

Staff Report



Chief Administrator's Office

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REPORT TO: Committee of the Whole

DATE OF MEETING: February 2, 2026

SUBMITTED BY: Dan Chapman, Chief Administrative Officer

PREPARED BY: Justin Watkins, Manager of Corporate Planning
Sloane Sweazey, Senior Policy Advisor

WARD(S) INVOLVED: ALL

DATE OF REPORT: January 28, 2026

REPORT NO.: CAO-2026-065

SUBJECT: Council Compensation Review

RECOMMENDATION:

That staff be directed to engage a consultant to undertake a scoped review of council remuneration with any changes to be effective for the 2026-2030 council term; and

That policy GOV-COU-020 (Council Compensation) be updated by as part of this review.

REPORT HIGHLIGHTS:

- The purpose of this report is to seek direction to complete a review of council remuneration for the 2026-2030 term of council, and to update council's current compensation policy (GOV-COU-020).
- The review is anticipated to cost \$15,000 to \$25,000 and will be funded from the 2026 budget.
- Community engagement included posting this report to the City's website with the agenda in advance of the council meeting. A future meeting at which any potential compensation adjustments or compensation policy changes are to be considered will be advertised and open to the public.
- This report supports the delivery of core services.

BACKGROUND:

As prescribed by the Municipal Act, 2001, council has the authority to establish its own compensation structure. Council's current compensation policy (GOV-COU-020 - Council Compensation) was approved in 2002 and established a rate of pay for mayor and councillors, along with an annual salary adjustment for the mayor and council equal to the lesser of the annual adjustment received by City staff classified as M-band or classified as non-union employees. In September 2017, council remuneration tax exemptions were eliminated, and

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councillors were included in the OMERS pension program. This replaced the prior practice of contributing to RRSP accounts for members of council.

Several municipalities, including municipalities within Waterloo region, are reviewing council compensation to evaluate the competitiveness of their remuneration and benefits packages in advance of the 2026-2030 term of council. Through these reviews, market analyses have identified Kitchener's council compensation as an outlier in certain respects relative to other comparable communities. Ensuring fair and competitive compensation for members of council is an important consideration in attracting candidates to run for elected office. For these reasons, it is recommended that Kitchener undertake a scoped council compensation review in advance of the next term of council.

REPORT:

Based on the current council compensation policy there is no automatic timeline for a council compensation review, which is different than the practice of many other municipalities. Considering findings from recent council compensation reviews and the fact that other Waterloo Region municipalities are undertaking them at the end of this council term, it is recommended that staff be directed to engage an external consultant to review compensation for elected officials in advance of the 2026 municipal elections. Like market salary reviews which are undertaken for staff roles, this will help to ensure that compensation for council remains appropriate to the requirements of the role and in step with municipal comparators.

To ensure that the review is focused both in terms of scope, time and cost, it is proposed that base remuneration be the primary focus of this review. Topics such as ward boundary revisions and considerations related to part-time vs. full-time councillors would be better addressed through the ward boundary review which is already planned for the next term of council. Any changes arising from that review would be effective for the 2030-2034 council term.

As part of this review, policy GOV-COU-020 (Council Compensation) will be updated. The consultant may identify policy enhancements to align the policy with leading practice and other current compensation standards, and these recommendations would be brought forward for Council consideration. In accordance with the requirements of the current policy, the meeting at which any compensation adjustments or compensation policy changes are to be considered will be advertised and open to the public.

STRATEGIC PLAN ALIGNMENT:

This report supports the delivery of core services.

FINANCIAL IMPLICATIONS:

Capital Budget – The recommendation has no impact on the Capital Budget.

Operating Budget – The cost of a consultant review of council remuneration is anticipated to be between \$15,000-\$25,000 based on the experience of other municipalities and will be funded through the general expense portion of the council-approved budget.

COMMUNITY ENGAGEMENT:

INFORM – This report has been posted to the City’s website with the agenda in advance of the council meeting. Additionally, the meeting at which any compensation adjustments or compensation policy changes are to be considered will be advertised and open to the public.

PREVIOUS REPORTS/AUTHORITIES:

- FCS-17-164 Council Remuneration – Elimination of 1/3 Tax Free Portion & OMERS Enrolment

APPROVED BY: Dan Chapman, CAO

ATTACHMENTS: Attachment A: GOV-COU-020 (Council Compensation)