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<b>TO:</b>	<b>CHAIR AND MEMBERS CORPORATE SERVICES COMMITTEE MEETING ON APRIL 9, 2013</b>
<b>FROM:</b>	<b>MARTIN HAYWARD MANAGING DIRECTOR, CORPORATE SERVICES AND CITY TREASURER, CHIEF FINANCIAL OFFICER AND CATHARINE SAUNDERS CITY CLERK</b>
<b>SUBJECT:</b>	<b>ELECTED OFFICIALS AND APPOINTED CITIZEN MEMBERS 2013 REMUNERATION</b>

<b>RECOMMENDATION</b>
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That, on the recommendation of the Managing Director, Corporate Services and City Treasurer, Chief Financial Officer and the City Clerk, the 2013 remuneration for elected officials and appointed citizen members of local boards and commissions where stipends are paid **BE ADJUSTED** by 1.5% over 2012, effective, January 1, 2013, 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 at 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...".

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

Finance and Administration Committee, January 19, 2011, Item #10, 10<sup>th</sup> (Final) Report of the Council Compensation Review Task Force.

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

Finance and Administration Committee, March 26, 2012, Item #8, Elected Official and Appointed Committee Members 2012 Remuneration.

<b>BACKGROUND</b>
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In 2012, City Council amended 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. For 2013 non-union staff wages were 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.

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With respect to the Elected Officials, the following table outlines:

- the remuneration for Elected Officials for their services as members of City Council for 2011;
- the remuneration for Elected Officials for their services as members of City Council for 2012; and
- the remuneration for Elected Officials for their services as members of City Council for 2013 (in accordance with Council Policy) and 2013 taxable equivalents (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 Provincial legislation).

	2011	2012	2013	Taxable Equivalent
Councillor	\$31,979	\$32,970	\$33,465	\$ 36,262
Committee Chair	\$33,174	\$34,202	\$34,715	\$ 37,616
Mayor	\$99,629	\$102,717	\$104,258	\$130,916

In accordance with Council Policy 5(32), appointed citizen members to local boards and commissions where stipends are paid will also receive a 1.5% increase in remuneration effective January 1, 2013;

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

	Labour [A]	CPI, Ontario [B]	Lower of A & B
2012	2.3%	1.5%	1.5%
2011	4.0%	3.1%	3.1%
2010	2.3%	2.5%	2.3%

A Council Compensation Review Task Force has been established for 2013 to review and recommend, where appropriate, any changes to compensation for Elected Officials, including a review of the existing one-third tax free allowance for Elected Officials as provided for under Provincial legislation. This is in accordance with the recommendations of the 2010 Council Compensation Review Task Force, as adopted by the Municipal Council on January 24, 2011. The Council Compensation Review Task Force has been mandated to complete its work prior to Nomination Day.

**Financial Impact**

The recommended increases for 2013 have been accommodated within the approved 2013 Operating Budget.

<b>PREPARED BY:</b>	<b>RECOMMENDED BY:</b>
<b>MIKE TURNER DEPUTY CITY TREASURER</b>	<b>CATHARINE SAUNDERS CITY CLERK</b>
<b>RECOMMENDED BY:</b>	
<b>MARTIN HAYWARD MANAGING DIRECTOR, CORPORATE SERVICES AND CITY TREASURER, CHIEF FINANCIAL OFFICER</b>	