

Ref: 2008-M17.5

March 11, 2008

EXECUTIVE COMMITTEE:

City Council on March 3, 4 and 5, 2008, referred the following Motion to the Executive Committee:

M17.5 2008 Salary Freeze for Mayor and City Councillors
Moved by Councillor Walker, seconded by Councillor Jenkins

SUMMARY:

The City of Toronto has a broken fiscal relationship with the Provincial and Federal governments. The Provincial government needs to upload hundreds of millions of dollars in social services and housing, while the Federal government needs to provide new ways of directly investing in our City. We are currently in the throes of re-creating our relationships with the Provincial and Federal governments, with the next two years of negotiations hopefully yielding what our City needs.

Due to the financial pressures the City continues to find itself under, we all must find ways of showing and following a strict line of fiscal restraint. City Council, especially due to the fact the City will be negotiating the renewal of several labour contracts with our employees over the next few years, needs to set the tone for those discussions, in order to mitigate the impact of these salary negotiations.

City Council must demonstrate sound decision making, based on the priorities of its citizens. Our focus should not allow discretionary spending and we should trim our expenses whenever we can.

Therefore, the Members of City Council should start showing this restraint by canceling the inflation-indexed cost-of-living salary increase for 2008 (salary freeze). Such a gesture will help provide the City with additional moral authority when entering into negotiations over new funding arrangements or employee salary rates, as the City will be over the next couple of years.

RECOMMENDATION:

1. That City Council rescind the 2008 inflation-indexed cost-of-living adjustment to the salaries of the Mayor and City Councillors, as of January 1, 2008.

Council also considered a Financial Impact Statement (March 4, 2008) from the Deputy City Manager and Chief Financial Officer.

for City Clerk

M. Toft/cd

Attach.