



**To:** COUNCIL  
**Meeting Date:** 9/23/2025  
**Subject:** Council Compensation Review – Preliminary Report  
**Submitted By:** Jennifer Shaw, Acting City Clerk / Director of City Clerk’s Office  
**Prepared By:** Jennifer Shaw, Acting City Clerk / Director of City Clerk’s Office  
**Report No.:** 25-038-CRS  
**File No.:** C1101  
**Wards Affected:** All Wards

**RECOMMENDATION(S):**

THAT Report 25-038-CRS Council Compensation Review – Preliminary Report be received;

AND THAT Council approve Option \_\_\_\_ and direct Staff to implement the required next steps:

- a. Option A: Third-Party Consultant (***Recommended Approach***)
- b. Option B: Compensation Review Task Force Facilitated by Third-Party Consultant

AND FURTHER THAT the associated consulting fees be funded from the Office of the City Clerk Operating Budget.

**EXECUTIVE SUMMARY:**

**Purpose**

To provide options regarding methods to undertake a review of total compensation for the 2026-2030 term of Council commencing November 15, 2026.

**Key Findings**

- The *Municipal Act*, 2001 provides municipal councils with the authority to set their remuneration and authorizes municipalities to pay remuneration and expenses to members of Council.

- A review of Council compensation is conducted every four years (once a Council term).
- Historically, Cambridge has established a citizen group to review the level of remuneration.
- Citizen review has proven to be challenging to recruit and a lengthy process requiring training and orientation.
- If approved by Council, recommendations arising from the Council Compensation Review will be applied to the 2026-2030 term of Council, whose term of office officially commences on November 15, 2026.

### **Financial Implications**

Staff have provided a summary of the options for Council’s consideration. There are moderate financial implications associated with Options A and B outlined in the report’s recommendations. Given the scope of this project and in consultation with consultants that conduct compensation reviews, staff estimate that the fees for this service could range between \$12,500 to upwards of 25,000 (excluding HST) depending on the option selected by Council.

### **STRATEGIC ALIGNMENT:**

Strategic Action

**Objective(s):** Not Applicable

**Strategic Action:** Not Applicable

**OR**

Core Service

**Program:** Council Services

**Core Service:** Council Support

Regular review of remuneration for members of Council ensures that compensation for elected officials remains fair, competitive and consistent with evolving responsibilities and market standards. Through such reviews, the current compensation package is compared against factors such as the demands of the role, market trends, and the municipality’s financial health. Public trust is maintained by demonstrating fiscal responsibility and attracting qualified candidates.

## **BACKGROUND:**

The last review of Council compensation was completed in 2023 for the current term of office with the assistance of a Council appointed Citizen Committee for Council Compensation. The Committee was established as an independent body charged with reviewing and bringing forward recommended changes on remuneration, benefits and expenses for members of Council as well as any other additional policies for the offices of the Mayor and Council for the 2022-2026 term of office. Membership composition was established as follows:

- One member of the business community,
- One member of the healthcare community\*,
- One member of the non-profit sector,
- One member from the educational community, and
- One member from the organized labour community\*.

**\*Note:** Despite multiple attempts to recruit volunteers for all five (5) established positions on the Committee, ultimately no representatives from the healthcare or organized labour communities could be recruited and the review proceeded with only representation from the business, non-profit and education communities.

In 2022, the three (3) person Committee began its review, supported by staff from Human Resources, Finance and Clerks and was tasked with specifically considering and reviewing the following areas:

- Compensation as it relates to public office by meeting with each current Member of Council;
- Draft Mayor and Council expense policy for the roles and commitment required of Mayor and Council and the City's corporate objective to be fiscally responsible in allocation of City resources;
- Compensation package supported by market data and comparable municipalities in terms of scope, size and nature of work;
- Functions and responsibilities of Mayor and Council, the level of community engagement and time commitment required of individuals holding municipal office, including but not limited to meetings, events, preparation time, and communications with the public;
- Acting Mayor structure, the appointment of a Deputy Mayor and provide recommendations based on staff research and legislation related to the role of Acting or Deputy Mayor as well as by meeting with the current Members of Council; and
- Overseeing preparation and presentation of a final report and recommendations to Council for approval.

As a result of the review, Council approved a salary increase of 3.59% annually in addition to annual cost of living adjustments. No changes were made to the Council Expense Policy or Acting Mayor structure through the 2023 review.

## **ANALYSIS:**

### **Review Approach**

A typical Council compensation review process involves the following steps:

- Obtaining municipal comparators of similar Council structure based on population size, geographic location and governance structure.
- Collecting data sets on Council wages, benefits, technology, mileage/travel.
- Analyzing trends and best practices from other municipalities.
- Engaging stakeholders, such as members of the public or external experts, to ensure an objective review.
- Developing recommendations for Council that balance fairness, fiscal responsibility, and competitiveness.

Data relating to the number of hours Council members work is typically not a comparator used in compensation reviews; however, internal data does help inform the discussion on full or part-time positions.

### **Project Scope**

Staff are proposing a scaled back scope for this compensation review to ensure it can be completed before preparations for the 2026 Municipal & School Board Election commence. While the previous review included consideration for Council expenses and an Acting Mayor structure, this review is proposed to focus primarily on salaries, benefits and hours of work (i.e. full-time versus part-time) in anticipation of a Ward Boundary Review ahead of the 2030-2034 term of office.

### **Options**

To complete this review, staff have identified two possible options, listed below.

#### **Option A: Third-Party Consultant Led Review (*Recommended Option*)**

Option A involves hiring a third-party consultant to undertake the data collection, analysis, and final report. Should Council select Option A, staff will proceed with procuring a third-party consultant, executing the project steps, and reporting back to Council with the final recommendations.

The project steps for this option include:

1. Project initiation and collection of market data
  - Consultant reviews the elements of Council remuneration and comparator municipalities
  - Council interviews
  - Staff circulate a survey to comparator municipalities
  - Consultant captures data
2. Analysis, observations, draft report
  - Consultant reviews market data and prepares analysis
  - Consultant prepares draft report and review with Corporate Leadership Team
3. Prepare final report
  - Consultant drafts final report that outlines comparators, methodology, compensation elements surveyed, observations, and recommendations. The report includes best practices in the sector and recommends how and when future Council compensation reviews should be conducted.
  - Consultant attends and presents the report to Council in Open Session.

### **Option B: Citizen Task Force Facilitated by Third-Party Consultant**

This option involves recruiting for a Citizen appointed task force in addition to the hiring of a facilitator to guide the task force discussion, hold task force meetings, provide oversight of the data analysis, and guide the recommendations and final reporting to Council. Should Council select Option B as the preferred approach for the 2026-2030 term of Council compensation review, staff will proceed with preparing the terms of reference for the task force as per the criteria outlined in this report and soliciting for expressions of interest from the community.

The project steps for this option include:

1. Project initiation
  - Procuring a consultant for analysis
  - Recruiting task force members
  - Orientation meeting with task force appointees to review Terms of Reference and scope of project
2. Collection of market data
  - Determining comparator municipalities
  - Draft survey to send to comparator municipalities
  - Circulate survey to comparator municipalities
  - Council interviews

3. Analysis, observation, draft report
  - Review and capture data into presentation
  - Prepare analysis and observations to present to task force
  - Hold 3-4 task force meetings to review data, best practices, observations and formulate recommendations
  
4. Prepare Final Report
  - Include task force input into final report
  - Meeting with Corporate Leadership Team to review finds and proposed recommendations
  - Consultant drafts final report that outlines comparators, methodology, compensation elements surveyed, observations, and recommendations. The report includes best practices in the sector and recommends how and when future Council compensation reviews should be conducted.
  - Consultant and task force chair jointly present finalized report to Council in Open Session

**Table 1: Comparison of Options A and B**

	Option A: Third-Party Consultant	Option B: Citizen Task Force
Estimated consultant hours	30-35 hours approx.	60-65 hours approx.
Estimated total staff hours (Directors of HR, Finance, Clerks)	8 hours approx.	32 hours approx.
Estimated consultant fee	\$12,500 (excluding HST)	\$25,000 (excluding HST)
Estimated timing for final report to Council	February 2026	September 2026
Advantages of Approach	<ul style="list-style-type: none"> <li>• Less costly, time and resource intensive</li> <li>• Ensures objectivity and unbiased perspective free of internal and political bias</li> <li>• Expertise driven through</li> </ul>	<ul style="list-style-type: none"> <li>• Allows community involvement</li> <li>• Recommendations may be more community focused</li> <li>• Time savings associated with a task force approach as Council appointment of</li> </ul>

	<p>specialized knowledge and experience</p> <ul style="list-style-type: none"> <li>• Consultants work is high-value, analytical and facilitative</li> <li>• Best practices and legal requirements adherence</li> <li>• Public may delegate to speak to Open report and recommendations</li> </ul>	<p>members is not required</p>
<p>Disadvantages of Approach</p>	<ul style="list-style-type: none"> <li>• The public's opportunity to participate is more limited in what has traditionally been a citizen driven process</li> </ul>	<ul style="list-style-type: none"> <li>• More costly, time and resource intensive</li> <li>• Difficulty recruiting members of the community with the right qualifications</li> <li>• Review process is lengthier and unlikely to be completed until just prior to the 2026 Municipal &amp; School Board Election</li> <li>• Potential for political or community bias</li> <li>• Ability to move project forward is heavily dependent on availability of volunteer members and their schedules</li> </ul>

Upon careful review and reflection of the options available to complete the 2026-2030 Council compensation review and the challenges experienced with recruiting citizens to assist with the 2023 compensation review process, staff are recommending Option A and engaging a third-party consultant as it is the most fiscally responsible and efficient method to accomplishing the project deliverables.

While it has been the City's past practice to establish a group to review Council compensation, there is no requirement through the *Municipal Act* or other legislation to do so. Municipal Councils may determine the methods to review remuneration and benefits for members of Council pursuant to the broad authority provided in the *Municipal Act*. The *Municipal Act* generally grants the authority to municipalities to govern their affairs as they consider appropriate.

## **EXISTING POLICY / BY-LAW(S):**

The last review of Council Compensation concluded in February 2023 at which time By-law 23-031 was passed, which implemented a 3.59% annual salary increase for members of Council in addition to annual cost of living adjustment. No changes were made at the time to the Council Expense Policy which remains in effect.

## **FINANCIAL IMPACT:**

The financial impact of both options A and B is outlined in the above table. It is important to note that pursuing option B not only doubles the fees but also quadruples the amount of staff time involved in executing the project which will make it unlikely for the compensation review to be complete before September 2026. The Clerk's Division's annual operating budget includes a line for professional services which can be used to fund the consulting costs associated with completing either option. Any resulting unfavourable funding variance will be recovered through other year-end operating surpluses.

## **PUBLIC VALUE:**

### **Sustainability:**

Regular review of Council remuneration, when carried out effectively, can significantly contribute to fiscal sustainability by ensuring fair and competitive compensation for members of Council while enhancing public trust and demonstrating accountability.

### **Collaboration:**

Collaboration will involve working in partnership with a Third-Party consultant to ensure the review is completed on budget, within the projected scope and on time to ensure any recommendations can be implemented in time for the 2026-2030 term of office.

### **Transparency:**

To ensure transparency, the findings and recommendations of the compensation review will be shared publicly through a report to Council in Open session. The public will have the opportunity to view the report as part of the Council agenda and provide input on the recommendations by registering to speak as a delegation to the report.

## **ADVISORY COMMITTEE INPUT:**

Not Applicable.

## **PUBLIC INPUT:**

Posted publicly as part of the report process.

## **INTERNAL / EXTERNAL CONSULTATION:**

Internal and external consultation were undertaken with staff involved in the 2023 compensation review process, Clerks at area municipalities that had recently undertaken a compensation review and potential consultants to understand the estimated costs associated with undertaking a review for the 2026-2030 term of office. Those who had completed past or recent reviews recommended the services of a consultant over the task force option due to the time, resources and financial costs involved in completing a review prior to the 2026 Municipal & School Board Election.

## **CONCLUSION:**

It is respectfully recommended that Council select its preferred option to review compensation prior to the 2026-2023 term of office. Staff recommend proceeding with Option A: Third-Party Consultant as it provides a balanced approach and ensures a data-driven review while minimizing costs and staff resource commitments in a timely manner. Pending Council's decision, staff will proceed with retaining the services of a consultant and initiating the compensation review process.

## **REPORT IMPACTS:**

Agreement: No

By-law: No

Budget Amendment: No

Policy: No

## **APPROVALS:**

**This report has gone through the appropriate workflow and has been reviewed and or approved by the following as required:**

**Director**

**General Manager**

**Chief Financial Officer**

**City Solicitor**

**City Manager**

**ATTACHMENTS:**

Not Applicable.