

# **Managers' Reports**



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# Request for Recommendation Priorities Committee

Type of Decision									
Meeting Date	April 19, 2006				Report Date	April 12, 2006			
Decision Requested	X	Yes		No	Priority	X	High		Low
	Direction Only				Type of	X	Open		Closed

Report Title
Report to Establish a Citizens' Panel on Council Remuneration

Budget Impact & Policy Implication		Recommendation
N/A	This report has been reviewed by the Finance Division and the funding source has been identified.	<p>Whereas the Priorities Committee at their meeting of March 22, 2006, recommended that eight topics related to governance be reviewed and brought back to the Priorities Committee of Council</p> <p>And whereas the Priorities Committee endorsed a series of general recommendations related to the establishment of a committee or task force to consider Council remuneration</p> <p>Now therefore be it resolved that the Priorities Committee endorse the creation of the Citizens' Panel on Council Remuneration as described in the report from the Executive Director, Administrative Services dated April 12, 2006</p> <p>And that model _____ be selected as the model for the membership of the Citizens' Panel on Council Remuneration.</p>
X	Background Attached	

Recommended by the Department	Recommended by the C.A.O.
 Caroline Hallsworth Executive Director, Administrative Services	 Mark Mieto Chief Administrative Officer

Report Prepared By	Division Review
Caroline Hallsworth Executive Director, Administrative Services	Name Title

### **Executive Summary:**

At the Priorities Committee Meeting of March 22, 2006, the Priorities Committee recommended that eight topics related to governance be reviewed and that staff reports, covering each of the governance topics, be brought back to the Priorities Committee during this term. This is the first of these reports and relates to Council remuneration and resources.

### **Background:**

The general recommendations related to Council remuneration and resources that were endorsed by the Priorities Committee are as follows:

- ▶ Citizens' Task Force to be established to consider Council remuneration, resources, draft Code of Ethics or Guidelines as to the use of city resources, and reporting outside of Municipal Act
- ▶ Task Force to be appointed by the former Council, with recommendations to take effect after general municipal election for the new Council
- ▶ Task Force to be advertised and selected by the Nomination Committee of Council and approved by Council Resolution
- ▶ CAO to be directed to prepare a report to Priorities setting out proposed membership (qualities required), budget, staff advisors, time lines and terms of reference
- ▶ CAO's Report to be in the form of a Policy Statement that will be adopted by By-Law
- ▶ Task Force will be created in last year of each term of Council

In any governance or remuneration review, the process and emphasis on how things are decided is as important as the recommendations that are ultimately received by Council. In reviewing the process of governance review used in other communities, it appears that most municipalities use one of two models. In the first model, the services of an external consultant with expertise in governance issues is retained to assist Council with the review. In the other model, a community based committee or task force is charged with completing the review and making recommendations to Council.

Utilizing a Citizens' Panel instills in the public a sense that the process of governance review is transparent, autonomous and community based and invests the recommendations with credibility. Citizens' Panels to review council remuneration are common in American jurisdictions and are increasingly being used by Canadian municipalities. Recently, the cities of Brandon, Edmonton, Halifax, Markham and Ottawa have made use of Citizens' Panels to complete reviews of Councillors' roles and remuneration. A table summarizing the terms of reference and composition of the committees used in some of these communities appears below:

**Mandate, Guiding Principles and Composition of Citizens' Panels in other Canadian Municipalities:**

Municipality	Mandate	Guiding Principles	Composition
Brandon (Report dated February 2006)	To offer short and long-term recommendations to Council with respect to salaries, benefits and other financial and related matters associated with the remuneration of all elected government officials in the City of Brandon.	<ul style="list-style-type: none"> <li>- need to recruit and retain competent people but also individuals committed to civic duty and service</li> <li>- need to maintain fairness to both members of Council and citizens at large</li> <li>- need to neither encourage nor discourage individuals from seeking Council office by virtue of the pay involved</li> <li>- need to ensure that remuneration in Brandon should be compatible with remuneration elsewhere in neighbouring Canadian provinces</li> <li>- need to examine Council salaries in light of the City of Brandon's economic conditions and City employees' salaries</li> </ul>	<ul style="list-style-type: none"> <li>- Political Science professor, University of Brandon appointed by Council to Chair the Panel. Chair appoints</li> <li>- Former Mayor</li> <li>- Former Councillor</li> <li>- Four citizens at large</li> </ul>

Municipality	Mandate	Guiding Principles	Composition
Edmonton (Report due May 26, 2006)	To review and make recommendations to Council on - remuneration provided to members of Council, including base salary, other forms of compensation, benefits, pensions and other allowances and - market adjustment policies	<ul style="list-style-type: none"> <li>- adequate compensation should be provided to attract a full range of citizens from all walks of life as candidates for public office</li> <li>- remuneration should reflect the responsibilities, time commitments and accountability associated with being a member of Council</li> <li>- the City's fiscal and corporate objectives should be considered</li> <li>- adjustments may need to be made on a prudent and regular basis</li> <li>- remuneration should be comparable to that of equivalent positions in other legislative jurisdictions across the country and in the public sector in Alberta</li> </ul>	Committee of five (5) members appointed by Council as follows: <ul style="list-style-type: none"> <li>- one member nominated by the University of Alberta</li> <li>- one member nominated by the Edmonton &amp; District Labour Council</li> <li>- one member nominated by the Chief Justice, Court of Queen's Bench</li> <li>- one member nominated by the Edmonton Chamber of Commerce and</li> <li>- one citizen-at-large</li> </ul>
Halifax (Report dated April 20, 2004)	To review and establish Elected Officials remuneration and develop a policy for future market adjustments	<ul style="list-style-type: none"> <li>- recognize that benefits currently provided to HRM employees constitute an integral part of the overall compensation package</li> <li>- explore ways to determine a fair and supportable formula to determine the appropriate rate of remuneration for members of the Council of the Halifax Regional Municipality on an ongoing basis</li> </ul>	3 members selected from the community, preferably from different geographic areas of the Halifax Regional Municipality

Municipality	Mandate	Guiding Principles	Composition
Ottawa (Report dated November 4, 2004)	<ul style="list-style-type: none"> <li>- To review the one-third, tax free portion of elected representative compensation</li> <li>- review elected representative compensation in general, office and salary budgets and make recommendations to Council in 2004</li> </ul>	<ul style="list-style-type: none"> <li>- compensation must be transparent</li> <li>- members of Council must be accountable for expenditures of public monies, including the establishment of and adjustments to their own compensation</li> <li>- compensation should be appropriate to reflect the demanding nature and responsibilities of that public office in order to attract and retain capable candidates</li> <li>- compensation must be reasonable to both Councillors and the citizens of Ottawa</li> <li>- being a councillor is a full time job</li> <li>- councillors should not be out-of-pocket to perform the duties of their office</li> <li>- level of compensation must reflect public expectations of the job, as well as statutory responsibilities and other duties of public office</li> <li>- amount of compensation can influence the ability to attract good candidates to local government</li> <li>- due to perceived conflict of interest, level of compensation should be established and adjusted from time to time by an arm's length process</li> </ul>	<p>5 members, to be based on expertise and experience in areas such a municipal government, human resources and finance</p> <p>(Note: one member resigned and work was completed by the remaining four members)</p>

The City of Greater Sudbury currently has a "Code of Ethics and Conduct" which appears as Schedule D of the Rules of Procedure By-Law 2002-202. The recommendations brought forward by the Priorities Committee included a review of the Code of Ethics, by the Citizens' Panel, as part of their discussions on the appropriate use and allocation of resources in support of the work of Council.

## **Proposed Terms of Reference: Citizens' Panel on Council Remuneration**

### ***Purpose:***

To review the total remuneration package for members of the Council of City of Greater Sudbury and to make recommendations for a total remuneration package that neither creates incentives nor constructs barriers to attracting the widest possible cross section of qualified individuals from the community, to serve the community for the next term of Council. In addition, the Panel will review the "Code of Ethics and Conduct" and make recommendations regarding the process for regular review of council salaries.

### ***Mandate:***

The Citizens' Panel on Council Remuneration will review and recommend a total remuneration package for members of the Council of the City of Greater Sudbury, based on the span and scope of the role of Councillor as described in Section 224 of the Municipal Act:

- a. To represent the public and consider the well-being and interests of the municipality*
- b. To develop and evaluate the policies and programs of the municipality*
- c. To determine which services the municipality offers*
- d. To ensure that administrative practices and procedures are in place to implement the decisions of council*
- e. To maintain the financial integrity of the municipality*
- f. To carry out the duties of council under this and any other act*

and having consideration for the following guiding principles:

Remuneration should be adequate to attract and retain a full range of citizens, from all walks of life, as candidates for public office;

Remuneration should reflect the responsibilities, time commitments and accountability associated with being a member of Council, balanced by a commitment to civic duty and service;

Remuneration should be fair and reasonable to members of council and to the citizens of Greater Sudbury;

Remuneration should reflect the City of Greater Sudbury's fiscal and corporate objectives as well as the economic conditions in the City of Greater Sudbury;

Remuneration should be comparable to that of equivalent positions in other legislative jurisdictions across Canada and in Ontario in particular;

Council members should be provided with appropriate tools to complete their role and should not incur any out-of-pocket expenses to perform the duties of their office;

Remuneration should be established and reviewed using a transparent and arm's length process, which shall include public consultation and at least one City wide public meeting.

***Timelines:***

The final report of the Citizens' Panel, as it relates to the total remuneration package and future remuneration reviews should be completed for presentation at the Priorities Committee meeting of September 6, 2006.

The final report of the Citizens' Panel as it relates to the review of the Code of Ethics should be completed for presentation at the Priorities Committee meeting of October 4, 2006.

***Citizens' Panel Resources:***

The Citizens' Panel will be supported by staff from the Administrative Services section. Should the Citizens' Panel request the use of external resources or expertise, it is recommended that any such resources be made available to the Citizens' Panel.

***Membership:***

It is recommended that which ever model is selected, consideration be given to nominees with experience in municipal government, human resources and financial affairs and to ensuring a balanced representation that is reflective of community demographics and those who are currently under represented on Council. Candidates in the municipal election should not be considered for membership on the panel.

Three models of membership are presented for the consideration of the Priorities Committee of Council. In each model, all nominees would be reviewed by the Nomination Committee of Council, which would make recommendations to Council as described in the Rules of Procedure By-Law. The term of appointment for the Citizens' Panel shall be to October 31, 2006.

***Model One:***

The first model is based on the model used in Western Canada in which the majority of the members of the Panel are nominated by community leaders and endorsed by Council. In this model, the five members of the Panel would include:

1. Member nominated by the Sudbury and District Chamber of Commerce
2. Member nominated by the Sudbury and District Labour Council
3. Member nominated by the judiciary
4. Member nominated by the Board of Governors, Laurentian University
5. Citizen-at-large



***Model Two:***

The second model is based on that used in Halifax and Ottawa, where all members of the Panel were citizens, appointed by Council, following a public call for nominations with different criteria including geography and skills in Human Resources, government and finance. In this model, the five members of the Panel would include:

1. Citizen-at-large
2. Citizen-at-large
3. Citizen-at-large
4. Citizen-at-large
5. Citizen-at-large

***Model Three:***

The third model, is a blended model in which there is a balance of citizens appointed at large through a public process and nominees who are recommended by professional associations which are recognized for their expertise in human resources/benefit administration and financial management/taxation. In this model, the five members of the Panel would include:

1. Member nominated by the Sudbury Human Resource Professionals Association
2. Member nominated by the Sudbury and District Chartered Accountants Association
3. Citizen-at-large
4. Citizen-at-large
5. Citizen-at-large