

To: City Council

From: Tracy Adams, Chief Administrative Officer,
Office of the C.A.O.

Report Number: CNCL-24-75

Date of Report: June 19, 2024

Date of Meeting: June 24, 2024

Subject: Review of Council Remuneration By-law

Ward: All Wards

File: 03-05

1.0 Purpose

The purpose of this report is seek Council direction on a review the Council Remuneration By-law 39, 2005, as amended.

Attachment 1 is a copy Council Remuneration By-law 39-2005, as amended.

2.0 Recommendation

It is recommended to City Council:

That Council select an Option as outlined in Section 5.2 of Report CNCL-24-75.

3.0 Executive Summary

Not applicable.

4.0 Input From Other Sources

- Finance Services
- Human Resource Services

5.0 Analysis

5.1 Background

At its meeting of December 18, 2018, Council adopted a resolution to amend the base salary for all Members of Council to reflect the same net salary after the elimination of the one third tax free allowance.

At its meeting of December 2, 2019, a motion related to Council's Compensation including the unbundling of the Retirement Benefits and severance package Lost. Therefore, no further review of the By-law was undertaken in that term of Council. Attachment 1 is the By-law.

5.2 Report CNCL-24-74 – Council Remuneration By-law Update – OMERS

Report CNCL-24-74 concerning an update to Council Remuneration By-law 39-2005, as amended ("the By-law") related to OMERS provides information as it relates to the retirement allowance package specifically the implications of Councillors joining the Ontario Municipal Employee Retirement System ("OMERS") plan.

Depending on the recommendation Council adopts related to Report CNCL-24-74, a review of By-law 39-2005, as amended will be required in order to update the Retirement Allowance portion of the By-law.

Option 1

If Council wishes to undertake a review of Council Remuneration By-law 39-2005, as amended, and modernize the By-law, the following motion should be moved:

"That in accordance with Report CNCL-24-75 dated June 19, 2024 concerning a Review of Council Remuneration By-law 39-2005, as amended:

1. Staff be directed to review Council Remuneration By-law 39-2005, as amended to include consideration of un-bundling the retirement benefits and severance package; and,
2. That staff be directed to review Council Remuneration By-law 39-2005, as amended to review redundancies and perform other housekeeping amendments which may be required; and,
3. That staff report back to Council with a new proposed Council Remuneration By-law."

Option 2

If Council wishes to undertake a review of Council Remuneration By-law 39-2005, as amended, to unbundle the retirement benefits and severance package, the following motion should be moved:

“That in accordance with Report CNCL-24-75 dated June 19, 2024 concerning a Review of Council Remuneration By-law 39-2005, as amended:

1. Staff be directed to review Council Remuneration By-law 39-2005, as amended to include consideration of un-bundling the retirement benefits and severance package; and,
2. That staff report back to Council with an amending By-law to affect the change.”

Option 3

If Council does not wish to undertake a review of Council Remuneration By-law 39-2005, the following motion should be moved:

“That Report CNCL-24-75 dated June 19, 2024 concerning a Review of Council Remuneration By-law 39-2005, as amended be received for information.”

6.0 Financial Implications

There are no financial implications related to this report.

7.0 Relationship to the Oshawa Strategic Plan

The recommendations in this Report support the Oshawa Strategic Plan Goal of Accountable Leadership.



Mary Medeiros, Director, Legislative Services/City Clerk,



Stephanie Sinnott, Commissioner,
Corporate and Finance Services Department



Tracy Adams, Chief Administrative Officer,
Office of the C.A.O.

City Council Remuneration By-Law

Consolidated By-law 39-2005 approved March 30, 2005.

Amended by By-laws 32-2010, 58-2010, 25-2011, 72-2011, 110-2018 and 95-2023.

**Note: This consolidated version of By-law 39-2005 is prepared for convenience only.
For accurate reference please review the original by-laws.**

Consolidated By-Law 39-2005 Of The Corporation of the City of Oshawa

Being a by-law for the determining, fixing and paying remuneration, salary, allowances, and a retirement allowance package to the Mayor and members of Council and to repeal By-law 55-99 of The Corporation of the City of Oshawa.

It is enacted as a by-law of The Corporation of the City of Oshawa as follows:

1.00 Remuneration of the Mayor

- 1.01 Subject to Sections 1.02 and 3.03 there shall be paid to the Mayor of The Corporation of the City of Oshawa, as Head of Council, the maximum sum of \$70,980 per annum, effective from December 1, 2004.
- 1.02 The Mayor incumbent at the time of passage of this By-law shall continue to receive remuneration at the level provided for in By-law No. 55-99, as amended, unless and until the incumbent exercises the option to receive a greater amount, up to the maximum established by Section 1.01. The option must be exercised within thirty (30) days of the date of passage of this By-law, by written notice to the City Clerk, stipulating the new remuneration rate and the date of its effect, which date shall not be earlier than December 1, 2004.
- 1.03 The option addressed in Section 1.02 may be exercised outside of the thirty (30) day time period referenced with the approval of City Council.
- 1.04 All future Mayors shall have the right to designate their remuneration levels by written notice to the City Clerk, within thirty (30) days of taking office, subject to the maximum prescribed by Section 1.01. For clarification, the incumbent Mayor is considered a "future Mayor" for purposes of this Section, upon success in the following municipal election.

2.00 Remuneration of City Councillors, Excepting the Mayor

- 2.01 Subject to Sections 2.02, 2.03, 2.04, 2.06 and 3.03, there may be paid to each member of Council of The Corporation of the City of Oshawa, except the Mayor, the maximum sum of \$29,225 per annum, effective from December 1, 2004.
- 2.02 Subject to Section 3.03, in addition to any remuneration otherwise payable under this By-law, the maximum sum of \$3,250 per annum may be paid to the Deputy Mayor and to the Chair of each Standing Committee and Special Committee of Council, effective from their date of appointment.

- 2.03 Subject to section 3.03, in addition to any remuneration otherwise payable under this By-law, the maximum sum of \$1,625 per annum may be paid to the Vice-Chair of each Standing Committee and Special Committee of Council, effective from their date of appointment.
- 2.04 The Councillors incumbent at the time of passage of this By-law shall each continue to receive remuneration at the level provided for in By-law No. 55-99, as amended, unless and until the incumbent exercises the option to receive a greater amount, up to the maximum established by Section 2.01 and, where applicable, Section 2.02. The option must be exercised within thirty (30) days of the date of passage of this By-law, by written notice to the City Clerk, stipulating the new remuneration rate and the date of its effect, which date shall not be earlier than December 1, 2004.
- 2.05 Subject to Section 3.03, the Deputy Mayor, Chairs and Vice-Chairs of Standing and Special Committees of Council incumbent at the time of passage of this By-law shall continue to receive remuneration at the levels previously elected by them under By-law No. 55-99, as amended.
- 2.06 All future Councillors shall have the right to designate their remuneration levels by written notice to the City Clerk, within thirty (30) days of taking office, subject to the maximum prescribed by Section 2.01 and, where applicable, Section 2.02. For clarification, each incumbent Councillor is considered a "future Councillor" for purposes of this Section, if he or she is successful in the following municipal election.
- 2.07 All future Deputy Mayors, Chairs and Vice-Chairs of Standing and Special Committees of Council shall have the right to designate their remuneration levels associated with such appointments by written notice to the City Clerk, within thirty (30) days of their appointment as such, up to the amounts prescribed by Sections 2.02 and 2.03, as applicable.
- 2.08 The options addressed in Sections 2.04, 2.06 and 2.07 may be exercised outside of the thirty (30) day time period referenced with the approval of City Council.

3.00 General Payment Provisions for Remuneration Set out in Articles 1.00 and 2.00

- 3.01 Councillors and the Mayor hold office for a term of four (4) years, from November 15 in the year of election to November 14 four years later. Remuneration to Councillors, Committee Chairs, Vice-Chairs, the Deputy Mayor and the Mayor pursuant to this By-law shall be paid bi-weekly during this term. In the event that a Councillor, Committee Chair, Vice-Chair, the Deputy Mayor or the Mayor ceases to hold elected office or ceases to be appointed as Chair or Vice-Chair of a Committee of Council, or as the Deputy Mayor, as the case may be, at some point during the term, his or her remuneration shall be reduced by an amount proportionate to the period in the year during which the member did not hold office and the said amount shall be deducted from the salary payable to such member. (32-2010, 95-2023)

- 3.02 No remuneration shall be paid to Councillors or to the Mayor for participation on outside agencies on behalf of City Council.
- 3.03 The maximum remuneration rates specified in Sections 1.01, 2.01, 2.02, 2.03 and 2.04 of this By-law shall be adjusted annually to reflect an increase which is identical to any increase provided to City staff through the City's collective agreements with Canadian Union of Public Employees Locals 250 and 251 and, where the two increases differ, the adjustment for the purposes of this By-law shall be an average of the two increases. Notwithstanding the foregoing, where such adjustment is insufficient to maintain salaries for the Mayor or Councillors at least at the fiftieth percentile of compensation provided for the mayors and members of council of the comparator municipalities, as established in the Oshawa City Council – 2005 Compensation Review dated March, 2005, an additional upward adjustment shall be applied to maintain the Mayor and/or Councillors, as the case may be, at the fiftieth percentile.
- 3.04 For purposes of calculation of increases pursuant to Section 3.03, the period from the date of passage of this By-law to November 30, 2005, shall be excluded from the annual adjustment provided for in Section 3.03. Subsequent adjustments shall reflect an actual term running from November 15 to November 14. Each November 15, the increase shall be calculated as the increase rate applicable pursuant to Section 3.03, which was provided within the collective agreement for that same calendar year, and applied to the twelve month period commencing that November 15, and ending November 14 in the following year. (95-2023)
- 3.05 No remuneration payable under this By-law, as may be amended from time to time, may be deferred for payment at some future date. (72-2011)

4.00 Mileage Expenses for Council Members

- 4.01 Each Council Member shall have the option of designating whether he or she will receive reimbursement for car mileage expenses at the rate and in the manner designated by City Council for staff, or whether he or she will receive a flat rate car allowance to a maximum amount of one hundred (\$100.00) dollars per week.
- 4.02 Designations pursuant to Section 4.01 for incumbent Council Members must be made in writing to the City Clerk within thirty (30) days of the date of passage of this By-law. Designations pursuant to Section 4.01 for future Council Members must be made in writing to the City Clerk within thirty (30) days of taking office.
- 4.03 Where a Council Member has elected pursuant to Section 4.01 to receive a car allowance rather than reimbursement for car mileage, that sum shall be added to the remuneration payable pursuant to Section 2.01, and paid in accordance with Section 3.01.

4.04 Where a Council Member has elected pursuant to Section 4.01 to receive a car allowance rather than reimbursement for car mileage, the annual adjustment set out in Section 3.03 of this By-law does not apply to that payment. Increases in the amount of that payment, if any, are subject to City Council approval. (25-2011)

5.00 Retirement Allowance Package

5.01 Each Mayor and Councillor incumbent at the time of passage of this By-law must elect whether or not he or she wishes to be eligible for the retirement allowance package in accordance with this Article within thirty (30) days after the date of the passage of this By-law, by written notice to the City Clerk. That election shall stand for that member of Council for this term and all future terms that he or she is elected to.

5.02 Each future Mayor and Councillor who was not incumbent at the time of passage of this By-law must elect whether or not he or she wishes to be eligible for the retirement allowance package in accordance with this Article within thirty (30) days after the date of his or her taking office, by written notice to the City Clerk. That election shall stand for that member of Council for the term of the election and all future terms that he or she is elected to.

5.03 Where a Mayor or Councillor has elected under Section 5.01 or 5.02 to be eligible for the retirement allowance package, and that person leaves office for any reason set out in Section 5.04, after having served as a Mayor or Councillor for more than the immediately preceding four years, he or she shall receive a payment calculated in accordance with Section 5.05. (32-2010)

5.04 Payments pursuant to Section 5.03 may be made to any Mayor or Councillor leaving office due to:

(a) Death;

(b) Permanent disability;

(c) Voluntary cessation of office;

(d) Non-success in a municipal election; or

(e) Discontinuance or elimination of the position by Provincial action.

5.05 The payment pursuant to Section 5.03 shall be based on the remuneration level that the Mayor or Councillor in question is receiving at the time of his or her leaving office, including remuneration in respect of an appointment as Chair and/or Vice-Chair of a Standing or Special Committee of Council and/or as Deputy Mayor. The payment shall be calculated as one month's salary per year of continuous service on Council to a maximum of eighteen (18) months' salary.

5.06 The election pursuant to Sections 5.01 and 5.02 may be made outside the prescribed time periods with the approval of City Council.

5.07 Where a Mayor or Councillor leaves office for any reason set out in Section 5.04 on or after March 30, 2005, after having served as a Mayor or Councillor for not less than fifteen (15) years, consecutively or cumulatively, the City of Oshawa shall provide Extended Health (drugs, vision-care and semi-private hospital) and Dental Coverage, subject to payment by the Mayor or Councillor, as the case may be, of five *per cent* (5%) of the dental premium, provided that such coverage shall cease on the last day of the month in which the Councillor turns sixty-five (65) years of age.

Where a Mayor or Councillor leaves office for any reason set out in Section 5.04 on or after June 28, 2010, who is not eligible for the above coverage may purchase from the City at cost Extended Health (drug, vision-care and semi-private hospital) coverage. (58-2010)

- 5.08 Where a Mayor or Councillor has elected under Section 5.01 or 5.02 to be eligible for the retirement allowance package, the City will provide to each such member of Council, including the Mayor, either of the following:
- a) for any member who is enrolled in OMERS, the employer's contributions shall be paid in respect of all compensation payable under this By-law; or
 - b) for any member who is not enrolled in OMERS, in lieu of a pension plan, an amount equal to 6% of all compensation paid to a member, including the Mayor, under this By-law, or such higher amount as is equal to the employer's contributions referred to in sub-paragraph a).

5.09 Each Mayor and Councillor incumbent at the time of passage of this By-law shall, provided he or she has elected under Section 5.01 to be eligible for the retirement allowance package, be entitled to the payment referred to in Section 5.08(b) for each year of service on City Council occurring prior to 2005, calculated on the remuneration actually paid in each year under this, or any predecessor by-law providing for remuneration to the Mayor or Councillors.

6.00 Miscellaneous

- 6.01 This By-law shall take effect on the date of its passage.
- 6.02 By-law 55-99, as amended, is repealed.
- 6.03 This By-law review shall be coordinated by City staff in the third year of each term of Council, commencing with the 2018-2022 term. (110-2018)

By-law read a first, second and third time and finally passed this thirtieth day of March, 2005.

Original Signed By Mayor

Original Signed By City Clerk