

# Staff Report



Chief Administrator's Office

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**REPORT TO:** Finance and Corporate Services Committee

**DATE OF MEETING:** April 20, 2026

**SUBMITTED BY:** Dan Chapman, Chief Administrative Officer

**PREPARED BY:** Justin Watkins, Manager of Corporate Planning

**WARD(S) INVOLVED:** All

**DATE OF REPORT:** April 8, 2026

**REPORT NO.:** CAO-2026-172

**SUBJECT:** Council Compensation Review Findings

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## RECOMMENDATION:

**That the council compensation recommendations prepared by Marianne Love Consulting Services Ltd., as appended to staff report CAO-2026-172, be approved effective for the 2026-2030 term of council; and**

**That staff be directed to amend GOV-COU-020 (Council Compensation) in accordance with report CAO-2026-172.**

## REPORT HIGHLIGHTS:

- The purpose of this report is to present the findings of a consultant-led compensation review for council.
- The key finding of this report is council's current compensation is below the recommended percentile target and that council's compensation should be reviewed once during each term of council.
- The financial implications of adopting the consultant's recommendations represent a budget impact of \$122,115 over current rates of pay.
- Community engagement included posting this report to the City's website with the agenda (public notice of meeting to consider the matter) in advance of the council meeting.
- This report supports the delivery of core services.

## BACKGROUND:

Under provincial legislation, council is responsible for establishing compensation for the mayor and members of council. Kitchener's existing framework was established in 2002 through policy GOV-COU-020, which outlines base pay for the mayor and councillors and ties annual adjustments to the lesser of the increases provided to management/non-union staff.

Subsequent revisions in 2017 removed the one-third tax exemption for council remuneration and enrolled councillors into the OMERS pension program.

Across Ontario, many municipalities, including those in Waterloo region, have completed or are undertaking reviews of council remuneration ahead of the 2026-2030 term. Analyses of completed reviews have identified Kitchener's current 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.

On February 2, 2026, council directed staff to undertake a review of council compensation (CAO-2026-065). To support this work, staff engaged Marianne Love Consulting Services Ltd., a firm with more than 30 years of experience conducting public sector compensation and market reviews. The consultant's mandate was focused, and included examining base pay against a set of comparators and identifying opportunities to update the City's council compensation policy.

The consultant has now completed this review. With the nomination period for the 2026 municipal election approaching, receiving and approving the recommended updates in a timely manner will ensure that council compensation is transparently established in advance and continues to support fair and competitive remuneration for those considering elected office.

## **REPORT:**

To support this review, the consultant selected nine comparator municipalities and completed a detailed market analysis of council compensation. The comparator municipalities included Markham, Vaughan, Oakville, Richmond Hill, Burlington, Oshawa, Cambridge, Milton, and Waterloo.

The review assessed Kitchener's 2026 base pay rates, which are currently \$121,262 for the mayor and \$62,385 for councillors, against the 50th, 55th, and 60th percentile benchmarks for the comparator group. The mayor's base pay falls below all benchmark percentiles, while councillor compensation aligns with the 50th percentile but remains below the 55th and 60th percentile targets. The consultant noted that Kitchener currently has no defined percentile target for council remuneration, which limits transparency and consistency in compensation planning.

Based on the City's population size, the scale of its municipal operations, and additional responsibilities such as governing one of Ontario's two municipally owned natural gas utilities, the consultant recommended aligning council compensation with the 60th percentile of the comparator group. This percentile was identified by the consultant as a conservative but appropriate target, given that Kitchener's population and operating budget both exceed the 60th percentile within the comparator set. There is also precedent in Ontario for adopting above median compensation targets in recognition of unique governance demands and responsibilities that extend beyond those of peer municipalities. For example, the City of Toronto has previously positioned its council compensation above its comparator group based on the scale and complexity of its municipal operations. This broader precedent supports the use of a higher percentile target where local responsibilities warrant it. The recommended base pay rates for the next term of council, effective November 15, 2026, are \$156,762 for the mayor and \$68,803 for councillors.

Based on common practice within the sector, the consultant has recommended continuing the current practice of applying annual economic adjustments consistent with those provided to management/non-union staff. The review also advised that council adopt a formal practice of reviewing compensation once per term, supported by a third-party consultant and updated comparator analysis. This approach would ensure that council remuneration remains transparent, evidence-based, and aligned with market conditions over time.

The consultant will provide a presentation of its findings and recommendations to council at the April 20, 2026, Finance and Corporate Services Committee meeting. The presentation has been appended to this report.

### **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 financial implications of adopting the consultant’s recommendations represent a budget impact of \$122,115 over current rates of pay, inclusive of fringe benefits. These adjustments would be addressed through the 2027 budget process.

### **COMMUNITY ENGAGEMENT:**

INFORM – This report has been posted to the City’s website with the agenda in advance of the council / committee meeting. As outlined in GOV-COU-020, any amendment to the policy, other than for housekeeping purposes where the intent of the policy does not change, shall require at least one public meeting of which sufficient notice shall be given.

### **PREVIOUS REPORTS/AUTHORITIES:**

- [CAO-2026-065 Council Compensation Review](#)
- [FCS-17-164 Council Remuneration – Elimination of 1/3 Tax Free Portion & OMERS Enrolment](#)

**APPROVED BY:** Dan Chapman, CAO

### **ATTACHMENTS:**

- Attachment A: City of Kitchener 2026 Compensation Review for Elected Officials
- Attachment B: GOV-COU-020 (Council Compensation)