

Council Compensation Review Committee Meeting held June 5, 2018

A meeting of the Council Compensation Review Committee is held this day commencing at 9:30 o'clock a.m. in Room 201, 350 City Hall Square West, there being present the following members:

Toni Scislowski, Chairperson
David Amyot
David Musyj
George Wilkki

Regrets received from:

Patricia France

Also present are the following resource personnel:

Valerie Critchley, City Clerk
Onorio Colucci, Chief Administrative Officer
Joe Mancina, City Treasurer
Vincenza Mihalo, Executive Director, Human Resources
Dan Seguin, Deputy Treasurer
Steve Vlachodimos, Deputy City Clerk
Will Foot, Council Assistant
Sandra Gebauer, Council Assistant
Karen Kadour, Committee Coordinator

1. Call to Order

The Committee Coordinator calls the meeting to order 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. Introductions

As this is the inaugural meeting of the Council Compensation Review Committee, introduction of the Committee Members and Administration are undertaken.

O. Colucci thanks the members for volunteering including the breadth of experience that each has brought to this committee. He adds this is not an easy subject as it's difficult to get "apples to apples" comparisons because there are upper, lower and single tier municipalities. Municipalities normally report what they pay for Councils' services, however, a region will not necessarily report on a lower tier, i.e. Mississauga. They will report what they pay their mayor or council but, if they are also a member of Regional Council, they may not report everything. The way that different municipalities deal with Boards, Commissions and Corporations also seems to be different. In an attempt to gather some numbers, there is no comfort level at this time that they are comparable. J. Mancina and his team will be contacting municipalities to ensure that they are providing comparable numbers in order to assist the committee in making an informed decision.

4. Election of Chairperson

The Committee Coordinator calls for nominations from the floor for the position of Chairperson. D. Musyj nominates T. Scislowski, seconded by D. Amyot for the position of Chair. No further nominations are put forth. The Committee Coordinator asks T. Scislowski if she accepts. T. Scislowski accepts and assumes the Chair.

Moved by D. Musyj, seconded by D. Amyot,
That Toni Scislowski **BE ELECTED** Chair of the Council Compensation Review Committee.
Carried.

5. Business Items

J. Mancina provides a presentation of the document entitled "Council Compensation Review Committee – Council Remuneration and Benefits - 2018" which is distributed and **attached** as Appendix "A". He succinctly provides an overview of the document as follows:

- The last compensation increase occurred in 2005 (21% lost purchasing power through 2017).
- The 2017 Federal Budget eliminated the ability of municipalities to provide up to 1/3 elected official remuneration tax-free effective January 1, 2019.
- There are challenges relating to comparisons across municipalities based solely on reported amounts.
- Some municipalities provide 1/3 Tax Free Allowance while others have eliminated the 1/3 Tax Free Allowance.
- Administration to conduct a survey of peer comparators and will provide results to the Committee.
- In terms of the effects of eliminating the 1/3 Tax Free Allowance, if it remain status quo, the estimated net pay will decrease \$4,000 per Councillor and \$12,000 for the Mayor.

- If the same net pay is maintained, the estimated salary will increase to \$5,000 per Councillor and \$27,000 for the Mayor.
- Methods by some municipalities to deal with the elimination of the 1/3 Tax Free Allowance include: Status quo salary, increase salary to maintain the same net pay and to undertake a full remuneration review.
- City Council currently determines the salary, benefits, and support for elected officials to be provided by the city based on the results of the 2003 committee recommendations.
- Elected officials receive additional compensation from:
 - Mandatory boards
 - Optional boards
 - Regional governments
- Like other municipalities, the City does not determine compensation from boards and regions.
- The recommendations of this committee should consider the impacts of both the City amounts paid as well as any Board Payments that flow through the City.

D. Amyot questions if municipalities who have eliminated the 1/3 Tax Free Allowance, does it mean they are paying more in expenses and will receive more in reimbursement. J. Mancina responds the concept is the 1/3 Tax Free Allowance is there to allow for the deduction of employment expense without having to go through that process when one files their tax return. In the City's case, when the option was presented to eliminate it, it was determined that more expense would be added to the municipality tax base as essentially would have to pay matching employer contributions for OMERS, and CPP therefore it made good financial sense to not do away with the 1/3 Tax Free Allowance.

O. Colucci adds the 1/3 Tax Free Allowance would have negatively impacted the salaries of the elected officials as there is not an offsetting matching expense.

In terms of the Agencies, Boards and Commissions, the Chair asks who determines the level of funding provided to the elected officials who sit on the respective committees. J. Mancina responds the individual board determines the level of funding. He further adds the funding received from these boards are combined and are divided by 1/10.

The Chair refers to the public consultations held by the Blue Ribbon Committee in 2003 and the limited attendance. S. Vlachodimos advises two Town Hall meetings were held which were advertised in the Windsor Star. He adds with the advent of social media since 2003, there may be better public engagement and input this time.

D. Amyot proposes consideration be given to a survey which will pose questions such as whether the current level of compensation is fair and adequate and if the elected officials should receive a decrease due to the Federal Income Tax Law. He suggests meeting individually with City Councillors to get a sense of the job, hours worked and personal resources such as mileage and gas.

The Chair suggests the survey include e-learning that informs the public relating to the 1/3 Tax Free Allowance.

D. Amyot requests Administration assist in developing a series of standard interview questions for the Councillors and to also develop a survey of questions for the public. He adds there are two distinct issues – what the elected officials are paid now and, is it fair and does it need to be adjusted given the change to the Income Tax Act and do we need to tackle or not the ongoing systemic adjustments over the years.

The Chair states there has not been a salary review since 2005, and perhaps a mechanism should be put in place.

V. Critchley states the deadline for the Committee to provide its final report to Council is September 2018.

G. Wilkki indicates his view is to provide the 21% to the elected officials that they have lost along with the equivalency for the Tax Free Allowance. He adds the people who apply for this job ideally want to work on behalf of their constituents and there is a need for fair compensation.

It is suggested that interviews be held with the City Councillors in 15 minute blocks and to allow a separate interview with the Mayor.

V. Mihalo adds that although the Councillors did not receive the pay increases afforded to the unionized staff, they did receive benefits that did not include long term disability.

In terms of next steps, the Chair proposes the following:

- Hold interviews with the Mayor and City Councillors (two members of the Committee to be available).
- Administration to gather information of peer comparators and request they provide the questions noted in their survey if applicable.
- Conduct a public survey (Communications Department to use the City's website and Social Media).
- Hold Town Hall meeting(s).

D. Amyot refers to the Blue Ribbon Committee and requests Administration provide the questions put forth to the Councillors at that time. S. Vlachodimos indicates these questions will be provided if available.

V. Critchley indicates Communications along with the Finance Department will structure the front end of the survey in terms of information. She adds Administration will also research the questions asked by other municipalities, which will be provided for the next meeting.

J. Mancina advises information relating to the financial impacts to the City including scenarios will be provided for the next meeting.

6. New Business

None.

7. Next Meeting Date

The next meeting will be held on June 19, 2018 at 9:30 a.m. in a meeting room to be determined.

8. Adjournment

There being no further business, the meeting is adjourned at 10:30 o'clock a.m. Formal confirmation and meeting notes will be issued.

CHAIR

COMMITTEE COORDINATOR