



Cornwall City Council

DEPARTMENT: Corporate Services
REPORT NUMBER: 2019-083-CL
PREPARED BY: Manon L. Levesque, City Clerk
REPORT DATE: August 01, 2019
MEETING DATE: Aug 12, 2019 07:00 PM
SUBJECT: Council Compensation for Term of 2018 to 2022

PURPOSE

To provide information to Members of Council for them to contemplate their compensation for the current term of Council.

RECOMMENDATION

- (a) That Council receive Report 2019-083-CL
- (b) That Council provide direction to Administration on how it wishes to proceed with its compensation.

FINANCIAL IMPLICATIONS

Once Council has made its decision, the City will budget accordingly.

STRATEGIC PRIORITY IMPLICATIONS

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

BACKGROUND / DISCUSSION

Pursuant to the Municipal Act, municipal Councils have a legal obligation to conduct a review of its compensation at least once every four years.

Traditionally, previous Councils have conducted this review during its final year of their term.

Council compensation is meant to be a recognition for time commitments by the individuals while in public office and carrying out the duties associated with being elected officials.

In 2018, the previous Council struck a Ad-Hoc Council Compensation Committee to review the compensation level. The Committee was made of two (2) Lay Members, and three (3) Members of Administration, those being from the Clerk's Division, Financial Services and Human Resources.

The Committee was asked to review the compensation levels of Council in comparison to a survey conducted by AMCTO (a copy of which is attached), as well as review the recent changes to the Federal tax free exemption allowance for elected members of provincial legislatures, municipal councils, and utility commissions that was eliminated on January 1, 2019. The tax free exemption allowance provided for one third (1/3) of the compensation to be exempt while the final two thirds (2/3) was taxable. This change to the legislation makes it that the entire compensation for elected members is taxable.

The Committee was not able to complete its mandate within the time frame of the previous Council. A conflict of interest was declared during the process by one of the Committee Members after filing nomination papers for the office of Councillor.

The current salary for the Mayor is \$53,941 plus benefits which include life insurance, Long Term Disability, RRSPs and a modest dental plan.

The Mayor has an expense account of \$10,000 per year.

The current salary for an individual Councillor is \$16,249 per year with no personal benefits.

Each Councillor has an expense account of \$1,257.50 per year.

Council, as a whole, has a budget for corporate travel and conferences such as, AMO and FCM. The total of this budget is \$25,000 which averages to approximately \$2,300 per Council Member per year.

Council is also given the option for a laptop or tablet and a cell phone. The laptop or tablet is a one time purchase of \$1,200 for a four year term which equals \$300 per year. The cost of the cell phone, on average, is \$60 per month for a total of \$720 per year.

The following charts illustrate the change in net pay following the changes to Federal tax free exemption allowance.

Mayor	Net With Tax Free Portion	Net Without Tax Free Portion	Earnings Required to Net Same	Annual Increase Required
Earnings	53,941.41	53,941.42	61,996.22	\$8,054.80
Car Allowance	1,920.00	1,920.00	1,920.00	14.93%
RRSP	4,854.73	4,854.73	5,579.66	
Life Insurance Premium	450.58	450.58	450.58	
Total Earnings (Includes Taxable Benefit)	61,166.72	61,166.73	69,946.46	
Taxable Earnings	41,568.01	61,166.73	69,946.46	
Income Tax	8,212.10	13,581.62	16,184.48	
CPP	1,941.47	2,748.90	2,748.90	
Net Pay	51,013.15	44,836.21	51,013.08	
Net Annual Difference - Elimination of Tax Exemption		(6,176.94)		
Councillor	Net With Tax Free Portion	Without Tax Free Portion	Earnings Required to Net Same	Annual Increase Required
Earnings	16,249.22	16,249.22	17,971.72	\$1,722.50
Taxable Earnings	10,832.81	16,249.22	17,971.72	10.60%
Income Tax	1,913.60	2,944.24	3,271.84	
CPP	373.88	650.26	738.14	
Net Pay	13,961.74	12,654.72	13,961.74	
Net Annual Difference - Elimination of Tax Exemption		(1,307.02)		

A recent survey was completed to better understand how neighbouring and comparable municipalities compensate their Councils, a copy of which is attached.

For the period leading up to 2018, the previous Council had adopted an increase at the annual rate of inflation as defined by the Consumer Price Index (CPI). The CPI increase has been budgeted in 2019. Included in the 2019 Budget is a salary for the Mayor at \$55,020 and for each Councillor at \$16,574.

ATTACHMENTS



Council Compensation Survey.xls



AMCTO Municipal Council Compensation Report.pdf

Motion to:

(a) adjust the 2019 salary by \$1,722.50 resulting in a base salary of \$17,971.72 for 2019 due to the elimination of the one-third tax exemption; and

(b) increase the base salary for the years 2019, 2020 and 2021 by \$1,342.80 as follows:

2019 base pay of \$17,791.72 + \$1,342.80 = \$19,314.52 for 2020

2020 base pay of \$19,314.52 + \$1,342.80 = \$20,657.32 for 2021

2021 base pay of \$20,657.32 + \$1,342.80 = \$22,000.12 for 2022

A recorded vote on this matter resulted as follows:

Votes For = 8

Bernadette Clement, Mayor
Claude E. McIntosh, Councillor
Elaine MacDonald, Councillor
Syd Gardiner, Councillor
Dean Hollingsworth, Councillor
Carilyne Hébert, Councillor
Glen Grant, Councillor
Eric Bergeron, Councillor

Votes Opposed = 2

Maurice Dupelle, Councillor
Todd Bennett, Councillor

Abstained = 1

Justin Towndale, Councillor

Moved By: Elaine MacDonald, Councillor

Seconded By: Syd Gardiner, Councillor

Motion Carried

Approval

August 08, 2019 09:58 AM

Manon L. Levesque
City Clerk

Manon Levesque

August 08, 2019 10:03 AM

Geoffrey Clarke
General Manager, Corporate Services

GC

August 08, 2019 10:26 AM

Tracey Bailey
General Manager, Financial Services

Tracey Bailey

August 08, 2019 10:42 AM

Maureen Adams
Chief Administrative Officer

M. Adams