Agenda – Executive Policy Committee – July 15, 2020

Report - Governance Committee of Council – June 17, 2020

Item No. 2 Review of Winnipeg's Elected Officials' Compensation

COMMITTEE RECOMMENDATION:

On June 17, 2020, The Governance Committee of Council concurred in the recommendation of the Winnipeg Public Service and submitted the following to Council:

1. That no change to the level of compensation for the City of Winnipeg's Elected Officials occur as a result of this review.

2. That the Elected Officials Compensation By-law No. 158/2011 be amended to allow for the following:

    A. The payment of a severance to a member of Council who is forced to resign due to permanent illness which, in the opinion of the Speaker of Council and based on the written report of a medical doctor, disables the person from performing their duties as a member of Council, or if they die while in office.

    B. That Notice of the decision of the Speaker be provided to Council by way of a Communication to be submitted directly to and placed on an agenda of a Council meeting, for information.

3. That a review of the Elected Officials compensation occur in 2028, or sooner if deemed necessary, with report back to Council with any recommended amendments.

4. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

Report - Governance Committee of Council – June 17, 2020

DECISION MAKING HISTORY:

GOVERNANCE COMMITTEE OF COUNCIL RECOMMENDATION:

On June 17, 2020, the Governance Committee of Council concurred in the recommendation of the Winnipeg Public Service and submitted the matter to the Executive Policy Committee and Council.

COUNCIL DECISION:

On October 24, 2019, Council granted an extension of time of up to 120 days for the Winnipeg Public Service to report to Council with a review of the Elected Officials Compensation.

On September 28, 2011, Council directed that a review of the Elected Officials Compensation be conducted every eight years.

ADMINISTRATIVE REPORT

Title: Review of Winnipeg's Elected Officials' Compensation

Critical Path: Governance Committee of Council - Executive Policy Committee - Council

AUTHORIZATION

Author	Department Head	CFO	CAO
C. Gameiro	M. Lemoine	N/A	N/A

EXECUTIVE SUMMARY

On September 28, 2011 Council adopted recommendations related to the review of Winnipeg's Elected Officials' Compensation conducted by Michael Werier. Recommendation 2 of that report required a review of Elected Officials compensation to be conducted after every eight years.

A cross jurisdictional scan of compensation levels and severance payments for Elected Officials revealed that Winnipeg Elected Officials have maintained an approximate mid-range level of salaries. The scan also found that while there are discrepancies on regulations on severance payments for persons leaving office, most jurisdictions make allowances for persons who are forced to leave office due to illness, while currently Winnipeg's Elected Officials Compensation By-law does not.

RECOMMENDATIONS

1. That no change to the level of compensation for the City of Winnipeg's Elected Officials occur as a result of this review.

2. That the Elected Officials Compensation By-law No. 158/2011 be amended to allow for the following:

    A. The payment of a severance to a member of Council who is forced to resign due to permanent illness which, in the opinion of the Speaker of Council and based on the written report of a medical doctor, disables the person from performing their duties as a member of Council, or if they die while in office.

    B. That Notice of the decision of the Speaker be provided to Council by way of a Communication to be submitted directly to and placed on an agenda of a Council meeting, for information.

3. That a review of the Elected Officials compensation occur in 2028, or sooner if deemed necessary, with report back to Council with any recommended amendments.

4. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

REASON FOR THE REPORT

On September 28, 2011, Council directed the Winnipeg Public Service to conduct a review of the Elected Officials Compensation every eight years.

IMPLICATIONS OF THE RECOMMENDATIONS

- The Elected Officials Compensation By-law No. 158/2011 will need to be amended to allow for the payment of severance to a member of Council who is forced to resign due to permanent illness;
- The amendment may result in increased severance payments;
- The Speaker will work with the Winnipeg Public Service and to determine if a member of Council should receive a severance as a result of resignation due to illness.

HISTORY/DISCUSSION

On April 18, 2011, the Governance Committee of Council directed that a review of Winnipeg's Elected Officials compensation be undertaken by an independent third party consultant, with specific focus on the 1/3 of their salary being tax exempt.

The review conducted by Michael D. Werier studied the previous 40 years of elected officials compensation in Winnipeg and examined compensation of elected officials of all major cities across the country, and Members of the Manitoba Legislature.

On September 28, 2011 Council adopted the recommendations of the Werier report which resulted in:

- The role of Elected Official being considered full-time;
- The elimination of making 1/3 of their salary tax-free, and instead making the salaries be grossed up accordingly, so that take home pay remains the same;
- Pensions for Elected Officials being based on the new salaries to be provided;
- Elected Official salaries continuing to be adjusted annually in accordance with existing legislation, starting on January 1, 2012;
- The establishment of a severance package of 3 weeks salary for each year of service as an Elected Official, up to a maximum of 6 months, being provided to Elected Officials at the end of their service.
- That a review of the Elected Officials compensation be conducted after every eight years.

Elected Official Salaries

The Werier report stated that the process for cost of living increases be continued as "it exists in other jurisdictions and is a good way to reflect the economic conditions". Accordingly, On December 14, 2011, Council enacted the Elected Officials Compensation By-law No. 158/2011 (the By-law). The By-law set the salary level for members of Council in 2011 and provided for annual increases equal to the annual percentage of increases to the average national salary (excluding overtime), as published by Statistics Canada.

Council amended the By-law in 2014, by reducing the top up members of Executive Policy Committee, the Speaker and the Deputy Speaker receive by virtue of position by 50%. The Mayor's salary was also reduced by an amount equal to the reduction to be applied to Executive Policy Committee members.

A cross jurisdictional scan of compensation levels of Elected Officials in eight major Canadian cities, as well as Provincial and Federal Elected Officials, was conducted in 2019. The review found that as in 2011, Winnipeg has maintained an approximate mid-range level of salaries for Elected Officials. Results are shown in Appendix A and B. Winnipeg's Elected Officials also receive other benefits related to employment including pension, access to health care benefits including vision and dental benefits, severance and automatic yearly increases to salary based on inflation. Based on Winnipeg's ranking in comparison to other major Canadian cities and the benefits in place, no change to the salary level is being recommended at this time.

Severance

Members of Council are not entitled to receive unemployment benefits if they are not reelected. There are also no provisions for elected officials to receive disability payments should they be forced to resign their seat due to a permanent debilitating illness. The severance payment is intended to provide for the transition to private life and is based usually on the number of years of service in those Cities that have this benefit in place.

The recommendations of the Werier report in 2011 also resulted in the establishment of a severance package for elected officials in Winnipeg. Elected officials who choose not to run for re-election, or are defeated in an election are entitled to receive a severance package of three (3) weeks salary for each year of consecutive service, up to a maximum of six (6) months salary. Elected officials who cease to be a member of Council for any other reason, including resignation from office for any reason, removal by reason of criminal conviction, fraud or municipal corruption, cannot be paid a severance.

The cross jurisdictional review conducted (Appendix C) revealed that other cities provide a varying degree of severance to elected officials ranging from the equivalent of a full year's salary to none at all. The regulations on the payment of the severance are also diverse. Some municipalities do not have any restrictions or conditions for the payment of the severance, while others do not pay a severance to Members of Council who resign mid-term, are elected at another level of government, or are returning directly to their previous place of employment which they held prior to serving on City Council.

In comparison to the eight cities surveyed, the City of Winnipeg's Elected Officials Compensation By-law 158/2011 has among the most restrictive requirements for the payment of severance. The by-law states that no severance remuneration is payable to a member of Council who ceases to be a member of Council for any reason, other than choosing not to run for re-election, or if they are defeated in an election. It is worth noting that while only two other cities disqualify an elected official from receiving a severance if they resign prior to the completion of their term, the House of Commons does make exceptions for individuals who *"in the opinion of the Speaker of the House"* are forced to resign due to permanent illness, or if they die while in office. The Speaker is required to provide notice of their decision to members of the House of Commons by means of a statement in the House.

The Werier report was specific in recommending that the severance should not be paid to an elected official who chooses to resign, but it did not address the question of whether a severance should be paid if the elected official becomes unable from performing their duties as a member of Council due to permanent debilitating illness and is forced to resign as a result.

The argument could be made that an elected official that chooses to resign does so by their own choice, knowing that they will not be entitled to receive a severance, while an elected official who is forced to resign due to permanent illness does not. Accordingly, this report is recommending an amendment to the Elected Officials Compensation By-law 158/2011 to allow for the payment of a severance to elected officials who are forced to resign their seat on Council due a permanent illness which prevents them from fulfilling their duties.

FINANCIAL IMPACT

Financial Impact Statement **Date:** January 24, 2020

Project Name:
Review of Winnipeg's Elected Officials' Compensation

COMMENTS:
There are no immediate financial implications associated with the recommendations in this report.
However, future payments may occur as a result of the by-law amendment but are not determinable.

Original signed by T. Yanchishyn
Tanis Yanchishyn
Manager of Finance (Campus)
Corporate Finance Department

CONSULTATION

Human Resource Services
Corporate Finance
Winnipeg Civic Employees Benefit Program

OURWINNIPEG POLICY ALIGNMENT

The recommendations contained in this report align with OurWinnipeg Direction 1: Provide efficient and focused civic administration and governance.

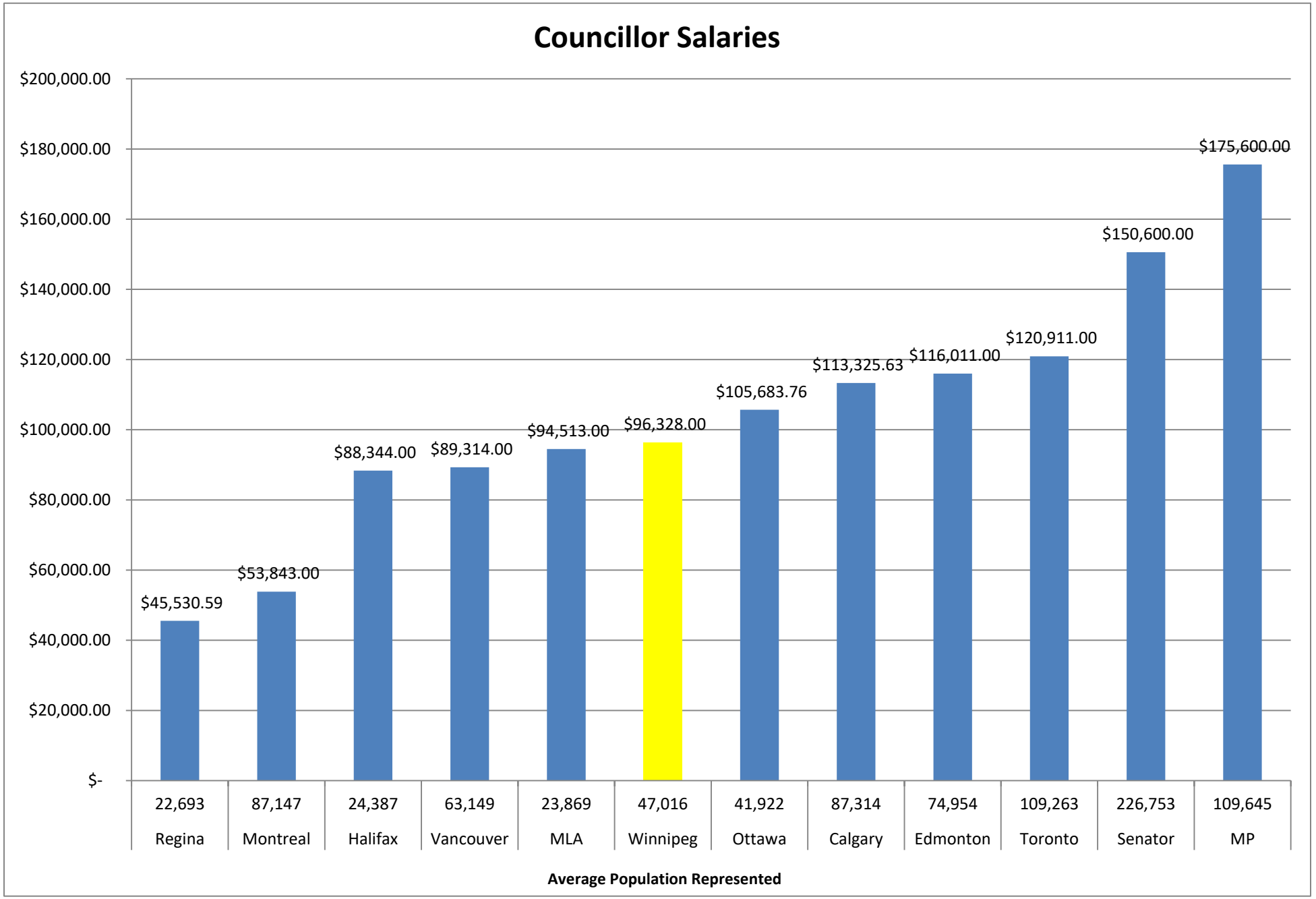
SUBMITTED BY

Department: City Clerks
Prepared by: C. Gameiro, Deputy City Clerk
Date: January 23, 2020

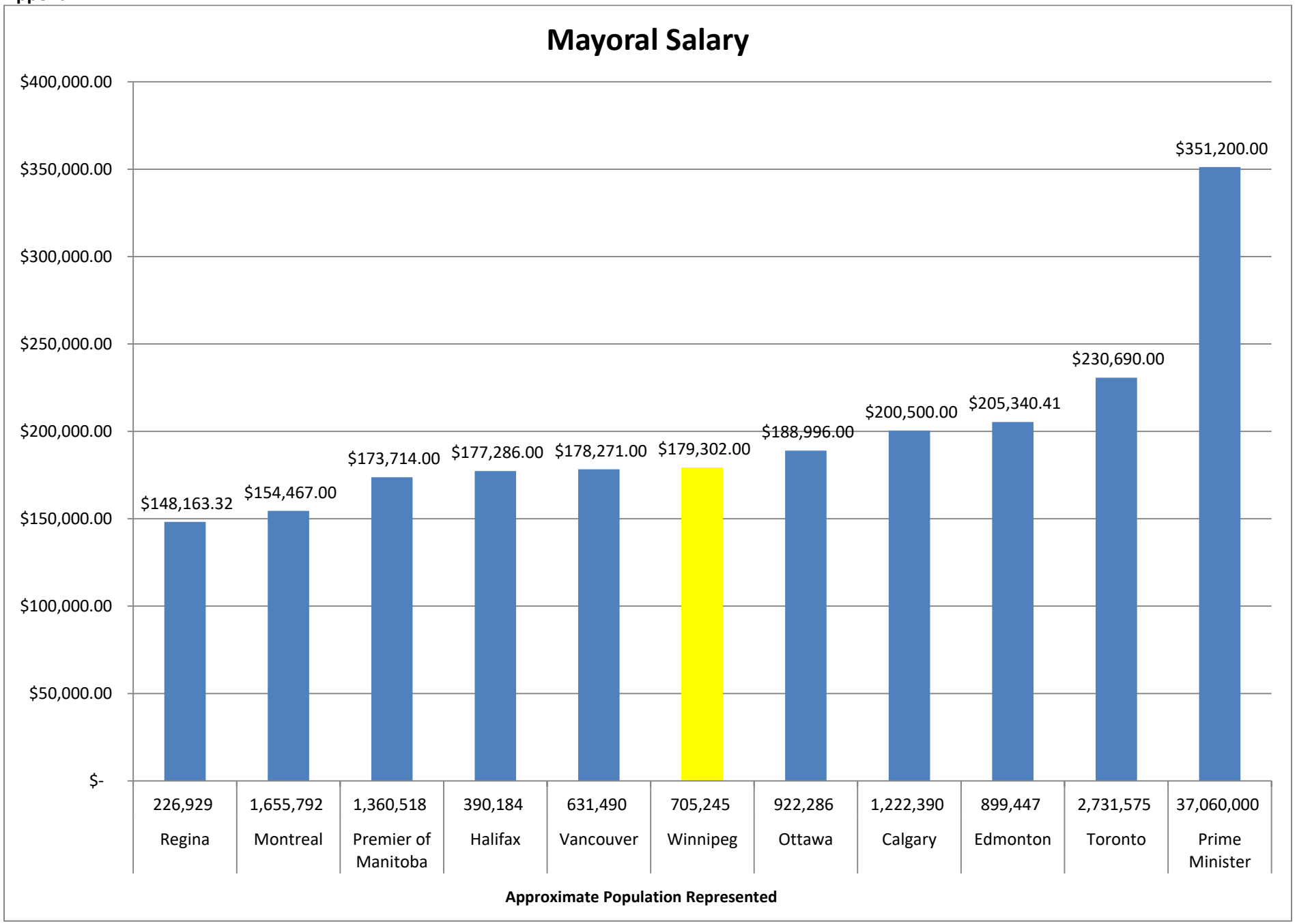
ATTACHMENTS:

Appendix A – Councillor Salaries
Appendix B – Mayoral Salaries
Appendix C – Severance for Elected Officials

Appendix A


Councillor Salaries
$200,000.00
$180,000.00
$160,000.00
$140,000.00
$120,000.00
$100,000.00
$80,000.00
$60,000.00
$40,000.00
$20,000.00
$-
$45,530.59
$53,843.00
$88,344.00
$89,314.00
$94,513.00
$96,328.00
$105,683.76
$113,325.63
$116,011.00
$120,911.00
$150,600.00
$175,600.00
22,693 Regina
87,147 Montreal
24,387 Halifax
63,149 Vancouver
23,869 MLA
47,016 Winnipeg
41,922 Ottawa
87,314 Calgary
74,954 Edmonton
109,263 Toronto
226,753 Senator
109,645 MP
Average Population Represented

Appendix B


Mayoral Salary
$400,000.00
$350,000.00
$300,000.00
$250,000.00
$200,000.00
$150,000.00
$100,000.00
$50,000.00
$-
$148,163.32
$154,467.00
$173,714.00
$177,286.00
$178,271.00
$179,302.00
$188,996.00
$200,500.00
$205,340.41
$230,690.00
$351,200.00
226,929 Regina
1,655,792 Montreal
1,360,518 Premier of Manitoba
390,184 Halifax
631,490 Vancouver
705,245 Winnipeg
922,286 Ottawa
1,222,390 Calgary
899,447 Edmonton
2,731,575 Toronto
37,060,000 Prime Minister
Approximate Population Represented

Appendix C

Severance for Elected Officials

City	Severance	Conditions	Restrictions
Regina	No severance provided		
Halifax	No severance provided		
Vancouver	1 week salary for each year in office	Must serve their full term of office	
Winnipeg	3 weeks salary for each year of consecutive service, up to a maximum of six (6) months	Must serve their full term of office	Not eligible if removed from office by reason of criminal conviction for fraud or municipal corruption
Ottawa	1 month pay for every year of service, up to 6 months	Must serve their full term of office	Not eligible if elected at another level of government or municipality, or are returning directly to their previous place of employment.
Edmonton	3 weeks of pay for each year in office, to a maximum of 36 weeks	"Upon the conclusion of their service"	
Calgary	2 weeks of pay for each year in office, to a maximum of 26 years of service		
Montreal	2 weeks of pay for each year in office, to a maximum of one years' salary	Severance is paid after 2 or more years of credited service	
Toronto	1 month of pay for every year of service, to a maximum of 1 year's salary	Must serve for a minimum period of 30 days	Not eligible if convicted of certain offences under the Criminal Code of Canada.
Manitoba MLA	1 month salary for each year of service with a minimum payment is 3 months' pay and a maximum of 12 months' pay.	The Member has the option of receiving the payment in a lump sum (Severance) payment or bi-weekly (Transition) payments.	Not eligible to receive the Transition payment if the Member is drawing pension from the Legislative Assembly Pension Plan during the period of transition.
Member of Parliament	If serving less than 6 years, and not eligible for pension (age 55), MPs become eligible for a one time severance payment worth 6 month's pay. Supplementary severance for members who are under 55, but served more than 6 years, equal to maximum of one year's salary	A Member must holds a seat in the House of Commons on the day of a dissolution of the House unless they ceases to be a member of the House by reason of any permanent illness or infirmity	Severance allowance shall not be paid to or in respect of a person who is entitled to and elects to receive a disability allowance
Member of the Senate	No severance provided		