
Subject: Citizen Committee on Council Remuneration

Report to: Corporate Services Committee

Report date: Wednesday, November 6, 2019

Recommendations

1. That the Citizen Committee on Council Remuneration Recommendation Report contained in Appendix I to Report HR 02-2019, for the Citizen Committee on Council Remuneration **BE RECEIVED**.
2. That the current external comparator group of municipalities including the Regional Municipalities of Waterloo, Halton, York, Durham, and Peel and the Municipalities of Hamilton, Ottawa, Windsor and Chatham-Kent **BE MAINTAINED**.
3. That the current methodology **BE REPLACED** with the new methodology, effective December 1, 2019 and not retroactive to December 1, 2018 as follows: *That councillor remuneration (excluding the Regional Chair) be adjusted annually on December 1st, based on the salary structure increase granted to non-union employees on April 1st of the same calendar year, which was 1.5% for 2019.*
4. That the new methodology **BE APPLIED** annually on December 1st each year and remain in place until such time as Regional Council directs a change to the methodology.
5. That the new methodology **BE APPLIED** to the Regional Chair's remuneration effective the next term of Regional Council.

Key Facts

- On June 12, 2019, Council directed that a citizen committee be established to look at Councillor (excluding the Regional Chair) remuneration; that the committee include five citizen members and one staff member with knowledge on the matter; and provide a report back in November 2019.
- On August 15, 2019, (Report CLK-12-2019) Council approved the Citizen Committee on Council Remuneration (CCCR) terms of reference and the appointment of three committee members: Bob Haig, Sabrina Hill, and Margo Pinder.
- The CCCR committee met four times on September 5, 17, October 4, 16, 2019; the minutes are contained in Appendix II.

Financial Considerations

This increase to councillor remuneration as a result of the adjustment for one month effective December 1, 2019 is \$1,452.04 (31 councillors x \$46.84) and can be accommodated within the 2019 Council approved operating budget.

The increase to councillor remuneration as a result of the annualized adjustment for 2020 will be included within the 2020 operating budget, subject to Council approval. The increase applicable for 11 months in 2020 is \$15,972.44 (31 councillors x \$46.84 x 11 months). The amount of the December 1, 2020 increase is not confirmed at this time.

Analysis

The recommendations of the Citizen Committee on Council Remuneration (CCCR) are contained in Appendix I to this report and outline the scope, approach, current and historical relevant information, options considered and analysis and the recommendations.

- The CCCR reviewed the current council approved methodology used for annual council remuneration increases and considered several alternatives for a new methodology, including consideration to maintain the current methodology. Details of their analysis are included in Appendix I to this report.
- The committee's review included the current external comparator group of municipalities and considered whether to recommend maintaining or amending the existing external comparators.
- The preferred methodology and recommendation of the CCCR is to align councillor remuneration and the annual increases to base salary directly with the annual salary structure increases for non-union regional staff, ensuring council remuneration keeps up with economic factors and removes the need for council to review the methodology on a regular basis. That increase for 2019 was 1.5%.
- In 2016, Regional Council approved the current Non-Union Compensation Policy (C-HR-001) which sets the direction for staff to determine non-union salary increases.
- The CCCR determined that the work performed by staff to carry out the directives of the Non-Union Compensation Policy, which includes analyzing external market conditions measuring economic conditions of the cost of labour; was the preferred method to adjust council remuneration on a regular and recurring basis.
- Council increases are effective on December 1st of each year, aligning with the start of the term of council; the CCCR did not recommend any changes to the timing of increases.
- For clarity, non-union salary structure increases occur in the pay period containing April 1st. As such, the increase granted to non-union staff on April 1st will be applied to councillor annual remuneration (base salary) on December 1st of the same calendar year. Where non-union salary structure increases vary based on salary

grade, the average increase to the 14 non-union salary grades will be applied to councillor base salary.

A review of remuneration for the Regional Chair was out of scope for the CCCR as directed by Council.

Alternatives Reviewed

The alternatives reviewed by the CCCR are contained in Appendix 1

Although it was council's direction to exclude the Regional Chair from the Citizen's Committee review and as a result not within the scope of their review; staff strongly recommend that, if not during this term of council, that the new methodology also be applied to the Regional Chair's remuneration beginning with the next term of council.

Relationship to Council Strategic Priorities

N/A

Other Pertinent Reports

- CLK 12-2019 dated August 15, 2019, respecting the Citizen Committee on Council Remuneration.
- HR 01-2019, dated June 12, 2019, respecting 2019 Council Member Remuneration
- GM 15-2018: 2019 Council Member Remuneration – Impacts due to elimination of the non-taxable 'Municipal Officers' Expense Allowance' under the Income Tax Act, October 4, 2018
- HR 02-2015 Revised: Council Remuneration Effective December 1, 2014 to November 30, 2015
- HR 03-2015 Council Remuneration: Annual Process
- CL 2.2004 Council Remuneration Citizens Review Committee
- Recommendations from Independent External Governance Auditor – First Report

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Appendices

Appendix 1 – Citizen Committee on Council Remuneration Report dated October 16, 2019

Appendix 2 – Agenda and Minutes of the Citizen Committee on Council Remuneration meeting held on September 5, 2019

Appendix 3 – Agenda and Minutes of the Citizen Committee on Council Remuneration meeting held on September 17, 2019

Appendix 4 – Agenda and Minutes of the Citizen Committee on Council Remuneration meeting held on October 4, 2019

Appendix 5 – Agenda and Minutes of the Citizen Committee on Council Remuneration meeting held on October 16, 2019