

Mississauga Residents' Associations Network (MIRANET)

Deputation

2012 BUDGET: PROPOSED SALARY INCREASES CITY OF MISSISSAUGA

Presented to
Council

February 8, 2012

Good morning Madam Mayor & Council:

MIRANET is not here to repeat our submissions made to Budget Committee on January 25. We are certainly looking forward to receiving a formal written response to our various recommendations and follow-up questions, to circulate to our members.

We were surprised to note that the Budget Committee resolution on January 30 increases the upper end of the Director salary range by **\$9,100** to \$158,831. We note that the City Manager has a deputation later in the Agenda to provide an update on the staff compensation policy, and we look forward to learning the rationale for this.

We reiterate our original recommendation that non-union staff salaries receive no economic adjustment in 2012, and we urge you to negotiate **zero percent increases** in the outstanding labour contracts.

A request was made at Budget Committee to separate out the non-union staff salary increase and the non-union merit increases for the vote, and this separation would also be useful to maintain today.

To-day MIRANET is appealing to Council to reconsider the recent decision of Budget Committee to raise Mississauga Council salaries by 2.0 percent. We also reiterate our opposition to all staff salaries being increased at a time when the City is already raising taxes, and borrowing money. This City needs to practise fiscal restraint.

We appreciate Councillor Saito's request at Budget Committee to have the increase in remuneration for the Mayor and Council separated from the motion to approve the adjustments to the Operating Budget. We request that you follow that same procedure today. We also ask that any vote on this matter be a recorded vote. The public should know who on Council voted for any increase.

MIRANET was surprised by the decision to increase your own salaries. There had been no indication or public consultation that such an increase was being considered. That it should occur at a time when other levels of government are introducing austerity measures to deal with deficits, indicates that this Council is unwilling to impose restraint. The matter of raising Council salaries is an issue that could best be addressed by a Budget Review Panel, should

Council's Governance Committee decide to adopt MIRANET's suggestion which we have made for the past three years.

You, Council, are our civic leaders. We expect you to lead by example. Dorothy, as MIRANET's Secretary, and I have both received unsolicited phone calls and emails from taxpayers, expressing anger and frustration that you would choose to raise your own salaries unilaterally. The Council's 2% increase will assuredly establish the base from which the City's unions will bargain.

This is occurring at a time of economic uncertainty, when so many in the private sector have recently lost their jobs or have seen no pay increase for several years. We know that Council has not had an increase for three years. Are your salaries impacted by inflation? – yes of course they are. But your salaries are much higher than the average income in Mississauga. You can absorb the impact of inflation much better than most of us.

Salary is one thing - total compensation is another. Let's look at some figures.

Slide 1 (below, p4) shows the total compensation you received in 2011 consisting of salary, a car allowance, benefits such as pension contributions to OMERS, life insurance, health and dental care etc. Your total compensation from both the Region and the City in 2011 was \$203,730 for the Mayor and \$174,494 for each Councillor.

We have not included additional compensation some Councillors may receive by serving as board members or chairs of bodies such as Enersource, Credit Valley Conservation Authority or the Police Services Board.

Slide 2 (below, p5) shows your salaries compared to those of other large urban municipalities, not all of which are anxious to publish this information. I could not obtain current data for either the City of Ottawa or the City of Montreal.

In 2011, our Mayor's salary of \$186,107 was exceeded by the City of Montreal, the City of Calgary and surprisingly the City of Brampton. However, we could not find another City that exceeded our Councillors' salary of \$131,080.

During the budget discussions, Finance staff claimed that our property taxes resulting from budget increases for both the Region and the City should be aggregated, before making a comparison to a one-tier municipality such as Toronto. Well, Toronto is the largest city in Canada. It paid its councillors \$99,620 in 2011 compared to your \$131,080. Your salary was 32 percent higher.

Since a Councillor raised the matter (at Budget Committee) of Halifax paying higher salaries to its staff than Mississauga, we also include the salaries paid to the Mayor & Council in that city.

Slide 3 (below, p6) shows salaries adjusted for 2012, to take into consideration the impact of a 2.0 percent increase to your salaries if approved by Council. We understand that an increase of 2.0 percent has already been approved for the Regional Councillors. We have adjusted the salaries for the City of Toronto, assuming its Council approves the proposed 2.0

percent increase. However, we have just learned, as of yesterday, that Toronto City Council has deferred any further consideration of the increase until after collective bargaining is completed for all its unions.

Some interesting changes are taking place in Alberta. Both Calgary and Edmonton have an automatic escalation factor based upon the percentage increase in the average Alberta wage or salary during the previous twelve months. For 2012 that increase is 5.35%. Alberta of course has a relatively robust economy compared to Ontario, which as we know is now a “have not” province.

There are several footnotes to observe. Although the Mayor of Edmonton is eligible to receive a salary of \$158,813 he has elected to forgo any increase, for the past three years. That is why his salary has remained flat at \$135,694.

Notwithstanding the large increases paid to municipal politicians in Alberta, the salaries of this Council still remain the highest we can find for any municipal Councillors in Canada.

You might say, so what? Well, we want to finish by sharing an excerpt from an email MIRANET received last Thursday, as follows. Quote:

“I am shocked that Council would have the audacity to vote themselves increases at a time of budgetary pressures and when Mississauga requires a tax increase of many more times than the general economy can support.

To set an example of sound fiscal prudence and as a visible example to the various bargaining units within the city of Mississauga; I suggest that;

- 1) Council immediately reverse itself on the vote to increase their salaries....
- 2) That the salaries of all non-represented staff at the City be frozen at 2011 levels

.... This may go a long way in upcoming labour negotiations with the unionized staff to demonstrate that all have to share the pain when it comes to constraint. If successful, this tactic would reduce the need for future property tax increases. If not taken, then the 2% increase granted to Council and non-represented staff becomes the starting point for future labour negotiations.”

With that, we have no more to add, other than to repeat MIRANET’s request that you record your vote when you come to decide this issue.

Thank you Madam Mayor and members of Council for your attention.

Chris Mackie, Chair, MIRANET Municipal Finance Subcommittee
Dorothy Tomiuk, MIRANET Spokesperson

Slide 1. 2011 Compensation - Mississauga and Region of Peel

City of Mississauga¹

	<u>Councillor</u>		<u>Mayor</u>
Salary*	\$ 81,614		\$136,641
Benefits	\$ 18,068		\$ 5,181**
Car allowance	\$ 17,304	<i>Vehicle Expense</i>	\$ 10,542
Sub-Total	\$116,986		\$152,364

Region of Peel²

Salary*	\$ 49,466		\$ 49,466
Benefits	\$ 8,042		\$ 1,900**
Sub-Total	\$ 57,508		\$ 51,366

TOTAL	<u>\$174,494</u>		<u>\$203,730</u>
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* Some Council members received additional amounts for Board appointments

** Reduced benefits since present Mayor does not contribute to OMERS

1. E-mail dated February 3, 2012 from Brenda Breault, Commissioner of Corporate Services

2. E-mail dated February 1, 2012 from Stephen VanOfwegen, Director, Business Planning and Financial Support Services, Region of Peel

Slide 2. 2011 Comparative Salaries for Elected Officials

<u>City</u>	<u>Mayor</u>	<u>Councillor</u>
Mississauga	\$136,641	\$ 81,614
Peel Region	<u>\$ 49,466</u>	<u>\$ 49,466</u>
TOTAL	\$186,107	\$131,080
Brampton	\$139,138	\$ 67,860
Peel Region	<u>\$ 49,466</u>	<u>\$ 49,466*</u>
TOTAL	\$188,604	\$117,326
Toronto	\$167,770	\$ 99,620
Calgary	\$191,589	\$102,200
Hamilton	\$118,518	\$ 67,636
Montreal	\$192,000	\$ xx,xxx
Edmonton	\$135,694**	\$ 63,610
Vancouver	\$144,394	\$ 63,610
Halifax	\$144,962	\$ 72,357

* 6 of 10 Brampton Councillors sit on Peel Regional Council

** Eligible for salary of \$150,748, but Mayor declined to receive increase

\$xx,xxx Salaries could not be established for 2011

Prepared by: MIRANET Municipal Finance Committee

Slide 3. 2012 Comparative Salaries for Elected Officials

<u>City</u>	<u>Mayor</u>	<u>Councillor</u>
Mississauga	\$139,374 [^]	\$ 83,246 [^]
Peel Region	<u>\$ 50,455</u>	<u>\$ 50,455</u>
TOTAL	\$189,829	\$133,701
Brampton	\$145,146	\$ 70,790
Peel Region	<u>\$ 50,455</u>	<u>\$ 50,455[*]</u>
TOTAL	\$195,601	\$121,245
Toronto	\$171,125 [^]	\$101,612 [^]
Calgary	\$201,000	\$108,000
Hamilton	\$118,518 [‡]	\$ 67,636 [‡]
Montreal	\$192,000 [‡]	\$ xx,xxx
Edmonton	\$135,694 ^{**}	\$ 87,955
Vancouver	\$146,156	\$ 64,386
Halifax	\$144,962 [‡]	\$ 72,357 [‡]

* 6 of 10 Brampton Councillors sit on Peel Regional Council

** Eligible for salary of \$150,748, but Mayor declined to receive increase

[^] Assuming 2.0% increase is approved for 2012

[‡] Not adjusted for 2012 increase

\$xx,xxx Salaries could not be established for 2012