



April 23, 2013

City Council Committee Report

TO: Mayor and Council

FR: Karen Brown

RE: Council Remuneration

Recommendation:

That Council hereby approves Council Remuneration to be set at the following rates effective 1 January 2013:

	Annual Remuneration	Per Diems
Mayor	\$ 30,840	\$169
Council	\$ 15,420	\$169; and

That Council hereby approves Council Remuneration to be set at the following rates effective 1 January 2014:

	Annual Remuneration	Per Diems
Mayor	\$ 31,364	\$172
Council	\$ 15,682	\$172; and

That notice is hereby given that Council intends to pass a by-law setting out Council remuneration rates for 2013 and 2014 in accordance with Notice By-law #144-2007; and further

That the appropriate by-law be passed for this purpose.

Background:

In 2011, following a review of Council remuneration in comparable municipalities, an adjustment was made to Council remuneration in light that the remuneration remained unchanged since the City's amalgamation in 2000. In addition, it was approved that staff would develop a policy that would ensure the same annual adjustment to Council remuneration as received by the Non-Union Group. As a result, in December 2011, Council approved the Council Travel & Per Diems Policy (Policy #CC-15-1). The intent of the amendment was to tie Council remuneration to the economic adjustments given to non-union staff. The relevant policy section reads as follows:

Policy

1. 2013 - Annual Remuneration:

Annual Remuneration will be paid to Council commencing in 2013, with the 2013 adjustment being equal to the combined cumulative 2012 and 2013 economic adjustments.

2. Annual Remuneration after 2013

Following the 2013 remuneration increase, annual remuneration on a forward basis will be based on the actual annual percentage adjustment approved for the City's Non-Union Group.

3. Remuneration approved by By-law

All annual remuneration increases will be ratified by adoption of the required by-law and provision of any applicable notice in accordance with Council's Notice By-law.

In passing this policy, it was recognized that approving an economic adjustment for non-Union staff would also set the proposed adjustment to Council wages, in this case commencing in 2013. When the policy and adjustment to Council remuneration was approved, the non-union economic adjustment to wages was not known for 2012. Partly for this reason, and partly to provide a small phase in for a portion of the increase to Council wages, it was recommended that the 2012 Council remuneration be adjusted for non-union increases to the end of 2011, and the 2013 increase to Council remuneration be equal to the cumulative economic adjustment for non-union staff for both 2012 and 2013.

The cumulative economic adjustment for 2012 and 2013 is as follows:

- 2012 non-union economic adjustment – 2.7%
- 2013 non-union economic adjustment recommended – 1.7%
- Cumulative 2012 / 2013 adjustment – 4.45%

It is important to understand that in accordance with section 3 of the policy, Council remuneration continues to be set by by-law, and in those years where an economic adjustment is approved for non-Union staff, Council will need to independently contemplate authorizing an amendment to Council remuneration. As per the policy, the required by-law and applicable notice provision will continue to be part of the City's process for amending Council remuneration.

Budget:

During the City's 2013 budget process, and as a result of the ongoing negotiations with CUPE, there were no economic increases budgeted either for Council remuneration, CUPE staff or non-union staff. The direction given by Council during the budget deliberations was to fund any economic increases subsequently approved through the City's contingency reserve.

Since this time, the City has received notice from the OPP that they are reducing the City's 2013 budget estimate and billing by \$114,217. It is recommended that this reduction be used to fund the cost of increases related to the adjustment in Council remuneration for 2013.

Anticipated costs for the 2013 economic adjustment to Council remuneration are \$6,437 based on budgeted compensation and anticipated per diems.

The 2014 cost for the economic adjustment would be built into the City's 2014 operating budget.

Communication Plan/Notice By-law Requirements:

A by-law amending Council remuneration will be required. Council will provide notice of its intention to pass a by-law to amend Council remuneration in accordance with Notice By-law #144-2007.