



The Corporation of the City of Cornwall
Regular Meeting of Council
Report

Department: CAO
Report Number: 2019-201-CAO
Prepared By: Maureen Adams, Chief Administrative Officer
Meeting Date: November 25, 2019
Subject: Follow-Up to Compensation for the Mayor

Purpose

To provide additional information as a follow up to the report provided at the Council meeting on November 12, 2019, to further review the Mayor's compensation and the impact of the elimination of the Federal tax-free exemption allowance for elected members of Council.

Recommendation

That Council consider one of the following options to offset the impact of the elimination of the tax exemption for one third of the Mayor's salary:

Option 1

Increase the Mayor's contribution to a RRSP to 18% of the Mayor's annual salary to partially offset the impact of the tax free exemption.

Option 2

Provide a one-time increase in the Mayor's annual salary in the amount of \$8,000 which would result in the Mayor receiving the same net pay prior to the elimination of the tax free exemption.

Financial Implications

The current annual salary for the Mayor is \$55,020 for 2019 per the motion approved by Council at the meeting on November 12, 2019.

Beginning January 1, 2019, the Mayor's compensation shall also include the following Benefit and Pension provisions:

1. Compensation for Pension Benefit as per the established payment rate under the Ontario Municipal Employees Retirement Plan paid out for the purchase of RRSPs.
2. Benefits shall be paid for Dental, LTD and Life Insurance.
3. Monthly Car Allowance shall be established at \$160.00 per month.
4. Annual Compensation as a Member of the Cornwall Police Services Board would continue in accordance to the established remuneration.

Strategic Priority Implications

This report addresses Council's accountability and transparency to the ratepayers of the City of Cornwall.

Background / Discussion

At the previous meeting of Council on November 12, 2019, Council passed a motion requesting the CAO provide a report with some recommendations for further consideration to the Mayor's compensation as a result of the elimination of the one-third tax exemption for elected officials.

Per the report that was presented to Council on August 12, 2019, the impact of the one-third tax exemption would result in a net pay reduction of approximately \$6,200. Alternatively, an increase in salary of approximately \$8,000 would yield the same net pay.

The annual contribution limit to RRSPs is 18%. The maximum contribution in 2019 per the Mayor's salary would be \$9,900. This would be an increase of approximately \$5,000. Although this would not completely offset the reduction in net pay, it could be considered as a reasonable alternative.



Following a decision by Council, Administration, as per the Municipal Act will bring a bylaw to Council for approval. The bylaw will set out the salaries and eligible expenses for the Mayor and Councillors, which in turn, informs part of the Annual Statement of Remuneration and Expenditures report for Council.

Document Title:	Follow-Up to Compensation for the Mayor - 2019-201- CAO.docx
Attachments:	- Nov 12 - Report - Follow up to Compensation for Council.pdf - Aug 12 - Report - Council Compensation for Term of 2018 to 2022.pdf
Final Approval Date:	Nov 20, 2019

This report and all of its attachments were approved and signed as outlined below:

Maureen Adams - Nov 20, 2019 - 5:19 PM