



The Corporation of the Town of Milton

Report To: Council

From: Janine Gallagher, Director, Human Resources

Date: July 18, 2022

Report No: CORS-055-22

Subject: Council Remuneration

Recommendation: THAT the base annual salary for the position of Councillor be increased by \$1,363 in accordance with the Council Compensation policy, effective November 15, 2022;

AND THAT the Council Compensation policy, appended to this report, be updated to eliminate the benefit premium cost sharing program of 50:50, so that 100% of the premium costs are paid for by the Town:

AND THAT the Council extended health and dental benefit plan be updated to mirror the non-union extended health and dental benefit plan.

EXECUTIVE SUMMARY

- Council remuneration is reviewed every 4 years, in the final year of the Council term, in accordance with the Council Compensation policy that was developed in 2014 and approved through report CORS-015-14.
- As per the policy, Council's salary is to be compared to the 50th percentile of the municipal comparator group after removing the highest and lowest salaries.
- A market review was conducted by staff resulting in a recommendation to increase the annual Councillor salary by \$1,363 and to maintain the current Mayor salary, in accordance with the guidelines set out in the Council Compensation policy.
- Council benefits, pension and expenses were also benchmarked as part of the review conducted by staff.
- It was found that all 9 responding municipalities provide an extended health and dental benefit plan to Council that mirrors their non-union plan and that Council benefits are 100% paid for by the municipality.

EXECUTIVE SUMMARY

- The findings have resulted in the recommendation to update the Council Compensation policy with the elimination of the Town's premium cost sharing program of 50:50, resulting in an increase to the Town's paid portion from 50% to 100%. In addition, it is recommended that the Council extended health and dental benefit plan be updated to mirror the non-union benefit plan.
- The recommended changes are to come into effect on November 15, 2022 for the next term of Council.

REPORT

Background

In order to ensure that Council compensation remains fair and competitive, a self-sustaining policy was developed in 2014 to determine remuneration for future terms of Council. This policy was approved through report CORS-015-14.

The policy provides direction for reviewing and setting Council compensation through the following framework:

1. A market comparison using comparator municipalities is to be conducted every term of Council in the final year of the term.
2. Comparators are based on similarities around population size and organizational structure and that they may change over time.
3. Council compensation is to be calculated using the 50th percentile of the comparator group after removing the highest and lowest salaries.
4. The results of the compensation review are to be presented to Council in a report, with recommendations for compensating members of Council for the future term of Council.
5. Members of Council salaries will be adjusted annually by the economic adjustment approved and applied to the salary bands for non-union Town staff.

The last adjustment to Council salaries, outside of the annual economic adjustments, was effective December 2018.

In addition to providing a compensation framework, the Council Compensation policy also includes provisions around benefit coverage for Members of Council. The current policy includes an option for extended health, dental, accidental death and dismemberment (AD&D) and life insurance coverage with a cost sharing premium of 50%. There were no changes to Council benefit coverage as a result of the last compensation review.



Discussion

A market review of Mayor and Councillor remuneration was conducted by staff through surveying the same comparator municipalities used for non-union compensation reviews. The comparator municipalities used were: Ajax, Barrie, Burlington, Caledon, Cambridge, Guelph, Halton Hills, Oakville, Richmond Hill, Waterloo and Whitby. Of the 11 comparators surveyed, 9 responses were received.

The survey included questions around method and frequency of compensation reviews, target market positioning, benefit coverage, OMERS participation and Council expenses.

Base Compensation

The results of the benchmarking survey are summarized below in comparison with the Mayor and Councillor current rate of compensation.

	Current Salary	50th Percentile of Comparator Group*
Mayor	\$124,102	\$124,251
Councillor	\$43,105	\$44,468

*50th percentile of respondents after highest and lowest salaries removed

In accordance with the Council Compensation policy it is recommended that the annual compensation for the Councillor role be adjusted to reflect the 50th percentile of the comparator group, as noted in the above chart, effective November 15, 2022. This results in an annual increase of \$1,363 per Councillor. As the current Mayor salary is consistent with the 50th percentile of the comparator group (with a differential of 0.12%), it is recommended to maintain the current salary.

Benefits

Council benefits were also benchmarked using the same comparator group. All 9 of the municipalities that responded confirmed that Council’s extended health and dental benefit plan mirrors the non-union plan and that the Council plan is 100% paid for by the municipality. Milton is the only municipality of the responding comparator group that requires Members of Council that elect to enroll in the benefit plan to participate in a premium cost sharing program.

In order to ensure Council remuneration remains fair and competitive, staff are recommending that the Council Compensation policy be updated to eliminate the premium cost sharing program of 50:50, so that 100% of the premium costs are paid for by the Town. In addition, it is recommended that the extended health and dental benefit plan be updated to mirror the non-union benefit plan, which includes the changes approved through Council Report No. CORS-042-21.



Discussion

The above compensation and benefit recommendations would come into effect on November 15, 2022 to align with the beginning of the new term of Council.

There are no recommended changes to participation in the OMERS pension plan or Council related expenses.

Financial Impact

As noted above, the recommendations in this report related to Council base compensation will result in an annual increase of \$1,363 per councillor with no change to the salary of the Mayor. This results in a total annual impact to the Town of \$12,419, once the Town's portion of all statutory deductions and OMERS are accounted for.

The annual financial impact of the recommended changes to Council benefits could range from an increase of \$12,312 (based on current Council enrolment) to a maximum of \$46,592 if all of Council elected to enrol in the plan. The cost impact from November 15, 2022 until the end of this year will be reflected in the variance reporting for 2022 year end, and the full annualized cost will be incorporated into the proposed 2023 Budget process.

Respectfully submitted,

Janine Gallagher
Director, Human Resources

For questions, please contact: Janine Gallagher Phone: Ext. 2146

Attachments

Appendix A - Council Compensation Policy (revised benefits section)

Approved by CAO
Andrew M. Siltala
Chief Administrative Officer

Recognition of Traditional Lands

The Town of Milton resides on the Treaty Lands and Territory of the Mississaugas of the Credit First Nation. We also recognize the traditional territory of the Huron-Wendat and Haudenosaunee people. The Town of Milton shares this land and the responsibility for the water, food and resources. We stand as allies with the First Nations as stewards of these lands.

No. 034: COUNCIL -Council Compensation Policy

Compensation

The monetary stipend of Councillors and the Mayor shall be adjusted annually by the economic adjustment approved and applied to the salary bands for non-union Town staff. A market comparison will be conducted every four (4) years.

Market Comparison

A market comparison using comparator municipalities will be conducted every term of Council in the final year of the term. The results will be presented to Council in a report, with recommendations for compensating members of Council for the future term of Council. Such market survey and any implementation of recommendations will be conducted by staff.

Comparator Municipalities

Ajax, Caledon, Clarington, Halton Hills and Newmarket and Wellington County will be used as comparators based on population size and organizational structure. The highest percentage increase and the lowest percentage increase will be deleted. The 50th percentile of the remainder will be calculated and compared to current salaries of the Mayor and members of Council. Should these municipalities cease to be viable comparators, alternates will be assigned.

Benefit Inclusions

Extended Health coverage (including travel), Dental coverage, Accidental Death and Dismemberment (AD&D) and Life Insurance will be extended to members of Council upon the commencement of the Council term. Enrolment is optional and is subject to the terms and conditions in the Plan booklet(s).

Such benefit coverage will be subject to waiting periods, provisions of the Town's benefit carrier, eligibility requirements and plan maximums. The premium costs are paid for by the Town.

Benefit Coverage Exclusions

The following benefits will not be provided to Members of Council:

- Short Term Disability
- Long Term Disability

OMERS

Members of Council will contribute to the OMERS pension plan subject to the provisions of the plan.