



To: Members of the Committee of the Whole

From: John Kennedy, City Clerk

Meeting Date: February 27, 2017

Subject: Report CPCLK17-003
Councillor Compensation Committee Results

Purpose

A report to present recommendations from the Councillor Compensation Committee regarding Councillor Compensation.

Recommendations

That Council approve the recommendations outlined in Report CPCLK17-003 dated February 27, 2017, of the City Clerk, as follows:

- a) That the presentation by the Chair of the Councillor Compensation Committee and Report CPCLK17-003 be received for information;
- b) That the current level of Council compensation be maintained; and,
- c) That Council compensation automatically be reviewed the second year of each term with any recommended changes to take effect the following term.

Budget and Financial Implications

The Committee is not recommending any changes to the current compensation and therefore there are no budget or financial implications to approving the report.

Background

At the March 14, 2016 Council meeting, a resolution was passed “That staff establish a citizen advisory Committee to review Council salaries using comparators from around the province, and that staff report back to Council with the findings.” A revised

Terms of Reference for the Committee was adopted by Council at the meeting on June 6, 2016 and the Committee held their first meeting on September 1, 2016.

The Committee members were Garth Wedlock (Chair), Claude Dufresne, Wayne Godward, Daniel Kivari, Dan Moloney, Jeff Westlake and Dave McFadden. These individuals brought diverse interests and backgrounds to the Committee and met on five occasions.

The Committee reviewed the remuneration that has been paid at the City of Peterborough through the following reports:

- Report COU05-007 dated May 16, 2005 by Councillor Paul Rexe
- Report CPFRAS10-001 dated March 15, 2010 by Brian Horton, Senior Director of Corporate Services
- Report COU11-006 dated July 25, 2011 by Councillor Henry Clarke
- Report CP12-005 dated July 23, 2012 by Sandra Clancy, Director of Corporate Services
- Report CPF16-004 dated March 7, 2016 by Sandra Clancy, Director of Corporate Services

The Committee also looked at the information provided to the previous committee during the review in 2011/2012 including the survey results from other municipalities and from City Council members the previous term of Council.

Research

The Councillor Compensation Committee distributed a survey to 20 municipalities and received responses from the following: the City of Ajax, City of Pickering, Municipality of Clarington, City of Kingston, City of Timmins, City of Sault Saint Marie, City of Kawartha Lakes and the City of Barrie (appendix A). The Committee confirmed population, average household income and Current Value Assessment to ensure the appropriateness of the comparison municipalities along with information on compensation levels.

The Committee also distributed a questionnaire to each City of Peterborough Council member and asked questions about the responsibilities of being an elected official. All ten Councillors completed the questionnaire. The Committee reviewed the surveys carefully and recognized that current Councillors have a strong commitment to fulfill their obligation to the City and its citizens and, Councillors were very cognizant of current economic conditions.

The reality is how a Council member performs their duties is largely determined by the individual and their time commitments vary for a number of reasons including: the number and types of Committees they sit on, whether they have employment outside of their Council role, personal responsibilities including family, the events they choose to attend in the City and their wards and how they record their time.

The Committee also extended an invitation to meet with Council members to discuss the survey, their responsibilities and views on compensation. Nine members met with the committee to provide their input. The Committee appreciated the Council members taking time to attend these meetings and found the information they provided to be beneficial to the review process.

The Committee focused on ten issue areas:

- Compensation
- Benefits
- Mileage
- A Possible Grid System to Reflect Seniority
- Separate Pay for Committee Work
- Part Time Versus Full Time Status
- An Automatic Review Process for Compensation
- Expense Accounts
- Mechanisms for Automatic Increases
- Consideration of Other Council Activities (i.e. ribbon cuttings, attending events)

The following is a summary of these areas.

Compensation

With respect to the remuneration rates, the Committee strove to ensure the rate was enough to attract good people but not so high that the compensation would be the main reason individuals would pursue a position on Council. The Committee believes the role of a Councillor should be compensated fairly but Councillors should have a sense of giving back to their community. The rate should also be relative given the average income of the residents of the City.

The Committee examined the compensation rates in comparable municipalities and concluded that current remuneration rates in Peterborough (in 2016 the compensation paid to the mayor was \$67,703 and Councillors received \$27,721), are fair and consistent with other similar municipalities. After taking all the feedback and information into consideration, the Committee felt the remuneration rates in Peterborough were appropriate for both the Mayor and Councillors.

Benefits

The majority of the comparator municipalities do provide benefits to Council members and it was noted that six of the questionnaires submitted by our Councillors indicated that the provision of benefits should be considered. However, the Committee is not

recommending the extension of benefits to Council at this time (Council members currently have accidental death and dismemberment coverage). One of the major reasons for this position is the fact that the household income in Peterborough is quite low and many individuals in this community also do not receive benefits.

Mileage

Several Council members indicated that they believe the 1/3 tax free allowance on their pay is a compensation for the costs they incur for both travel within the City as well as helping to offset the money they spend on attending dinners, events or fundraisers during their term on Council. The committee does not recommend any changes to the current manner in which mileage is administered.

Grid System

The introduction of a grid system as a means of creating varying levels of compensation was considered by the committee. A grid system would create a system where remuneration is based on years of experience. Such a system is not in place in any other locations (that we were able to determine), and could be perceived to create unfair compensation based solely on an individual's time on Council. Committee is not recommending a grid system.

Separate Pay for Committee Work

Compensation based on the committees that Council members sit on was also considered. The municipalities surveyed indicated that it appears that other municipalities are not using this method of compensation. Currently the Mayor determines what committees members sit on based on experience, interest and availability. If a Councillor's work or personal situation were to change, the committees they sit on can be adjusted to take the change into account. The committee did not support compensating members of Council based on the committees they attend.

Part Time Versus Full Time

The Committee felt that there should be no change to the part time nature of the Councillor position or the full time nature of the Mayor's position. As it is part time, individuals can continue to be employed elsewhere and this would allow more individuals to consider entering politics at a municipal level as they would not have to leave their careers. Many of the respondents to the municipal survey indicated that the position of Councillor was part time while the position of Mayor is full time.

An Automatic Review Process for Compensation

Committee recommends that a review be undertaken once per term (in the second year of the term), and that any changes come into effect the following term. An automatic review ensures that the compensation levels will be reviewed regularly and further relieves individual Councillors from requesting that a review be undertaken. A regular review will also help to ensure that pay levels are kept current and avoids infrequent larger increases. [For example, in 2000 after years of no increase, Council pay was increased 45.36%, and in 2006 it was increased a further 47.1 %]

As any recommended increase does not occur during the current term of Council it also ensures Councillors are not increasing their own levels of compensation; they are only determining compensation for a future Council.

Expense Accounts

Council members are provided with a \$600/year allowance for internet expenses if they so chose. Members are permitted to attend one conference per year (which is approved by the Mayor) and are able to claim for minor expenses such as office supplies and supplies for meetings they hold such as 'town hall' style ward meetings, to a maximum of \$1,000. No changes are recommended to how expenses are dealt with and all this information is reported publically each year in accordance with the **Municipal Act**.

Mechanisms for Automatic Increases

Since 2012 there has been a process in place to have Council pay increased annually at the lesser of either the Consumer Price Index increase or the lowest negotiated CUPE settlement increase at the City. The committee feels this process keeps the compensation from falling too far behind and is fair, and is therefore not recommending any change.

Consideration for Additional Council Activities

Council members choose to attend numerous events to support the community and activities in their wards. The types of events include: church dinners, fundraising events, ribbon cuttings, public announcements and other committee meetings. Council members do not get reimbursed for the cost of these tickets. It is noted that attendance at these events is voluntary and depends on the individual Councillor's schedule, availability, and interest. As noted earlier, several Council members consider the 1/3 tax free allowance as a type of compensation to help off set these costs. The committee agrees and is not recommending that these additional Council activities be funded separately.

Summary

Committee does not recommend any changes to Council's compensation at this time. Implementing an automatic review of compensation each term will assist in maintaining a more up-to-date pay level and reduce frequent large increases.

Submitted by,

Draft

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Appendix A – Municipal Survey Results

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