



Meeting Date: September 6, 2023

Submitted by: James Hutson, Municipal and Michael Di Lullo, Chief Administrative Officer

Report No: CLK-08-2023

Subject: Council Compensation Review

Recommendation:

THAT Report CLK-08-2023, re: Council Compensation Review be received;

AND THAT Council provide direction on one of the options highlighted in Report CLK-08-2023 with respect to the Council Compensation Review.

Purpose:

The purpose of this report is to provide Council with an overview of the current compensation offered to members on an annual basis, and to provide comparator information should Council wish to adjust the amount of remuneration paid to members.

Background:

The *Municipal Act, 2001* provides Council with the authority to set its remuneration.

A comprehensive review of the compensation for Middlesex Centre Council was previously conducted in 2016. At the time of the initial review, Council established the annual remuneration for members as follows:

| | |
|-----------------|--------------|
| Mayor | \$ 25,616.76 |
| Deputy Mayor | \$ 19,211.92 |
| Ward Councillor | \$ 16,010.28 |

The above remuneration became effective for 2017 and 2018 by way of By-law 2016-007. A further review was conducted in 2018, and the result recommended that the base salary for the Mayor, Deputy Mayor and Councillors be increased by \$5,000.00 effective in 2019 and starting in 2020 be adjusted annually for a cost of living increase.

Since 2020, Council has received an annual cost of living increase as part of their annual remuneration.

Section 284 of the Municipal Act, requires the Treasurer of the Municipality to file a statement of total remuneration and expenses paid in the previous year by March 31st. Based on this statement, the total remuneration paid to Council in 2022 is noted as follows:

| | |
|-----------------|-------------|
| Mayor | \$35,584.85 |
| Deputy Mayor | \$26,113.80 |
| Ward Councillor | \$22,637.49 |

The analysis portion of this report will provide an overview of comparable and options for Council's consideration respecting compensation in 2024 and beyond.

Analysis:

As Council has the authority to set its own rate of compensation, staff have undertaken a review of area and comparable municipalities to benchmark the current remuneration rates for other Council's.

The chart below provides an overview of remuneration paid to members in the lower tier municipalities which comprise Middlesex County in the 2022 year (excluding Village of Newbury):

| Municipality | Population (2016 Census) | Mayor | Deputy Mayor | Councillor |
|---------------------|-----------------------------|-------------|--------------|-------------|
| Strathroy-Caradoc | 20,867 | \$55,449.81 | \$27,392.28 | \$21,415.55 |
| Middlesex Centre | 17,262 | \$35,584.85 | \$26,113.80 | \$22,637.49 |
| Thames Centre | 13,191 | \$31,361.00 | \$20,002.00 | \$17,465.00 |
| North Middlesex | 6,352 | \$27,885.80 | \$19,232.38 | \$15,122.49 |
| Lucan Biddulph | 4,700 | \$24,608.38 | \$17,385.27 | \$16,103.53 |
| Southwest Middlesex | 5,723 | \$19,949.00 | \$11,637.00 | \$7,481.00 |
| Adelaide Metcalfe | 2,990 | \$22,396.32 | N/A | \$14,371.06 |

| | | | | |
|----------------|---------------|--------------------|--------------------|--------------------|
| AVERAGE | 10,155 | \$31,033.59 | \$20,251.81 | \$16,370.87 |
|----------------|---------------|--------------------|--------------------|--------------------|

Note: Listed in order of highest to lowest – Mayor’s Salary. For calculation purpose, a median base value of \$20,000 is applied to Adelaide Metcalfe Deputy Mayor

Based on the above, the annual remuneration for the Mayor of Middlesex Centre ranks second among seven comparators, and in the case of Ward Councillor, Middlesex Centre ranks first.

Given the population disbursement across the County, the compensation appears in line with the local lower tiers and is slightly higher than the average.

Supplementary to the above, and in an effort to provide further comparable data, staff have compiled the remuneration amounts for Ontario municipalities with a similar size. Municipalities marked with an asterisk were chosen as they were identified as comparators for the Pay Equity Review completed recently in 2023. The breakdown is as follows:

| Municipality | Population <small>(2016 Census)</small> | Mayor | Deputy Mayor | Councillor |
|---------------------|---|--------------------|---------------------|--------------------|
| *Russell Township | 16,520 | \$57,518.76 | N/A | \$24,815.44 |
| *Clarence-Rockland | 24,512 | \$54,662.40 | N/A | \$31,252.00 |
| Orangeville | 28,900 | \$53,473.03 | \$31,829.19 | \$28,773.57 |
| *Town of Essex | 20,427 | \$46,989.00 | \$34,374.00 | \$27,030.00 |
| *Springwater | 19,059 | \$46,857.98 | \$35,130.42 | \$27,912.30 |
| *Pelham | 17,110 | \$39,858.00 | \$18,268.00 | \$18,268.00 |
| North Perth | 13,130 | \$36,299.76 | \$22,941.24 | \$20,883.36 |
| Middlesex Centre | 17,262 | \$35,584.85 | \$26,113.80 | \$22,637.49 |
| AVERAGE | 19,615 | \$46,405.47 | \$28,109.44 | \$25,196.52 |

Note: Listed in order of highest to lowest – Mayor’s Salary.

Also provided are the results of a comprehensive review undertaken in 2017 by the Association of Ontario Municipalities (AMO) attached as **Appendix A1**. Despite this being a dated data set, it provides a helpful glimpse of council salaries across the province prior to the 2018 Municipal and School Board Elections.

In addition to the remuneration paid annually, Council receives additional compensation in the forms of benefits. Benefits provided to Council include: Group Life Insurance, Dependant Life Insurance, Accidental Death and Dismemberment, Extended Health Benefits, Dental Benefits, mileage reimbursement, lodging and meals per diem (reasonable and customary and as outlined in the Policy on Councillor Attendance at Municipal Government Events) and OMERS contributions and enrollment.

Council Options:

Based on the data contained in the report, staff have proposed options below for Council to consider:

Option 1 – Apply a 4 Percent Increase

As part of the Pay Equity Review, an adjustment upwards of 4% was made to certain positions falling within the updated pay grade bands. The figures below reflect the annual remuneration paid to Council if a 4% increase were to be applied. This would be proposed to take effect in 2024 in addition to any annual cost of living increase:

| | |
|-----------------|---------------------------------------|
| Mayor | \$37,008.24 (+Increase of \$1,423.00) |
| Deputy Mayor | \$27,158.35 (+Increase of \$1,044.00) |
| Ward Councillor | \$23,654.98 (+increase of \$905.00) |

Option 2 – Apply a one-time \$2,500.00 Increase to Remuneration Paid

Council can opt to apply a \$2,500.00 increase to the salaries for Mayor, Deputy Mayor and Ward Councillor, similar to the process undertaken in 2019 where an amount of \$5,000.00 was added.

This would be proposed to take effect in 2024 in addition to any annual cost of living increase and would amount to the following:

| | |
|-----------------|-------------|
| Mayor | \$38,084.85 |
| Deputy Mayor | \$28,613.80 |
| Ward Councillor | \$25,137.49 |

Option 3 – Do nothing or recommend an alternative remuneration for Council

Should Council wish to maintain the status quo, and/or apply a change to annual compensation which is different from the amounts contained above, Council can by resolution adopt a motion to provide direction to staff to adjust the remuneration paid to Council by an amount of their choosing.

Conclusion:

Based on the remuneration data provided, Council is asked to consider whether any change to their annual compensation is recommended. Should a change be proposed, Council can, by way of resolution, make a determination on the annual amount to be paid to Council beginning in 2024.

Financial Implications:

The overall financial impact of applying a 4% increase is \$6,994.00 per year (Option 1).

The overall impact of applying a \$2,500.00 increase would amount to approximately \$17,500.00 per year (Option 2).

Strategic Plan:

This matter aligns with following strategic priorities:

- Balanced Growth

Ensuring adequate and appropriate compensation for elected representatives ensure the municipalities remuneration rates are consistent with those across the Province.

Attachments:

Appendix A1 – 2017 AMO Remuneration Survey