

Council Compensation Review Committee Meeting held August 27, 2018

A meeting of the Council Compensation Review Committee is held this day commencing at 8:00 o'clock a.m. in Room 201, 350 City Hall Square West, there being present the following members:

Toni Scislowski, Chair
David Amyot
David Musyj
George Wilkki
Sandy Venditti

Also present are the following resource personnel:

Onorio Colucci, CAO
Joe Mancina, City Treasurer
Jason Moore, Senior Manager Communications & Customer Service
Dan Seguin, Deputy Treasurer
Steve Vlachodimos, Deputy City Clerk
Will Foot, Council Assistant
Karen Kadour, Committee Coordinator

1. Call to Order

The Chair calls the meeting to order at 8:01 o'clock a.m. and the Committee considers the Agenda being Schedule "A" attached hereto, matters which are dealt with as follows:

2. Declaration of Conflict

None disclosed.

3. Adoption of the Minutes

Moved by S. Venditti, seconded by D. Musyj,
That the minutes of the meeting of the Council Compensation Review Committee held August 1, 2018 **BE ADOPTED** as presented.
Carried.

4. Business Items

4.1 Town Hall Meetings held August 8 and 9, 2018

G. Wilkki advises no one from the public attended the Town Hall meeting held August 8, 2018. A PowerPoint presentation and information relating to the on-line Public Survey was presented to the media that were present.

In terms of the Town Hall meeting held August 9, 2018 there were approximately 7 delegations in attendance some of which provided feedback relating to the council compensation while others made political statements on a matter not germane to the discussion.

4.3 Council Compensation Review Survey

J. Moore provides an update relating to the public Survey and indicates 671 responses have been received to date which far surpassed the target of 388 responses.

Moved by G. Wilkki, seconded by D. Amyot,
That the City Council Compensation Review Survey 2018 **BE CLOSED** for public feedback as of August 27, 2018.
Carried.

4.4 Comparator Survey Update

D. Seguin distributes a memo entitled "Municipal Comparator Survey Results", **attached** as Appendix "A". Highlights of the document are succinctly provided as follows:

- As part of City Administration's research regarding elected official compensation in Ontario, several surveys and various municipal reports were reviewed.
- The survey was undertaken to acquire an understanding of:
 - How the elimination of the 1/3 tax free allowance has been handled
 - Methods for annual base salary of elected officials is adjustment
 - 2017 Base salary and full compensation of our peers (most recent complete year)
- The comparator municipalities includes 3 similarly sized single tier municipalities, 3 similarly sized lower tier municipalities from different regions as well as the 3 associated regions were selected.
- Single tier municipalities – London, Greater Sudbury and Hamilton
- Lower tier municipalities – Oakville, Kitchener and Vaughan
- Regions – Halton, Waterloo and York
- Results of the survey relating to annual change to elected official remuneration include:
 - All respondents had a method for annual increases to remuneration

- 7 of 9 approaches are tied to municipal employee increases (some union, some non-union)
- 2 of 9 approaches are tied to indexes (CPI or Labour Index)
- Results relating to the elimination of 1/3 Tax Free Allowance includes:
 - Respondents eliminated the 1/3 allowance variously from 1999 through 2019
 - 7 of 9 respondents were able to determine the method used to eliminate the tax free allowance.
 - One respondent implemented a committee recommendation to tie councillor salaries to average local income
 - 6 of 7 respondents grossed up base salary to preserve net pay of elected officials.

D. Amyot asks Administration if it is possible to provide the compensation amounts from the surveyed municipalities excluding the gross-up and to include the 1/3 tax free allowance.

D. Seguin responds that as comparators eliminated the tax free allowance over a period spanning 1999 to 2019, the information is likely not available or comparable.

O. Colucci states in terms of grossing it up, if the incumbent is to be whole, it has to be based on his/her total income. So, assume this is their only income. The idea of the 1/3 tax free was that elected officials are expected to have expenses and that was a way to acquire an allowance. It's not income, it's offsetting the expenses, however, if it is grossed up, the expenses don't go away and the amount will vary with each councillor.

D. Musyj advises if the 1/3 tax free is addressed, a policy change would be required indicating councillors could not request reimbursement for local travel expenses.

4.5 Interviews with the Mayor and City Councillors

The document is reviewed and G. Wilkki indicates one Councillor added the remark to review the Councillors/Mayor compensation in the 2nd year of their term.

4.2 Recommendations to City Council

The Chair suggests a brainstorming session be held to review options that will address the 1/3 tax free allowance legislation.

J. Mancina states when looking at the total salary of the Mayor and Councillors, the Board payments are also factored in which are payments and decisions made by those Boards relative to their salaries. He adds grossing up the salary and not addressing the Board payments is an important discussion that requires the two elements to be looked at together.

D. Seguin advises a large portion of the Mayor's salary is derived from Board payments. Since the tax free allowance is going away, the impact of the board payments can be calculated. If only the base salary is addressed, the difference would likely be in excess of \$20,000. To replace the impact of the total compensation, it might result in an amount in excess of \$60,000 but it would be addressed through the base salary accommodating the impact of the full remuneration.

D. Musyj provides the following comments as part of the brainstorming exercise:

- There is a lump sum payment driven by comparison to other municipalities.
- Difficulty in calculating the individual tax as the members change.
- The Councillors are not being paid as much as their comparators and the 1/3 tax free allowance will vary and will impact members of Council.
- Need to determine a number that is fair based upon the comparators across Ontario.
- Creation of an automatic salary increase mechanism (7 of the 9 municipalities surveyed are tied to non-union/union increases).

G. Wilkki questions if the board payments have to be directed to the Councillors or, is the City able to keep the payments and to increase the compensation. J. Mancina responds at this time, the boards compensate elected officials through the City. If all elected official compensation is set in the City base salary, then any board amounts would flow to the city.

D. Amyot leaves the meeting at 8:52 o'clock a.m.

The Chair provides a summation of the following options for consideration:

- Do nothing.
- Increase the City base salary so that elected officials are made whole on the City base salary component.
- Increase the City base salary so that elected officials are made whole on their total compensation, including boards.

G. Wilkki remarks the most transparent option for the taxpayer is to treat the compensation as a whole amount.

The Chair requests Administration provide scenarios outlining the impact and/or ramifications relating to the foregoing options.

D. Musyj asks if there are rules/policies related to obligations of the Mayor and Councillors should the board payments be applied to the compensation.

Discussion ensues regarding the creation of a methodology to provide for automatic increases for the Mayor and Council.

O. Colucci states the Committee may want to choose something that provides an automatic increase as opposed to a recommendation that requires a Council decision, i.e. tied to a measure not determined by Council. He adds if the compensation is tied to the non-union/union raises, Council has to approve it. However, if tied to the Consumer Price Index (CPI) and the median wage, this could be a consideration.

The Chair requests Administration provide data relating to the median wage of Windsor and comparator municipalities and CPI and non-union/union increases over the past five years.

In response to a question asked by D. Musyj regarding if Council can approve a non-union increase for the Mayor/Council and would this pose a conflict of interest, S. Vlachodimos responds he will report back at the next meeting.

5. Date of Next Meeting

The next meeting will be held on Friday, August 31, 2018 at 8:15 a.m. in Room 201, 350 City Hall Square West.

6. Adjournment

There being no further business, the meeting is adjourned at 9:22 a.m.

CHAIR

COMMITTEE COORDINATOR