

## **Purpose**

The purpose of this report is to recommend to the Mayor a fair remuneration package for the eight councillors of the newly restructured Council of the City of Kawartha Lakes.

## **Rational**

The objective of a “salary” for an elected municipal official, unlike those at the provincial and federal levels, is to provide an honorarium to recognize the efforts made to fulfill the responsibilities that were assumed at the time of the election – it’s a way of saying “thank you”. A secondary objective is to reduce the drain on personal finances that public officials necessarily incur in the performance of their “jobs”.

## **Matters Considered in Making these Recommendations:**

### *1. The current Salary and Allowances of the Councillors:*

\$26,331.31 – salary of which 1/3 is tax deductible

\$3600 car allowance – a taxable benefit

\$5000 expense account

**\$34,331.31** total remuneration currently available to a sitting Councillor

The total potential amount to be paid out each year with the current Council would have been **\$549,300.96**.

If the remuneration were to remain at its current level the potential payout for the newly structured Council would be **\$274,650.48**

### *2. Why People Run For Council*

Considering the potential workload, the current status of politicians in the eyes of the electorate, and the costs of mounting an election campaign there is not much incentive in the remuneration package for an individual to run for Council – it’s definitely not for the money. Most elected officials feel that they can make a difference in the life of the community by sitting on Council and the innumerable committees that go with the job.

Some are more able to afford to serve because they have a job that will free them up to be a councillor or they have a pension or an independent source of income to provide for their daily needs. Those who do not fit into one of these two scenarios are not able, however, to serve and this fact is one of the drawbacks to our system of democracy.

One way to counteract this drawback would be to make the “job” of Councillor a full-time one and pay a full-time salary. This is not, however, an approach Council should take. Once the job pays well everyone looking for a job will be running for election. Remember there are no work experience qualifications required to run for Council so everyone who felt like they might like the pay could do so and many likely would. Electors are not famous for looking at a potential candidate as a qualified one – they base their votes more on personal considerations that have nothing to do with the job. That’s the way it is now so just think how chaotic it would be if you had a raft of candidates who were only in it for the money. Service as a motivating factor could well become a thing of the past.

### *3. The Nature of the Municipality*

The City of Kawartha Lakes is geographically the second largest municipality in Ontario and it has a population of around 75,000. The low level of industrial and business development means that the revenue from taxes comes largely from realty assessment and, therefore, it is difficult to generate large amounts of additional revenue to meet the needs of a widely spread population without creating distress and upset with the entire electorate. High salaries for municipal leaders would not be popular especially when one considers that the average **household income** in the City is \$80,000. If the new remuneration package could save money over the current one it would fit nicely into the City’s attempts to cut costs everywhere.

### *4. Current and Future Workload of Councillors*

In addition to attendance at the two regular meetings a month plus any special meetings of Council, Councillors are expected to share in the duties of fifty-two (52) committees. There are one hundred and two (102) positions on these committees which are to be held by sixteen Councillors – that’s a little over 6 committees each. As it stands now it will be impossible for Council to maintain the current number of committees and the council representation on each of them. There is no way that any Councillor can be a functioning member of 12+ committees when Council is reduced to 8 Councillors, no matter how much they get paid. This report’s section on recommendations includes one on this topic.

Each new Councillor will now represent about twice as many residents as the current ones and while this may seem to be problematic for the workload it should, in reality, be only marginal. Councillors have to remember that they are decision-makers and policy-makers and they should not be looking after the day-to-day complaints of residents – that’s the job of staff. If Councillors are getting too many calls about potholes, garbage pickup, and nauseum then the City needs to have a look at the way it deals with these types of issues for they are not a councillor’s responsibility. Only after all the channels for dealing with these matters have been exhausted should a councillor get involved and only then on a broad scale as an operational issue facing the City.

### *5. Comparable Municipalities*

It is virtually impossible to use other municipalities and their ways of remunerating councillors to compare to the City of Kawartha Lakes. There are wide variations in the geographic size, the number of residents per square kilometre, the economic status of these residents, the number of councillors, and the ways in which these councillors get remunerated. There is a tangle of allowances, per diems, other benefits, and basic salaries. Some Councillors receive a low salary but end up with a much higher “pay package” because of all the various ways in which money flows to them. The only way to examine this remuneration question is to try to determine what is fair to the residents of the City of Kawartha Lakes. The main focus should be on setting a dollar value that meets the objectives set forth in the rationale of this report.

### **Recommendations:**

Consideration has been given to making the role of Councillor a full-time one but the author of this report feels that the advantages of such a change are far outweighed by the drawbacks.

### **1. Compensation:**

Note: These scenarios do not include mileage in the calculations of the potential cost to the municipality as it was not included previously in the calculation of the potential cost to the municipality using the current remuneration dollar amounts.

**A.** Salary set at \$30,000 (currently 1/3 tax free) plus a \$5000 expense account. The car allowance has been eliminated as a separate item for consideration. The potential cost to the municipality here is \$280,000 annually.

**B.** Salary set at \$35,000 (currently 1/3 tax free) with both the car allowance and the expense account eliminated. The actual annual cost to the municipality would be the same as the potential cost in A, i.e. \$280,000 and only slightly (\$5349.52) in excess of the potential cost using the current compensation package in play.

In addition to either A or B it is recommended that the City continue to pay a mileage allowance to compensate for some of the costs of attending meetings and other events that a Councillor is required to attend because of the position.

## **2. Other Recommendations**

While the following are not part of the compensation package for all Councillors they will have impact on how the job is done:

### **A. Deputy Mayor**

That Council establish the formal position of Deputy Mayor to assist the Mayor and Council in meeting the demands for attendance at a variety of functions and/or meetings. The Deputy Mayor should be an annual office held by a sitting Councillor and should be elected by Council at the end of the year prior to the annual term beginning. This position should be held only once by a Councillor during the term of the Council, and an additional salary of \$2500 should be paid to the Councillor holding the position.

### **B. Committees**

That Council review the current committee structure with the objectives of significantly reducing the number of committees requiring Council representation and of drastically reducing the number of Councillors required to serve on them. Such a review should be completed and put in place before the end of the current council.

Max Radiff