

AMCTO REPORT

MUNICIPAL COUNCIL COMPENSATION IN ONTARIO

MARCH 2018



AMCTO
THE MUNICIPAL EXPERTS

About AMCTO:

AMCTO represents excellence in local government management and leadership. AMCTO has provided education, accreditation, leadership and implementation expertise for Ontario's municipal professionals for over 75 years.

With approximately 2,200 members working in 98 per cent of municipalities across Ontario, AMCTO is Canada's largest voluntary association of local government professionals, and the leading professional development organization for municipal administrative staff.

Our mission is to provide management and leadership service to municipal professionals through continuous learning opportunities, member support, and legislative advocacy.

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1 EXECUTIVE SUMMARY

In August of 2017 AMCTO conducted a survey of municipalities in Ontario. Our goal was to gain a better understanding of how municipalities compensate their councils, create a resource for municipalities who are reviewing their council remuneration packages, and to add to the body of research about how local politicians are paid. While there has been a lot written about private sector compensation, there has been considerably less study of compensation for politicians at the local level.

Key findings from the survey, include:

- Most municipalities in Ontario classify their councils as part-time, however, municipalities are slightly more likely to have full-time heads of council than members of council.
- Only 14% of municipalities have a full-time head of council, while only 6% of municipalities have full-time councillors.
- Population clearly impacts whether or not a municipality's council is full- or part-time. Larger municipalities are more likely to have full-time councils.
- Though the majority of councils in Ontario are part-time, all councillors or heads of council are compensated for their work, either through a salary, honorarium or stipend.
- Larger municipalities are more likely to pay their councils a salary, and smaller municipalities are more likely to pay an honorarium or stipend.
- While levels of pay vary widely across the province, the majority of councillors and heads of council in Ontario are paid less than \$40,000 per year.
- Across the province heads of council are consistently paid at a higher rate than members of council.
- In terms of real dollar compensation, there is an evident but not always significant difference between municipalities that pay their councillors honorariums versus those that pay their councillors salaries. Salaries are generally higher, but not significantly so.
- The level of compensation that a municipality offers is closely

correlated to its size. Smaller municipalities are more likely to pay their members of council at a lower rate than larger municipalities.

- In addition to salaries, honorariums, and stipends, municipalities also provide a range of other benefits to their councils.

- Larger municipalities are more likely than smaller municipalities to provide optional benefits like cellphone reimbursement, newsletter printing or a pension contribution.
- Municipalities use a range of factors to help set their compensation levels. The most common practice is to survey the compensation paid by neighbouring municipalities.

2 BACKGROUND

In August of 2017 AMCTO conducted a survey of municipalities in Ontario. Our goal was threefold: (1) to gain a better understanding of how municipalities compensate their councils; (2) to create a dataset and resource for municipalities to use when reviewing their council compensation practices in the future¹; and (3) to add to the broader body of research about how politicians are compensated, especially at the local level.

While considerable attention has been given to compensation in the private sector, especially as it relates to senior executives, less has been written about compensation for politicians. What research has been done on this topic in Canada, has predominantly focused on the federal and provincial levels, where elected representatives are more likely to be full-time employees. Little has been written about how and why municipal politicians are compensated (Schobel, 2014, 150).

In 2014 an article published in *Canadian Public Administration*² argued that the process that most municipalities use—quantitative analysis and comparative studies of other municipalities—to determine their levels of compensation is inherently flawed (Schobel, 139, 2014). It further argued that municipalities face a significant challenge when setting council remuneration, as there is an inherent conflict of interest when councillors vote on their own compensation. The reaction to remuneration reviews amongst the media and citizens living in the municipality is at best mixed. When large increases are recommended the reaction is often hostile and negative (Schobel, 139, 2014).

In 2016 the Rural Ontario Institute (ROI) created a profile of municipal councillors in Ontario. It identified a number of the barriers to running for local office, including toxic work culture, lack of self-confidence, time pressures, and the incumbency advantage. Notably, the profile also argued that limited remuneration and the level of commitment required to serve on council are both barriers to attracting younger and more diverse candidates to run for seats on municipal

¹ Full results of the survey are available in the appendix, and the complete data set is available for AMCTO members on the association's website.

² Schobel, Kurt. (2014). "How much is enough? A study of municipal councillor remuneration." *Canadian Public Administration*, Volume 57, No. 1.

councils. The ROI's research found that these individuals have more demanding responsibilities outside of council, such as young families, additional financial burdens, and full-time jobs with less workplace flexibility. It also noted that younger members of council place a higher priority on maximizing their income, as they are in the prime earning years of their careers, often with dependents, and that the level of compensation offered by municipalities does not effectively compensate them for the financial and family sacrifices that they make (Deska, 2016, 3).

Historically serving on a local council has been a volunteer commitment. But, over time municipalities have come to recognize the more permanent nature of municipal public office and expanded the range of compensation and benefits that they provide. In addition to remuneration, many local governments also now provide employment benefits, office space, telecommunications equipment and reimbursement of other relevant business expenses (Schobel, 2014, 141). A growing number of municipalities are also debating whether or not to make their councils full-time positions (See: Richmond, 2016).

The role of local councillor is undeniably expanding. Councillors now sit on more working groups and task forces than ever before. They are also more accessible and expected to be more responsive than in the past. The growth of technology and expansion of social media allows members of the public to contact their representatives through a variety of channels at whatever time is most convenient to them. For many councillors the job has become 24/7, even if they are only compensated as a part-time employee or volunteer.

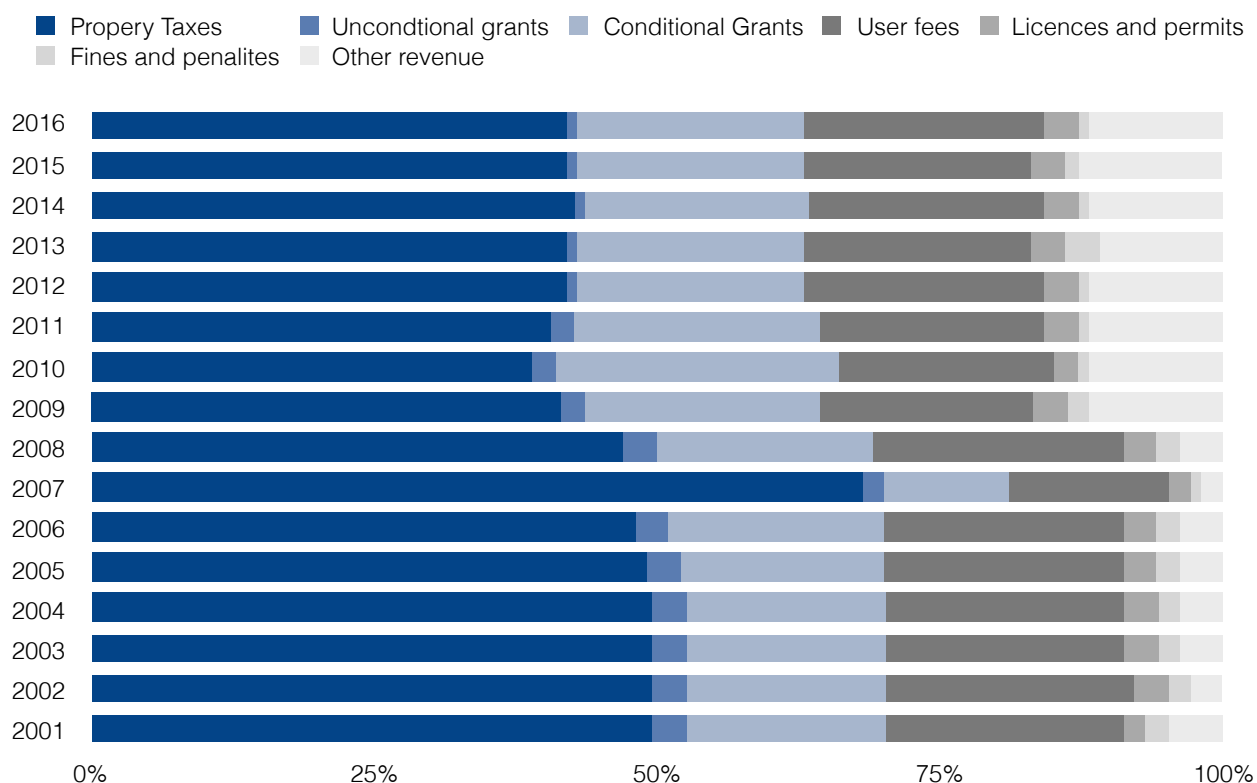
ROI's councillor profile noted that across the province serving representatives and prospective candidates said that balancing personal responsibilities and professional commitments is a challenge. In some cases potential candidates choose not to run for local office because the sacrifices are simply too great. The result is a body of councillors that is less diverse than the provincial average. According to ROI, Ontario municipal councillors are on average older, more predominantly male, less racially diverse, more likely to be retired, with higher incomes and more education than the communities that they represent (Deska, 2016).

While the primary motivation for most politicians who seek positions on council is to serve the community, it cannot be denied that the ability of a municipality to attract good candidates to serve on council is directly influenced by the fairness of compensation that they offer. The ability for municipalities to do this became harder in 2017 when the federal government

announced its intention to eliminate the one-third tax exemption that municipalities use for council salaries, starting in 2019. According to the Association of Municipalities of Ontario (AMO), this change would cost an eastern Ontario county government with a council of seventeen and a population of 77,000, at least \$74,00 per year (AMO, 2017). While this may not seem like a significant impact, given the current fiscal challenges confronting most municipalities, it could be larger than expected.

While smaller municipalities may feel a sharper impact from the end of the one-third tax exemption, local governments of all sizes in Ontario are facing a challenging fiscal situation. Though services are expanding and becoming more complex, the sources of municipal revenue have not changed significantly (see Chart 1). There is a growing consensus that the current fiscal situation for municipalities is unsustainable. According to AMO in order to maintain current service levels municipalities will have to increase property taxes by 4.51% every year for the next ten years just to preserve the status quo (AMO, 2015).

Chart 1: Sources of Municipal Revenue, 2001 - 2016



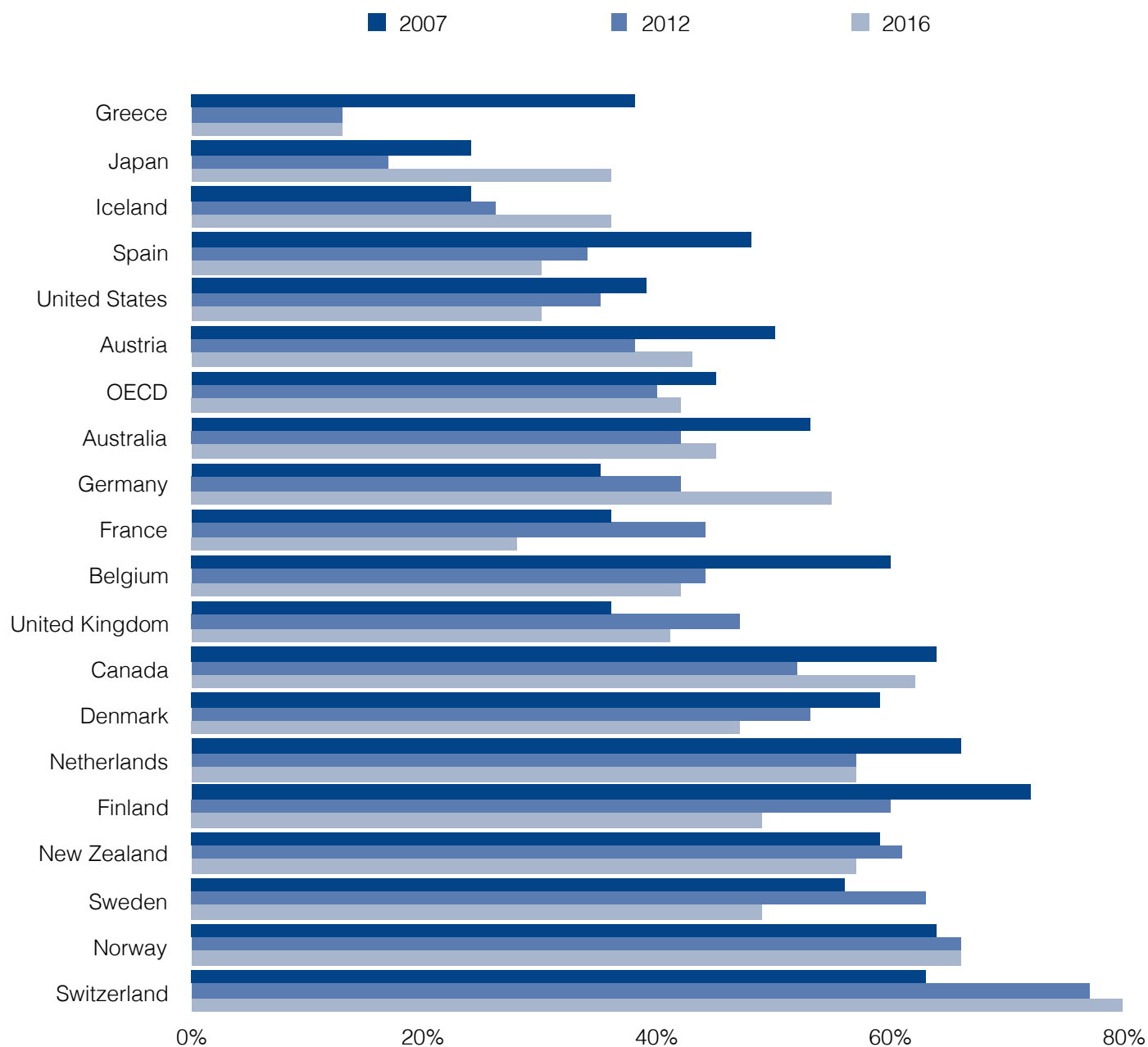
Source: Ministry of Municipal Affairs, Financial Information Returns

Under these circumstances it's not easy for municipal councils to discuss increasing their own compensation. Determining appropriate levels of compensation is difficult in any field or industry, but especially so in politics, where the debate is complicated by fraught political conditions, and often openly-hostile public opinion. While the staff working in municipalities provide objective recommendations, these debates are more often driven by voter outrage, citizen backlash, and politicians who want to avoid the perception that they are giving themselves a raise (see: Criscione, 2015; Shreve, 2017; Porter, 2014; Strader, 2012)

These debates have become even more charged in recent years as trust in government has declined and skepticism of institutions and “elites” increased. It is tempting to assume that Canada is in some way sheltered from the populist, anti-establishment currents running through politics in most western countries. In 2016 the Economist declared that in the “depressing company of wall-builders, door-slamers and drawbridge-raisers, Canada stands out as a heartening exception” (Economist, 2016). As seen in Chart 2, Canada does fare relatively well compared to other OECD countries in levels of trust in government.

However, even Canada's relative strength in the face of others weakness, does not mask the vulnerability that still exists. Canada still suffers from many of the stresses that energize populist movements in other industrialized countries, such as the decline of manufacturing jobs, stagnant incomes, and rising inequality (Economist, 2016). Moreover, the events of the past decade, from a deep economic recession to the emergence of overtly nativist political discourses in other countries, can be expected to impact Canadian public opinion (Parkin, 2017, 3). In 2017, the Edelman Trust Barometer found that only 47% of Canadians maintain trust in the country's institutions, and 61% don't believe that the country's leadership can solve the country's biggest problems. Canada continues to suffer from low membership in political parties, poor voter turnout, and generally weak political engagement (Economist Intelligence Unit, 2018, 21). Many Canadians are animated by concerns about what they see as wasteful spending, poor decision-making and a lack of government responsiveness to citizen priorities and needs (Neuman, 2016, 3). Most respondents to the Edelman survey agreed that “a person like yourself” is now as credible as an academic or technical expert, and far more credible than a government official (Edelman, 2017).

Chart 2: Trust in Government, OECD Countries 2007 - 2016



Source: OECD

One of the cures to the rising populist wave is better government. Municipalities, as the level of government that citizens most frequently interact with, are on the front lines of this effort. An important element of fostering good government is to ensure that municipalities can attract visionary and competent politicians and public servants to their communities. AMCTO hopes

that this report will serve as a resource for municipalities as they review their council compensation and ensure that it meets the needs of their community. However, in a broader sense, we also hope that it will help in some small way to make the decisions every local government makes about compensating their councillors more easily grounded in evidence, and facts and less on frustration and fear. Going forward AMCTO plans to conduct this survey again as a way to help equip municipalities with tools to make better evidence-based decisions.

3 METHODOLOGY

The findings in this report are drawn from a survey of 257 municipalities completed by AMCTO in August of 2017. The survey asked empirical questions about the level of pay that municipalities provide to their councillors, head of council, and deputy head of council (where applicable); whether or not they consider their councils full- or part-time; any other benefits they may provide; and, the factors they use to set compensation levels.

Table 1.
Survey Respondents vs. Ontario Municipalities

	SURVEY RESPONDENTS	MUNICIPALITIES IN ONTARIO (based on FIR Data)
POULATION		
Fewer than 10,000	60%	61%
10,000 – 50,000	27%	25%
50,000 – 100,000	6%	7%
100,000 – 250,000	4%	4%
More than 250,000	2%	3%
TIER		
Upper Tier	6%	7%
Lower Tier	58%	54%
Single Tier	35%	39%
Region		
Central Ontario	16%	18%
Eastern Ontario	22%	26%
Northern Ontario	32%	32%
Southwestern Ontario	30%	24%

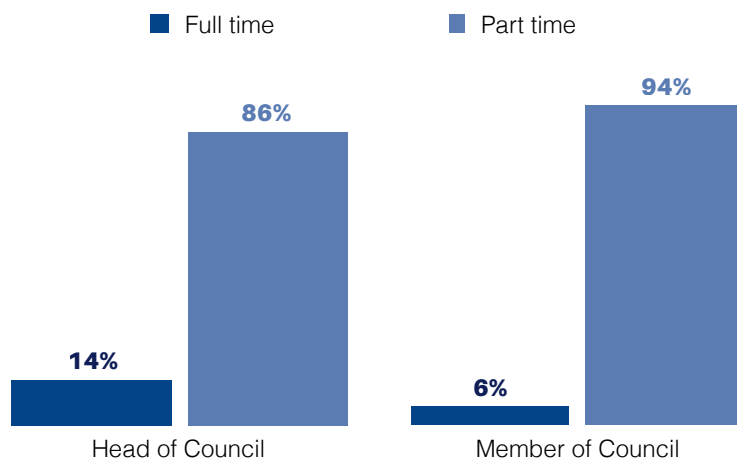
The data presented in this report is not weighted and reflects the responses of all municipalities who participated in the survey. The majority of respondents (60%) were municipalities with a population of less than 10,000. Just over 25% of respondents were municipalities with a population between 10,000 and 50,000, and the remainder were municipalities with a population over 50,000 (12%). The respondents included a range of upper, lower, and single tier municipalities. 35% of municipalities that responded to the survey were single tier, while 58% were lower tier and 6% were upper tier. The highest number of responses came from municipalities in Northern and Southwestern Ontario (32% and 30% respectively), while 22% of municipalities were from Eastern Ontario and 16% from Central Ontario. While the sample was not chosen to be statistically representative of the province, as seen in Table 1 the municipalities included in AMCTO's survey are a relatively good representation of the province.

4 FINDINGS

Full-time versus Part-time Councils

Most municipalities in the province classify their councils as part-time. However, municipalities are slightly more likely to have full-time heads of council than members of council. Only 14% of municipalities have a full-time head of council, while only 6% of municipalities have full-time councillors.

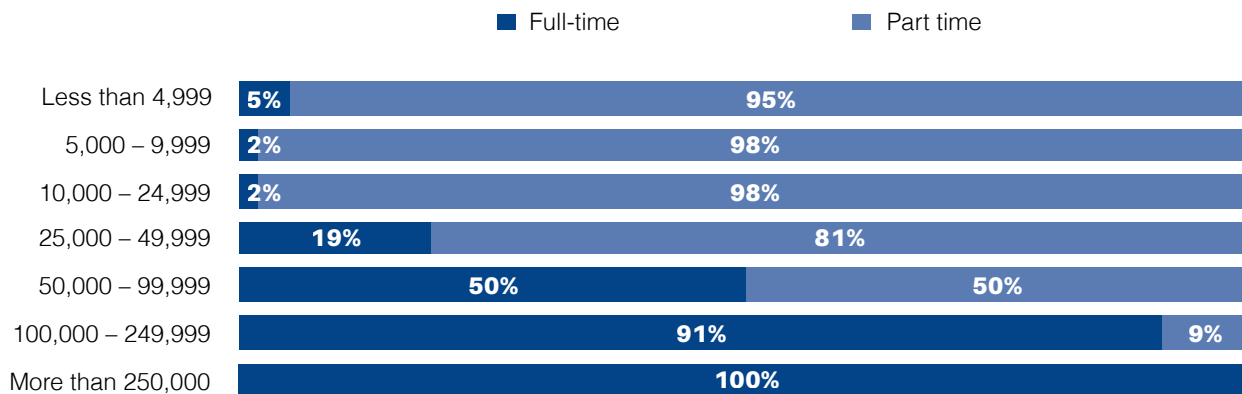
Chart 3.
Full-time vs. Part-time Councils



Population clearly impacts whether or not a municipality's council is full- or part-time. Municipalities with a full-time head of council are more likely to have a population over 50,000. For instance, 100% of municipalities with a population over 250,000, 91% of municipalities with a population over 100,000, and 50% of municipalities with a population over 50,000 have full-time heads of council. Comparatively, fewer than 5% of municipalities with a population below 50,000 have a full-time head of council.

Chart 4.

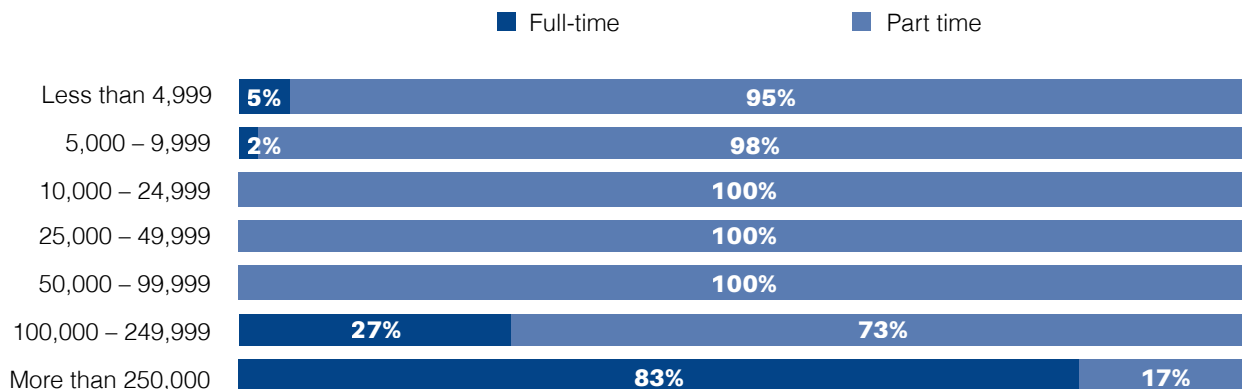
Full-time vs. Part-time *Heads of Council*, by population



Similarly, while municipalities are slightly less likely to have full-time members of council, the same population-effect can be observed. For instance, 83% of municipalities with a population over 250,000 and 27% of municipalities with a population over 100,000 have full-time councillors. The only municipalities with a population above 250,000 that have part-time councillors are upper-tier municipalities whose councillors also serve on lower-tier councils. By contrast, the majority of municipalities with a population below 100,000 have only part-time councillors.

Chart 5.

Full-time vs. Part-time *Members of Council*, by population

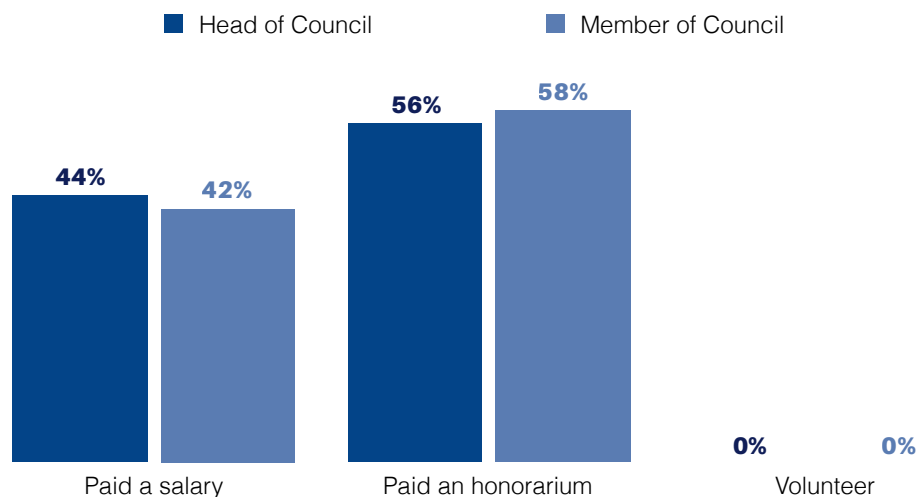


Paid versus Volunteer Councils

Though the majority of councils are part-time, all councillors and heads of council are compensated for their work, either through a salary, honorarium or stipend. Heads of council are slightly more likely to be paid a salary versus an honorarium, with 44% of heads of council paid a salary and 56% paid an honorarium or stipend. By contrast 42% of members of council are paid a salary and 58% are paid an honorarium/stipend. None of the municipalities that responded to this survey have councils that are completely volunteer.

Chart 6.

Paid vs. Volunteer Council



Whether a municipality labels the compensation that it pays a salary or honorarium is also closely tied to the size of the municipality. 64% of municipalities with a population over 10,000 pay their head of council a salary, while municipalities with a population below 10,000 are more likely to pay their head of council an honorarium (Chart 7). Similarly, for members of council the majority of municipalities with a population over 10,000 pay their councillors a salary, while the majority of those with a population below 10,000 pay their councillors an honorarium or stipend (Chart 8).

Chart 7.
Salary vs. Stipend, Heads of Council, by population

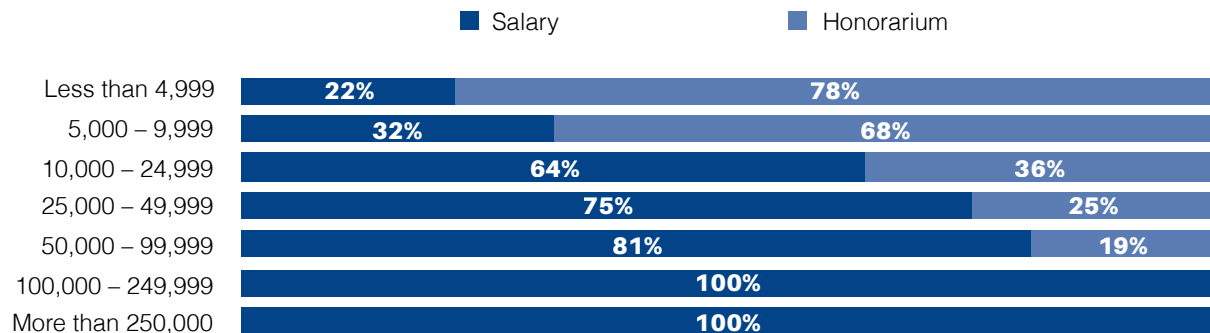
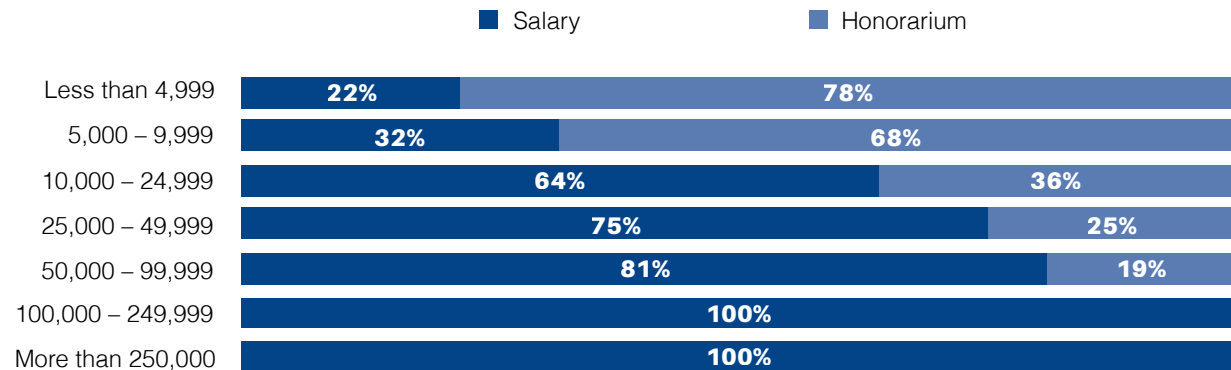


Chart 8.
Salary vs. Stipend, Members of Council, by population



There is also a regional impact to whether or not a municipality refers to its compensation as a salary or honorarium (Charts 9 and 10). For instance, municipalities in Central and Southwestern Ontario are more likely to offer a salary, while municipalities in Eastern and Northern Ontario are more likely to offer an honorarium or stipend, rather than a salary. Municipalities in Northern Ontario far more likely to give their councillors a stipend than any other region in the province.

Chart 9.
Salary vs. Stipend, *Head of Council*, by region

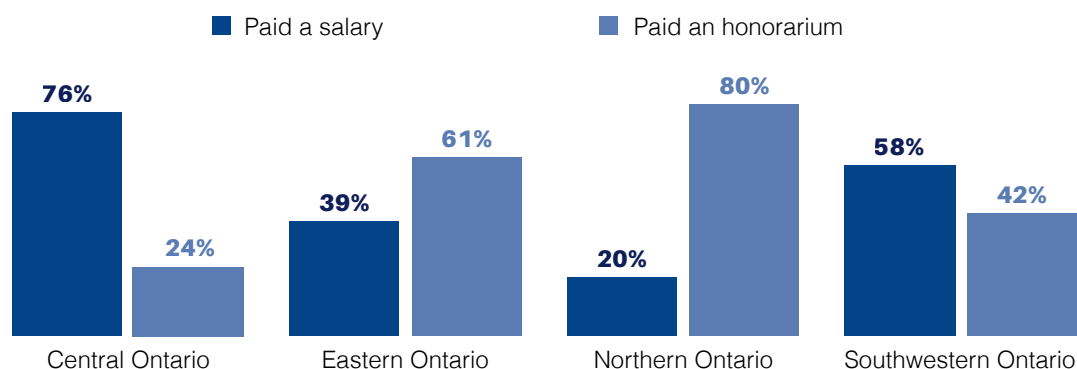
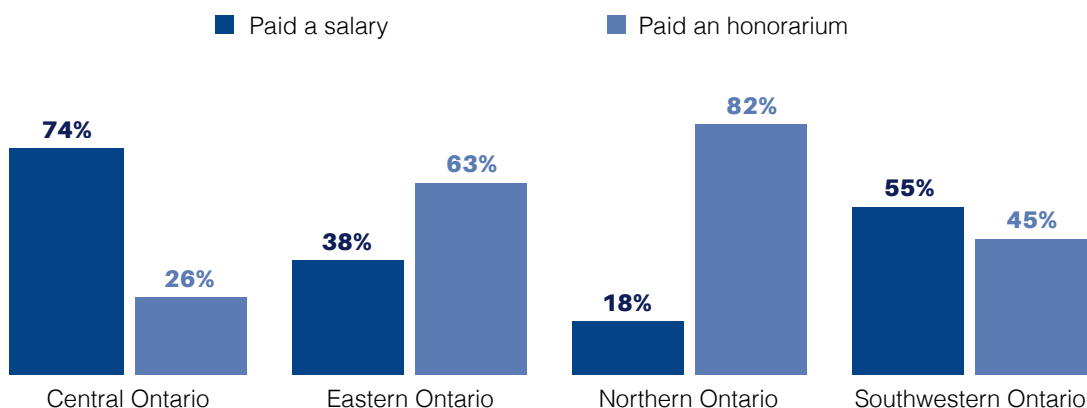


Chart 10.
Salary vs. Stipend, *Members of Council*, by region



However, if the regional disparities are broken down by population size as in Chart 11 and Chart 12, it becomes clear that while there is a regional effect, population size is the dominant factor. For instance, municipalities in Northern Ontario are more likely to pay their councils honorariums, however, while some of this can be attributed to regional disparities, the more powerful explanatory factor is population size. There are more small municipalities in Northern Ontario, which helps to explain why councillors in the north are more likely to be paid honorariums than councillors in the rest of the province. Similarly, most of the provinces largest municipalities are concentrated in central Ontario, so it follows that they would be more likely to be paid a salary than an honorarium.

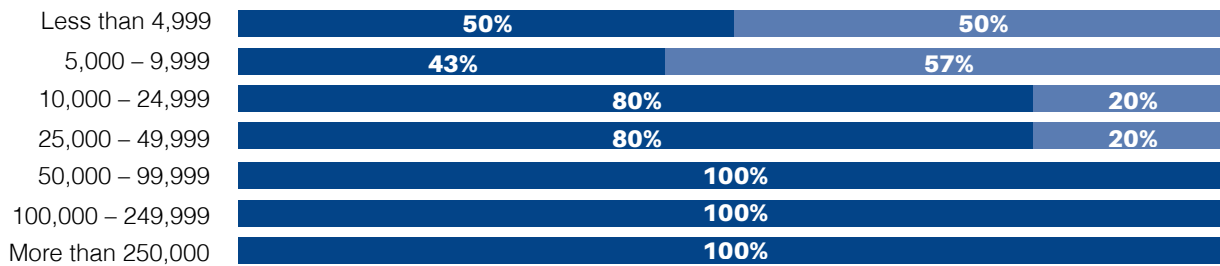
Chart 11.

Salary vs. Stipend, Heads of Council, by region/population

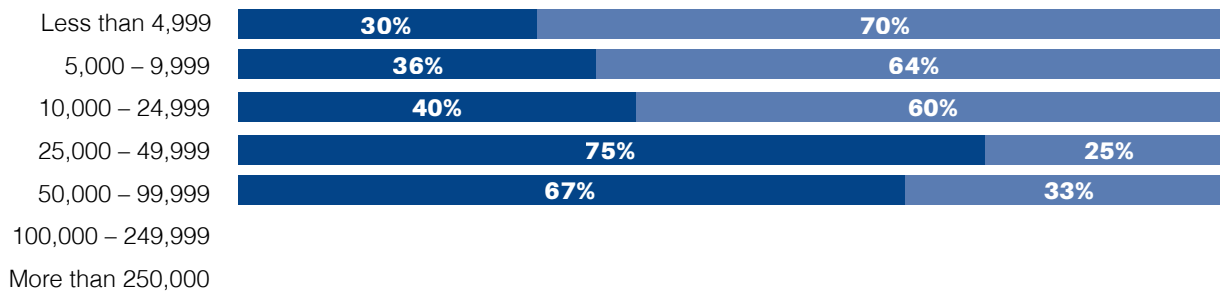
■ Salary

■ Honorarium

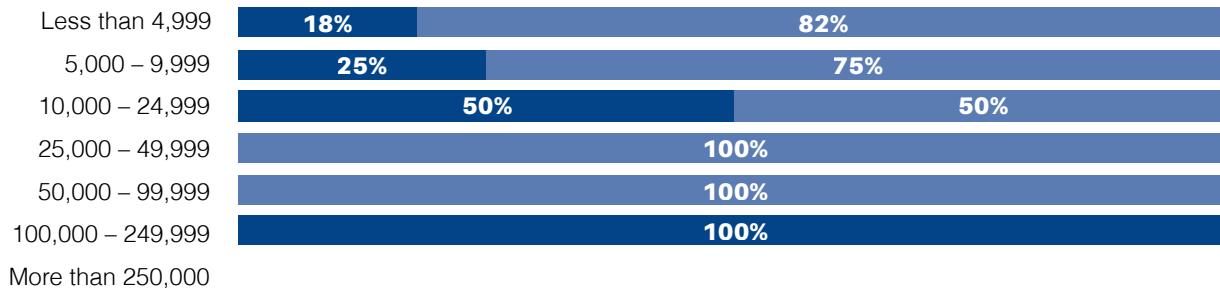
Central Ontario



Eastern Ontario



Northern Ontario



Southwestern Ontario

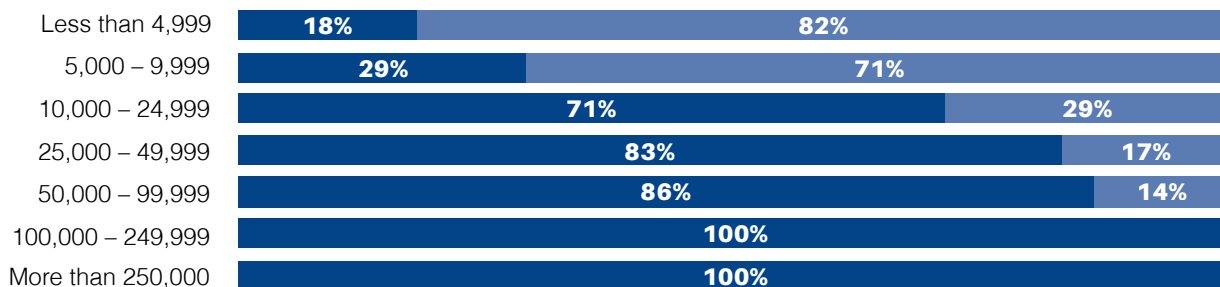
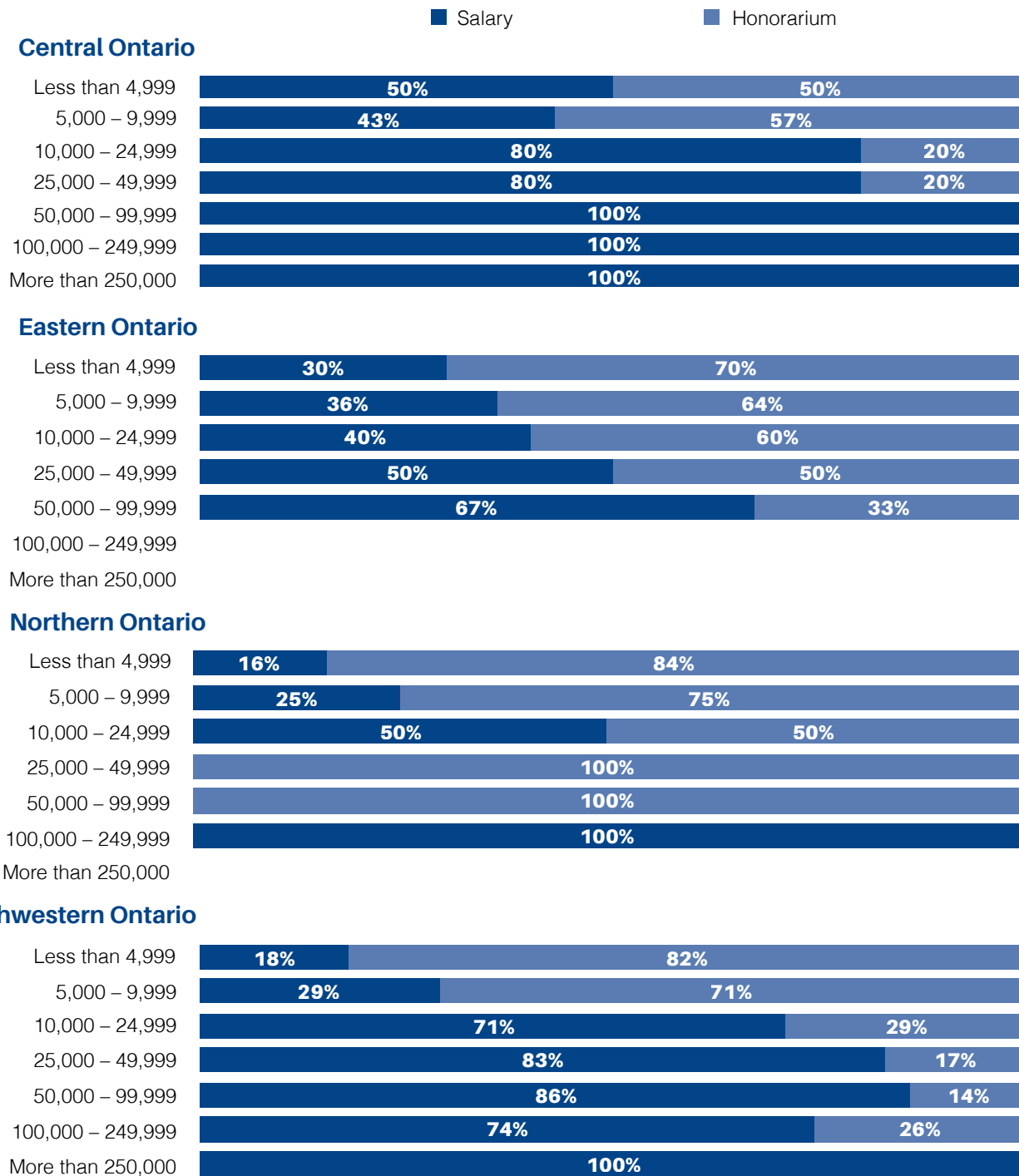


Chart 12.

Salary vs. Stipend, *Members of Council*, by region/population



Levels of Pay

While levels of pay vary widely across the province, the majority of councillors and heads of council in Ontario are paid less than \$40,000 per year. Most municipalities pay their members of council either an annual salary or an annual honorarium or stipend. Fewer than 10% of municipalities only pay their members of council a set rate per meeting. All of the municipalities that pay per meeting have a population below 5,000.

Chart 13.
Average Head of Council Compensation

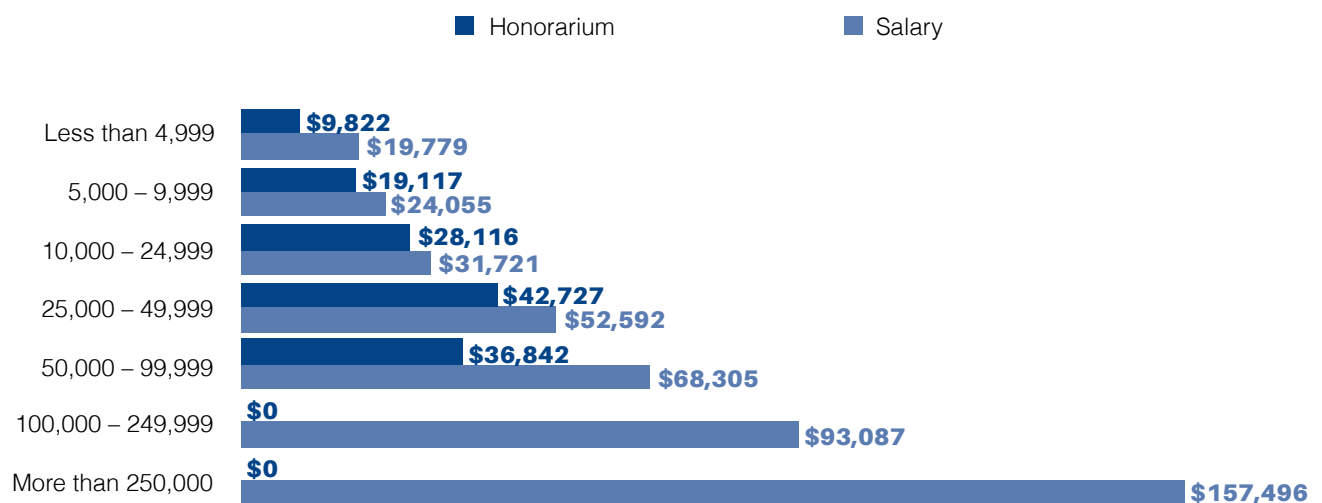


Chart 14.
Average Member of Council Compensation

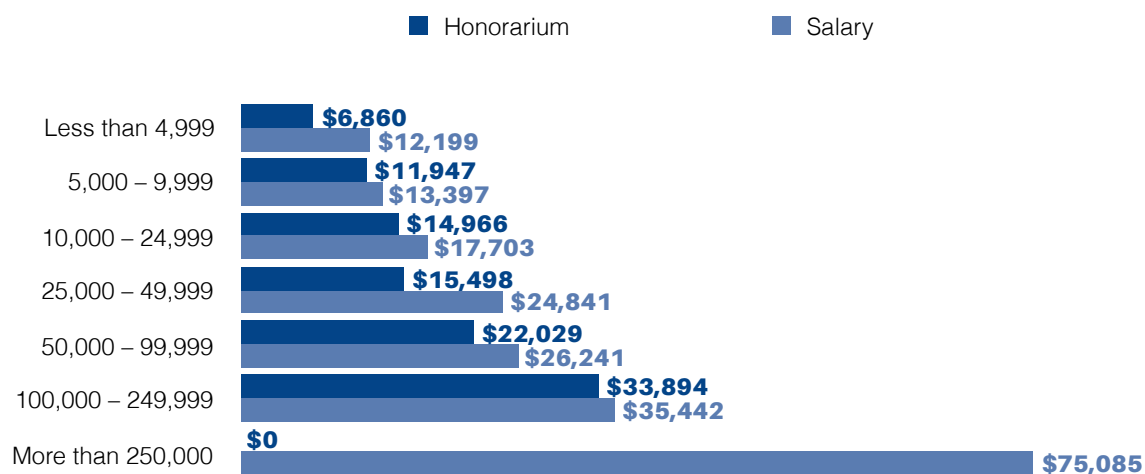


Table 2.**Average Head and Member of Council Honorarium or Salary by Population Size, Region**

REGION	POPULATION						
	Less than 4,999	5,000 – 9,999	10,000 – 24,999	25,000 – 49,999	50,000 – 99,999	100,000 – 249,000	More than 250,000
Head of Council Honorarium							
Province-wide	\$9,822	\$19,117	\$28,116	\$42,727	\$36,842.95	-	-
Eastern Ontario	\$13,901	\$14,075	\$30,129	\$22,584	\$23,434	-	-
Central Ontario	\$15,366	\$25,311	\$26,276	\$47,484	\$95,630	-	-
South-western Ontario	\$9,873	\$16,196	\$26,772	\$30,554	\$29,750	-	-
Northern Ontario	\$9,713	\$15,578	\$28,987	-	-	-	-
Member of Council Honorarium							
Province-wide	\$6,860	\$11,947	\$14,966	\$15,498	\$22,029.22	\$33,894	-
Eastern Ontario	\$10,020	\$10,089	\$16,090	\$7,362	\$13,278	-	-
Central Ontario	\$11,292	\$17,721	\$15,273	\$25,551	\$32,693	-	-
South-western Ontario	\$6,330	\$9,528	\$13,155	\$17,924	\$17,500	\$33,894	-
Northern Ontario	\$6,361	\$9,237	\$14,499	\$19,292	\$22,735	-	-
Head of Council Salary							
Province-wide	\$18,779	\$24,055	\$31,721	\$52,592	\$68,305	\$93,087	\$157,496
Eastern Ontario	\$34,962	\$43,054	\$34,429	\$45,396	\$54,964	-	-
Central Ontario	\$20,129	\$25,341	\$33,344	\$62,826	\$81,550	\$107,290	\$159,777
South-western Ontario	\$19,203	\$19,499	\$29,245	\$48,724	\$61,716	\$86,079	\$154,075
Northern Ontario	\$17,159	\$23,769	\$32,926	-	-	-	-
Member of Council Salary							
Province-wide	\$12,199	\$13,397	\$17,703	\$24,841	\$26,241	\$35,442	\$75,085
Eastern Ontario	\$18,632	\$20,689	\$18,309	\$16,006	\$22,416	-	-
Central Ontario	\$17,764	\$15,240	\$19,670	\$29,321	\$37,884	\$43,438	\$91,037
South-western Ontario	\$11,208	\$12,357	\$15,945	\$24,791	\$19,755	\$32,175	\$43,182
Northern Ontario	\$10,266	\$11,323	\$16,463	-	-	\$35,788	-

Heads of council are generally paid at a higher rate than members of council. For instance, 15% of heads of council who are paid a salary earn more than \$80,000 per year, while only 3% of councillors who are paid a salary earn the same amount. Similarly, approximately 32% of heads of council who are paid an honorarium earn above \$20,000, compared to just 5% of members of council. The highest salary paid to a head of council is \$228,453, while the lowest is \$7,344. In contrast, the highest salary paid to a councillor is \$137,878, while the lowest is \$5,388.

Chart 15.

Council Compensation—Honorariums/Stipends (per year)

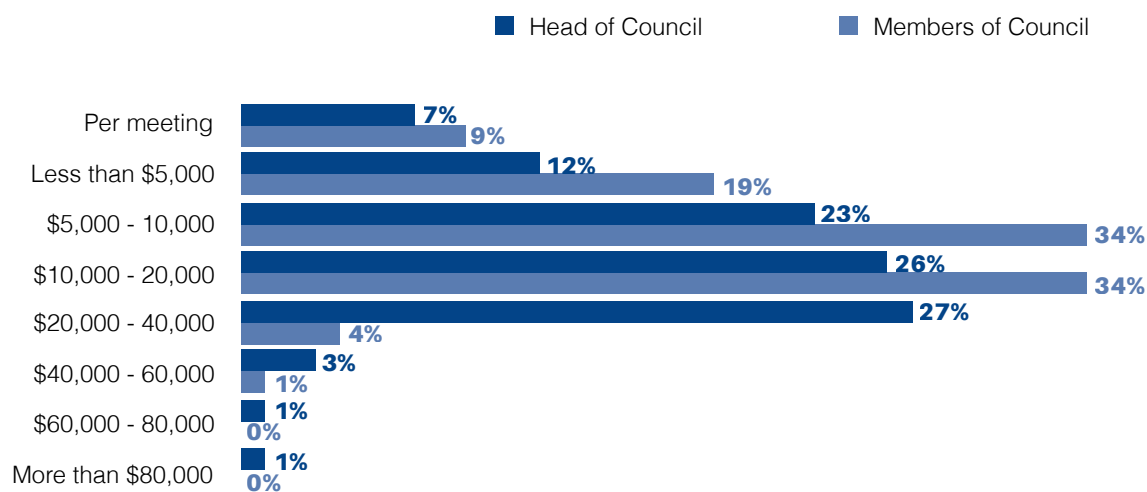
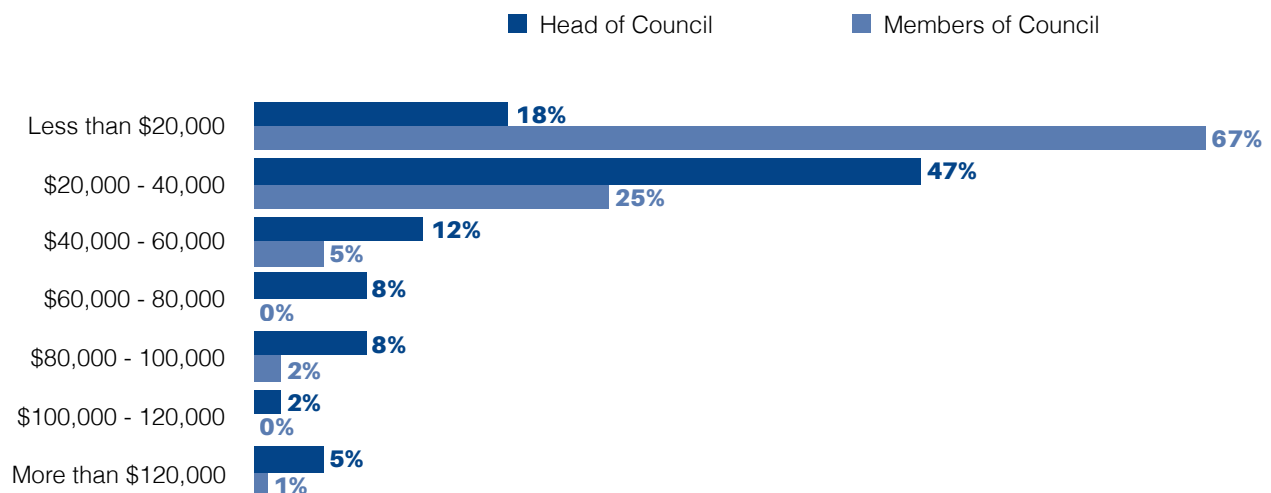


Chart 16.

Council Compensation—Salaries(per year)



Population Differences

The level of compensation that a municipality offers is closely correlated to its size. As seen in Tables 3 and 4, smaller municipalities are more likely to pay their members of council at a lower rate than larger municipalities. For example, the average salary for a head of a council with a population between 5,000 – 10,000 is \$24,055 per year, compared to an average of \$68,305 for the head of council of a municipality with a population between 50,000 – 100,000. Similarly, the average salary for a councillor in a municipality with a population of 5,000 – 10,000 is \$13,397 compared to \$26,241 for a municipality with a population of 50,000 – 100,000. No municipalities with a population over 100,000 offer an honorarium instead of a salary for their head of council and all the municipalities that pay their members of council exclusively by a per meeting rate have a population below 5,000.

Table 3.
Council Honorariums, by population size

	Per meeting	Less than 5,000	\$5,000 - 10,000	\$10,000 - 20,000	\$20,000 - 40,000	\$40,000 - 60,000	\$60,000 - 80,000	More than 80,000
Heads of Council								
Less than 4,999	11%	19%	34%	30%	6%	-	-	-
5,000 – 9,999	-	3%	7%	33%	57%	-	-	-
10,000 – 24,999	-	-	5%	10%	75%	10%	-	-
25,000 – 49,999	-	-	-	-	50%	25%	25%	-
50,000 – 99,999	-	-	-	-	20%	20%	20%	20%
100,000 – 249,000	-	-	-	-	-	-	-	-
More than 250,000	-	-	-	-	-	-	-	-
Members of Council								
Less than 4,999	15%	25%	48%	11%	1%	-	-	-
5,000 – 9,999	-	13%	17%	67%	3%	-	-	-
10,000 – 24,999	-	5%	10%	80%	5%	-	-	-
25,000 – 49,999	-	-	40%	40%	20%	-	-	-
50,000 – 99,999	-	17%	-	33%	33%	17%	-	-
100,000 – 249,999	-	-	-	50%	-	50%	-	-
More than 250,000	-	-	-	-	-	-	-	-

Table 4.
Council Salaries, by population size

	Less than \$20,000	\$20,000 - 40,000	\$40,000 - 60,000	\$60,000 - 80,000	\$80,000 - 100,000	\$100,000 - 120,000	More than \$120,000
Heads of Council							
Less than 4,999	56%	41%	4%	-	-	-	-
5,000 – 9,999	31%	69%	-	-	-	-	-
10,000 – 24,999	6%	81%	14%	-	-	-	-
25,000 – 49,999	-	33%	42%	17%	8%	-	-
50,000 – 99,999	-	8%	23%	38%	31%	-	-
100,000 – 249,999	-	-	-	27%	45%	9%	18%
More than 250,000	-	-	-	-	-	20%	80%
Members of Council							
Less than 4,999	96%	4%	-	-	-	-	-
5,000 – 9,999	100%	-	-	-	-	-	-
10,000 – 24,999	77%	23%	-	-	-	-	-
25,000 – 49,999	36%	55%	9%	-	-	-	-
50,000 – 99,999	33%	58%	8%	-	-	-	-
100,000 – 249,999	-	75%	25%	-	-	-	-
More than 250,000	-	17%	33%	-	33%	-	17%

Regional Differences

While population is the key difference when it comes to councillor compensation, there are also some regional differences. Part of the explanation for these regional disparities is the distribution of population size in each region, as discussed earlier. However, as seen in Table 2, even when controlling for population size the average salaries for councillors vary region by region.

Municipalities in Central Ontario consistently pay their councils at rates that are above the provincial average. Municipalities in Northern and Southwestern Ontario tend to pay their councils at rates that fall below the provincial average. Municipalities in Eastern Ontario fall into no clearly discernible pattern, sometimes paying above the provincial average, with others paying below.

Table 5.
Council Honorariums, by region

	Per meeting	Less than 5,000	\$5,000 - 10,000	\$10,000 - 20,000	\$20,000 - 40,000	\$40,000 - 60,000	\$60,000 - 80,000	More than 80,000
Heads of Council								
Central Ontario	-	-	-	27%	55%	9%	-	9%
Eastern Ontario	6%	-	31%	17%	39%	8%	-	-
Northern Ontario	10%	24%	27%	25%	10%	-	3%	-
Southwestern Ontario	3%	6%	16%	38%	38%	-	-	-
Members of Council								
Central Ontario	-	-	8%	69%	15%	8%	-	-
Eastern Ontario	6%	8%	31%	47%	8%	-	-	-
Northern Ontario	15%	28%	42%	13%	1%	-	-	-
Southwestern Ontario	3%	18%	32%	44%	-	3%	-	-

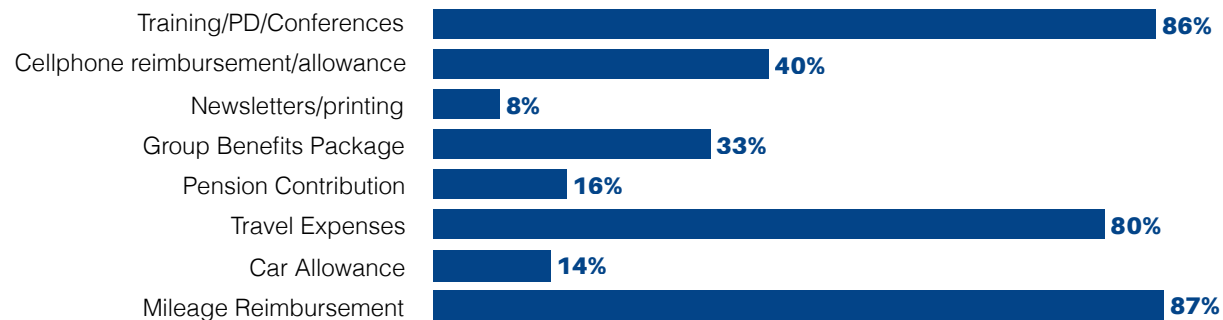
Table 6.
Council Salaries, by region

	Less than \$20,000	\$20,000 - 40,000	\$40,000 - 60,000	\$60,000 - 80,000	\$80,000 - 100,000	\$100,000 - 120,000	More than \$120,000
Head of Council							
Central Ontario	6%	41%	16%	9%	16%	3%	9%
Eastern Ontario	16%	68%	12%	4%		-	-
Northern Ontario	53%	41%	-	-	-	-	6%
Southwestern Ontario	15%	41%	13%	13%	11%	2%	4%
Members of Council							
Central Ontario	39%	39%	13%	-	6%	-	3%
Eastern Ontario	88%	13%	-	-	-	-	-
Northern Ontario	94%	6%	-	-	-	-	-
Southwestern Ontario	64%	31%	5%	-	-	-	-

Other Benefits

In addition to salaries, honorariums, and stipends, municipalities also provide a range of other benefits to their councils. For instance, a strong majority of municipalities provide mileage reimbursement, travel expenses, and dedicated funding for attending conferences, training and professional development. A smaller number of municipalities (40% and 33% respectively) provide an allowance or reimbursement for cellphones, and access to a group benefits package. Approximately 16% of municipalities provide a pension contribution, while 14% provide a car allowance, and 8% provide a budget for printing newsletters and other materials.

Chart 17.
Council Compensation—Salaries(per year)



As seen in Table 7, larger municipalities are more likely to provide optional benefits like cellphone reimbursement, newsletter printing or a pension contribution. For instance, most municipalities (83%) with a population over 250,000 provide reimbursement or an allowance for a cell phone, while less than a third of municipalities with a population below 10,000 do the same. Similarly, a majority of municipalities with a population above 100,000 provide pension contributions and a group benefits package while fewer than a third of municipalities with a population below 10,000 provide a group benefits package, and fewer than 7% provide a pension contribution.

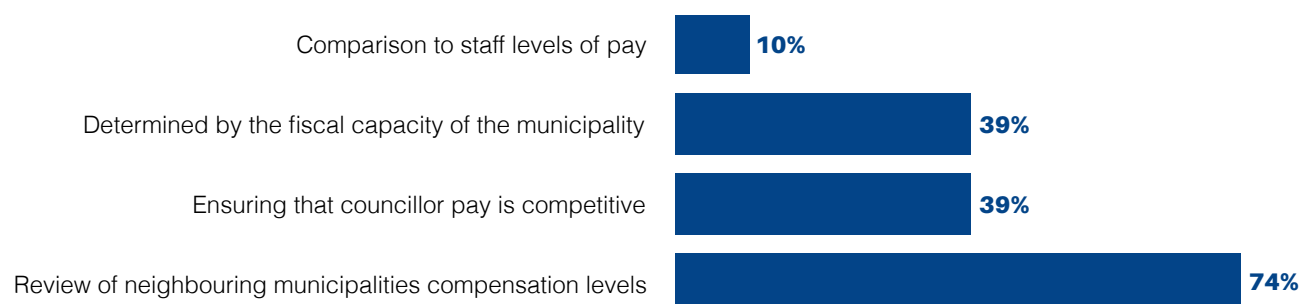
Table 7.
Non-salary benefits provided by municipalities, by population size

	Cell phone reimbursement/ allowance	Newsletters / Printing	Group benefits package	Pension Contribution	Car Allowance
Less than 4,999	29%	1%	14%	7%	5%
5,000 – 9,999	32%	5%	32%	0%	5%
10,000 – 24,999	49%	8%	45%	21%	17%
25,000 – 49,999	69%	13%	63%	25%	44%
50,000 – 99,999	56%	25%	44%	44%	44%
100,000 – 249,999	64%	36%	73%	64%	36%
More than 250,000	83%	67%	83%	83%	33%

Reviewing Compensation

Approximately half of municipalities surveyed have reviewed their council compensation within the last four years, while 38% have done so within the last year (see Appendix A). There is no clear differentiation, based on either geography or population size for how often a municipality reviews council compensation (Appendix B). Municipalities use a range of factors to help them set their compensation levels. The most common practice that municipalities follow is to survey the compensation paid by neighbouring municipalities (74%). A smaller number (just under 40%) of municipalities work to ensure that councillor compensation is competitive. A similar number report that their ability to compensate councillors is determined by the fiscal capacity of the municipality. Relatively few municipalities (10%) use a comparison to the levels of pay that staff receive.

Chart 18.
Factors considered in council compensation reviews



There are some notable population-based differences, as seen in Table 8. Larger municipalities are far more likely to cite ensuring that councillor pay is competitive as a factor they use to set compensation levels. Very large municipalities, those with a population above 250,000, are far less likely to cite reviewing neighbouring municipalities compensation levels as a factor, while this is a common factor for most other municipalities.

Table 8.**Factors considered in council compensation reviews, by population size**

	Ensuring councillor pay is competitive	Review of neighbouring municipalities compensation levels	Determined by fiscal capacity of the municipality	Comparison to staff levels of pay
Less than 4,999	28%	67%	42%	6%
5,000 – 9,999	41%	86%	39%	9%
10,000 – 24,999	43%	75%	32%	11%
25,000 – 49,999	50%	88%	38%	6%
50,000 – 99,999	50%	63%	44%	19%
100,000 – 249,999	64%	91%	45%	27%
More than 250,000	67%	50%	33%	17%

5 CONCLUSION

While compensation is not the only factor when considering representation on local councils, it is an important one. We hope that this report will serve as a valuable resource for municipalities as they review their council compensation. Going forward to hope to continue to conduct this survey and continue to equip municipalities with tools to make better evidence-based decisions.

6 APPENDICES

Appendix A. Full survey results

What is the population of your municipality?	
Fewer than 10,000	60%
10,000 – 50,000	27%
50,000 – 100,000	6%
100,000 – 250,000	4%
More than 250,000	2%

What type is your municipality?	
Upper Tier	6%
Lower Tier	58%
Single Tier	35%

Where is your municipality located?	
Central Ontario	16%
Eastern Ontario	22%
Northern Ontario	32%
Southwestern Ontario	30%

How many members of council does your municipality have (including heads of council)?

5 Members	42.80%
6 Members	1.17%
7 Members	30.74%
8 Members	3.50%
9 Members	9.73%
10 Members	1.95%
11 Members	2.72%
12 Members	1.17%
13 Members	2.33%
16 Members	0.78%
17 Members	0.78%
18 Members	0.39%
21 Members	0.39%
23 Members	0.39%
25 Members	0.39%
31 Members	0.39%
45 Members	0.39%

Is the head of council in your municipality full-time or part-time?

Full time	14%
Part time	86%

Are the members of council in your municipality full-time or part-time?

Full time	6%
Part time	94%

Is the head of council in your municipality paid or volunteer?

Paid a salary	44%
Paid an honorarium/stipend	56%

Are the members of council in your municipality paid or volunteer?

Paid a salary	42%
Paid an honorarium/stipend	58%

If the head of council in your municipality is paid an honorarium, how much is it?

Per meeting	7%
Less than 5,000	12%
\$5,000 - 10,000	23%
\$10,000 - 20,000	26%
\$20,000 - 40,000	27%
\$40,000 - 60,000	3%
\$60,000 - 80,000	1%
More than 80,000	1%

If the head of council in your municipality is paid a salary how much is it?

Less than \$20,000	18%
\$20,000 - 40,000	47%
\$40,000 - 60,000	12%
\$60,000 - 80,000	8%
\$80,000 - 100,000	8%
\$100,000 - 120,000	2%
More than \$120,000	5%

If members of council in your municipality are paid an honorarium how much is it?

Per meeting	9%
Less than \$5,000	19%
\$5,000 - 10,000	34%
\$10,000 - 20,000	34%
\$20,000 - 40,000	4%
\$40,000 - 60,000	1%
\$60,000 - 80,000	0%
More than \$80,000	0%

If the members of council in your municipality are paid a salary how much is it?

Less than \$20,000	67%
\$20,000 - 40,000	25%
\$40,000 - 60,000	5%
\$60,000 - 80,000	0%
\$80,000 - 100,000	2%
\$100,000 - 120,000	0%
More than \$120,000	1%

Do you provide any other remuneration or benefits for your councillors?

Mileage Reimbursement	87%
Car Allowance	14%
Travel Expenses	80%
Pension Contribution	16%
Group Benefits Package	33%
Newsletters/Printing	8%
Cellphone Reimbursement	40%
Training/Professional Development/Conference Attendance	86%

When was the last time that you reviewed council compensation in your municipality?

Not sure	13%
Within the last year	33%
Within the last four years	43%
Within the last ten years	11%

What factors did you use to determine compensation for your councillors/head of council?

Comparison to staff levels of pay	10%
Determined by fiscal capacity of the municipality	39%
Ensuring that councillor pay is competitive	39%
Review of neighbouring municipalities compensation levels	74%

Appendix B.

When was the last time that you review council compensation in your municipality?

	Within the last year	Within the last four years	Within the last ten years
By Population			
Less than 4,999	41%	46%	13%
5,000 – 9,999	36%	56%	8%
10,000 – 24,999	33%	52%	14%
25,000 – 49,999	21%	57%	21%
50,000 – 99,999	54%	38%	8%
100,000 – 249,999	30%	40%	30%
More than 250,000	50%	50%	0%
By Region			
Central Ontario	46%	38%	16%
Eastern Ontario	35%	54%	10%
Northern Ontario	37%	51%	12%
Southwestern Ontario	36%	50%	14%

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