



Council Report

Report Number: CORP2022-005
Meeting Date: March 22, 2022
Title: Council Remuneration (2023-2026)
Description: To set council remuneration for 2023 through to 2026
Author and Title: Ron Taylor, Chief Administrative Officer
Jennifer Stover, Director of Corporate Services

Recommendation(s):

That Report CORP2022-005, **Council Remuneration (2023-2026)**, be received;

That Council salaries be established as outlined in Option 3 in Report CORP2022-005 effective the next term of Council (2023-2026);

That the necessary by-laws be forwarded to Council for approval.

Department Head: _____

Financial/Legal/HR/Other: _____

Chief Administrative Officer: _____

Background:

Council compensation rates were last changed in 2018 after Council approved a change in the composition of Council from a sixteen (16) Ward structure to eight (8) councillors. In addition, in early 2018 Council remuneration was further changed to reflect changes in regards to the tax exempt status of Council salaries. A Deputy Mayor position was also established.

At that time Council established remuneration for the four (4) year term of Council from 2019 to 2022 which recognized the expanded representation area and doubling of constituents within wards. Additionally, the remuneration recognized that with half as many Councillors, there would be an increased participation of each Councillor on Committees, and accounted for the removal of the tax exempt status.

This report sets out options for remuneration for Council for the next four-year term from 2023 to 2026.

Rationale:

City Council members serve as public representatives, policy-makers and community stewards. Many of these responsibilities are defined in provincial legislation. Council members are also expected to ensure that the City's financial and administrative resources operate efficiently and effectively.

In delivering this public service, Council members must attend meetings, serve on Boards and Committees, engage and be responsive to local constituents, and advocate for the City's best interests.

The base salary established for this term of Council is outlined in the table below.

Remuneration	2022	2021	2020	2019
Mayor salary	\$115,177	\$114,037	\$112,908	\$111,790
Deputy Mayor salary	\$52,515	\$51,995	\$51,480	\$50,970
Councillor salary	\$49,506	\$49,016	\$48,531	\$48,050
Total Salary & Benefits (20%) per annum	\$617,081	\$610,973	\$604,926	\$598,933
Cost per resident	\$8.09	\$8.09	\$8.10	\$8.09

This wage grid provided Council with a 1% increase in salary per year. The Mayor and Council also receive a mileage reimbursement for all travel to conduct City business (both inside and outside of the Ward and City) at the rate set by Council through policy.

(current – \$.50 cents per kilometre). Additionally, the Mayor receives up to \$10,000 per annum and Councillors up to \$5,000 per annum for conference, training and meeting expenses. A Deputy Mayor is appointed by Council for a one-year term with additional compensation of approximately \$2,500 per year starting in 2019. This will change as wage increases are applied each year. For example, the additional compensation for the Deputy Mayor for 2022 is \$2,606.

Remuneration rates for the term of Council for the 2023 through to 2026 period should be set with an understanding of the rate of inflation as well as comparative salaries in the municipality. In preparing the calculations for the options below the population of the City of Kawartha Lakes has been increased by a growth factor of 1.5% per annum.

Option 1: Status Quo 1% annual increase

This option would continue the trend established during this term of Council. An increase of 1% each year would increase Council remuneration as noted in the table below.

Remuneration	2026	2025	2024	2023
Mayor salary	\$119,854	\$118,667	\$117,492	\$116,329
Deputy Mayor salary	\$54,647	\$54,106	\$53,570	\$53,040
Councillor salary	\$51,516	\$51,006	\$50,501	\$50,001
Total Salary & Benefits (20%) per annum	\$623,251	\$629,483	\$635,778	\$642,136
Additional Budget Impact per annum	\$6,358	\$6,295	\$6,232	\$6,170
Cost per resident	\$8.05	\$8.01	\$7.97	\$7.93

Option 2: Remuneration Aligned with Consumer Price Index

The rate of inflation is essentially the Consumer Price Index (CPI) in Canada. The most commonly used Index is the “All Items” category which includes Food and Beverage, Housing, apparel, transportation, medical care, recreation, education and communication and other goods and services. This is also referred to as the cost of living increase and represents the increases in the cost of living in a community.

The Consumer Price Index –All Items (CPI) over that period increased by the following:

Year	Consumer Price Index All Items (CPI)%
2018	2.00%
2019	2.20%
2020	0.72%
2021	4.80%
2022	Trending Jan 2022 5.10%

Assuming a one year lag (ie 2018 CPI used to establish 2019 wages), the cumulative CPI increase for the four year period (2019-2022) would have netted a 10% increase.

This option recommends that Council remuneration be adjusted annually based on the CPI for the previous year.

Option 3: Remuneration of 2% annual increase

The Consumer Price Index is generally thought to average 2% over the longer term. Rather than Council remuneration fluctuating with the levels of inflation in Option 2, a final option would be to establish Council remuneration at 2% per annum, which should generally align with inflation when averaged over the term of Council. This is also consistent with the mandate provided by Council when negotiating increases with unionized employees.

A 2% annual increase would result in the following remuneration over the four year term.

Remuneration	2026	2025	2024	2023
Mayor salary	\$124,673	\$122,228	\$119,831	\$117,481
Deputy Mayor salary	\$56,844	\$55,729	\$54,636	\$53,565
Councillor salary	\$53,587	\$52,536	\$51,506	\$50,496
Total Salary & Benefits (20%) per annum	\$667,951	\$654,851	\$642,011	\$629,422
Additional Budget Impact per annum	\$13,100	\$12,840	\$12,589	\$12,341
Cost per resident	\$8.25	\$8.21	\$8.17	\$8.13

Other Alternatives Considered:

Council could proceed with Option 1 or 2 of this report with the following resolution:

That Council salaries be established as outlined in Option 1 / 2 in Report CORP2022-005 effective the next term of Council (2023-2026);

Additionally, Council could direct staff to consider additional options with the following motion:

That staff report back to Council with a remuneration option for the next term of Council that considers _____.

Alignment to Strategic Priorities

The recommendations in this Report align directly with Council's strategic priority of Good Government through delivering fiscally responsible service.

Financial/Operation Impacts:

Any budgetary impact for Council remuneration would be included in the base budget for that given year.

Consultations:

Treasurer

Attachments:

n/a

Department Head email: jstover@kawarthalakes.ca

Department Head: Jennifer Stover, Director of Corporate Services