

ISSUE PAPER

February 8, 2017

To: Mayor & Council

RE: Mayor & Council Compensation Report

Background

At the General Committee meeting held on January 10th, 2017, a motion was passed directing administrative staff to prepare an issue paper to include information on complete compensation for Mayor and Council

As background information, the Cape Breton Regional Municipality participated in a Council Compensation Review conducted by the consulting group Korn Ferry (Hay Group) on behalf of the City of Saint John, New Brunswick in November 2016 (see attached report)

Information was collected regarding:

- Population of the jurisdiction for which the elected officials were responsible
- Budget
- Number of Councillors forming the Council

The report goes on to say the metric selected to determine how to properly adjust Councillor compensation in order to compare between different size municipalities is “number of residents per Councillor”.

The report also notes the same methodology was used by the City of Toronto in 2010 and City of Calgary in 2012.

The survey findings indicated the City of Saint John has a population that is at the 40th percentile of the market's respective value but the council compensation was in the 25th percentile.

Based on the findings in the report, Saint John City Council adopted the following compensation related recommendations:

1. The annual salary and allowance for the Mayor, Deputy Mayor and Council was increased to the Hay Group 40th percentile compensation.
 2. Maintain the current 2/3 taxable, 1/3 non-taxable.
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By comparison and following the same methodology, CBRM based on a population of 97,398 (2011) is in the 70th percentile. The Council ratio of 8116 per resident is the 70th percentile.

The following table shows the current salary for Mayor, Deputy Mayor & Council with the corresponding percentile ranking which are above the 70th percentile.

	<i>Salary</i>	<i>Grossed Up</i>	<i>Percentile</i>
Mayor	\$111,384	\$138,000	80 th
Deputy Mayor	\$45,246	\$52,000	73 rd
Council	\$40,246	\$46,000	73 rd

Scenarios for consideration:

1) Status Quo plus change in Pension Option:

- ✓ Maintain current salary – 2/3 → 1/3 (taxable/nontaxable)
- ✓ Travel allowance of \$140 per week or local travel to Council or Committee meetings- one claim per day.
- ✓ Any future increase in salary aligned to Inside Bargaining Unit agreement
- ✓ With the option of increasing pension contribution to a percentage of total salary as opposed to the current 2/3.

2) Remove \$140 travel allowance:

- ✓ Maintain current salary - 2/3 → 1/3 (taxable/nontaxable)
- ✓ Claim mileage for one council or committee meeting per day in accordance with *Municipal Government Act*
- ✓ Any future increase in salary aligned to Inside Bargaining Unit agreement

3) Add travel allowance to salary:

Council	\$40,246 Salary <u>7,280</u> Travel (18.1%) \$47,526 2/3 Taxable, 1/3 Non-Taxable
Deputy Mayor	\$45,246 Salary <u>8,190</u> Travel (18.1%) – Travels all CBRM districts \$53,436 2/3 Taxable, 1/3 Non-Taxable
Mayor	\$111,384 Salary <u>20,161</u> Travel (18.1%) – Travels all CBRM districts \$131,545 2/3 Taxable, 1/3 Non-Taxable

- ✓ Pension contribution- based on 2/3 taxable amount of salary
- ✓ Any future increase in salary aligned to the Inside Bargaining Unit agreement

The information contained in this document is provided for council review and discussion.

ORIGINAL SIGNED BY

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