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COUNCIL REMUNERATION FEBRUARY 2023

*The Case For **Fair** Pay*

BACKGROUND

Several Council compensation reviews over the years:

- 2001 Ad Hoc Compensation Committee
- April 2015 & 2018 Ben Burd, Cobourg Citizen submission to the Remuneration Ad Hoc Committee
- April 2018 Ad Hoc Committee Report on Council Remuneration

BACKGROUND CONTINUED

- **May 2018 CTA Submission on Council Remuneration**
- **January 2019 1/3 Tax Free Provision Removed**
- **May 2019 Compensation Increase Approved by Council**
- **2020 Budget Approval for Compensation Increase Fails**
- **2022 Compensation Consultant Report**

COMMON THEMES

- Talent
 - Best and brightest
 - Business experience
 - Organizational Experience
- *Living Wage
 - Below minimum wage
 - CRA tax change
- Level the playing field
 - Remove the barriers to running for Office
- * Diversity
- * Inclusiveness
 - Fairness

COMMON THEMES

Previous Council endorsed the concepts of:

- Living Wage
- Diversity
- Inclusiveness

Did Council's endorsement of these concepts have conviction,

or

were was it done just for show?

GOVERNANCE

- Good governance is not free
 - Staff are not asked to volunteer their time
 - Municipal Executive Staff are well compensated
- Succession planning
 - Growing demands for an informed local government
 - Regulations
 - Broad scope of issues faced by our community

FULL-TIME OR PART-TIME

- Ad Hoc Committee found survey statistics of previous Council unreliable
 - Small sample sizes
 - Vulnerable to confounding, non-standardized responses
- Base pay on 35 hours week per Ben Burd 2015

COMPENSATION SHOULD REFLECT

- Duties
- Responsibilities
- Skill
- Effort
- Authority
- Decision Making

Council decisions affect the lives of about 20,000 people and direct a \$60,000,000 Municipal Corporation

IMPORTANT FACTORS TO CONSIDER

- Need for greater accountability to address growing community expectations
- Council salaries should not be a barrier to those seeking to serve in public office
- Level of compensation should attract and retain competent, motivated and well qualified community minded citizens
- The complexity, responsibilities, time commitments and accountabilities expected of each Council member
- Remuneration must be transparent, fiscally responsible, and easily understood by the electorate

OBSERVATIONS

Running a complex, \$60M Municipal Corporation (2020 FS)

- 300+ employees
- Spread between council positions doesn't make sense
- Deputy Mayor's salary is 68.5% of Mayor
- Councillor's salary is only 57% of Mayor
- Comparatives with other municipalities are all based on inequitable spreads
- A 2014 article in Canadian Public Administration argued that the process most municipalities use to determine their levels of compensation is inherently flawed (Shobel)

OBSERVATIONS CONTINUED

- The Rural Ontario Institute (ROI) 2016 reported that their research strongly suggested that limited remuneration and the level of commitment required to serve on Council were both barriers to attracting younger and more diverse candidates to run for municipal council.....the level of compensation did not effectively compensate them for the financial and family sacrifices that they are asked to make.
(Deska, 2016)

OBSERVATIONS CONTINUED

Ben Burd:

The rate of remuneration should be high enough that an average citizen of the Town who wants to be a Councillor should be able to leave an average job and not be financially penalized for doing so.

I would suggest a salary of at least \$45,000 (the median income of a Cobourg wage earner is \$53,675, according to the 2016 Statscan) plus the usual benefits totaling just over \$50K

OBSERVATIONS CONTINUED

According to ROI, Ontario municipal councillors are on average, older, predominantly male, less racially diverse and more likely to be retired than the communities that they represent (Deska, 2016).

CIVIC DUTY

- Should have no bearing on Council's Compensation
- Pay for the value of the work
- Council members can:
 - Ask to be paid a lower amount or nothing
 - Contribute all or part of salary to charity

SALARY RECOMMENDATION

Position	Current Salary	% of Mayor's Salary	Current Hourly Rate (35-hour week)	Proposed Salary	% of Mayor's Salary	Proposed Hourly Rate (35-hour week)
Mayor	45,412		24.95	65,000		35.71
Deputy Mayor	31,082	68%	17.08	52,000	80%	28.57
Councillor	25,963	57%	14.27	45,500	70%	25.00

- Port Hope's Mayor makes \$68,800
- Big box retail cashiers and factory workers make about \$45K

COMPARISON

Position	Current Jan 2023	Proposed Jan 2023	Change
Mayor	45,412	65,000	19,588
Deputy Mayor	31,082	52,000	20,918
Councillors (5)	25,963	45,500	19,537
12 Month Total	206,309	344,500	+138,790
9 Month Total	154,732	258,375	+103,643

Note: Total includes salaries for five Councillors 9 months effective April 2023

IMPLEMENTATION

- Implement full increase April 1, 2023
- 2023 impact \$103,643
- Close V13, Has never met targets
- Spread Win 11 Computer upgrades over 3 years
- Reduceeg Storm Water User Fee by \$500K due to MECP Grant

CONCLUSION

- Honour the prior Council's commitment to Living Wage, Inclusiveness and Diversity
- Low Council salaries are a barrier to participation
- An unreasonable amount of volunteerism is expected of Council members
- Salaries should reflect the level of responsibility, leadership, and skills required
- The Town of Cobourg can't afford to not pay *fairly* for the value of Council Member's work
- Successive politicians have been afraid of a public backlash, leaving salaries exploitative, below a living wage and a barrier to inclusiveness and diversity
- Council *and the public* need to recognize the importance of the job our elected officials do for our community and therefore the need to pay Council members *fairly*
- A significant salary increase will provide good value for taxpayers

THE ASK

Set Council compensation to:

- Mayor \$65,000
- Deputy Mayor \$52,000
- Councillor \$45,500
- Benefits
- Nothing extra for Board seats
- Effective April 1, 2023
- Pending offsetting budget savings