

# Council Remuneration & Benefits Review Submission

*Presentation to Michael Werier*



# Introduction

- It is positive that City Hall has hired outside expertise to review council's pay and benefits; council obviously has a conflict of interest in deciding its own pay.
- The CTF supports regular reviews of council pay & benefits to ensure the city can attract top candidates for council.
- However, just because competitive pay/benefits are provided, does not mean said pay/benefits are earned.



# Pitfalls of the Current System

- Unlike in the private sector, council members are hired for four year terms and cannot be removed/paid less for poor performance.
- Conversely, exceptional performance is not rewarded.
- Councillors' voting patterns often seem to change suddenly once appointed by the Mayor to EPC; giving councillors higher pay and the Mayor increased power to whip votes.



# Part Time **or** Full Time?

- The first step in determining an appropriate level of pay/benefits is to begin with the question – is the job a part-time or full time position?
- While many members of the public think of council positions as full time jobs, many councillors have worked part time in the past, tending to other businesses and jobs on the side.
- Conversely, others have busted their butts, but made the same in pay.
- This presentation assumes council positions are full-time. However, we support exploring the option of slightly increasing the size of council, reducing pay and responsibilities, and making the positions part-time. This would be done in conjunction with evening meetings (to make it easier for more to run for council and easier for the public to attend council meetings)



# Recommendations

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- 1) **Fully Taxable** – Whatever remuneration level is recommended by the Commissioner, make it fully taxable.

## *Reason:*

- Council pay is often reported as being lower than it is. This no doubt deters some from running for the position; not knowing that 1/3 is tax free.
- Almost no one else in Canada receives 1/3 of their salary tax free.
- The reason for the tax free portion (to compensate councillors for expenses) was eliminated long ago with the introduction of expense accounts.



# Recommendations

- 2) **Pension** – follow in the Legislative Assembly’s footsteps and introduce matched dollar-for dollar RRSP contributions

## *Reason:*

- Only 25% of private sector taxpayers have workplace pensions. For Council to have a gold-plated, defined benefit plan is excessive; especially when it claims it has no money to fix our roads.
- Council positions should not be considered careers; matched RRSP donations, a benefit fairly common in the private sector, would dissuade people from running simply for the pay/benefits.
- Increasing council pay would further increase council pension benefits.



# Recommendations

- 3) **Reward Performance** – most taxpayers don't have a problem paying higher salaries if results are delivered. Instead of simply increasing council pay across the board, introduce a new, innovative model of council pay that rewards performance/skills.

**Example** – Establish a system that provides councillors with bonuses based on outcomes – value for money in terms of parks maintained, roads fixed, criminals arrested, fires put out, etc. Such a system could also include citizen feedback on how good a job they feel their councillor is doing.

