

City of Kitchener

2026 Compensation Review for Elected Officials

Summary Report

April 8, 2026

Background and Objective

- ML Consulting was retained to conduct a Compensation Review for Elected Officials at the City of Kitchener.
- The policy outlining Compensation for Elected Officials was approved in 2002, resulting in changes to base pay effective January 1, 2003. Subsequent amendments to the policy have been made to reflect the elimination of the tax exemption and enrollment in OMERS.
- The Consultant reviewed municipal comparator information collected by City of Kitchener Staff and prepared a Base Pay Market Summary using percentile targets.
- The recommendations in this report are prepared for Council's consideration.

Current Remuneration and Pay Practice

- 2026 Annual base pay rates (effective April 1st):
 - Mayor --\$121,262; Councillor--\$ 62,385
 - There is no defined percentile target at present
 - Annual base pay increases are tied to the annual salary adjustment (COLA) for Non-union and Management staff
- There are 11 members of Council – including the Mayor, there is no Deputy Mayor
- Councillors are considered part-time and serve on City Council; the Mayor serves on City Council and Regional Council.

Executive Summary

- The 2026 base pay remuneration for the Mayor and Councillors is low compared to the defined pay market (60th percentile)
- 2026 market summary annual pay rates at the 60th percentile for the defined pay market are as follows:
 - Mayor: \$156,762
 - Councillor: \$68,803
- All comparators adjust Council salary annually; a strong majority provide adjustments based on COLA aligned with exempt staff, and conduct a market review at the end of each term.

Market Competitiveness—Methodology and Source Data

- 9 comparators were identified. The comparator group is reflective of the following selection criteria:
 - Size
 - Scope (local area municipalities)
 - Geographic Location
 - Historic comparators
 - General alignment with Non-union and Management staff comparators
 - A custom survey was prepared using the following 9 comparator municipal organizations:
 - Markham
 - Vaughan
 - Oakville
 - Richmond Hill
 - Burlington
 - Oshawa
 - Cambridge
 - Milton
 - Waterloo
- * Only City portion of salary is included, regional pay is not included in market analysis

Market Competitiveness—Methodology and Source Data

Comparator	Region	Population *	Size of Council	Statement of Operations: Expenses (Total Expenses After Adjustments) **
Kitchener	Waterloo Region	256,885	11 Members	\$473,166,614
Markham	York Region	338,503	13 Members	\$504,157,976
Vaughan	York Region	323,103	10 Members	\$630,530,408
Oakville	Halton Region	213,759	14 Members	\$365,557,080
Richmond Hill	York Region	202,022	9 Members	\$342,782,666
Burlington	Halton Region	186,948	7 Members	\$348,428,293
Oakville	Halton Region	213,759	14 Members	\$365,557,080
Cambridge	Waterloo Region	138,479	9 Members	\$225,830,843
Milton	Halton Region	132,979	9 Members	\$157,357,618
Waterloo	Waterloo Region	121,436	8 Members	\$216,103,182

* 2021 Census, Stats Canada

** 2024 Ontario Financial Information Returns

Market Observations—Base Pay

- Base pay comparative statistics are shown in the Market Summary using the 50th, 55th and 60th percentile targets. The “% Difference” shown beside each percentile value is the amount that the current base pay rate for City of Kitchener Elected Official positions is below the market target percentile value.

**City of Kitchener
2026 Council Compensation Market
Summary**

2026 MARKET SUMMARY - ANNUAL BASE PAY
(_%) = above market +_ % = below market

Job Title	2026 Base Pay Annual	Market Median Annual	% Diff.	Market P55 Annual	% Diff.	Market P60 Annual	% Diff.
Mayor	\$ 121,262	\$148,724	+22.6%	\$152,743	+26.0%	\$156,762	+29.3%
Deputy Mayor		\$89,242		\$92,161		\$95,080	
Councillor	\$ 62,385	\$62,414	+0.0%	\$65,609	+5.2%	\$68,803	+10.3%

Market Observations—Base Pay

- Kitchener’s compensation philosophy seeks to position elected officials competitively within the municipal sector. Market benchmarking shows how council compensation compares across similar municipalities.
- To support decision-making, council compensation has been reviewed against multiple reference points. For 2026, the percentile benchmark values are:
 - 50th Percentile:**
 - Mayor - \$148,724
 - Councillor - \$62,414
 - 55th Percentile:**
 - Mayor - \$152,743
 - Councillor - \$65,609
 - 60th Percentile:**
 - Mayor - \$156,762
 - Councillor - \$68,803

Market Observations—Base Pay

- Council's current compensation is positioned below the 60th percentile.
 - The base pay for the Mayor is below all percentile benchmark target
 - The base pay for Councillors is competitive to the 50th percentile and below the 55th percentile and 60th percentile benchmark targets
- This review recommends aligning Council compensation to the 60th percentile, based on:
 - Kitchener's population size and scale of municipal operations.
 - The 60th percentile is conservative considering Kitchener's population is above the 60th percentile of the comparator group (Comparator Group 60th percentile is 213,759) and its municipal operating budget total expenses is above the 60th percentile of the comparator group (Comparator Group 60th percentile is \$365,570,080)
 - Additional responsibilities associated with governing one of the two municipally-owned natural gas utilities in Ontario, for which there is no separate compensation.
 - Ensuring broad consistency with the organization's overall compensation philosophy.
 - Maintaining competitiveness with peer municipalities to support effective governance.
- Proposed base pay rates effective next term of Council (November 15th, 2026)
 - Mayor: \$156,762
 - Councillor: \$68,803

Market Observations—Salary Adjustments

- All comparators report annual salary adjustments for Council
 - 7 comparators apply COLA to align with exempt employee group
 - 2 comparators use CPI increases or related indicators
- Reviews are typically completed during the last year of Council's term, prior to the municipal elections
 - 6 comparators conduct reviews prior to the end of Council's term
 - 1 comparator conducts a review every 2-3 years
 - 2 comparators conduct reviews ad-hoc or as needed

Market Observations—Conclusion

- The comparator group is representative based on select criteria. It is prevailing practice to generally align the comparator group for Council base pay with the comparator group for Non-union and Management staff.
- The 60th percentile pay target is reasonable based on the size/scope and pay practice of the comparator group and factors unique to Kitchener; specifically, accountability for governing the municipally owned natural gas utility.
- Base pay rates for the Mayor and Councillor require an increase to meet the 60th percentile pay target.
- It is best practice to increase the annual base pay for elected official positions annually by the amount used to adjust the Non-union and Management staff salary grid. This allows for a year-over-year increase to align with cost-of-living increases, also supported by the survey results.
- It is best practice to review compensation once during the term of Council using a survey of comparator municipalities.

Market Observations – Recommendations

Base Pay Adjustments

- It is recommended that Council give consideration to implementing the following base pay adjustments, effective the next term of Council (November 15th, 2026).

Mayor: \$156,762

Councillor : \$68,803

Annual Adjustments

- It is recommended that Council continue the practice of adjusting base pay for the Elected Official positions annually by using the % economic adjustment provided for Non-union and Management staff compensation grid

Review Period

- It is recommended that Council adopt the practice of reviewing compensation once during each council term, in consultation with a third-party consultant and a comparison with comparator municipalities.