



Administrative Report

Office of the Chief Administrative Officer

To: Warden MacDonald and Members of Essex County Council

From: Sandra Zwiers, MAcc, CPA, CA
Chief Administrative Officer

Date: Wednesday, December 20, 2023

Subject: Council Remuneration - Market Comparison
Consultant Investigation Results

Report #: 2023-1220-CAO-R04-SZ

Purpose

To report out the results of an informal market survey of consultants with expertise in the field of performing compensation reviews for elected officials.

Background

At the December 6, 2023 Regular Meeting of County Council, Administration was directed to investigate the feasibility and cost of commissioning a market comparison study of elected official remuneration.

The County of Essex pays remuneration to County Council members based on a formula established by a citizens committee dating back to 2008. The Essex County Council Remuneration Advisory Committee recommended, and Council subsequently approved, the following formulas:

- 1) Warden Base Remuneration = The average pay for Mayors at the local municipal level x 2
- 2) Deputy Warden Remuneration = The average pay for Deputy Mayors at the local level x 0.5
- 3) County Councillor Remuneration = The average pay for Councillors at the local level x 0.5

The factor the average pay is multiplied by was based on feedback from County Council members themselves in 2008 which suggested the Warden required twice as much time/effort to tend to County business compared to

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local business while the Deputy Warden and County Council members required half as much time/effort as was expended at their local municipality to tend to County business.

Discussions by County Council at the December 6, 2023 meeting highlighted concern that the factors average pay is multiplied by no longer reflect the level of effort required to address County business.

Discussion

The CAO conducted an informal phone survey of three market compensation consultants. The discussions held with the consultants included:

- A background of the existing compensation formula for County Council;
- A brief summary of the Council discussion that occurred at the December 6, 2023 County Council Meeting;
- Proposed Project scope requirements which included, but may not be limited to: identifying appropriate comparators, compensation percentiles, comparing total compensation models (eg. Base pay, per diems, benefits, pension, technology, etc.), project reporting deliverables and public presentation to County Council;
- A discussion of the level of effort expected by County staff to complete the project;
- The consultant's level of experience performing projects of similar scope and size;
- Availability/willingness of the consultant to perform the work should County Council direct Administration to proceed with the project;
- Estimated timelines and approximate project completion date in 2024; and
- Estimated cost to perform the work.

In speaking with the consultants, it appears that the formula used by the County of Essex is unique and not the methodology employed by most other municipalities in establishing council remuneration. Most other municipalities perform a market survey at periodic intervals ranging from every three years to as infrequently as every seven years.

A project of the County's intended scope and size is estimated to take approximately six to eight weeks to complete and cost in the range of \$4,500 to \$7,000 (plus applicable taxes).

Financial Implications

The 2024 Draft Budget does not include an allowance to accommodate an increase in County Council remuneration nor does it include funding for a compensation review.

Administration recommends the 2024 Draft Budget be amended to include an amount of \$10,000, funded from the Rate Stabilization Reserve, to complete a Council Remuneration Study in early 2024. This change would be presented as part of public budget deliberations on January 10, 2024.

Once County Council has the results of the study, a decision can be made as to how and when changes to compensation will be made. Similar to other financial impacts related to collective bargaining, Administration recommends leveraging the Rate Stabilization Reserve in the first year of the change (2024) to cover any budget shortfall and incorporating the full cost of the compensation change into the levy in the next budget year (2025).

Consultations

N/A

Recommendation

That Essex County Council receive this report for information and further that Essex County Council provide direction to Administration to proceed with a Council Remuneration Market Review by selecting a consultant in accordance with the Corporation's Procurement Policy for services valued under \$10,000.

Approvals

Respectfully Submitted,

Sandra Zwiers

Sandra Zwiers, MAcc, CPA, CA, Chief Administrative Officer

Appendix	Title
N/A	N/A