings'.

With respect to Elected Officials, the table below outlines the impact on their remuneration for 2019 with the 2.3% increase applied.

	Current Remuneration	2019 Remuneration as adjusted
Mayor	\$ 138,025	\$ 141,200
Councillor	\$ 51,181	\$ 52,358

Financial Impact

The recommended increases for 2019 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 2.3% increase in remuneration effective (retroactively), January 1, 2019.

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