

Gross Compensation and Differentials

Recommendation:

That the July 16, 2012, Corporate Services report 2012COH021, be received for information.

Report Summary

This report provides information regarding Council compensation differential history.

Previous Council/Committee Action

At the June 25, 2012, Independent Council Compensation Committee meeting, the following motion was passed:

That Administration provide a report to the Independent Council Compensation Committee outlining:

- a) current salary and benefits without one-third tax free portion ("grossed-up") and the implications for total compensation
- b) reasons for the compensation differential between Mayor and Councillors

Report

Due to the timing of information availability and the report submission timeline, the response to part (a) of the motion will not be available until the next scheduled meeting of the Committee.

In reviewing past Council activity with respect to identifying policy and/or the reasons for the compensation differential between Mayor and Councillors, the following motion was

passed by Edmonton City Council, September 12, 1989:

At the regular meeting of City Council held on Tuesday, September 12, 1989, the following recommendations from the Aldermanic House Committee were concurred with:

2. (a) That Aldermanic remuneration be set at \$44,322.00.
- (b) That the increase be paid in equal installments on May 1, 1989, May 1, 1990 and May 1, 1991.
- (c) That the remuneration of the Mayor be twice that of an Alderman.

In 2000, The City of Edmonton, Members of Council Remuneration and Benefits Review created a framework of fundamental principles with respect to Council salary establishment. These principles have been extracted from that document and are contained in Attachment 1.

Typically, organizations will create a compensation framework that balances internal equity with an organization's ability to pay.

Attachments

1. City of Edmonton, Members of Council Remuneration and Benefits Review 2000

City of Edmonton, Members of Council Remuneration and Benefits Review 2000

Extract (p. 5)

Fundamental Principles

The ability of the City to attract talented, community service oriented individuals to leadership roles as elected municipal officials profoundly affects what our community is now and what it will become in the future. In a democracy it is essential that every citizen should have the opportunity to seek public office. Therefore, when making decisions with respect to compensation policy it is important that compensation levels be adequate to allow a broad range of candidates to seek election. While a strong community service orientation is important, the City would not be served well if compensation levels limit access to public office to only those citizens who are sufficiently wealthy that they can afford to serve.

Accordingly, in arriving at the recommendations detailed in this report, The Committee attempted to ensure that the total compensation package for Members of Council would:

- Provide adequate compensation and benefits to enable a broad range of citizens from all walks of life to seek public office;
- Reflect the responsibilities, time commitments and accountability associated with the position;
- Consider the opportunity costs associated with interrupting one's career to serve in public office;
- Be comparable to equivalent positions in other jurisdictions across the country, while taking into account variations in the cost of living;
- Make appropriate provisions to support access by Members of Council to educational and professional development programs that facilitate increased effectiveness in fulfilling their leadership roles; and
- Enable compensation adjustments to be made on a prudent and regular basis.

It is also important to note that The Committee believes that being a Member of Council is a full time, demanding job that carries with it high expectations for performance and public accountability. The Committee's recommendations relating to compensation levels which follow, reflect the importance and high expectations associated with these critical leadership positions.