

## Report to Corporate Services Committee

**To:** Chair and Members  
Corporate Services Committee  
**From:** Cathy Saunders, City Clerk  
**Subject:** 2021 Council Compensation Review Task Force  
**Date:** May 10, 2021

## Recommendation

That the following actions be taken with respect to the 2021 Council Compensation Review Task Force:

- a) the City Clerk BE DIRECTED to commence the 2021 Council Compensation Review Task Force review based on the attached Terms of Reference (Appendix “A”); and,
- b) the City Clerk BE DIRECTED to invite the members of the 2016 Council Compensation Review Task Force to undertake the 2021 update based on the Terms of Reference noted in a) above.

## Linkage to the Corporate Strategic Plan

Leading in Public Service – Increased opportunities for residents to be informed and participate in local government.

## Analysis

### 1.0 Background Information

#### 1.1 2016 Council Compensation Review Task Force

The Municipal Council resolved the following at the meeting held on November 10, 2015 with respect to the 2016 Council Compensation Review Task Force:

- “d) the attached revised proposed Terms of Reference for the 2016 Council Compensation Review Task Force (Appendix “A”) BE APPROVED; it being noted that the Governance Working Group (GWG) reviewed the staff report dated October 26, 2015, from the City Clerk, entitled “Governance Working Group Review of Council Compensation Matters”, as well as the proposed suggestion regarding Council compensation, as referred to the GWG from the October 28, 2015 meeting of the Municipal Council; and

The Terms of Reference for the 2016 Council Compensation Review Task Force is attached as Appendix “B” to this Report.

It is noted that the duties of the 2016 Council Compensation Review Task Force (CCRTF) are summarized as follows:

“The Task Force shall be responsible for reviewing and providing recommendations with respect to the Councillors’ and the Deputy Mayors’ compensation, including:

- (a) review, consideration and continued work on the recommendations of any previous Council Compensation Review Task Force that the Task Force feels are relevant;
- (b) collection of and analysis of data from other legislative jurisdictions throughout Canada having regard to the population and the operating budgets of the municipalities and positions of comparable responsibility within the public and

private sectors with the assistance of neutral, independent and less human-resources focussed expertise;

- (c) seeking significant public input, which would:
  - i) include a variety of opportunities for public input directly to the Task Force (this could include the use of public meetings, surveys, webpage, phone, mail, etc).
  - ii) provide for public engagement process to ensure that members of the public are aware of the work of the Task Force and are provided with ample opportunity to provide input;
  - iii) provide for an enhanced communications program to assist in clarifying the role of Councillors and the Deputy Mayors, including legislative responsibilities and day-to-day duties undertaken to fulfil the roles; and,
  - iv) collection of public input with respect to expectations for the availability of the Councillors and the Deputy Mayors to the public during core business hours and outside of core business hours;
- (d) reviewing and making recommendations with respect to:
  - (i) Councillors' and Deputy Mayors' annual stipend; and
  - (ii) the process and timeline for future reviews of Council compensation; and,
- (e) making recommendations regarding implementation of any changes in compensation, which may include phasing in and indexing."

The Guiding Principles were as follows:

- “1. No Councillor should seek to serve in public office solely for financial gain. The key motivation should be to serve and improve the well-being of the citizens of London.
2. The system of remuneration must be transparent, open and easily understandable.
3. Remuneration needs to be sensitive to local market conditions and to compensation levels in comparable municipalities, recognizing that the role of Councillor and Deputy Mayor are neither full-time nor part-time roles, but rather unique roles.
4. Fair compensation that is reflective of the legislative responsibilities and day-to-day duties undertaken to fulfil the role of a municipal Councillor and Deputy Mayor.
5. The Task Force should expect that their recommendations will be considered as soon as possible.
6. The Task Force may consider the provision of various compensation models for consideration.”

## **1.2 Recommendations of the 2016 Council Compensation Review Task Force:**

The Municipal Council resolved the following at the meeting held on August 23, 2017 in response to the final report of the 2016 Council Compensation Review Task Force:

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

- a) effective with the commencement of the next term of Council, the annual compensation for serving as a Ward Councillor BE SET at the 2016 median full time employment income for Londoners; it being noted that while 2016 data will not be available until the Fall of 2017, based upon the 2011 National Household Survey data, about 35% of Londoners ages 15 years and over worked full year,

full time with employment income in 2010 and had a median employment income of \$47,805 and an average employment income of \$57,112;

b) NO ACTION BE TAKEN at this time with respect to the provision of additional compensation for the role of Deputy Mayor; it being noted that the level of compensation for this role should be reassessed once the role is more clearly defined and is not reliant on the discretion of each mayor;

c) NO ACTION BE TAKEN with respect to the provision of additional compensation for Ward Councillors serving as the Chair of a Standing Committee and all Council Members BE ENCOURAGED to serve as Chair throughout the course of their term of office;

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

e) notwithstanding that there will be a minor budgetary impact by doing so, the City Clerk BE DIRECTED to bring forward the necessary by-law to eliminate the "1/3 tax free" allowance for Council Members, effective for the next Council term;

f) a review of Council Compensation BE UNDERTAKEN by an independent body, once per Council term, subject to the following:

i) the review should be completed no later than twelve months in advance of the date that nominations are accepted for the next municipal election;

ii) any adjustments should be effective on the first day of the next Council term;

iii) the Task Force should, as much as possible, reflect the diversity of the community and ideally the participants should have knowledge in the areas of municipal government, research, statistics, public engagement and compensation;

iv) the Task Force should be limited to no more than five individuals;

v) the review should include a review of the major supports required for Council Members to efficiently and effectively carry out their role to the best of their ability as the availability of these supports helps to inform compensation;

vi) the review should consider if median full time income remains an appropriate benchmark for Council Member compensation;

vii) the review should consider if the current formula for interim adjustments remains appropriate; and

viii) public engagement should continue to be a component of the review process and that engagement should be undertaken in a manner which recognizes community preferences and needs;

g) the Municipal Council BE REQUESTED to consider how it can better educate the public with respect to the legislative and non-legislative roles of Council Members;

h) the Municipal Council BE REQUESTED to establish and make publicly available a reasonable timeframe for an initial response to an enquiry made by a constituent to a Council Member so that service standards are available to the public, recognizing that staff support should be utilized in a manner that expedites the response process as much as possible;

i) opportunities BE EXPLORED to determine what support services might be needed in order to ensure that the right conditions are set for a Council Member to perform their policy and constituency duties to the highest level of their ability;

j) when a review of the adequacy of staff resources is undertaken, that review BE DONE in conjunction with a review of Council Members' annual expense allocation;

k) NO ACTION BE TAKEN with respect to the consideration of a system of performance-based compensation for Council Members; and

l) the Mayor BE REQUESTED to send a letter to each of the members of the 2016 Council Compensation Review Task Force to thank them, on behalf of the Municipal Council, for the time and effort they put into fulfilling the Task Force's mandate;

it being noted that the Strategic Priorities and Policy Committee received a verbal overview of the Final Report of the 2016 Council Compensation Task Force from D. Ross, Task Force Chair. (3/15/SPPC)"

A copy of the "Final Report of the 2016 Council Compensation Review Task Force" can be found at this link:

<https://pub-london.escribemeetings.com/filestream.ashx?DocumentId=32906>

The following general considerations and observations were made by the 2016 Council Compensation Review Task Force (CCRTF):

- while a review of comparative municipalities is informative, there is a clear desire by the public to have a "made in London" solution that considers local influences;
- the role is one of public service...it is not a career;
- the primary functions of a Council Member are as a strategic manager and as a respondent to constituents;
- there is a general view that a significant number of hours are required to fulfill the role of a Council Member and, while not precluded from other employment, a Council Member's main focus should be fulfilling that role;
- consideration needs to be given as to what level of compensation will allow elected individuals to carry out their Council duties to the highest level of their ability;
- there have been regulatory changes which have increased the fiduciary responsibility and personal liability of each individual Council Member;
- the internet, email, social media and other emerging technologies have created a substantial change in expected access to Council Members;
- remuneration needs to be sensitive to the local market conditions and to compensation levels in comparable municipalities; and
- fair compensation that is reflective of the legislative responsibilities and day-to-day duties undertaken to fulfil the role of a municipal Councillor

## **2.0 Discussion and Considerations**

### **2.1 2021 Council Compensation Review Task Force Process**

Based on the Municipal Council recommendations pertaining to the 2016 Council Compensation Review Task Force, the Civic Administration had anticipated that the 2021 Review would consist of an update on the Review undertaken in 2016, by providing a recommended stipend based on the most recent median full time employment income for Londoners.

With respect to support for Councillors, the Municipal Council also directed in response to the recommendations of the 2016 Council Compensation Review Task Force, the following:

- opportunities BE EXPLORED to determine what support services might be needed in order to ensure that the right conditions are set for a Council Member to perform their policy and constituency duties to the highest level of their ability;
- when a review of the adequacy of staff resources is undertaken, that review BE DONE in conjunction with a review of Council Members' annual expense allocation;

The Civic Administration would recommend that the stipend review be undertaken by the 2021 Compensation Review Task Force and support for Councillors (including the Councillors' Expense Account) be carried out through a separate process by the Civic Administration based on input and direction from Municipal Council. This could be part of the duties of the Governance Working Group (GWG), as the GWG has been tasked with this work through recent direction from the Municipal Council.

If the Municipal Council is receptive to the proposed process, the Civic Administration would recommend that the members of the 2016 Compensation Review Task Force be brought back together (if they are available to do so), to undertake the stipend review in accordance with the parameters set out by Municipal Council in the 2017 resolution, as this would be an update of the stipend based on the most recent median full time employment income for Londoners.

### **3.0 Financial Impact/Considerations**

Any costs related to the 2021 Council Compensation Review Task Force can be accommodated by the City Clerk's Office Budget.

## **Conclusion**

The Civic Administration recommends that the members of the 2016 Compensation Review Task Force be brought back together (if they are available to do so), to undertake the stipend review in accordance with the parameters set out by Municipal Council in the 2017 resolution regarding this matter, as this would be an update of the stipend based on the most recent median full time employment income for Londoners.

**Prepared and Recommended by: Cathy Saunders, City Clerk**

## **APPENDIX “A”**

### **TERMS OF REFERENCE**

#### **2021 COUNCIL COMPENSATION REVIEW TASK FORCE**

##### **COMPOSITION:**

###### **Voting Members:**

Five members to be chosen by the City Clerk of the City of London and subject to ratification by Municipal Council.

##### **TERM OF OFFICE:**

The Council Compensation Review Task Force shall commence its work as soon as possible and be disbanded upon submission of its Final Report to the Strategic Priorities and Policy Committee by no later than March 31, 2022.

##### **QUALIFICATIONS:**

Members of the Task Force will be chosen by the City Clerk and ratified by Municipal Council using all appropriate Council policies and procedures, and be reflective of the relevant principles contained within the Strategic Plan. Within these parameters, the Clerk will have full discretion over the selection process, subject to ratification by Municipal Council, including the determination and assessment of candidate qualifications. Members of the Civic Administration are not eligible to serve as members of the Task Force.

The Chair and Vice-Chair are elected by the Task Force from among its Members, at its first meeting

##### **MEETINGS:**

The first meeting shall be called by the City Clerk. Subsequent meetings shall be at the call of the Chair, in consultation with the Task Force Clerk.

##### **DUTIES:**

The Council Compensation Review Task Force reports to the Municipal Council, through the Strategic Priorities and Policy Committee.

The Task Force shall be responsible for reviewing and providing recommendations with respect to the Councillors' compensation, including:

- a) the review of the most recent median full time employment income data for Londoners;
- b) review, consider and continue work on the recommendations of any previous Council Compensation Review Task Force that the Task Force feels are relevant;
- c) making recommendations regarding implementation of any changes in compensation, which may include phasing in and indexing.

### **GUIDING PRINCIPLES:**

1. No Councillor should seek to serve in public office solely for financial gain. The key motivation should be to serve and improve the well-being of the citizens of London.
2. The system of remuneration must be transparent, open and easily understandable.
3. Remuneration needs to be sensitive to local market conditions, recognizing that the role of Councillor is neither a full-time nor part-time role, but rather a unique role.
4. Fair compensation that is reflective of the legislative responsibilities and day-to-day duties undertaken to fulfil the role of a municipal Councillor.

### **VACANCIES:**

The same procedure is followed as for the initial appointment of members to the Council Compensation Review Task Force.

### **REMUNERATION:**

No remuneration is paid to the Council Compensation Review Task Force members.

## **APPENDIX “B”**

### **TERMS OF REFERENCE**

#### **2016 COUNCIL COMPENSATION REVIEW TASK FORCE**

##### **COMPOSITION:**

###### **Voting Members:**

Five members to be chosen by the City Clerk of the City of London and subject to ratification by Municipal Council.

##### **TERM OF OFFICE:**

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##### **QUALIFICATIONS:**

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  - i) include a variety of opportunities for public input directly to the Task Force (this could include the use of public meetings, surveys, webpage, phone, mail, etc).
  - ii) provide for public engagement process to ensure that members of the public are aware of the work of the Task Force and are provided with ample opportunity to provide input;
  - iii) provide for an enhanced communications program to assist in clarifying the role of Councillors and the Deputy Mayors, including legislative responsibilities and day-to-day duties undertaken to fulfil the roles; and,
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