



Cobourg Taxpayers Association

Making Local Government Accountable

www.cobourgtaxpayers.ca
email: info@cobourgtaxpayers.ca

Council Compensation

Time For Fair Pay

Paul Pagnuelo
Director

Submission to
Town of Cobourg
Regular Council Meeting

May 14, 2018

Slide 1

Good afternoon Mayor Brocanier, Deputy Mayor Henderson and Councillors.

I'm Paul Pagnuelo, a Director of the Cobourg Taxpayers Association.

This afternoon we would like to share our thoughts on Council remuneration and how they differ substantially from those of the Ad Hoc Committee.

Slide 2

The question is why should Council remuneration be reviewed?

The Cobourg Taxpayers Association believes that Council as a whole is underpaid.

You will see as we progress through the slides that not only is the salary paid to Councillors below that of minimum wage, the Ad Hoc Committee has provided for no adjustment to the CRA tax change that eliminates the 1/3 tax free portion.

It's also well past the time to level the playing field in terms of the wide disparity between the Mayor's base salary and that of the Deputy Mayor and Councillors.

Council remuneration should be at an adequate level to attract a more diverse mix of working, self-employed and retired residents. It also should encourage a new broader pool of candidates and the retention of qualified individuals who represent top talent and the best and brightest in our community to serve in public office at the municipal level.

Slide 3

A March 2018 report by the Association of Municipal Managers, Clerks and Treasurers of Ontario reveals that in municipalities the size of Cobourg, 98% of respondents have a part time Head of Council (i.e. Mayor or Reeve) and a full 100% have part-time members of Council. Municipalities with populations in the 25,000 to 49,999 and 50,000 to 99,999 population ranges also reported that their members of Council are considered part-time.

A survey of current Council members was found by the Ad Hoc Committee to be unreliable for several reasons.

Slide 4

In its analysis, the Ad Hoc Committee used a median salary of 19 comparatively sized municipalities but excluded the neighboring Town of Port Hope.

In its recommendations, it made no adjustment to reflect the CRA's removal of the 1/3 tax free provision. This will have a negative impact based on marginal tax rates.

The Committee also recommended:

- Discontinuing reimbursement for a delegate's partner
- Discontinuing Town benefits to new PSB members
- Increasing the salary of the Mayor by 9.3% or \$3,220, the Deputy Mayor by 3.8% or \$828 and Councillors by 3.4% or \$600.

Slide 5

It's important to note that our Council is running a complex, multi-million dollar corporation with \$48 million in total revenues in 2016 and 292 full-time, part-time and seasonal employees.

The spread in base salary between council positions is unjustifiable, considering workload, skills and the fact that each member has one vote.

The Deputy Mayor's salary is 63% of the Mayor's and a Councillor's salary is 50% of the Mayor's.

Quality decision making results in value for money.

It's time to end the old paradigm and set a new one of fairness and equity.

And that means taking a fresh and unique approach to Council remuneration.

Slide 6

This slide shows how much we undervalue our Council in comparison to senior town and protective services staff.

Senior staffers average \$144,387, Protective Services staff who are members of the Sunshine Club average \$114,214 yet Council members who have policy and oversight responsibilities average only \$20,374.

Slide 7

Assuming the Mayor, Deputy Mayor and Councillors all work a minimum of 25 hours on Cobourg Council business and excluding add-ons for which they are remunerated separately, such as the Police Services Board, what is particularly striking about this slide is the extremely low pay the Deputy Mayor and Councillors are getting. In fact, Councillors currently and under the Ad Hoc Committee proposal are below minimum wage.

All Council positions should be worth more than the average hourly wage in Ontario given the level of responsibility and skills needed for the role.

Slide 8

In looking at comparables, we examined the AMTCO population bands, the 19 municipalities used by the Ad Hoc Committee and our closest similar municipality in Northumberland County – the Municipality of Port Hope. Although Port Hope has a population base of 16,573, we share much in common. What we found striking was that the Port Hope Mayor is being paid a salary of \$48,400, significantly higher than the \$34,720 the Town of Cobourg pays its Mayor.

We concluded that a similar amount was not an unreasonable salary for the Mayor of Cobourg to be paid, given that our population base is larger by almost 2,900 people.

The one consistent thing we found when examining the AMTCO and Ad Hoc Committee research was the extraordinary variance in salaries of Deputy Mayors and Councillors compared to that of the Mayor.

We concluded that a reasonable baseline was to price the Deputy Mayor's salary at 90% of the Mayor's salary and Councillors at 80% given the level of responsibility and skills needed for each role.

Consequently, the CTA recommends that moving forward the Cobourg Mayor be paid a base salary of \$48,100, the Deputy Mayor be paid \$43,290 and Councillors be paid \$38,480.

Slide 9

We also recommend that all members of council be provided with office space at Victoria Hall and the tools they need to do the job, such as a cell phone and laptop and that this be clearly stated in a By-law.

Councillors should be accessible to citizens at Town Hall

Alternatively, if the Deputy Mayor or a Councillor prefers to use a home office, they should be reimbursed for 50% of basic internet expenses and the Town, as employer, should complete CRA Form 2200 so they can deduct employment expenses from his or her income.

In addition, serious consideration should be given to hiring a full-time council constituency assistant to be shared by the Deputy Mayor and Councillors. The Assistant would be responsible for managing constituency inquiries, information requests, scheduling and other duties.

The CTA also recommends that when a member of Council is attending a conference and chooses to have their spouse join them, that all associated costs be for their own account. This is standard policy for most corporations.

Slide 10

This table provides a snapshot of the various forms of remuneration that the Mayor is eligible to receive under certain circumstances. The numbers in white are determined by Council, while those in yellow are determined by other boards and agencies.

We wish to note that in the case of the Police Services Board, the amounts shown for a board member or Chair under our recommendation are based

on the formula that is in place. The origin of this formula and whether it is still relevant given the substantial increase we recommend for Councillors is something that requires further review.

Slide 11

Unlike the position of the Mayor and Councillors, there are no additional forms of remuneration that the Deputy Mayor is currently receiving.

Slide 12

This slide sets out that one Councillor is eligible to sit as a Town representative on the Police Services Board and that two Councillors can also sit on the Full Authority Board of the Ganaraska Region Conservation Authority.

Slide 13

The CTA has concluded that low Council salaries are a barrier to participation and that an unreasonable amount of volunteerism is expected of Council members.

We firmly believe that salaries should reflect the level of responsibility, leadership, and skills required for each position on Council and that the Town of Cobourg can easily afford to pay Council members *fairly*.

It's reasonable to say that successive politicians, not just in Cobourg but in municipalities throughout Ontario, have been afraid of the public backlash associated with raising salaries, and, as a consequence, Council salaries have remained so low as to be virtually exploitative.

The CTA urges Council *and the public* to recognize the need to pay Council members *fairly* given the importance of the job our elected officials do for our community.

We believe that a significant salary increase will provide good value for taxpayers.

Slide 14

Good governance is not free. We don't ask or expect staff to volunteer their time, so why should we expect our members of Council to do so. At

the federal and provincial level our elected officials are well-compensated, so at the municipal level is it not reasonable to expect that members of Council be paid fairly for the work they do?

The issue of succession planning is one that cannot be ignored. As Bob Dylan sang, the times they are changing. There is a growing demand that local government be better informed in light of changing provincial regulations and the broad scope of issues that communities are now faced with on a daily basis.

The CTA can fully appreciate the difficult position this and other Councils are in when considering an increase in their pay. Being paid with public money is an awkward conversation to have with taxpayers but it's a "must have" discussion that in Cobourg's case is long overdue.

Slide 15

The choice you as a Council have is limited to three options.

You can delay a decision until some future date or punt it off to a future Council, effectively paralyzing any meaningful change by undertaking even more analysis.

You can choose to maintain the status quo through a minor tweak here or there.

Or you can be bold and show true leadership by doing what is fair, right and just in the eyes of ordinary people by agreeing to pay members of the next council what the value of their jobs is really worth.

Slide 16

Making a decision to pay Councillors what they deserve may not be popular in some quarters. But it is the right thing to do.

The decision before you this afternoon is a legacy decision.

From a taxpayers perspective, it really comes down to asking ourselves how we would want to be treated if we were sitting in your shoes.

The answer is fairly.

Close

I'll be pleased to address any concerns you may have with our recommendations.