

## Review of Councillor Remuneration

**Date:** March 24, 2025

**To:** City Council

**From:** City Manager and Chief People Officer

**Wards:** All

### SUMMARY

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As requested by City Council, this report provides an updated review of compensation for Councillors. This review was conducted by the People & Equity division with the assistance of Korn Ferry, a third-party advisor in compensation. The review examined cash compensation of Toronto Councillors and Councillors in comparator municipalities, which refers to the total amount of money given as payment for their work, including base salary, allowances such as travel and car, bonuses, board and committee fees paid by the respective city, and other forms of direct monetary remuneration. This review did not include Mayoral compensation.

The report also includes recommendations to adjust compensation to a level in line with Councillors in comparable jurisdictions and an approach to regularly review Councillor compensation, as requested by City Council.

The last adjustment to compensation for Councillors, aside from inflationary increases, was adopted by City Council in 2006. At that time, a review was completed by a third-party consultant, after which City Council set Councillor compensation at the greater of their current compensation or at the 75<sup>th</sup> percentile of the comparator market group. A percentile is a measure that divides a dataset into 100 equal parts. The 75<sup>th</sup> percentile of a market comparator group means that the Toronto Councillors would earn more than 75% of Councillors in comparable municipalities.

Following this decision, staff provided information to City Council regarding compensation levels that maintain a 75<sup>th</sup> percentile. Then, in 2014, City Council rescinded the by-law that required that compensation meet this benchmark and directed that Councillor compensation be adjusted by CPI on an annual basis. Consequently, over the years, compensation for Councillors has fallen below the previous 75<sup>th</sup> percentile benchmark and market comparators.

To inform this report, a jurisdictional scan of comparable jurisdictions was conducted. Nine other comparator municipalities were identified from across Canada including single and multi-tiered municipalities. The municipalities in the review were: Brampton, Calgary, Edmonton, Hamilton, Markham, Mississauga, Ottawa, Vaughan, and

Winnipeg. These comparator municipalities were selected based on factors such as population, Council composition and size, operating budget, compensation for Council duties, constituency size and additional duties. The comparison found:

- Toronto Councillors' current compensation is at the 62<sup>nd</sup> percentile among the comparator municipalities.
- Toronto Councillors have the lowest compensation per constituent among the comparators.
- Toronto is the only municipality in the comparator group that does not provide additional compensation for appointments to Boards of service agencies.

This report recommends an adjustment to the Councillors' salary in 2025 to bring it to the 75<sup>th</sup> percentile of the comparator market group at \$165,933.43. Following this adjustment, Councillor salary would subsequently be adjusted by the Consumer Price Index (CPI) of 2.81%, for a total annual compensation of \$170,588.60.

The recommendation to align Councillor compensation to the 75<sup>th</sup> percentile plus the CPI adjustment has been developed in recognition of the unique demands placed on Toronto City Councillors (e.g., large number of constituents per Councillor, an operating and capital budget larger than some provinces, oversight of service delivery to Canada's largest city), in alignment with previous Council adopted practice, and was developed in consultation with Korn Ferry.

It is recommended that the Chief People Officer undertake a review of the salaries of Council Members and report directly to City Council at the beginning of each Council term to support a continued alignment to the 75<sup>th</sup> percentile of market comparators. In between reports, Council Members' salaries will continue to be adjusted by CPI adjustment. This approach will continue to maintain some salary competitiveness and prevent significant lags in salaries during each Council term.

The report also recommends a compensation adjustment to the First Deputy Mayor in instances where the Office of the Mayor is vacant for an extended period of time, and the First Deputy Mayor must take on the duties of the Mayor.

## **RECOMMENDATIONS**

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The City Manager and Chief People Officer recommend that:

1. City Council approve an increase to Ward Councillors' base salary to \$170,588.60 (inclusive of 2025 actual CPI adjustment), effective January 1, 2025.
2. City Council amend Municipal Code Chapter 223, Remuneration for Council Members to require the Chief People Officer to review Council Members' remuneration and report directly to City Council at the beginning of each council term, with data to support a continued application of a 75<sup>th</sup> percentile benchmark for salary.

3. City Council amend Municipal Code Chapter 223, Remuneration for Council Members to permit a First Deputy Mayor to be compensated at the rate of the Mayor in situations where the Office of the Mayor becomes vacant in accordance with section 204 of the City of Toronto Act, 2006 for a period of 30 days or more, until such time as a Mayor is elected.

4. City Council approve an in-year 2025 Operating Budget transfer of \$0.957 million gross and net from the City's Corporate Non-Program Expenditure Budget to the City Council Budget for the increase to Ward Councillors' salary.

## **FINANCIAL IMPACT**

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The current 2025 Councillors' base salary is \$137,537.40 (inclusive of 2025 CPI adjustment of 2.81%) and this report recommends increasing it to \$170,588.60. As per the Toronto Municipal Code Chapter 223, Members' salaries are adjusted annually based on Statistics Canada's CPI for Toronto.

Approval of the recommendation to increase the salary to the 75<sup>th</sup> percentile benchmark will result in a financial impact of \$956,816.30 (comprising \$829,458.00 in increased salary and \$127,358.30 in increased benefits) for 2025.

Funding for the increase will be managed through the 2025 Corporate Non-Program Expenditure Budget and is recommended to be transferred in-year to the City Council Budget.

The Chief Financial Officer and Treasurer has reviewed this report and agrees with the Financial Impact Section as presented in this report.

## **EQUITY IMPACT STATEMENT**

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The compensation review has been thoroughly conducted to ensure its alignment and congruence with all equity principles. By adhering to a comprehensive and inclusive approach, the review process has been designed to address potential disparities, uphold fairness, and promote equitable outcomes for all stakeholders. Throughout the evaluation, particular attention has been paid to mitigate any potential biases and discrepancies, aiming to foster an environment of inclusivity, diversity, and equal representation within the framework of compensation adjustments.

## **DECISION HISTORY**

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At its meeting on November 13 and 14, 2024, City Council adopted a motion requesting the City Manager and the Chief People Officer to report directly to the March 2025 meeting of City Council with an updated comparative review of Councillor compensation, recommendations to align their compensation with counterparts and an approach to regularly review their compensation.

<https://secure.toronto.ca/council/agenda-item.do?item=2024.MM23.10>

In April 2021, the City Manager provided a status update on pre-pandemic Council directives to Executive Committee through Update on Pre-Pandemic Directives. EX23.1 included an appendix with the comparative jurisdictional findings on Councillor compensation from the work completed in 2019.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2021.EX23.1>

On August 14, 2018, the Province of Ontario passed Bill 5, Better Local Government Act, 2018. The Bill reduced the number of Toronto City wards from 44 to 25 and aligned the boundaries with federal and provincial electoral ridings as of December 1, 2018. This change in City Council size necessitated some changes to Council governance. In December 2018, Toronto City Council considered the report Recalibrating City Council Governance System and requested the City Manager to review Councillor compensation and recommend an appropriate level of compensation for Toronto City Councillors to City Council and to obtain advice from one or more third parties.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.CC1.1>

In May 2014, when considering the remuneration study conducted by OCG Strategy and Organizing Consulting, City Council amended the Toronto Municipal Code, Chapter 223, Remuneration of Council Members to 1) rescind the requirement for a remuneration study at the beginning of each Council term and the requirement that the remuneration for the Mayor and Council Members be greater than the 75th percentile of the comparators groups based on the date of the study and 2) establish going forward, that the Mayor and Council Member's remuneration 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.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2014.EX41.4>

In December 2010, Council received a remuneration study conducted by the Hay Group, now known as Korn Ferry. City Council received this report for information.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2011.EX1.6>

In 2006, Toronto City Council set compensation for Members of Council, following a remuneration study conducted by the Mercer Human Resource Consulting group. At that time, the salary was set at \$95,000 for Councillors and \$160,000 for the Mayor. City Council also established that remuneration for the Mayor and Council Members be greater than the 75th percentile of the comparator's groups based on the date of the study.

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

## **COMMENTS**

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In 2006, based on the findings of a third-party consultant, City Council decided that compensation for members of Council should be set at the greater of their current compensation or at the 75<sup>th</sup> percentile of the comparator market group with a requirement for a salary review once per term to provide City Council with comparator market information. Following this decision, staff provided information to City Council

regarding compensation levels that maintain a 75<sup>th</sup> percentile. Staff recommendations since 2010 were received for information by City Council and adjustments to compensation to meet the 75<sup>th</sup> percentile were not adopted by City Council since that time. The only adjustments to compensation have been to apply inflationary increases. In 2014, Council amended Chapter 223 to remove the requirement to conduct a salary review and directed that Councillor compensation be adjusted by CPI on an annual basis. Consequently, over the years, compensation for City Councillors has fallen below the 75<sup>th</sup> percentile benchmark and market comparators.

In 2022, the People & Equity division established a Total Rewards team to implement a Total Rewards compensation strategy for the Toronto Public Service. This team, with its expertise in compensation, conducted a comparative jurisdictional review of compensation for elected officials.

People & Equity built on jurisdictional research gathered in 2019 and provided to City Council in 2021 as part of an [update on pre-pandemic directives](#) and used the findings from both the 2010 Korn Ferry Elected Official Compensation Study and the 2014 OCG Strategy and Organizing Consulting report to determine a proposed compensation threshold for elected officials. This was achieved by adhering to the same methodological approach used by Korn Ferry and subsequently updating the data. Furthermore, when developing the recommended salary increases provided in this report, City staff validated the comparator groups with Korn Ferry, to ensure appropriateness in application.

### **Summary Findings from the 2024 Comparative Jurisdictional Review**

To inform this report, a scan of comparable jurisdictions was conducted. Nine other comparator municipalities were identified from across Canada including single and multi-tiered municipalities. The municipalities in the review were: Brampton, Calgary, Edmonton, Hamilton, Markham, Mississauga, Ottawa, Vaughan, and Winnipeg. Municipalities were reviewed on factors such as population, Council composition and size, operating budget, compensation for Council duties, constituency size and additional duties.

The review examined cash compensation, which refers to the total amount of money given as payment for their work, including base salary, allowances such as travel and car, bonuses, board and committee fees paid by the respective city, and other forms of direct monetary remuneration.

The comparison found:

- Toronto Councillors current compensation is at the 62<sup>nd</sup> percentile among comparator municipalities.
- Toronto Councillors have the lowest compensation per constituent among the comparators, while overseeing the largest operating budget of municipalities evaluated in the comparison.
- Toronto is the only municipality in the comparator group that does not provide additional compensation for appointments to the Boards of service agencies or any additional benefits.

- Toronto Councillors have more constituents than the majority of their comparators, yet have equivalent responsibilities, encompassing decision-making and the supervision of diverse services when contrasted with their regional counterparts.

See Appendices 1 - 3 for additional information and findings.

The duties of Toronto's City Councillors encompass the oversight of Canada's largest municipal budget which includes a substantial housing portfolio and the largest shelter system, the largest public transit system in Canada, the full suite of municipal services to Canada's largest city while also being responsible for serving large numbers of constituents per Councillor. In December 2018, the shift from 44 Ward Councillors to 25 also resulted in the expansion of constituency size and additional Board appointments and other responsibilities for each Councillor, further adding to their duties. Comparative compensation on a per constituent basis is provided in Appendix 3.

### **Annual Inflationary Increases**

As provided in the Toronto Municipal Code Chapter 223, generally, Councillors receive a CPI adjustment to their base salary each year, unless directed otherwise by Council. In 2023 and 2024, Councillors received a comparatively higher CPI increase of 6.51% and 4.23% respectively, given the high rates of inflation, which brought the salaries to \$133,776.24 in 2024. The inflation rate for 2025 is 2.81%. Prior to 2023, Councillors were provided annual CPI increases that ranged from 0.47% to 2.85%. There were three years where Councillors did not receive an inflationary increase applied to their compensation (2011, 2020 and 2021). See Appendix 4 for additional historical increases for Toronto's elected officials.

### **Achieving a 75<sup>th</sup> percentile benchmark**

Based on the review and information provided in this report, it is recommended that Councillor salaries increase to the 75<sup>th</sup> percentile at \$165,933.43 (before CPI adjustment) or \$170,588.60 (after CPI adjustment) in 2025 and that their salaries continue to be adjusted by CPI on an annual basis. The recommendation to align Councillor compensation to the 75<sup>th</sup> percentile plus the CPI adjustment has been developed with consideration given to a number of factors including:

- in recognition of the unique demands placed on Toronto City Councillors,
- in consideration of the economic demands facing the City,
- in alignment with previous Council adopted practice, which was recommended at the time by Mercer Human Resource Consulting group
- in consultation with Korn Ferry, a third-party advisor in total rewards.

To ensure Councillors remain informed of their compensation and to continue alignment with the 75<sup>th</sup> percentile, it is also recommended that the Chief People Officer review Council Members' remuneration and report directly to City Council at the beginning of each council term, with data and information for Council to consider.

## **Compensation for Deputy Mayor when Acting as Mayor**

It is recommended that in instances where the Office of the Mayor is vacant for a period of at least 30 days, and not due to a legislatively permitted leave (e.g., parental leave), that the Deputy Mayor who assumes additional rights, powers and authority be compensated at the rate of the Mayor until such time as a Mayor is elected. This recommendation is in alignment with the City's Acting Assignment Policy, which suggests that non-union staff continue to be paid at their regular rate of pay if required to perform some of the duties of another position while in addition attending to the responsibilities of their own position for periods less than 30 days.

## **CONTACT**

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## **SIGNATURE**

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Chief People Officer

Paul Johnson  
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## **APPENDICES**

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Appendix 1: Jurisdictional Scan and Data Alignment to 75th Percentile of Market

Appendix 2: Total Cash Comparison

Appendix 3: Total Cash Per Constituent

Appendix 4: Historical Increases

# Appendix 1: Jurisdictional Scan and Data Alignment to 75th Percentile of Market

The jurisdictional scan, completed with information available as of the end of 2024, compares Toronto Councillor compensation with the following jurisdictions:

### GTA municipalities operating in a two-tier model

- York Region – Markham and Vaughan, lower-tier municipalities, are the two largest that border Toronto with comparable demographics and service considerations.
- Peel Region – Brampton and Mississauga, lower-tier municipalities, are the two largest that border Toronto with comparable demographics and service considerations.

For these cities, City Councillors who sit on both the lower tier and upper tier governments make decisions and oversee services that are comparable to Toronto City Councillors, who oversee a single-tier government. As such, the total compensation for such elected officials in these neighbouring municipalities was used in the scan.

### Single-tier municipalities in Ontario

Hamilton and Ottawa were used as comparators. These are two other amalgamated single-tier municipalities in Ontario. Though Hamilton is significantly smaller than Toronto, Ottawa is relatively large and as the nation’s capital has some unique municipal considerations.

### Large cities in Canada

Data was gathered for medium/large cities across Canada including Edmonton, Winnipeg, Calgary, Montreal and Vancouver. Edmonton, Winnipeg and Calgary are included in the quantitative comparison, as single tier cities that are more readily comparable. Montreal and Vancouver were analysed separately given both have unique governance models including a tiered model different from most other municipalities.

Data in the scan included:

Population	Council composition and size
Operating Budget	Compensation for Council Duties
Constituency Size	Additional Duties

To compare compensation based on scope and scale of responsibilities, compensation per constituent was calculated in various charts. As well, percentiles are included in the scan to demonstrate the range of compensation and other compensation comparisons for jurisdiction included.



## Appendix 2: Total Cash Salary Comparison

Table 1. Summary of Comparator Municipalities' Base Salary, Other Cash and Total Cash Salary in 2024

Municipality	Base Salary	Other Cash*	Total 2024 Cash Salary
Markham** (Region of York)	\$161,054		\$161,054
Hamilton	\$109,877	\$33,084	\$142,961
Ottawa	\$111,111	\$8,406	\$119,517
Brampton (Region of Peel)	\$155,813	\$15,000	\$170,813
Vaughan** (Region of York)	\$157,853		\$157,853
Mississauga (Region of Peel)	\$155,813	17,304	\$173,117
Winnipeg**	\$129,934		\$129,934
Edmonton	\$122,363	\$7,216	\$129,579
Calgary	\$120,755	\$9,400	\$130,155
Toronto	\$133,776		\$133,776

\*Other Cash includes allowances such as travel and car, bonuses, board and committee fees paid by the respective city, and other forms of direct monetary remuneration.

\*\* These municipalities include their committee and other compensation in their base pay.

As illustrated in Table 1 above, Toronto sits well below the 75<sup>th</sup> percentile when reviewed against the comparator municipalities.

Table 2. Total Cash Compensation Comparison by Percentile

Percentile	Total Cash Amount
Average	\$146,109
P90	\$173,117
<b>P75</b>	<b>\$165,933</b>
P50	\$142,961
P25	\$129,757

This table illustrates the percentiles of the total cash amount for the municipalities used in the comparison. A percentile is a measure that divides a dataset into 100 equal parts. The 75<sup>th</sup> percentile of a market comparator group means that the Toronto Councillors would earn more than 75% of Councillors in comparable municipalities.

## Appendix 3: Total Cash Salary Per Constituent

Table 1: Comparing 10 Municipal Comparators

Municipality*	Population	Average Number of Constituents per Councillor	Total Cash Salary	Total Cash Salary per Constituent
Markham (Region of York)	353,000	1 : 30,735	\$161,054	\$5.24
Hamilton	781,000	1 : 52,390	\$142,961	\$2.73
Ottawa	1,083,550	1 : 60,482	\$119,517	\$1.98
Brampton (Region of Peel)	797,024	1 : 82,700	\$170,813	\$2.07
Vaughan (Region of York)	1,239,500	1 : 37,074	\$157,853	\$4.26
Mississauga (Region of Peel)	795,000	1 : 65,072	\$173,117	\$2.66
Winnipeg	841,000	1 : 56,600	\$129,934	\$2.30
Edmonton	1,100,000	1 : 88,389	\$129,579	\$1.47
Calgary	1,492,517	1 : 118,929	\$130,155	\$1.09
Toronto	3,110,984	1 : 124,439	\$133,776	\$1.08

\*Values are for the 2024 calendar year, unless stated otherwise.

Table 2: Comparing Multi-Tiered Municipalities

Municipality*	Operating Budget (in billions)	Average Number of Constituents per Councillor	Total Cash Salary	Total Cash Salary per Constituent
Markham (Region of York)	\$267.8M	1 : 30,735	\$161,054	\$5.24
Brampton (Region of Peel)	\$845M	1 : 82,700	\$170,813	\$2.07
Vaughan (Region of York)	\$545.8	1 : 37,074	\$157,853	\$4.26
Mississauga (Region of Peel)	\$635.2	1 : 65,072	\$173,117	\$2.66
Toronto	\$17.1B	1 : 124,439	\$133,776	\$1.08

\*Values are for the 2024 calendar year, unless stated otherwise.

Table 3: Single-Tiered Municipalities

Municipality*	Operating Budget (in billions)	Councillor per Constituents	Total Cash Salary	Total Cash Salary per Constituent
Hamilton	\$1.07B	1 : 52,390	\$142,961	\$2.73
Ottawa	\$4.46B	1 : 60,482	\$119,517	\$1.98
Edmonton	\$3.35	1 : 88,389	\$129,579	\$1.47
Calgary	\$4.70B	1 : 118,929	\$130,155	\$1.09
Toronto	\$17.1B	1 : 124,439	\$133,776	\$1.08

\*Values are for the 2024 calendar year, unless stated otherwise.

As illustrated above, Toronto City Councillors are the least paid amongst the multi-tiered municipalities in the comparator group (Table 2), while being the second highest paid municipality of the single-tiered in the comparator group (Table 3). Of single-tiered municipalities, it should be noted that the City of Toronto oversees the largest operating budget, but has the lowest salary per constituent.

## Appendix 4: Historical Increases

Prior to 2023, Toronto City Councillors and the Mayor were only provided annual Consumer Price Index (CPI) increases that ranged from 0.47% to 2.85%. Within 2006-2023, there were three years where Councillors did not receive an increase applied to their compensation (2011, 2020 and 2021). In 2006, a third-party recommendation to increase the salary to the 75th percentile of the market was applied. This was the only time alignment to the 75th percentile occurred when Councillor Remuneration recommendations were provided by third parties.

Table 1: Toronto City Councillor's Year-over-Year Salary Increase

Year	Increase Percentage (%)	Annual Salary With Increase	Comments
2006	2.00%	\$87,214.40	
2007	8.93%	\$95,000.10	Decision in 2007 was to adjust Councillor Compensation beyond the 75th percentile.
2008	1.90%	\$96,805.02	
2009	2.42%	\$99,153.60	
2010	0.47%	\$99,619.52	
2011	0.00%	\$99,619.52	Council decided to set the increase to 0%
2012	3.00%	\$102,608.22	
2013	1.50%	\$104,147.42	
2014	1.20%	\$105,397.24	
2015	2.50%	\$108,032.08	
2016	1.50%	\$109,652.66	
2017	2.10%	\$111,955.48	
2018	2.10%	\$114,306.66	
2019	2.50%	\$117,163.80	
2020	0.00%	\$117,163.80	City Council decided mid-year, due to the impacts of COVID, to rescind the CPI of 2.01% and set the increase to 0.0%.
2021	0.00%	\$117,163.80	Council set increase at 0.0%
2022	2.85%	\$120,502.20	
2023	6.51%	\$128,346.92	
2024	4.23%	\$133,776.24	
2025	2.81%	\$137,537.40	