



STAFF REPORT ACTION REQUIRED

Survey Results for Elected Officials' Compensation for 2015-2018 term of Council

Date:	April 3, 2014
To:	Executive Committee
From:	City Clerk
Wards:	All Wards
Reference Number:	

SUMMARY

Prior to the end of a term, Council is required to establish the compensation for the new Council. This report implements the process in accordance with Municipal Code Chapter 223, Remuneration for Council Members to establish the compensation for Council starting January 1, 2015.

In accordance with the by-law, staff retained a consultant firm to conduct a survey on the compensation for Councillors and for the Mayor in a comparator group. This report provides the survey results for Council's consideration.

The by-law sets the benchmark for Councillors and the Mayor's compensation at the 75th percentile of the comparator group. Currently Councillors are at the 37th percentile and the Mayor at the 61st percentile.

RECOMMENDATIONS

The City Clerk recommends that City Council:

1. Taking into consideration the information contained in Attachment 1 (the comparator group study), adopt one of the following two options as required by Municipal Code Chapter 223, Article 1, Four-Year Adjustment, with regard to the compensation for the new Council:

Option A

Adjust the salary for Councillors and for Mayor to be at the 75th percentile of the comparator group in accordance with Municipal Code Chapter 223-1, so that effective January 1, 2015, the compensation for Councillors is adjusted to \$119,025 and that of the Mayor is adjusted to \$200,013;

OR

Option B

Maintain the 2014 salary level for Councillors and for the Mayor with a CPI adjustment effective January 1, 2015.

Financial Impact

Option A

If Council chooses to adopt Option A, Councillor salary would be adjusted from \$105,397 to \$119,025. The cost to bring each Councillor's salary to the 75th percentile per Municipal Code Chapter 223-1 would be \$13,628 or 12.9%. Including the budgeted benefit rate of 24%, the total increase to councillor salary and benefits for 2015 would be \$743,544. This adjustment would be reflected in the City Council 2015 operating budget submission as part of the 2015 operating budget process.

The Mayor's salary would be adjusted from \$177,499 to \$200,013. The cost to bring the Mayor's salary to the 75th percentile per Municipal Code Chapter 223-1 would be \$22,514 or 12.7%. Including the budgeted benefit rate of 24%, the increase to the Mayor's Office 2015 operating budget would be \$27,917. This adjustment would be reflected in the Mayor's Office 2015 operating budget submission as part of the 2015 operating budget process.

Option B

If Council chooses to adopt Option B, the 2015 City Council and Mayor's Office operating budget submission will reflect a CPI adjustment to the Councillors' and the Mayor's salary. Traditionally, a 2% CPI adjustment has been used for annual budget purposes. The actual CPI increase will be determined by the Deputy City Manager and CFO.

The Deputy City Manager and Chief Financial Officer has reviewed this report and agrees with the financial impact information.

DECISION HISTORY

Remuneration for Council Members is set out in Municipal Code Chapter 223, reflecting Council's decision at its meeting of July 25, 26 & 27, 2006.

<http://www.toronto.ca/legdocs/2006/agendas/council/cc060725/pof6rpt/cl057.pdf>

Municipal Code Chapter 223-1, Four-Year Adjustment, states that:

- A. A study shall be done prior to the beginning of each term of Council to determine an appropriate comparator group defined by a specialist consultant for the Mayor and for other members of Council.
- B. On the first January 1 of each new term of Council:
 - (1) The remuneration paid to the Mayor shall be the greater of the current remuneration for the Mayor and the 75th percentile of the comparator group for the Mayor on that date.
 - (2) The remuneration paid to each member of Council, other than the Mayor, shall be the greater of the current remuneration for the other members of Council and the 75th percentile of the comparator group for the other members of Council on that date.

Chapter 223-2 Annual Increase, states that:

In the years following 2007, the remuneration paid to the Mayor and the other members of Council shall be increased annually on January 1 of the year by the increase in Statistics Canada's Toronto Consumer Price Index, as calculated by the Deputy City Manager and Chief Financial Officer and based on the previous year's average.

COMMENTS

As required by Municipal Code Chapter 223, Article 1, City Clerk's Office and Human Resources staff engaged OCG Strategy and Organization Consulting (OCG) to determine the comparator group and conduct a survey of the remuneration for the Mayor and for Councillors. OCG is the City's vendor of record for compensation studies, retained by the Human Resources Division.

Report from OCG

The report from OCG on the City of Toronto 2014 Elected Officials Compensation Market Survey is included in Attachment 1. Major findings of the report are summarized below:

Comparator Group

OCG determined that the same 16 municipalities that were used in the 2010 survey should be used as the comparator group for the survey conducted in 2014 for the 2015 compensation for the Mayor and for Councillors. The list of the comparator group is shown on page 2 of Attachment 1.

In 2010, for the cities of Montreal and Vancouver, only the local municipal incomes for Councillors were reported. For 2014, these governments also reported the income from the regional level of government.

The market survey results reflect the data collected in February 2014. There is a possibility that any of the 16 municipalities may adjust the compensation of their elected officials subsequent to the data collection date.

Survey for Councillors' Compensation

The summary of findings from the market survey for Councillors' compensation is found on pages 5 and 6 of the report.

Based on the information collected, the current compensation for City of Toronto councillors, at \$105,397, is at the 37th percentile level (P37), when total cash is considered.

The 75th percentile level (P75) for Councillors' compensation would be \$119,025.

Market Survey for the Mayor's Compensation

The summary of findings from the market survey for the Mayor's compensation is found on pages 7 and 8 of Attachment 1.

Based on the information collected, the current compensation for the City of Toronto Mayor, at \$177,499, is at the 61st percentile level (P61), when total cash is considered.

The 75th percentile level (P75) for the Mayor's compensation would be \$ 200,013.

Compensation for Council effective January 1, 2015

Council should consider and adopt one of the following two options.

Option A

Council applies Municipal Code Chapter 223-1, which states that on January 1 of a new term of Council, the salary level for the Mayor and for Councillors be set at the greater of their current compensation or the 75th percentile of the comparator market group.

Under this option, effective January 1, 2015, the salary for Councillors would be adjusted to \$119,025, while the salary for the Mayor would be adjusted to \$200,013.

Option B

Under this option, Council chooses not to change the 2014 salary level so that effective January 1, 2015, the compensation for Councillor and the Mayor would be adjusted by CPI, as determined by the Chief Financial Officer.

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SIGNATURE

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City Clerk

ATTACHMENTS

Attachment 1: City of Toronto 2014 Elected Officials Compensation Study by
OCG Strategy and Organization Consulting