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**TO:** GENERAL COMMITTEE

**SUBJECT:** ESTABLISHMENT OF A COUNCIL COMPENSATION REVIEW COMMITTEE

**WARD:** ALL

**PREPARED BY AND KEY CONTACT:** W. COOKE, DEPUTY CITY CLERK x4560

**SUBMITTED BY:** D. MCALPINE, CITY CLERK/DIRECTOR OF LEGISLATIVE AND COURT SERVICES

**GENERAL MANAGER APPROVAL:** P. ELLIOTT-SPENCER, MBA, CPA, CMA, GENERAL MANAGER OF COMMUNITY AND CORPORATE SERVICES

**CHIEF ADMINISTRATIVE OFFICER APPROVAL:** C. LADD, CHIEF ADMINISTRATIVE OFFICER

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**RECOMMENDED MOTION**

1. That a Council Compensation Review Committee be struck, comprised of five citizen members of the community.
2. That the proposed Terms of Reference of the Council Compensation Review Committee attached as Appendix "A" to Staff Report LCS017-16, be approved.
3. That staff in the Legislative and Court Services Department advertise for interested applicants for the Committee.

**PURPOSE & BACKGROUND**

Report Overview

4. The purpose of this staff report is to recommend establishing a Council Compensation Review Committee to review the compensation of members of Council and related policies for the 2018-2022 term of Council.
5. The most recent comprehensive review of compensation for members of Council and the related policies was undertaken in 2010. The Council Compensation Review Committee reported their findings and recommendations to City Council in May, 2010. The Committee's recommendations included matters related to:
  - a) The base salary for the Mayor and Members of Council;
  - b) The one-third tax free allowance on remuneration paid to elected members of Council and its local boards;
  - c) The methodology associated with potential escalations to the base rate of compensation for the Mayor and Members of Council;
  - d) The benefit plan;
  - e) Honourariums paid by committees, boards and commissions; and
  - f) The policies concerning roles and compensation, reimbursement of council expenses, council benefits, use of corporate resources for election purposes and meetings with other levels of government.

6. The 2010 motion adopted by City Council was implemented for the 2010-2014 Council term of office. During the 2010-2014 term, City Council adopted relatively minor amendments to the provisions associated to remuneration and expenses, including a decision in 2012 to freeze the honouraria level for 2013 and 2014. In 2015, Council adopted a new method for the determination of the annual economic adjustment for members of City Council.

### **ANALYSIS**

7. A regular review of Council's remuneration is important to ensure equitable compensation based on data of comparable municipalities. It is prudent to ensure that comparisons between municipalities in determining market salaries reflect an appropriate evaluation and comparison of the demands on elected officials' time and related responsibilities.
8. An examination of the allocation of expenses and the expense account amounts for members of Council has been included in the Committee's terms of reference (Appendix "A") together with the provision of reviewing the base salary for the Mayor and Councillors, including the continuation of the 1/3 tax free allowance on remuneration paid to elected officials.
9. A citizen committee is being recommended as it will ensure accountability and transparency of the review process. The Committee's recommendations would also be viewed at arm's length, unbiased and in closer alignment with public opinion.
10. Expense accounts, including those expenses related to communicating with residents have been included in the Terms of Reference (Appendix "A") for the Committee to review. The Committee will review these in comparison with practices and policies of other comparator municipalities.
11. As part of the review, the Committee will solicit feedback either through a survey or individual meetings with members of Council in order to fully understand the members' roles and responsibilities and the amount of time that is dedicated to them.
12. Typically, a Council Compensation Review Committee will make recommendations associated with the future term of office. This is reflected in the Terms of Reference (Appendix "A").
13. Previously, other municipalities in the past have hired external consultants to complete a compensation review or to work with their Committee's in order to have a more independent approach. Retaining a consultant to support the work of the Committee is an option that is available. However, funds have not been included at this time in the 2017 Business Plan to fund a consultant. It is anticipated that a significant amount of staff time would still be required in order to provide the financial analysis associated with any potential recommendations and the preparation of a report based on a consultant's findings for consideration by Council.

### **Terms of Reference**

14. Based on previous experience, the Council Compensation Review Committee may meet approximately ten times, beginning as soon as the Committee is appointed. Staff from the Legislative and Court Services, and Finance and Human Resources Departments would provide support to the Committee through its term.
15. The Committee recommendation(s) are anticipated to be submitted via a report to General Committee. The terms of reference attached as Appendix "A" reflect this reporting structure.

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**ENVIRONMENTAL MATTERS**

16. There are no environmental matters related to the recommendation.

**ALTERNATIVES**

17. The following alternatives are available for consideration by General Committee:

**Alternative #1**

General Committee could recommend not undertaking a review and maintaining the current remuneration and related policies.

A regular review of Council's remuneration is important to ensure equitable compensation based on data of comparable municipalities to appropriately evaluate demands on elected officials' time and responsibilities.

After a review has been completed, City Council may determine that it would maintain the status quo concerning salary and benefits. If this alternative is considered, Council must still formally address whether or not to continue with the 1/3 tax free allowance.

**Alternative #2**

General Committee could hire a consultant to complete the review.

While this alternative is available, funds have not been included at this time in the 2017 Business Plan to retain a consultant. If Council recommends that a consultant complete this review, staff would prepare details regarding the anticipated cost of retaining a consultant for consideration during the 2017 Business Planning process.

**Alternative #3**

General Committee could alter the Terms of Reference by having the Committee review only specific items, e.g. policies only.

This option is available but it would not allow for comprehensive review of remuneration for members of Council. A full review would provide General Committee with the opportunity to receive more informed and all-encompassing recommendations.

**Alternative #4**

General Committee could recommend that members of Council be appointed to the Council Compensation Review Committee, as voting or non-voting members.

Whether a Council member is a voting member or not, the general perception by the public is that the presence of a Council member as a member of the Committee would influence the way other members would vote.

**FINANCIAL**

18. There are no direct financial implications for the Corporation resulting from the proposed recommendations, as any costs associated to the Review Committee's work can be accommodated within the 2017 Business Plan.
19. Based on past experience there may be a significant amount of staff time and resources to support the Committee including its review of comparator municipalities and attendance at meetings.

20. It should be noted that the Council Compensation Review Committee may propose recommendations that could impact future Business Plans associated with the 2018-2022 term of Council.

**LINKAGE TO 2014-2018 STRATEGIC PLAN**

21. The recommendation(s) included in this Staff Report are not directly related to the goals identified in the 2014-2018 Strategic Plan.

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**APPENDIX "A"**

**PROPOSED COUNCIL COMPOSITION REVIEW COMMITTEE TERMS OF REFERENCE**

**1. Mandate**

The mandate of the Council Composition Review Committee is to undertake an examination of Council compensation, including the following topics:

- a) Mayor and Council base salary (including the continuation of 1/3 tax free allowance) and benefits;
- b) Expense account amounts and allocation of expenses including communication related matters;
- c) Review the remuneration associated with all boards and committees of Council;
- d) Council remuneration and reimbursement related policies; and
- e) Such other compensation-related matters as determined by the Committee.

**2. Composition**

The Council Compensation Review Committee shall be composed of 5 citizen representatives.

All Committee members shall be selected by City Council. If a Committee member is unable to complete the term as set out in Section 3 below, a new Committee member will be selected by City Council.

**3. Term**

The term of the Council Compensation Committee will be January, 2017 to November, 2017.

**4. Frequency of Meetings**

Committee meetings shall generally be scheduled once per month or may be scheduled at the call of the Chair.

All meetings shall be open to the public in accordance with the City of Barrie's Procedural By-law and the Municipal Act. A meeting of the Committee may only be closed to the public, if the subject matter being considered meets the criteria established in Section 239 of the Municipal Act. The following are currently included as subject matters in Section 239 that may be discussed during a closed meeting:

- a) The security of the property of the City;
- b) Personal matters about an identifiable individual, including City employees;
- c) A proposed or pending acquisition or disposal of land by the City;
- d) Labour relations or employee negotiations;

- e) Litigations or potential litigation, including matters before administrative tribunals affecting the City;
- f) Advice that is subject to solicitor-client privilege, including communications necessary for that purpose;
- g) A matter in respect of which the Committee or Council may hold a closed meeting under another Act.

**5. Selection of the Chair and Vice-Chair**

The Chair and Vice-Chair (if necessary) shall be selected by the Committee at the first meeting.

**6. Role of the Chair and Vice-Chair**

The Chair shall preside over the meetings of the Committee and assist the Committee in reaching consensus on fundamental policy issues of concern to the Committee.

The Vice-Chair shall assume the authority and perform all the duties of the Chair in the absence of the Chair.

**7. Roles and Responsibilities of Members**

Committee Members shall:

- a) Attend and actively participate in all meetings;
- b) Work with other members to attempt to reach consensus on decisions before the Committee; and
- c) Adhere to these terms of reference, the City of Barrie's Procedural By-law, Purchasing By-law, the Council/Committee Code of Conduct and any other by-laws, policies or procedures that apply to Committee members.

**8. Rules Governing the Proceedings of Committees**

The business of the Council Compensation Committees shall be conducted in accordance with the City of Barrie's Procedural By-law.

**9. Quorum**

In accordance with the City of Barrie's Procedural By-law a quorum shall be a majority of the Committee Members.

If the quorum for a Committee is not present within thirty (30) minutes of the time appointed for the meeting, the Committee Support Clerk shall record the names present and the meeting shall stand adjourned until the next scheduled meeting.

**10. Voting**

In accordance with the City of Barrie's Procedural By-law, when an issue arises, the Committee will attempt to reach a consensus on how the Committee should resolve the issue.

A question before the Committee will be put to a vote and each Committee Member will be entitled to one vote.

A motion shall be deemed to be carried when a majority of the members present and voting have expressed agreement with the question. Consequently, on a tie vote, the motion is lost.

**11. Resources**

Staff from the Legislative and Court Services Department will act as recording secretary and provide administrative support to the Committee. Staff from the Finance and Human Resources Departments will provide support and review all of the Committee's recommendations.

**12. Application of the Code of Conduct**

The Committee shall, at all times follow the policies and procedures set out in the City of Barrie's Council/Committee Code of Conduct.